

SECTION B – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

**CONSOLIDATED HISTORICAL INFORMATION AS AT AND FOR THE FINANCIAL PERIOD
ENDED 31 JANUARY 2023, THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023, THE
FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Project Glow Topco Limited

Consolidated Statement of Profit and Loss and Other Comprehensive Income For the periods ended 31 January 2023, 31 December 2023 and 31 December 2024

		16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
	Note			
Revenue	4	64,557	68,289	101,124
Cost of sales		(40,907)	(34,717)	(43,722)
Gross profit		23,650	33,572	57,402
Administrative expenses	5	(22,138)	(28,141)	(42,463)
Share-based payment expense	33	(2,188)	(1,095)	(836)
Exceptional administrative expenses	6	(2,250)	(928)	(1,545)
Other operating income	7	4	—	23
Operating (loss)/profit		(2,922)	3,408	12,581
Share of profit of joint venture	15	1,131	133	—
Fair value gain on remeasurement of joint venture	15	—	4,287	—
(Loss)/gain included in fair value on remeasurement of contingent consideration	21	—	(1,788)	1,135
Fair value gain on foreign exchange forward contracts	17	—	—	112
Finance costs	9	(7,357)	(6,855)	(8,631)
(Loss)/profit before tax		(9,148)	(815)	5,197
Tax credit/(charge) on loss	10	58	(669)	(3,447)
(Loss)/profit for the period/year		(9,090)	(1,484)	1,750
Other comprehensive expense:				
Foreign exchange losses		—	(109)	(26)
Other comprehensive expense, net of tax		—	(109)	(26)
Total comprehensive (loss)/profit for the period/year		(9,090)	(1,593)	1,724
Earnings per share				
<i>Basic EPS</i>	11	(£15.30)	(£2.52)	£2.60

All activities of the Group are from continuing operations. All the profit for the period is attributable to the equity holders of the Topco.

All items of other comprehensive income will subsequently be reclassified to profit or loss.

The accompanying notes are an integral part of the Historical Financial Information.

Project Glow Topco Limited

Consolidated Statement of Financial Position As at 31 January 2023, 31 December 2023 and 31 December 2024

	Note	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Assets				
Non-current assets				
Property, plant and equipment	12	225	628	1,368
Right-of-use assets	13	336	1,841	1,822
Intangible assets	14	50,986	57,110	53,618
Investments	15	700	—	—
Deferred tax assets	22	—	—	284
Total non-current assets		52,247	59,579	57,092
Current assets				
Inventories	16	10,219	14,024	17,078
Trade and other receivables	17	5,647	5,930	16,749
Cash and cash equivalents	32	5,740	12,021	14,528
Total current assets		21,606	31,975	48,355
Total assets		73,853	91,554	105,447
Liabilities and Equity				
Current liabilities				
Trade and other payables	18	13,358	13,743	20,947
Lease liabilities	13	144	243	297
Tax liability		143	1,307	3,955
Borrowings	19	—	4,874	71
Provisions	20	—	772	2,155
Total current liabilities		13,645	20,939	27,425
Non-current liabilities				
Lease liabilities	13	254	1,745	1,753
Borrowings	19	60,898	66,731	72,825
Contingent consideration	21	546	3,406	2,620
Deferred tax liabilities	22	4,818	4,307	3,838
Total non-current liabilities		66,516	76,189	81,036
Total liabilities		80,161	97,128	108,461
Net liabilities		(6,308)	(5,574)	(3,014)
Equity				
Share capital	23	6	7	7
Share premium	24	588	1,819	1,819
Foreign currency translation reserve	24	—	(109)	(135)
Share-based payment reserve	24	2,188	3,283	4,119
Retained earnings	24	(9,090)	(10,574)	(8,824)
Total deficit		(6,308)	(5,574)	(3,014)

The accompanying notes are an integral part of the Historical Financial Information.

Project Glow Topco Limited

Consolidated Statement of Cash Flows

For the periods ended 31 January 2023, 31 December 2023 and 31 December 2024

		16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
	Note			
Cash flows from operating activities				
(Loss)/profit for the period/year		(9,090)	(1,484)	1,750
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	12	91	133	183
Amortisation of right of use assets	13	174	301	335
Amortisation of intangible assets	14	3,598	3,158	3,849
Impairment loss on goodwill	14	—	1,271	3,600
Share of results of joint venture	15	(1,131)	(133)	—
Fair value gain on remeasurement of joint venture	15	—	(4,287)	—
Loss on disposal of intangible assets		5	—	3
Share-based payment expense	33	2,188	1,095	836
Fair value gain on foreign exchange forward contracts	17	—	—	(112)
Finance costs	9	7,357	6,855	8,631
Foreign exchange loss/(gain)		157	(291)	408
Interest paid on borrowings		(1,479)	(1,190)	(2,503)
Taxation	10	(58)	669	3,447
		1,812	6,097	20,427
Increase in inventories		(872)	(1,016)	(3,019)
(Increase)/decrease in trade and other receivables		(4,031)	122	(7,983)
Increase/(decrease) in trade and other payables		6,933	(31)	6,224
Increase in provisions		—	774	1,381
		3,842	5,946	17,030
Cash generated from operations				
Taxation paid		—	(4)	(1,552)
Net cash flows from operating activities		3,842	5,942	15,478
Cash flows from investing activities				
Purchases of property, plant and equipment	12	(94)	(510)	(919)
Purchase of intangible assets	14	(1,978)	(1,974)	(3,952)
Purchase of subsidiary undertaking, net of cash acquired		(29,843)	1,099	—
Advances to Directors		—	—	(2,750)
Net cash used in investing activities		(31,915)	(1,385)	(7,621)
Cash flows from financing activities				
Issue of ordinary shares		594	—	—
Issue of preference shares		15,836	247	—
Repayments of lease liabilities		(112)	(216)	(254)
Interest paid on lease liabilities		(49)	(174)	(193)
Drawdown of bank loans		22,244	—	13,540
Proceeds from loan notes		10,235	1,606	—
Repayment of bank loans		(14,778)	(33)	(18,035)
Net cash flows from/(used in) financing activities		33,970	1,430	(4,942)
Net increase in cash and cash equivalents		5,897	5,987	2,915
Cash and cash equivalents at beginning of year		—	5,740	12,021
Foreign exchange (losses)/gains		(157)	294	(408)
Cash and cash equivalents at end of year		5,740	12,021	14,528

The accompanying notes are an integral part of the Historical Financial Information.

Project Glow Topco Limited

Consolidated Statement of Changes in Equity For the periods ended 31 January 2023, 31 December 2023 and 31 December 2024

	Share capital £'000	Share premium account £'000	Foreign currency translation reserve £'000	Share- based payment reserve £'000	Retained earnings £'000	Total deficit £'000
At 11 October 2021	—	—	—	—	—	—
Comprehensive expense for the period						
Loss for the period	—	—	—	—	(9,090)	(9,090)
Total comprehensive expense for the period	—	—	—	—	(9,090)	(9,090)
Contributions by and distributions to owners						
Shares issued during the period	6	588	—	—	—	594
Share-based payment (Note 33)	—	—	—	2,188	—	2,188
Total transactions with owners	6	588	—	2,188	—	2,782
At 31 January 2023	6	588	—	2,188	(9,090)	(6,308)
Comprehensive expense for the period						
Loss for the period	—	—	—	—	(1,484)	(1,484)
Other comprehensive loss	—	—	(109)	—	—	(109)
Total comprehensive expense for the period	—	—	(109)	—	(1,484)	(1,593)
Contributions by and distributions to owners						
Shares issued during the period	1	1,231	—	—	—	1,232
Share-based payment (Note 33)	—	—	—	1,095	—	1,095
Total transactions with owners	1	1,231	—	1,095	—	2,327
At 31 December 2023	7	1,819	(109)	3,283	(10,574)	(5,574)
At 31 December 2023	7	1,819	(109)	3,283	(10,574)	(5,574)
Comprehensive income for the year						
Profit for the year	—	—	—	—	1,750	1,750
Other comprehensive loss	—	—	(26)	—	—	(26)
Total comprehensive income for the year	—	—	(26)	—	1,750	1,724
Contributions by and distributions to owners						
Share-based payment (Note 33)	—	—	—	836	—	836
Total transactions with owners	—	—	—	836	—	836
At 31 December 2024	7	1,819	(135)	4,119	(8,824)	(3,014)

The accompanying notes are an integral part of the Historical Financial Information.

Project Glow Topco Limited

Notes to the Historical Financial Information

For the periods ended 31 January 2023, 31 December 2023 and 31 December 2024

1 General information

Project Glow Topco Limited ("the Topco"), with the company number 13671831, is a private company limited by shares. It is incorporated, domiciled and registered in England and Wales under the Companies Act 2006. The Topco's registered office is C/O Alter Domus (Uk) Limited 10th Floor, 30 St Mary Axe, London, United Kingdom, EC3A 8BF.

Project Glow Topco Limited was incorporated on 11 October 2021. The principal activity of the Topco and its subsidiaries and subsidiary undertakings (together, "the Group") is the online retailing and wholesale distribution of beauty devices.

A full list of subsidiaries is detailed in note 15.

2 Accounting policies

Basis of preparation

The Historical Financial Information is presented for the 16 month period ended 31 January 2023, the 11 month period ended 31 December 2023, and the year ended 31 December 2024.

The Historical Financial Information has been prepared in accordance with UK-adopted International Accounting Standards. The Historical Financial Information has been prepared under the historical cost convention unless specifically stated otherwise. The accounting framework adopted is that to be applied in the next statutory financial statements for the year ending 31 December 2025.

The Historical Financial Information is the consolidated financial information of the Group.

The Historical Financial Information is presented in GBP and rounded to the nearest thousand, unless otherwise stated.

Basis of consolidation

The Historical Financial Information has been prepared under IFRS 10 *Consolidated Financial Statements*. The acquisitions during the 16 month period ended 31 January 2023, the 11 month period ended 31 December 2023, and the year ended 31 December 2024 have been accounted for under IFRS 3 *Business Combinations*.

Where the Topco has control over an investee, it is classified as a subsidiary. The Topco 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the individual financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Changes in accounting policies

a) 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 period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- 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 impact of these new accounting standards and amendments. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

Segmental reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that differ from other segments. The Directors have reviewed the various business activities undertaken by the Group. The Group is organised around three operating segments: CurrentBody, Third Party and ZIIP. Each segment contributes distinct revenues, expenses, assets and liabilities. The chief operating decision makers, who are best placed to evaluate the entity's operating results, have ratified this segmentation to assess performance and to allocate resources effectively. Therefore, the Group's operations are reported across these three business segments.

Going concern

The Historical Financial Information has been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

At 31 December 2024, the Group had net liabilities of £3,014k (31 December 2023 – £5,574k and 31 January 2023 – £6,308k), net current assets of £20,930k (31 December 2023 – £11,036k and 31 January 2023 – £7,961k) including cash at bank of £14,528k (31 December 2023 – £12,021k and 31 January 2023 – £5,740k). Group net liabilities include £81,036k (31 December 2023 – £76,189k and 31 January 2023 – £66,516k) amounts payable after one year.

The global economy, cost of living increase and the war in Ukraine have had a limited impact on the Group's going concern. The business has mitigated the risks by diversifying globally by territory as well as having a varied portfolio of product categories across electronic beauty devices.

Subsequent to 31 December 2024, a baseline 10% tariff on almost all foreign imports to the US has been introduced, with significantly higher tariffs being imposed on imports from some countries, most notably China. The UK and other governments are responding by seeking to negotiate trade deals, whilst other nations have imposed their own retaliatory tariffs. Faced with uncertainty the Directors have taken prompt steps to reduce the Group's exposure to the US tariffs. Furthermore, the Directors have modelled the impact of different scenarios on Group performance and stress testing shows that the Group can withstand significant increased import tariff costs. The board consider themselves to be in a strong position to withstand these future uncertainties.

As part of their going concern review, the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks". The Directors have prepared detailed financial forecasts and cash flows looking 12 months ahead from the date this document is approved. In drawing up these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Group has successfully completed a refinancing arrangement with Santander, securing new facilities comprising Loan A of £15 million at an interest rate of 3.25% plus base rate per annum and Loan B of £10 million at an interest rate of 3.75% plus base rate per annum, both repayable over a three-year term. Additionally, a Trade Finance facility has been established at

a rate of 2% plus base rate per annum. The proceeds from these facilities have been used to repay a significant portion of the Group's outstanding loan notes and preference shares, thereby improving the Group's liquidity position and reducing financial risk.

The Topco and its subsidiaries have sufficient financial resources, together with forecast future cash flows to continue operations with the existing facilities in place. The Topco has received written confirmation of financial support from other Group companies as required. As a consequence, the Directors believe that the Topco is well placed to manage its business risks successfully.

Revenue recognition from contracts with customers

The Group is required to apportion revenue earned from customers to performance obligations and determine the appropriate timing method of revenue recognition using the 5-step model. Under IFRS 15, revenue is recognised once control of the promised goods or service is transferred to the customer and when the performance obligations have been satisfied.

All of the Group's revenue, which excludes value added tax and is shown net of any discounts allowed, represents the value of services provided by the Group from its principal activity, being the online retailing and wholesale distribution of beauty devices.

In the case of goods sold through online retailing where the customer has opted for delivery or click and collect, revenue is recognised when the performance obligation of transferring the goods to the customer has been satisfied, which is at a point in time when control of the goods has transferred to the customer. This is generally when the customer has taken undisputed delivery of the goods. 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 and retains none of the significant risks and rewards of the goods in question. Transactions are settled by advance payment via credit card, debit card or credit account.

In the case of goods sold to other businesses via wholesale distribution channels, revenue is recognised when the Group has satisfied the performance obligation of transferring the goods to the customer upon delivery. Payment terms are generally 30-60 days with no right of return.

The Group's product revenue is based on fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Therefore, there is no judgement involved in allocating the contract price to each unit as there is a fixed unit price for each product sold.

The goods sold by the Group include warranties and a returns policy, which require the Group to either replace, mend, or accept the return of a defective product if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties and returns are not accounted for as separate performance obligations, and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties and processing returns in accordance with IAS 37.

Share-based payment

Equity-settled

Where shares are awarded to employees that constitute the definition of a share-based payment arrangement, the fair value of the shares at the date of grant is charged to profit or loss in the Consolidated Statement of Profit and Loss and Other Comprehensive Income over the vesting period.

Non-market vesting conditions are taken into account 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. Market vesting conditions are factored into the fair value of the growth shares granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account 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 Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Exceptional items

The Group presents exceptional items on the face of the Consolidated Statement of Profit and Loss and Other Comprehensive Income. These are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence. This allows to better understand the elements of financial performance for the period, facilitating comparison with prior periods and assessing trends in financial performance more readily.

Foreign currency transactions and balances*Transactions and balances*

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, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognised in profit or loss.

On consolidation, the results of overseas operations are translated into GBP 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 profit or loss in 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 concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

Post-retirement benefits*Defined contribution pension plan*

The Group operates a defined contribution plan for its employees. The assets of the plan are held separately from those of the Group in independently administered funds.

The contributions are recognised as an expense in the Consolidated Statement of Profit and Loss and Other Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position.

Finance costs

Finance costs consist of interest charged on borrowings and are charged to the Consolidated Statement of Profit and Loss and Other Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated Statement of Financial Position differs from its tax base, except for differences arising on:

- 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, and
- investments in subsidiaries and joint arrangements 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 reporting date in the jurisdiction where profits attributable to the assets are to be realised and are expected to apply when the deferred tax liabilities are settled.

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

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 Group 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 or liabilities are expected to be settled or recovered.

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 plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.

Goodwill is capitalised as an intangible asset that is not amortised but instead tested annually for impairment. Any impairment in carrying value is charged to the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Business combinations

The consolidated Historical Financial Information incorporate the results of business combinations using the acquisition method. In the Consolidated 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 Profit and Loss and Other Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill represents the excess of the consideration transferred in 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, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in the acquisition cost at its fair value and is classified as a financial liability, re-measured subsequently through profit or loss to fair value. In determining the fair value of contingent consideration, the amounts expected to be payable in the future are discounted to their present value as at the date of acquisition, if the impact is considered material. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Direct costs of acquisition are recognised immediately as an expense.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group determines joint control based on several factors, including percentage ownership, typically requiring a significant ownership stake, such as 50%, to ensure shared decision-making power.

The Group was party to a joint arrangement during the 16 month period ended 31 January 2023 and classified its interests in joint arrangements as a joint venture as the Group had rights to only the net assets of the joint arrangement by virtue of its 50% in the joint venture.

Joint ventures are initially recognised in the Consolidated Statement of Financial Position at cost. Subsequently joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses).

The nature of risks associated with the Group's interests in joint ventures includes exposure to market fluctuations, operational challenges, and financial performance of the joint venture. Changes in these risks are monitored regularly, and the Group assesses its exposure to ensure appropriate risk management strategies are in place.

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint ventures.

Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Intangible assets other than goodwill

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if the Group can demonstrate all of the following conditions:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, being the period over which the Group expects to benefit from selling the products developed.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only. The Directors consider this to be a cautious approach.

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research has been recognised as an expense in the Consolidated Statement of Profit and Loss and Other Comprehensive Income when it is incurred.

The amortisation expense is included within administrative expenses the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Amortisation is calculated on a straight-line basis over the estimate useful life of the asset as follows:

Category	Amortisation %	Remaining useful life
Patents and licences	10%	4 to 10 years
Product development	50%	1 to 2 years
Website costs	20%	1 to 5 years
Intellectual property	20%	2 to 3 years
Brand	10%	8 to 10 years

The amortisation expense is included within administrative expenses in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses, if any. Cost includes initial cost and subsequent expenditures that are directly attributable to the related asset when it is probable that future economic benefits associated

with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to Consolidated Statement of Profit and Loss and Other Comprehensive Income during the year they are incurred.

Depreciation is provided on items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives on a straight-line basis.

Depreciation is provided on the following basis:

Leasehold property Improvements	– 10% straight line
Plant and equipment	– 20% – 25% straight line
Fixtures and fittings	– 20% straight line
Computer equipment	– 20% – 33% straight line
Assets under construction	– Not depreciated until brought into use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate. If there is an indication of a significant change since the last reporting date, the recoverable amount of the asset in its current condition is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset is the greater of its value in use and its fair value less cost of disposal. An impairment loss is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, wherever the carrying amount of the asset exceeds its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Leases

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- there is an identified asset;
- the Group obtains substantially all the economic benefits from use of the asset; and
- the Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Lease measurement

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 exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

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 (typically leasehold dilapidations).

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 reassesses 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 using 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, except the discount rate remains unchanged. 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. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

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 renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased for an amount that is not commensurate with the standalone price for the additional rights-of-use obtained), 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 assets are reduced by the same proportion to reflect the partial or 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.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the

asset is estimated to determine the extent of the impairment loss (if any). Goodwill is reviewed for impairment at least annually. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost of disposal. Impairment losses are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversal of impairment losses are also recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Under IFRS 9, the Group must use an impairment model to assess the recoverable amount of loans and receivables. The impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost such as long and short-term receivables. There is no material change in the loss allowance for these instruments. For trade receivables, which are reported net, such losses are recorded on a separate losses account with the loss being recognised within operating expenses in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Cash and cash equivalents

Cash is represented by cash in hand. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

For warranty provisions, expected costs are recognised at the date of sale of the beauty devices, based on the best estimate of the expenditure needed to settle the Group's obligation. The provisions are calculated based on management's best estimate using historical data and anticipated future claims, ensuring accuracy in line with IAS 37.

Provisions are charged as an expense to the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets include the following items:

- Trade receivables, amounts owed by group undertakings and other short-term receivables, which are initially recognised at fair value and subsequently carried at amortised cost.
- Foreign exchange forward contracts
- Cash and cash equivalents.

Initial measurement

A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially recognised at their transaction amount.

Subsequent measurement

Assets classified as at amortised cost are subsequently measured using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash receipts through the life of the instrument to the net carrying amount on initial recognition. Interest income is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss (FVTPL). Further, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL) for trade receivables, with ECL being losses that arise from possible default events over the expected life of the financial instrument. ECLs are a probability weighted estimate of credit losses, measured as the present value of cash shortfalls, discounted at the effective interest rate of the financial asset.

Lifetime ECLs are the ECLs from all possible default events over the expected life of the financial instrument and are based on quantitative and qualitative information, based on historical experience and forward-looking information. ECL losses are recognised through profit or loss within the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Definition of default

For internal credit risk management purposes, the Group considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- a) significant financial difficulty of the issuer or the counterparty;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group derecognises a financial asset when there is information indicating that the debtor should be fully impaired, and a 100% loss allowance is recognised.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Topco are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the Historical Financial Information, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. The outcome may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed and revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

Critical judgements in applying the Group's accounting policies

Capitalisation of internal development costs

Expenditure incurred on internal development projects is capitalised as an intangible asset to the extent that the technical, commercial and financial feasibility can be demonstrated by the Group. Estimates of the amount of the internal staff development time allocated to each project are reviewed on an ongoing basis by the Directors.

Determination of lease terms

Management calculated the lease term for each lease to be from the date of initial application (being the date of incorporation of the Topco) or the lease commencement date for leases signed after the incorporation date, to the agreed lease expiration date as stated within the signed lease agreements. Management is not reasonably certain that the leases will be extended past these dates.

Identification of separable intangible assets on business acquisitions

The Group exercises critical judgement in identifying separable intangible assets during business acquisitions, which involves determining whether intangible assets can be separated from the acquired entity or arise from contractual or other legal rights. Management evaluates these assets to ensure they are recognised separately from goodwill, considering factors such as trademarks, patents, and customer relationships. This assessment impacts the financial statements, influencing both the Consolidated Statement of Financial Position and future amortisation expenses.

Contingent consideration

Contingent consideration in relation to a business combination is recognised as an adjustment to Consolidated Statement of Profit and Loss and Other Comprehensive Income when the Directors consider that settlement is probable and can be reliably measured.

Key sources of estimation uncertainty

Share-based payment (Fair value of C and D Ordinary shares)

The fair value of the C and D Ordinary shares granted under the equity settled share based payment arrangement was determined using the Monte Carlo valuation model which involves significant estimates in the assumptions applied. See note 33 for further details.

Goodwill

Goodwill is allocated to the cash generating units (CGUs), that are expected to benefit from the business combination from which goodwill was recognised. Other intangible assets arising

on acquisition, such as brand names and intellectual property are also allocated to the same CGUs. The Group performs annual impairment tests on the carrying value of its goodwill. The impairment test assesses the recoverable amount of a cash generating unit (CGU) against the goodwill carrying amount for that CGU. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. This assessment requires estimates and assumptions to be made in respect of cash flow forecasts, terminal value and discount rates. To the extent that estimates and assumptions made in this calculation change, the results of the impairment may also change. The Group has recognised an impairment of £3,600k for the year ended 31 December 2024 (11 month period ended 31 December 2023 – £1,271k and 16 month period ended 31 January 2023 – £Nil). See note 14 for further details.

Expected credit losses

The Group estimates the expected credit losses on trade and other receivables by assessing the likelihood of the balances being settled in the future. The assessment requires estimates and assumptions to be made in respect of the discount rate, net assets value, future trading prospects including net present value of cashflows and future enterprise valuation of each receivable with a balance due to the Group. The expected credit loss recognised is a function of management's judgement and estimate of the probable outcomes for each receivable at each reporting date. To the extent that estimates and assumptions in the calculation change, the results of the expected credit loss may also change. An expected credit loss impairment of £Nil has been recognised in the year to 31 December 2024 (11 month period ended 31 December 2023 – £Nil and 16 month period ended 31 January 2023 – £Nil).

Inventory provisioning

Consideration has been given by the Directors to the level of provision against stocks. In determining the provision required, the Directors have used historical experience and their knowledge of the industry. A 2% change in the estimated provision would impact the impairment of inventory expense recognised by circa £356k. For periods ended 31 December 2024, the impairment of inventory expense recognised was £711k (31 December 2023 – £266k and 31 January 2023 – £299k).

Useful economic life of intangible fixed assets

The useful economic lives of intangible fixed assets must be estimated by the Directors to determine the period over which they are amortised. A change in the estimated useful life by one year would result in a change of £1,402k to the amortisation charged to the Consolidated Statement of Profit and Loss and Other Comprehensive Income. The net book value of these fixed assets is £19,600k as at 31 December 2024 (31 December 2023 – £19,492k and 31 January 2023 – £20,702k).

Warranty provision

Warranty provisions represent management's best estimate of the costs expected to arise from fulfilling warranty obligations. A 1% change in the estimated costs would impact the warranty provision recognised by circa £1,011k as at 31 December 2024. These provisions are based on historical data and anticipated future claims related to sale of beauty devices. Management assesses these obligations collectively due to their similar nature and consistent application across products. In line with IAS 37, the Group ensures that the provisions reflect the most accurate estimate of the expenditure required to settle these obligations, considering relevant risks and uncertainties.

4 Segmental reporting

Description of the types of products and services from which each reportable segment derives its revenues

- Currentbody – Own brand beauty technology products primarily sold through its e-commerce platforms and marketplaces globally, including LED masks, radiofrequency devices, and facial cleansing tools.
- Third Party – Distributions and resale of beauty devices and accessories from external brands via the CurrentBody website, acting as a retailer of third-party brands alongside its own range.

- ZIIP – Manufacturing and selling premium microcurrent facial devices and skincare products under the ZIIP brand, marketed primarily through its own e-commerce platforms and marketplaces globally.

Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following tables, based on segments and geographical location, which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Year ended 31 December 2024	Current-body £'000	Third Party £'000	ZIIP £'000	Total £'000
Revenue	79,071	13,072	8,981	101,124
Cost of Sales	(28,811)	(11,267)	(3,644)	(43,722)
Gross Profit	50,260	1,805	5,337	57,402
Administrative expenses				(42,463)
Share-based payment expense				(836)
Exceptional administrative expenses				(1,545)
Other operating income				23
(Loss)/gain included in fair value on remeasurement of contingent consideration				1,135
Fair value gain on foreign exchange forward contracts				112
Finance costs				(8,631)
Profit before tax				5,197

Period ended 31 December 2023	Current-body £'000	Third Party £'000	ZIIP £'000	Total £'000
Revenue	40,595	21,892	5,802	68,289
Cost of Sales	(14,257)	(17,640)	(2,820)	(34,717)
Gross Profit	26,338	4,252	2,982	33,572
Administrative expenses				(28,141)
Share-based payment expense				(1,095)
Exceptional administrative expenses				(928)
Share of profit of joint venture				133
Fair value gain on remeasurement of joint venture				4,287
(Loss)/gain included in fair value on remeasurement of contingent consideration				(1,788)
Finance costs				(6,855)
Loss before tax				(815)

Period ended 31 January 2023	Current-body £'000	Third Party £'000	ZIIP £'000	Total £'000
Revenue	27,883	33,925	2,749	64,557
Cost of Sales	(11,951)	(27,426)	(1,530)	(40,907)
Gross Profit	15,932	6,499	1,219	23,650
Administrative expenses				(22,138)
Share-based payment expense				(2,188)
Exceptional administrative expenses				(2,250)
Other operating income				4
Share of profit of joint venture				1,131
Finance costs				(7,357)
Loss before tax				(9,148)

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Revenue by geographical location:			
United Kingdom and Ireland	14,634	12,081	22,679
USA and Canada	17,301	20,377	37,217
Rest of Europe	10,756	11,816	22,925
Asia	17,010	20,703	13,778
Rest of the World	4,856	3,312	4,525
	64,557	68,289	101,124

5 Expenses by nature

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Depreciation of property, plant and equipment	91	133	183
Amortisation of right of use assets	174	301	335
Amortisation of intangible assets	3,598	3,158	3,849
Impairment loss on goodwill	—	1,271	3,600
Research and development expenses	90	52	81
Loss on disposal of intangible fixed assets	5	—	3
Cost of inventories recognised as an expense	40,907	34,717	43,722
Foreign exchange	157	(291)	408
Impairment of inventory	299	266	711

6 Exceptional administrative expenses

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Deal fees	2,001	673	1,275
Office relocation costs	30	134	—
Legal disputes	136	121	270
Board hiring fees	83	—	—
	2,250	928	1,545

Deal fees relate to the acquisition of ZIIP Inc, the acquisition of CBT At-Home Beauty Holdings PTE, expenses associated with exploring a private equity acquisition and IPO related costs.

Office relocation costs relate to the transfer costs associated with moving to new US and UK warehouses.

Legal dispute costs relate to trademark and misrepresentation disputes.

Board hiring fees relate to the hiring of new chair and board fees attributable to non-trading items.

7 Other operating income

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Sundry income	4	-	23

8 Employee benefit expenses

The aggregate employee benefit expenses were as follows:

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Wages and salaries	4,311	5,566	10,193
Social security costs	421	571	1,297
Costs of defined contribution scheme	121	148	243
Share-based payment expense (Note 33)	2,188	1,095	836
	7,041	7,380	12,569

Employee benefit expenses were £nil for the period ended 31 December 2024 (11 month period ended 31 December 2023 – £95k and 16 month period ended 31 January 2023 – £21k) recognised within exceptional items in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The payroll costs disclosed above include staff costs relating to the development of software of £1,858k for the year ended 31 December 2024 (11 month period ended 31 December 2023

– £1,141k and 16 month period ended 31 January 2023 – £423k) were capitalised in intangible assets.

The average number of employees was as follows:

	16 month period ended 31 January 2023 Number	11 month period ended 31 December 2023 Number	Year ended 31 December 2024 Number
Marketing	23	41	55
Customer service	23	25	34
Developmental	3	6	8
Finance	6	7	9
Operational	38	66	98
Directors	4	4	4
	96	150	209

9 Finance costs

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Interest on bank loans	2,131	2,160	2,700
Interest on loan notes	1,881	2,186	2,737
Interest on preference shares	3,239	2,280	2,851
Interest on lease liabilities	49	174	193
Unwinding of discount on contingent consideration	57	55	150
	7,357	6,855	8,631

10 Taxation

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
UK corporation tax			
Current tax on income for the period	624	1,340	4,050
Adjustment in respect of prior period	(281)	(109)	17
Foreign tax	—	(64)	133
Total current tax	343	1,167	4,200
Deferred tax			
Origination and reversal of temporary timing differences	(315)	(474)	(757)
Adjustment in respect of prior period	(86)	(24)	4
Total deferred tax	(401)	(498)	(753)
Tax (credit)/charge on loss	(58)	669	3,447

The reasons for the difference between the actual tax (credit)/charge for the period/year and the effective standard rate of corporation tax applied to profits for the year are as follows:

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
(Loss)/profit before tax	(9,148)	(815)	5,197
Corporation tax at standard/effective rate of 25% (11 month period ended 31 December 2023 – 23.94% and 16 month period ended 31 January 2023 – 19.00%)	(1,738)	(195)	1,299
<i>Effects of:</i>			
Expenses not deductible for tax purposes	2,321	2,369	3,202
Income not taxable	(89)	(116)	(964)
Research and development tax credit	(61)	—	—
Remeasurement of deferred tax for changes in tax rates	(48)	—	—
Fixed asset differences	(485)	(272)	95
Adjustments in respect of prior years	—	(133)	21
Deferred tax not recognised	42	(964)	(206)
Changes in tax rate	—	(20)	—
Total tax (credit)/charge for the period	(58)	669	3,447

Factors that may affect future tax charges

On 1 April 2023, the main rate of corporation tax increased to 25% from the previous rate of 19%. The tax rate applied of 23.94% during the 11 month period ended 31 December 2023 represents a blended rate to account for the two rates which were in effect throughout the period. The deferred taxation balances have been measured using 25%, which is the enacted rate applicable in the reporting periods when the timing differences reverse.

11 Earnings per share

Basic earnings per share is based on the profit after tax for the year and the weighted average number of shares in issue during the year. All classes of shares in issue have equal rights and are being treated as one class of share.

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
<i>Earnings</i>			
(Loss)/profit attributable to equity holders of the Group	(9,090)	(1,593)	1,724
<i>Number of shares</i>			
Weighted average number of shares in issue during the period/year ('000)	594	633	662
Earnings per share			
Basic	(£15.30)	(£2.52)	£2.60

Diluted earnings per share is the same as Basic earnings per share detailed above.

12 Property, plant and equipment

	Leasehold improvements £'000	Plant and Equipment £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Assets under construction £'000	Total £'000
<i>Cost</i>						
At 11 October 2021	—	—	—	—	—	—
Additions	—	—	54	40	—	94
Business combinations	36	1	145	40	—	222
Disposals	—	—	(4)	—	—	(4)
At 31 January 2023	36	1	195	80	—	312
Additions	43	5	404	58	—	510
Business combinations	—	—	—	32	—	32
Foreign exchange	—	—	(7)	—	—	(7)
At 31 December 2023	79	6	592	170	—	847
Additions	—	1	79	72	767	919
Correction to presentation	—	—	(35)	—	—	(35)
Foreign exchange	—	—	5	—	—	5
At 31 December 2024	79	7	641	242	767	1,736
<i>Depreciation and impairment</i>						
At 11 October 2021	—	—	—	—	—	—
Charge for the period	5	1	59	26	—	91
Disposals	—	—	(4)	—	—	(4)
At 31 January 2023	5	1	55	26	—	87
Charge for the period	8	1	100	24	—	133
Foreign exchange	—	—	(2)	1	—	(1)
At 31 December 2023	13	2	153	51	—	219
Charge for the period	8	1	138	36	—	183
Correction to presentation	—	—	(35)	—	—	(35)
Foreign exchange	—	—	1	—	—	1
At 31 December 2024	21	3	257	87	—	368
<i>Net book value</i>						
At 31 January 2023	31	—	140	54	—	225
At 31 December 2023	66	4	439	119	—	628
At 31 December 2024	58	4	384	155	767	1,368

13 Right-of-use assets and lease liabilities**Right-of-use assets**

	Land and buildings £'000
<i>Cost</i>	
At 11 October 2021	—
Business combinations	510
At 31 January 2023	510
Additions	1,860
Business combinations	19
Modifications and amendments	(23)
Disposals	(87)
Foreign exchange	(37)
At 31 December 2023	2,242
Additions	309
Foreign exchange	7
At 31 December 2024	2,558
<i>Amortisation</i>	
At 11 October 2021	—
Charge for the period	174
At 31 January 2023	174
Charge for the period	301
Disposals	(74)
At 31 December 2023	401
Charge for the year	335
At 31 December 2024	736
<i>Net book value</i>	
At 31 January 2023	336
At 31 December 2023	1,841
At 31 December 2024	1,822

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions, for property leases the periodic rent is fixed over the lease term. Leases to which the Group is committed but have not yet commenced at period/year end are not considered to be material. There are no covenants or unusual extension options associated with these leases. The table below provides a detailed breakdown of the number of leases by geographical location, reflecting the jurisdictions in which the Group operates:

	16 month period ended 31 January 2023 Number	11 month period ended 31 December 2023 Number	Year ended 31 December 2024 Number
United Kingdom	2	3	4
United States of America	2	3	1
China	—	1	—
	<u> </u>	<u> </u>	<u> </u>

Lease liabilities

	Total £'000
At 11 October 2021	—
Business combinations	510
Interest expense	49
Lease payments	(161)
	<u> </u>
At 31 January 2023	398
Additions	1,848
Business combinations	19
Modifications and amendments	(24)
Interest expense	174
Lease payments	(390)
Foreign exchange	(37)
	<u> </u>
At 31 December 2023	1,988
Additions	309
Interest expense	193
Lease payments	(447)
Foreign exchange	7
	<u> </u>
At 31 December 2024	2,050
	<u> </u>

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Analysed as:			
Non-current	254	1,745	1,753
Current	144	243	297
	398	1,988	2,050
Expense relating to short-term leases recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income	3	7	12

14 Intangible assets

	Goodwill £'000	Patents and licences £'000	Product development £'000	Website cost £'000	Intellectual property £'000	Brand £'000	Total £'000
<i>Cost</i>							
At 11 October 2021	—	—	—	—	—	—	—
Additions	—	11	806	1,161	—	—	1,978
Business combinations	30,284	36	395	1,343	1,069	19,484	52,611
Disposals	—	—	—	(158)	—	—	(158)
At 31 January 2023	30,284	47	1,201	2,346	1,069	19,484	54,431
Additions	—	36	1,400	538	—	—	1,974
Business combinations	8,605	—	—	—	—	—	8,605
Foreign exchange	—	—	(21)	(9)	—	—	(30)
At 31 December 2023	38,889	83	2,580	2,875	1,069	19,484	64,980
Additions	—	43	2,020	872	—	1,017	3,952
Foreign exchange	—	—	24	4	—	19	47
Disposals	—	—	(3)	—	—	—	(3)
At 31 December 2024	38,889	126	4,621	3,751	1,069	20,520	68,976
<i>Amortisation and impairment</i>							
At 11 October 2021	—	—	—	—	—	—	—
Amortisation charge for the period	—	6	525	537	160	2,370	3,598
Disposals	—	—	—	(153)	—	—	(153)
At 31 January 2023	—	6	525	384	160	2,370	3,445
Amortisation charge for the period	—	6	662	508	196	1,786	3,158
Impairment	1,271	—	—	—	—	—	1,271
Foreign exchange	—	—	(4)	—	—	—	(4)
At 31 December 2023	1,271	12	1,183	892	356	4,156	7,870
Amortisation charge for the period	—	10	1,061	616	214	1,948	3,849
Impairment	3,600	—	—	—	—	—	3,600
Foreign exchange	—	—	6	33	—	—	39
At 31 December 2024	4,871	22	2,250	1,541	570	6,104	15,358
<i>Net book value</i>							
At 31 January 2023	30,284	41	676	1,962	909	17,114	50,986
At 31 December 2023	37,618	71	1,397	1,983	713	15,328	57,110
At 31 December 2024	34,018	104	2,371	2,210	499	14,416	53,618

Amortisation charge is recognised in administrative expenses in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

In September 2024, the Group acquired the Tria brand name for a consideration of \$1,300k, having the remaining useful life of 10 years. The carrying value of the Tria brand as at 31 December 2024 is £1,036k.

Goodwill Impairment review

Goodwill is tested for impairment at each of the reporting date on the basis of value in use calculations. The use of this method requires the estimation of future cash flows, including application of terminal value, and the determination of a pre-tax discount in order to calculate the present value of the cash flows. The carrying amount of goodwill is allocated to the CGUs as follows:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
The Beauty Tech Group Limited	26.957	26.957	26.957
ZIIP Inc.	3,327	3,327	3,327
CBT At-Home Beauty Holdings PTE	—	7,334	3,734
	30,284	37,618	34,018

At 31 December 2024, following the impairment review, management concluded that CBT AT-Home Beauty Holdings PTE has suffered an impairment loss of £3,600k (11 month period ended 31 December 2023 – £1,271k and 16 month period ended 31 January 2023 – £Nil), reflecting its loss-making performance during the year.

The calculation of value in use for all the above CGUs is most sensitive to the following assumptions:

- *Pre-tax discount rate*

Pre-tax discount rate based on a weighted average cost of capital (WACC) of 19.9% (11 month period ended 31 December 2023 – 18.6% and 16 month period ended 31 January 2023 – 17.5%) applied to the cash flow projections used in the value in use calculations.

- *Performance in the market*

Reflects how management believes that the CGU will perform over the five year-period from 31 December 2024 and is used to calculate the value in use of the CGUs.

CGU specific operating assumptions are applicable to the forecasted cash flows for the years 2025 to 2029 and relate to revenue forecasts and underlying profit margins in each of the operating CGUs. The value ascribed to each assumption will vary between CGUs as the forecasts are built up from the underlying business units within each CGU group. These assumptions are based upon a combination of past experience of observable trends and expectations of future changes in the market.

15 Investments

	Investments in joint ventures £'000
<i>Cost</i>	
At 11 October 2021	—
Share of profits for the period	700
At 31 January 2023	700
Share of retained profits for the period	133
Fair value gain on remeasurement on acquisition date	4,287
Acquisition of subsidiary	(4,985)
Foreign exchange	(135)
At 31 December 2023	—
Share of profits for the period	—
At 31 December 2024	—

The Group had a 50% interest in Joint Venture, CBT At-Home Beauty Holdings PTE. On 22 June 2023, the Group acquired an additional 50% of the ordinary share capital of joint venture CBT At-Home Beauty Holdings PTE, resulting in the entity registered in Singapore, becoming a wholly owned Subsidiary.

Summarised financial information in relation to the joint venture is presented below:

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Current assets	3,585	—	—
Non-current assets	2	—	—
Current liabilities	(984)	—	—
Non-current liabilities	(765)	—	—
Net assets	1,838	—	—
Group share of net assets	919	—	—
Revenue	12,702	5,471	—
Depreciation and amortisation	(61)	—	—
Interest expense	(164)	—	—
Tax expense	(306)	(130)	—
Profit for the period/year	2,283	242	—
Total comprehensive income	2,283	242	—

Group subsidiaries

Details of the Group subsidiaries are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Class of Share	Proportion of ownership interest and voting rights held by the Group		
			31 January 2023	31 December 2023	31 December 2024
Project Glow Midco Limited	United Kingdom ⁽¹⁾	Ordinary	100%	100%	100%
Project Glow Bidco Limited*	United Kingdom ⁽¹⁾	Ordinary	100%	100%	100%
The Beauty Tech Group Limited*	United Kingdom ⁽²⁾	Ordinary	100%	100%	100%
Aesthete Holding Corporation*	USA ⁽³⁾	Ordinary	100%	100%	100%
ZIIP Inc. *	USA ⁽⁴⁾	Ordinary	100%	100%	100%
The Beauty Tech Group B.V (formerly Currentbody B.V)*	Netherlands ⁽⁵⁾	Ordinary	100%	100%	100%
The Beauty Tech Group LLC (formerly Currentbody LLC)*	USA ⁽⁶⁾	Ordinary	100%	100%	100%
Glow Services HK Limited (formerly Currentbody.com HK Limited)*	Hong Kong ⁽⁷⁾	Ordinary	100%	100%	100%
CBT At-Home Beauty Holdings PTE*	Singapore ⁽⁸⁾	Ordinary	50%	100%	100%
CBT At-Home Beauty (Shanghai) Ltd*	China ⁽⁹⁾	Ordinary	50%	100%	100%
The Beauty Tech Group Japan Godo Kaisha*	Japan ⁽¹⁰⁾	Ordinary	—	—	100%
CURRENTBODY SKIN LTD*	United Kingdom ⁽¹¹⁾	Ordinary	—	—	100%
Tria Laser Inc*	USA ⁽²⁾	Ordinary	—	—	100%

* indirectly held

Tria Laser Inc was incorporated on 27 November 2024 and remained dormant for the rest of 2024.

Registered office addresses:

- 1 C/O Alter Domus (Uk) Limited, 10th Floor, 30 St Mary Axe, London, EC3A8BF, United Kingdom
- 2 Glasshouse, Block 1s1 Congleton Road, Nether Alderley, Macclesfield, Cheshire, SK10 4ZE
- 3 251 Little Falls Drive, City of Wilmington, DE 19808, United States of America
- 4 D2, 2495 Estand Way, Pleasant Hill, CA 94523, United States of America
- 5 St.-Jacobsstraat 123, 3511 BP, Utrecht
- 6 3411 Silverside Road Wilmington, DE 19810, United States of America
- 7 22/F., 3 Lockhart Road, Wanchai, Hong Kong
- 8 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416
- 9 5/F Xinyan Building B 65 Guiqing Road, Shanghai, 200233, PRC
- 10 #9F Tokyo Akasaka Horitsu jimusho nai, Shiroyama Trust Tower, 4-3-1, Toranomom, Minato-ku, Tokyo-to, Japan, 105-0001
- 11 Glasshouse Alderley Park Congleton Road, Nether Alderley, Macclesfield, England, SK10 4ZE

16 Inventories

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Raw materials and consumables	—	484	1,852
Finished goods and goods for resale	10,219	13,540	15,226
	10,219	14,024	17,078

17 Trade and other receivables

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Trade receivables at amortised cost	2,133	1,700	3,882
Less: expected credit loss provision	—	—	—
Trade receivables at amortised cost – net	2,133	1,700	3,882
Amounts owed by joint ventures	883	—	—
Amounts owed by related parties	—	—	28
Foreign exchange forward contracts (Note 25)	—	—	112
Other receivables	2,237	3,074	11,391
Prepayments	394	1,156	1,336
Total trade and other receivables	5,647	5,930	16,749

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. The expected loss rates are based on the Group's historical credit losses. The historic loss rates are then adjusted for current and forward-looking information on macro-economic factors affecting the Group's customers.

Trade receivables have been reviewed under the ECL impairment model. As at 31 December 2024, the Group's ECL provision for trade receivables was immaterial and therefore not recognised (31 December 2023 and 31 January 2023 – also immaterial).

Foreign exchange forward contracts are primarily U.S. Dollars forward contracts which are used to hedge exchange risk arising from the Group's inventory purchases (note 25). These are not designated as hedging instruments.

18 Trade and other payables

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Trade payables	7,954	7,976	10,952
Taxation and social security	548	2,148	4,001
Accrued expenses	1,829	2,353	5,454
Other payables	3,027	1,266	540
Total trade and other payables	13,358	13,743	20,947

19 Borrowings

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Amounts falling due within 1 year:			
Bank loans	—	4,874	71
	—	4,874	71
Amounts falling due within 2 – 5 years:			
Bank loans	14,947	11,010	11,515
Loan notes	22,505	27,289	30,026
Preference shares	23,446	28,432	31,284
	60,898	66,731	72,825
	60,898	71,605	72,896

Preference shares

Details of the preference shares are disclosed in note 23.

Loan notes

Loan notes are secured by fixed charges over the assets of Group companies.

10% fixed rate secured loan notes 2027

On 5 November 2021, the Group issued £19,999,999 10% fixed rate loan notes. The loan notes attract interest at 10% per annum and are repayable on 5 November 2027. Interest shall be compounded annually and is payable in full on the repayment of the outstanding loan amount. At 31 December 2024, interest of £7,019k had accrued (31 December 2023 – £4,556k and 31 January 2023 – £2,505k) and is included within the balance of £27,019k (31 December 2023 – £24,556k and 31 January 2023 – £22,505k) due in respect of these loan notes.

10% fixed rate secured loan notes 2028

On 22 June 2023, the Group issued £2,597,808 10% fixed rate loan notes. The loan notes attract interest at 10% per annum and are repayable on 22 June 2028. Interest shall be compounded annually and is payable in full on the repayment of the outstanding loan amount. At 31 December 2024, interest of £409k had accrued (31 December 2023 – £135k and 31 January 2023 – £Nil) and is included within the balance of £3,007k (31 December 2023 – £2,733k and 31 January 2023 – £Nil) due in respect of these loan notes.

Bank loans

Bank loans are secured by way of a fixed and floating charge over the assets of the Group.

Included within bank loans is a loan of £11,515k (31 December 2023 – £11,319k and 31 January 2023 – £10,656k) charged at the Central Bank Rate plus 10.5% per annum. The loan is due for repayment on the earlier of November 2026, or upon the occurrence of a change of listing of the Topco, a change of control, or the sale of all or substantially all of the assets of the Group. The loan agreement contains financial covenants, including minimum net debt to EBITDA ratio and a minimum amount of cash. The covenant deadlines are quarterly, and there have been no breaches reported. The loan has been repaid in April 2025.

20 Provisions

	Returns and warranty provision £'000
At 11 October 2021	—
Charged to profit or loss	—
At 31 January 2023	—
Charged to profit or loss	772
At 31 December 2023	772
Charged to profit or loss	1,383
At 31 December 2024	2,155

The Group provides a 24-month warranty on certain products sold during the reporting period. The warranty covers defects in materials and manufacture under normal use and is recognised as a provision in the financial statements based on the Group's past experience and expected costs of fulfilling these obligations. Warranty provisions represent management's best estimate of the costs expected to arise from fulfilling warranty obligations, based on historical data and anticipated future claims. These obligations are assessed collectively due to their similar nature across products. The provisions reflect the most accurate estimate of the expenditure required, considering relevant risks and uncertainties, like product rate returns and repairs or replacement costs. No expected reimbursements are currently recognised, and no asset has been recorded for any potential reimbursement.

21 Contingent consideration

The movement for the contingent consideration is as follows:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Opening balance	—	546	3,406
Acquisition of subsidiary	476	1,300	—
Unwinding of discount	57	55	150
Remeasurement	—	1,788	(1,135)
Foreign exchange	13	(283)	199
Closing balance	546	3,406	2,620

At 31 December 2024, contingent consideration includes £1,320k and £1,300k in relation to the acquisition of ZIIP Inc. and the acquisition of CBT At-Home Beauty Holdings PTE respectively.

Details for each contingent consideration is disclosed in note 26.

22 Deferred tax

The movement on the deferred tax account is as shown below:

	Liability £'000
At 11 October 2021	—
Credited to profit or loss	(401)
Acquisition of subsidiary	5,138
Other	81
At 31 January 2023	4,818
Credited to profit or loss	(498)
Arising on acquisition	(13)
At 31 December 2023	4,307
Credited to profit or loss	(753)
At 31 December 2024	3,554

The deferred taxation balance is made up as follows:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
<i>Asset</i>			
Accelerated capital allowances	—	—	78
Other temporary and deductible differences	—	—	206
	—	—	284
<i>Liability</i>			
Accelerated capital allowances	(4,819)	(4,309)	(3,838)
Other temporary and deductible differences	1	2	—
	(4,818)	(4,307)	(3,838)
Net liability	(4,818)	(4,307)	(3,554)

23 Share capital

Shares classified as equity

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
Authorised, allotted, issued and fully paid:			
Ordinary A shares of £0.01 each	320,334	320,334	320,334
Ordinary B shares of £0.01 each	63,466	63,466	63,466
Ordinary B2 shares of £0.01 each	—	61,667	61,667
Ordinary C shares of £0.01 each	141,200	141,200	141,200
Ordinary D shares of £0.01 each	69,000	75,000	75,000
	594,000	661,667	661,667

	£'000	£'000	£'000
Authorised, allotted, issued and fully paid:			
Ordinary A shares of £0.01 each	3	3	3
Ordinary B shares of £0.01 each	1	1	1
Ordinary B2 shares of £0.01 each	—	1	1
Ordinary C shares of £0.01 each	1	1	1
Ordinary D shares of £0.01 each	1	1	1
	6	7	7

Shares classified as debt

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
Authorised, allotted, issued and fully paid:			
A Preference shares of £0.01 each	15,971,623	15,971,623	15,971,623
B Preference shares of £0.01 each	4,864,141	4,864,141	4,864,141
C Preference shares of £0.01 each	—	2,706,366	2,706,366
	20,835,764	23,542,130	23,542,130

	£'000	£'000	£'000
Authorised, allotted, issued and fully paid:			
A Preference shares of £0.01 each	160	160	160
B Preference shares of £0.01 each	48	48	48
C Preference shares of £0.01 each	—	27	27
	208	235	235

Shares classified as equity

	Number	Number	Number
Ordinary A shares of £0.01 each			
At beginning of the period/year	—	320,334	320,334
Shares issued in the period/year	320,334	—	—
At end of the period/year	320,334	320,334	320,334

	£'000	£'000	£'000
Ordinary A shares of £0.01 each			
At beginning of the period/year	—	3	3
Shares issued in the period/year	3	—	—
At end of the period/year	3	3	3

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
Ordinary B shares of £0.01 each			
At beginning of the period/year	—	63,466	63,466
Shares issued in the period/year	63,466	—	—
At end of the period/year	63,466	63,466	63,466

	£'000	£'000	£'000
Ordinary B shares of £0.01 each			
At beginning of the period/year	—	1	1
Shares issued in the period/year	1	—	—
At end of the period/year	1	1	1

	Number	Number	Number
Ordinary B2 shares of £0.01 each			
At beginning of the period/year	—	—	61,667
Shares issued in the period/year	—	61,667	—
At end of the period/year	—	61,667	61,667

	£'000	£'000	£'000
Ordinary B2 shares of £0.01 each			
At beginning of the period/year	—	—	1
Shares issued in the period/year	—	1	—
At end of the period/year	—	1	1

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
Ordinary C shares of £0.01 each			
At beginning of the period/year	—	141,200	141,200
Shares issued in the period/year	141,200	—	—
At end of the period/year	141,200	141,200	141,200

	£'000	£'000	£'000
Ordinary C shares of £0.01 each			
At beginning of the period/year	—	1	1
Shares issued in the period/year	1	—	—
At end of the period/year	1	1	1

	Number	Number	Number
Ordinary D shares of £0.01 each			
At beginning of the period/year	—	69,000	75,000
Shares issued in the period/year	69,000	6,000	—
At end of the period/year	69,000	75,000	75,000

	£'000	£'000	£'000
Ordinary D shares of £0.01 each			
At beginning of the period/year	—	1	1
Shares issued in the period/year	1	—	—
At end of the period/year	1	1	1

Shares classified as debt

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
A Preference shares of £0.01 each			
At beginning of the period/year	—	15,971,623	15,971,623
Shares issued in the period/year	15,971,623	—	—
At end of the period/year	15,971,623	15,971,623	15,971,623

	£'000	£'000	£'000
A Preference shares of £0.01 each			
At beginning of the period/year	—	160	160
Shares issued in the period/year	160	—	—
At end of the period/year	160	160	160

	Number	Number	Number
B Preference shares of £0.01 each			
At beginning of the period/year	—	4,864,141	4,864,141
Shares issued in the period/year	4,864,141	—	—
At end of the period/year	4,864,141	4,864,141	4,864,141

	£'000	£'000	£'000
B Preference shares of £0.01 each			
At beginning of the period/year	—	48	48
Shares issued in the period/year	48	—	—
At end of the period/year	48	48	48

	31 January 2023 Number	31 December 2023 Number	31 December 2024 Number
C Preference shares of £0.01 each			
At beginning of the period/year	—	—	2,706,366
Shares issued in the period/year	—	2,706,366	—
At end of the period/year	—	2,706,366	2,706,366
	£'000	£'000	£'000
C Preference shares of £0.01 each			
At beginning of the period/year	—	—	27
Shares issued in the period/year	—	27	—
At end of the period/year	—	27	27

Ordinary A, B, B2, C and D shares are non-redeemable and rank *pari passu* with respect to rights to receive dividends and a return of capital. The A, B, B2 and C Ordinary shares also have voting rights, each share entitling the holder to one vote. Capital may only be distributed to the Ordinary shareholders once amounts due to holders of the preference shares have been settled.

A, B and C classes of preference shares are redeemable. These shares do not entitle the holder to voting rights, but do carry a fixed preferential cumulative dividend of 10% per annum.

The preference shares are redeemable on 26 October 2027 and carry a coupon rate of 10% per annum payable on redemption. The preference share dividend is compounded annually. At 31 December 2024, total dividends of £7,741k had accrued (31 December 2023 – £4,890k and 31 January 2023 – £2,610k) and are included within the balance of £31,284k (31 December 2023 – £28,432k and 31 January 2023 – £23,446k) due in respect of preference shares, shown within Borrowings – see note 19.

24 Reserves

The Group and Topco's reserves are as follows:

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium represents the amount subscribed for share capital in excess of nominal value net of transaction costs.

Foreign currency translation reserve

Foreign currency translation reserve represents the accumulated gains/losses arising on retranslating the net assets of overseas operations into GBP.

Share-based payment reserve

The share based payment reserve represents the share based payment expense in respect of equity instruments issued to employees of the group under an equity settled share based remuneration scheme.

Retained earnings

Retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

25 Financial instruments – risk management

The Group is exposed through its operations to the following financial risks:

- credit risk;
- interest rate risk;
- other market price risk;
- foreign exchange risk;
- liquidity risk; and
- capital risk.

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Foreign exchange forward contracts
- Cash and cash equivalents
- Trade and other payables
- Accrued expenses
- Bank loans
- Lease liabilities
- Loan notes
- Preference shares

The Group's financial instruments are categorised as follows:

Financial assets – Amortised cost

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Net trade receivables	2,133	1,700	3,882
Amounts owed by joint ventures	883	—	—
Amounts owed by related parties	—	—	28
Other receivables	2,237	3,074	11,391
Cash and cash equivalents	5,740	12,021	14,528
Total financial assets held at amortised cost	10,993	16,795	29,829

Financial liabilities – Amortised cost

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Trade payables	7,954	7,976	10,952
Other payables	3,027	1,266	540
Accrued expenses	1,829	2,353	5,454
Bank loans	14,947	15,884	11,586
Lease liabilities	398	1,988	2,050
Loan notes	22,505	27,289	30,026
Preference shares	23,446	28,432	31,284
Total financial liabilities held at amortised cost	74,106	85,188	91,892

Fair value of financial instruments

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, bank loans, lease liabilities, loan notes and preference shares.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Financial assets measured at fair value			
<i>(Level 2: significant observable inputs)</i>			
Foreign exchange forward contracts	—	—	112

Foreign forward contracts are classified as Level 2. The Group enters into these derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. These contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and yield curves of the respective currencies.

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Financial liabilities measured at fair value			
<i>(Level 3: significant unobservable inputs)</i>			
Contingent consideration	546	3,406	2,620

The contingent consideration in relation to the acquisition of ZIIP Inc. and CBT At-Home Beauty Holdings PTE (see note 26) have been measured at fair value. The valuation is based on unobservable inputs and hence is a Level 3 valuation. The inputs included are projected revenues, probability of achieving the two individual earn-outs, and the discount rate. The

discount rate utilised in the calculation of these fair value measurements was 10%, which is the Group's incremental borrowing rate (IBR). In determining the IBR, management considered investors' return on loan notes, interest on preference shares, and general interest rates when borrowing. The fair value is determined considering the expected payment, discounted to present value using the IBR. The expected payment has been determined separately in respect of the two individual earn-outs, taking into account the anticipated revenue levels. A 2% change in the discount rate would impact the contingent consideration recognised by circa £50k. See note 21 for detailed movement in the contingent consideration.

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy during the 16-month period ended 31 January 2023, the 11-month period ended 31 December 2023, and the year ended 31 December 2024.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. Whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's centralised finance function from which the Board receives regular updates.

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. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its operating activities (primarily for accounts receivable). The Group recognises expected credit losses based on past experience of losses arising, the current position and forward-looking information where it is available. The Group's experience with such customers has been characterised by prompt payment consistently received.

Under the general approach under IFRS 9 there is an assessment of whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. There have been no significant increases in credit risk during the year or since initial recognition.

Thus, the basis of the loss allowance for a specific financial asset could change year on year. For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For financial assets other than trade receivables, the general approach under IFRS 9 is followed.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected credit losses are based on the Group's historical credit losses which are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The concentration of credit risk is managed by monitoring the credit quality of customers and financial institutions. The Group assesses the concentration of credit risk by evaluating the geographical distribution of its receivables and the credit ratings of its banking partners.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial

instruments traded in the market. Market price risks include interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. Management determines the concentration of interest rate risk by analysing the proportion of variable rate borrowings in the Group's debt portfolio. The exposure is quantified by assessing the sensitivity of financial results to changes in interest rates.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as disclosed in notes 19.

Sensitivity analysis

A change of 100 basis points in interest rates at the period end date would have increased/ (decreased) loss by the amounts shown below, which are not considered material to the financial statements. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, remain constant and considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps.

Impact on loss after tax and net assets

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Increase	(145)	(143)	(101)
Decrease	145	143	101

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. There are no financial assets subject to market rate price fluctuations. The Group evaluates the concentration of other market price risk by reviewing its financial instruments subject to market price fluctuations. Currently, the Group's exposure to other price risk is considered minimal.

Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. Most of the Group's foreign currency transactions are conducted in U.S. Dollars ("USD") or Euro ("EUR"). Exposures to currency exchange rates arise from overseas sales and purchases, which are primarily denominated in USD or EUR. The Group holds bank accounts in foreign currencies to help mitigate the foreign exchange risk. The Group assesses the concentration of foreign exchange risk by analysing the proportion of foreign currency transactions and balances, and monitors exchange rate movements closely to ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the respective reporting period was as follows:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
GBP – net (liabilities) / assets	(10,296)	(9,432)	(15,146)
EUR – net assets / (liabilities)	1,335	2,838	5,059
USD – net assets / (liabilities)	2,608	784	4,269
Others – net assets / (liabilities)	45	236	2,804
	<u>(6,308)</u>	<u>(5,574)</u>	<u>(3,014)</u>

Net assets include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The Group is exposed to foreign currency risk on the relationship between the functional currencies of the parent and its subsidiary companies and the other currencies in which the Group's material assets and liabilities are denominated. The table below summaries the effect on reserves had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

10% strengthening of functional currency	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
GBP – net (liabilities) / assets	(399)	(386)	(1,213)
EUR – net assets / (liabilities)	133	284	506
USD – net assets / (liabilities)	261	78	427
Others – net assets / (liabilities)	5	24	280

10% weakening of functional currency	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
GBP – net assets / (liabilities)	399	386	1,213
EUR – net (liabilities) / assets	(133)	(284)	(506)
USD – net (liabilities) / assets	(261)	(78)	(427)
Others – net (liabilities) / assets	(5)	(24)	(280)

The impact of a change of 10 percent has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements. The sensitivities above would all affect the profit and loss of the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liquidity risk arises from the Group's management of working capital and its ability to repay debt and related finance charges when they fall due.

The concentration of liquidity risk is determined by reviewing the maturity profile of financial liabilities and the availability of liquid assets. The Group's policy is to ensure that it will always have sufficient liquid assets to allow it to meet its liabilities when they become due.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Due within 1 year £'000	Due between 1 and 5 years £'000	Due more than 5 years £'000	Total £'000
31 December 2024				
Trade payables	10,952	—	—	10,952
Other payables	540	—	—	540
Accrued expenses	5,454	—	—	5,454
Contingent consideration	—	2,620	—	2,620
Bank loans	11,586	—	—	11,586
Lease liabilities	551	1,886	1,113	3,550
Loans notes	—	30,026	—	30,026
Preference shares	—	31,284	—	31,284
	29,083	65,816	1,113	96,012
	Due within 1 year £'000	Due between 1 and 5 years £'000	Due more than 5 years £'000	Total £'000
31 December 2023				
Trade payables	7,976	—	—	7,976
Other payables	1,266	—	—	1,266
Accrued expenses	2,353	—	—	2,353
Contingent consideration	—	3,406	—	3,406
Bank loans	4,874	11,010	—	15,884
Lease liabilities	431	1,458	882	2,771
Loans notes	—	27,289	—	27,289
Preference shares	—	28,432	—	28,432
	16,900	71,595	882	89,377
	Due within 1 year £'000	Due between 1 and 5 years £'000	Due more than 5 years £'000	Total £'000
31 January 2023				
Trade payables	7,954	—	—	7,954
Other payables	3,027	—	—	3,027
Accrued expenses	1,829	—	—	1,829
Contingent consideration	—	546	—	546
Bank loans	—	14,947	—	14,947
Lease liabilities	174	254	—	428
Loans notes	—	22,505	—	22,505
Preference shares	—	23,446	—	23,446
	12,984	61,698	—	74,682

Capital risk management

The Group's primary objectives with respect to its capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to have sufficient cash resources to fund the research, development and operations.

Management reviews its capital management approach on an ongoing basis and evaluates the concentration of capital risk by analysing the balance between debt and equity financing. The exposure is quantified by monitoring compliance with financial covenants and maintaining an optimal capital structure. There were no changes in the Group's approach to capital management in the year ended 31 December 2024. The Group is subject to bank loan covenants under its debt agreement, see borrowings (note 19). There were no breaches of covenants during the year ended 31 December 2024, the 11 month period ended 31 December 2023, and the 16 month period ended 31 January 2023.

The capital structure of the Group consists of net debt and equity of the Group.

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Bank loans	14,947	15,884	11,586
Lease liabilities	398	1,988	2,050
Loan notes	22,505	27,289	30,026
Preference shares	23,446	28,432	31,284
Net debt	61,296	73,593	74,946
Total deficit	(6,308)	(5,574)	(3,014)

26 Business combinations

On 22 June 2023, the Group acquired an additional 50% of the ordinary share capital of CBT At-Home Beauty Holdings PTE, resulting in the entity registered in Singapore, becoming a wholly owned subsidiary. CBT At-Home Beauty Holdings PTE is a holding company which holds 100% of the share capital of CBT At-Home Beauty (Shanghai) Ltd, a company registered in Shanghai, whose trade is the retail of at-home beauty devices. The primary reason for this business combination was to strategically gain entry into the Chinese market, which is notoriously challenging to access. This acquisition is expected to enhance the Group's presence in China, providing a platform for growth and expansion in one of the world's largest consumer markets.

Details of the fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Recognised values on acquisition £'000
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	32
Right of use assets	19
Inventories	2,753
Receivables	1,289
Cash at bank and in hand	1,099
Deferred taxation	13
Creditors	(3,821)
Lease liabilities	(19)
Net identifiable assets	1,365
Total cost of business combination:	
Goodwill	8,605

	£'000
Consideration	
Investment in CBT At-Home Beauty Holdings PTE	4,985
Ordinary B2 shares	1,226
C Preference shares	2,459
Contingent consideration	1,300
Total consideration	9,970
For cash flow purposes the amounts are disclosed as follows:	
Cash consideration	—
Cash and cash equivalents acquired	(1,099)
Net cash inflow	(1,099)

Acquisition costs of £505k arose as a result of the transaction. These have been recognised as part of separately disclosed costs in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The contingent consideration of £1,300k depends on the occurrence of a 'Share Sale or a Listing' of the Group's shares in the United Kingdom. Additionally, the payment is subject to achieving specific revenue conditions. The conditions stipulate that the gross revenue of CBT At-Home Beauty Holdings PTE for the 12-month period commencing 1 January 2023 must either be at least 105% of the gross revenue for the 12-month period starting 1 January 2022 or reach RMB 100,000,000, whichever is lower. The Directors reasonably expect these conditions to be satisfied, and as such, a financial liability has been recognised in these financial statements (see note 21). The potential outcomes for this contingent consideration are not unlimited, and the criteria for payment are clearly outlined in the agreement.

The main factor leading to the recognition of goodwill is the value of the expected synergies arising from the acquisition.

The goodwill recognised will not be deductible for tax purposes.

The CBT At-Home Beauty Holdings PTE contributed £7,257k to Group revenues and £293k to Group profit since the date of acquisition to the 11 month period ended 31 December 2023. If the acquisition had occurred on 1 February 2023, Group revenue would have increased by £5,250k and Group loss for the period would have reduced by £349k.

On 27 April 2022, the Group incorporated Aesthete Holding Corporation as a wholly owned subsidiary which acquired 100% of the issued capital of ZIIP Inc. for consideration of £5,315k. By acquiring ZIIP Inc., a leader in Nanocurrent and Microcurrent facial toning devices, the Group aims to capture significant market share in facial treatments, enhancing its product offerings and strengthening its position in the beauty technology sector.

Details of the fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Recognised values on acquisition £'000
Acquiree's net assets at the acquisition date:	
Intangible assets	2,695
Right of use assets	91
Inventories	246
Receivables	56
Cash at bank and in hand	460
Creditors	(871)
Lease liabilities	(91)
Deferred taxation	(598)
Net identifiable assets	1,988
Total cost of business combination:	
Goodwill	3,327
Consideration	
	£'000
Cash	4,839
Contingent consideration	476
Total consideration	5,315
For cash flow purposes the amounts are disclosed as follows:	
Cash consideration	4,839
Cash and cash equivalents acquired	(460)
Net cash outflow	4,379

In the acquisition of ZIIP, the Group recognised the brand and intellectual property with a fair value of £1,325k and £1,069k, respectively. This valuation is based on management's assessment of the price that would be paid for these assets in an orderly transaction between market participants at the acquisition date. The royalty relief model was employed to estimate the profitable cash flows generated from the brand's products being developed and sold. For the brand, the valuation reflects 30% of the awareness and revenue of the Currentbody brand, acknowledging the distressed purchase due to issues with awareness, cash flow, and product challenges. The intellectual property valuation accounts for 3%, recognising the brand's intrinsic 'know-how' in the product, while noting the substantial work required for product redevelopment and manufacturing.

The contingent consideration for acquiring ZIIP Inc. is recognised at a fair value of £476k as of the acquisition date, reflecting potential earnout payments to the sellers based on specific milestones. These payments, totalling up to \$6,500,000, depend on the commercialisation of new devices and achieving revenue targets. The sellers will receive \$2,000,000 if the return rate for new devices is below 6% within any six-month trailing period, another \$2,000,000 if ZIIP Inc.'s revenue reaches \$15,000,000 in any twelve-month trailing period, and \$2,500,000 if the revenue hits \$25,000,000 in any twelve-month trailing period. The fair value of this contingent consideration has been calculated using a probability-weighted approach and discounted to present value in USD. The agreement clearly outlines the criteria for payment, and the Directors have assessed the likelihood of these conditions being met, recognising the provision accordingly.

The main factor leading to the recognition of goodwill was the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

The Aesthete Holding Corporation contributed £2,674k to Group revenues and (£23k) to Group profit since the date of acquisition to the 16 month period ended 31 January 2023. If the acquisition had occurred on 11 October 2021, Group revenue would have increased by £1,865k and Group loss for the period would have increased by £88k.

On 5 November 2021, the Group acquired 100% of the issued capital of The Beauty Tech Group Limited for consideration of £42,046k. The Topco was incorporated specifically to facilitate this acquisition, positioning the Group to leverage The Beauty Tech Group Limited's established market presence. This is expected to enhance the Group's capabilities and expand its reach within the beauty technology sector.

Details of the fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Recognised values on acquisition £'000
Acquiree's net assets at the acquisition date:	
Intangible assets	19,530
Property, plant and equipment	226
Right of use assets	419
Inventories	9,101
Receivables	1,559
Cash at bank and in hand	1,817
Borrowings	(6,838)
Creditors	(5,447)
Lease liabilities	(419)
Provisions	(431)
Deferred taxation	(4,428)
Net identifiable assets	15,089
Total cost of business combination:	
Goodwill	26,957
Consideration	£'000
Cash	27,281
Loan notes	9,765
Redeemable preference shares	5,000
Total consideration	42,046
For cash flow purposes the amounts are disclosed as follows:	
Cash consideration	27,281
Cash and cash equivalents acquired	(1,817)
Net cash outflow	25,464

The Group recognised the Currentbody brand with a fair value of £18,159k. This valuation reflects management's assessment of the price that would be paid for the acquired assets in an orderly transaction between market participants at the acquisition date. To determine this

value, management used a royalty relief model, which estimates the profitable cash flows generated from the brand's products being developed and sold.

Acquisition costs of £1,035k arose as a result of the transaction. These have been recognised as part of separately disclosed costs in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The main factors leading to the recognition of goodwill are:

- the value of the expected synergies arising from the acquisition; and
- the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

The Beauty Tech Group Limited contributed £62,575k to Group revenues and £3,291 to Group profit since the date of acquisition to the 16 month period ended 31 January 2023. If the acquisition had occurred on 11 October 2021, Group revenue would have increased by £3,414k and Group loss for the period would have increased by £882k.

27 Related parties

Transactions between the Topco and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

McGrath Consultants Limited, a company related by common directorship, has made transactions during the period with a Group company. Purchases of £Nil (11 months period ended 31 December 2023 – £14k and 16 months period ended 31 January 2023 – £73k) have been made and there is no outstanding balance at 31 December 2024 (31 December 2023 – £Nil and 31 January 2023 – £10k) included within trade payables.

EComplete Growth Limited, a company related by common directorship, has made transactions during the period with a Group company. Purchases of £434k (11 months period ended 31 December 2023 – £1,255k and 16 months period ended 31 January 2023 – £2,212k) have been made and there is a balance outstanding of £45k at 31 December 2024 (31 December 2023 – £30k and 31 January 2023 – £279k) included within trade payables.

EComplete SPV Limited are a related party by virtue of their investment in Project Glow Topco Limited. Loan notes with a principal value of £13,881k (31 December 2023 – £13,881k and 31 January 2023 – £13,881k) issued by the Group are held by EComplete SPV Limited. Interest is payable at 10% on the loan notes. During the year ended 31 December 2024, interest of £1,709k (11 months period ended 31 December 2023 – £1,423k and 16 months period ended 31 January 2023 – £1,420k) was accrued in relation to the loan notes resulting in a balance due to EComplete SPV Limited at 31 December 2024 of £18,753k (31 December 2023 – £17,044k and 31 January 2023 – £15,620k). This balance is included within loan notes (note 19).

L Newman, A Showman, M Smith, D Hughes, Tower Pension Trustees and S Cooper are all related parties by virtue of their shareholdings in Project Glow Topco Limited. Loan notes with a principal value of £6,119k (31 December 2023 – £6,119k and 31 January 2023 – £6,119k) issued by the Group are held by management. Interest is payable at 10% on the loan notes. During the year ended 31 December 2024, interest of £753k (11 months period ended 31 December 2023 – £627k and 16 months period ended 31 January 2023 – £626k) was accrued in relation to the loan notes resulting in a balance due to management at 31 December 2024 of £8,266k (31 December 2023 – £7,513k and 31 January 2023 – £6,885k). This balance is included within loan notes (note 19).

Thakral Lifestyle PTE. Ltd are a related party by virtue of their investment in Project Glow Topco Limited. Loan notes with a principal value of £2,598k (31 December 2023 – £2,598k and 31 January 2023 – £Nil) issued by the Group are held by Thakral Lifestyle PTE. Ltd. Interest is payable at 10% on the loan notes. During the year ended 31 December 2024, interest of £274k (11 months period ended 31 December 2023 – £135k and 16 months period ended 31 January 2023 – £Nil) was accrued in relation to the loan notes resulting in a balance due to Thakral Lifestyle PTE. Ltd at 31 December 2024 of £3,007k (31 December

2023 – £2,733k and 31 January 2023 – £Nil). This balance is included within loan notes (note 19).

Preference shares with a principal value of £15,972k (31 December 2023 – £15,972k and 31 January 2023 – £15,972k) issued by the Group are held by EComplete SPV Limited. Interest is payable at 10% on the preference shares. During the year ended 31 December 2024, interest of £1,967k (11 months period ended 31 December 2023 – £1,638k and 16 months period ended 31 January 2023 – £2,001k) was accrued in relation to the preference shares resulting in a balance due to EComplete SPV Limited at 31 December 2024 of £21,577k (31 December 2023 – £19,610k and 31 January 2023 – £17,972k). This balance is included within preference shares (note 19).

Preference shares with a principal value of £4,864k (31 December 2023 – £4,864k and 31 January 2023 – £4,864k) issued by the Group are held by management. Interest is payable at 10% on the preference shares. During the year ended 31 December 2024, interest of £599k (11 months period ended 31 December 2023 – £499k and 16 months period ended 31 January 2023 – £609k) was accrued in relation to the preference shares resulting in a balance due to management at 31 December 2024 of £6,571k (31 December 2023 – £5,972k and 31 January 2023 – £5,473k). This balance is included within preference shares (note 19).

Preference shares with a principal value of £2,706k (31 December 2023 – £2,706k and 31 January 2023 – £Nil) issued by the Group are held by Thakral Lifestyle PTE. Ltd. Interest is payable at 10% on the preference shares. During the year ended 31 December 2024, interest of £286k (11 months period ended 31 December 2023 – £143k and 16 months period ended 31 January 2023 – £Nil) was accrued in relation to the preference shares resulting in a balance due to Thakral Lifestyle PTE. Ltd at 31 December 2024 of £3,135k (31 December 2023 – £2,850k and 31 January 2023 – £Nil). This balance is included within preference shares (note 19).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel include the Directors of the Topco, the remuneration for whom is detailed below:

	16 month period ended 31 January 2023 £'000	11 month period ended 31 December 2023 £'000	Year ended 31 December 2024 £'000
Short-term employee benefits	746	848	2,259
Post-employment benefits	5	4	4
Share-based payment (Note 33)	2,188	1,095	836
	2,939	1,947	3,099

Transactions with Directors

The following advances and credits to Directors subsisted during the year ended 31 December 2024, the 11 months period ended 31 December 2023, and the 16 months period ended 31 January 2023:

	Amounts owed to Directors		
	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
A Showman	49	—	—
L M Newman	12	7	2,157
S Glynn	—	—	600

	Amounts advanced		
	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
A Showman	—	49	—
L M Newman	13	3	2,150
S Glynn	10	—	600
	<u> </u>	<u> </u>	<u> </u>

	Amounts advanced		
	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
A Showman	49	—	—
L M Newman	1	8	—
S Glynn	10	—	—
	<u> </u>	<u> </u>	<u> </u>

No interest is charged on the balances and transactions above. All advances and credits to Directors were made in the usual course of business.

There are no other transactions and balances with related parties which have not been disclosed above.

28 Financial commitments, guarantees and contingent liabilities

In April 2022, the Group acquired ZIIP Inc, which included contingent consideration of \$6.5 million. At the date of acquisition, this was recognised with a 20% probability for the \$4.5 million settlement, resulting in a \$0.61 million (£0.48 million) recognition. As of 31 January 2023, there was no revision to the payment estimate, but adjustments for the time value of money and foreign exchange movements were recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. By 31 December 2023, the probability increased to 65% for \$2 million and 80% for \$2.5 million, raising the financial liability to \$2.68 million (£2.11 million). On 31 December 2024, the payment estimate was revised, with only £2.5 million out of the total contingent consideration of \$6.5 million now considered probable, reducing the liability to \$1.65 million (£1.32 million). Adjustments for the time value of money and foreign exchange movements were recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. For detailed movement in the contingent consideration, refer to note 21.

29 Defined contribution schemes

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £243k for the year ended 31 December 2024 (11 months period ended 31 December 2023 – £148k and 16 months period ended 31 January 2023 – £121k). Contributions totalling £9k were payable to the fund at 31 December 2024 (31 December 2023 – £37k and 31 January 2023 – £13k) and are included in trade and other payables.

30 Controlling party

EComplete SPV Limited, a company incorporated in the United Kingdom, is the immediate parent company of Project Glow Topco Limited. The Directors consider EComplete SPV Limited to be the ultimate parent undertaking.

31 Events after the reporting date

In April 2025, the Group completed a refinancing arrangement with Santander, securing new facilities comprising Loan A of £15 million at an interest rate of 3.25% plus base rate per annum and Loan B of £10 million at an interest rate of 3.75% plus base rate per annum, both repayable over a three-year term. Additionally, a Trade Finance facility has been entered into at a rate of 2% plus base rate per annum. The proceeds from these facilities have been used to repay a significant portion of the Group's outstanding loan notes and preference shares. The new facility agreement includes three financial covenants: the ratio of gross senior borrowings to EBITDA, a debt service cover ratio, and a minimum annual amount of Capex spend.

Subsequent to the reporting period, the Group has incurred additional costs related to its preparations for a potential Initial Public Offering (IPO). These expenses primarily relate to advisory, legal, financial reporting, and other professional services engaged to support the IPO readiness process. These costs represent significant post-reporting period activities that align with the Group's strategic direction and ongoing efforts to position itself for potential future listing.

Prior to Admission, the Company (The Beauty Tech Group plc) will undertake a reorganisation of its share capital, which would take effect after the date of this document. The reorganisation is summarised in paragraph 3 of Part 11 of this document and would result in Topco and eComplete SPV Limited each redesignating their existing classes of ordinary share and preference share into single classes of ordinary share, the Company holding the entire share capital of Topco and eComplete SPV Limited and the principal amount of the Group's Loan Notes (together with all accrued but unpaid interest thereon) converting into ordinary shares in the Company.

32 Notes supporting the Consolidated Statement of Cash Flows

Cash and cash equivalents for purposes of the cash flow statement comprise:

	31 January 2023 £'000	31 December 2023 £'000	31 December 2024 £'000
Cash at bank and in hand	5,740	12,021	14,528

There are no significant amounts of cash and cash equivalents that are held by the Group that are not available to the Group.

Movements in the Group's liabilities arising from financing activities have been analysed below:

31 January 2023

	Lease liabilities £'000	Non-current borrowings £'000	Current borrowings £'000	Total £'000
At incorporation	—	—	—	—
Cash flows	(161)	34,131	—	33,970
<i>Non cash flows</i>				
Acquired with subsidiary	510	6,838	—	7,348
Issued to acquire subsidiaries	—	14,765	—	14,765
Other movement*	49	5,164	—	5,213
At 31 January 2023	398	60,898	—	61,296

31 December 2023

	Lease liabilities £'000	Non-current borrowings £'000	Current borrowings £'000	Total £'000
At 1 February 2023	398	60,898	—	61,296
Cash flows	(390)	1,820	—	1,430
<i>Non cash flows</i>				
Acquired with subsidiary	19	—	—	19
Issued to acquire subsidiary	—	2,459	—	2,459
Foreign exchange	(37)	—	—	(37)
Other movement*	1,998	1,554	4,874	8,426
At 31 December 2023	1,988	66,731	4,874	73,593

31 December 2024

	Lease liabilities £'000	Non-current borrowings £'000	Current borrowings £'000	Total £'000
At 1 January 2024	1,988	66,731	4,874	73,593
Cash flows	(447)	308	(4,803)	(4,942)
<i>Non cash flows</i>				
Foreign exchange	7	—	—	7
Other movement*	502	5,786	—	6,288
At 31 December 2024	2,050	72,825	71	74,946

* Other movements relate to the new lease agreements, modification and amendments to existing lease agreements, interest accrual and movement from non-current borrowings to current borrowings.

33 Share-based payment

During the 16 month period ended 31 January 2023, certain employees purchased C Ordinary and D Ordinary shares in the Group. The shares were issued by the Topco to certain employees of the Group. The shares are treated as equity settled share-based payment arrangement.

The C Ordinary shares vest on a number of criteria over a graded variable period following issue. The vesting conditions include the requirement for employees to continue in employment for either a specified period or until an exit event.

The D Ordinary shares vest on a number of criteria over a graded variable period following issue. The vesting conditions include the requirement for employees to continue in employment for either a specified period or until an exit event. Some D Ordinary shares include EBITDA related vesting conditions.

Please refer to the Articles of Association of the Topco for further details of the vesting conditions attached to C Ordinary and D Ordinary shares.

The fair value of the growth shares granted is determined using the Monte-Carlo simulation model. The model is internationally recognised as being appropriate to value similar employee share schemes, and it was deemed that this approach would result in a materially accurate estimate of the fair value. The followings assumptions were used:

- Risk-free rate 0.44% to 4.78%
- Volatility 44.29% to 53.05%
- Dividend Yield 0.00%

The total share-based payment charge for the year ended 31 December 2024 was £836k (11 months period ended 31 December 2023 – £1,095k and 16 months period ended 31 January 2023 – £2,188k).