

Company registration number 08575493 (England and Wales)

OPTALYSYS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
PAGES FOR FILING WITH REGISTRAR

OPTALYSYS LTD

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OPTALYSYS LTD

BALANCE SHEET

AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		-		-
Tangible assets	5		163,403		152,226
Investments	6		1		1
			<u>163,404</u>		<u>152,227</u>
Current assets					
Stock		179,327		-	
Debtors	7	790,118		459,476	
Cash at bank and in hand		<u>24,647,597</u>		<u>12,766,016</u>	
		25,617,042		13,225,492	
Creditors: amounts falling due within one year	8	<u>(1,107,634)</u>		<u>(874,323)</u>	
Net current assets			<u>24,509,408</u>		<u>12,351,169</u>
Net assets			<u>24,672,812</u>		<u>12,503,396</u>
Capital and reserves					
Called up share capital	9		2,443		1,658
Share premium account			55,458,213		32,591,465
Profit and loss reserves			<u>(30,787,844)</u>		<u>(20,089,727)</u>
Total equity			<u>24,672,812</u>		<u>12,503,396</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 31 July 2026 and are signed on its behalf by:

Dr N New
Director

Company registration number 08575493 (England and Wales)

OPTALYSYS LTD

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2024:					
Balance at 1 January 2024		1,658	32,591,465	(13,180,958)	19,412,165
Year ended 31 December 2024:					
Loss and total comprehensive income		-	-	(7,234,518)	(7,234,518)
Credit to equity for equity settled share-based payments	10	-	-	325,749	325,749
Balance at 31 December 2024		1,658	32,591,465	(20,089,727)	12,503,396
Year ended 31 December 2025:					
Loss and total comprehensive income		-	-	(12,178,953)	(12,178,953)
Issue of share capital	9	785	22,866,748	-	22,867,533
Credit to equity for equity settled share-based payments	10	-	-	1,480,836	1,480,836
Balance at 31 December 2025		2,443	55,458,213	(30,787,844)	24,672,812

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Company information

Optalysys Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 12B Platform, New Station Street, Leeds, West Yorkshire, LS1 4JB.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405(2) of the Companies Act 2006 not to prepare consolidated accounts, on the basis that it's only subsidiary undertaking is dormant and it's inclusion would not be material for the purpose of giving a true and fair view. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company has continued to make significant losses during the year as it incurs significant costs associated with research and development. In December 2025, the company successfully closed its Series A2 fundraise which has provided the company with significant cash reserves. The going concern assessment made by the directors is on the basis that the company has sufficient cash to continue forecast operations for a period of at least 12 months from signing these financial statements.

1.3 Revenue

Revenue from contracts for the provision of services is recognised by reference to the stage of completion which is based on contractual milestones.

The Directors are of the opinion that there are no directly attributable costs associated with providing services and as such do not present any cost of sales within the financial statements.

1.4 Research and development expenditure

All research and development costs are capitalised if the conditions for capitalisation are satisfied. Otherwise these costs are expensed in the year during which they are incurred.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences

Amortised evenly over their estimated useful life of five years

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and Machinery	15% on reducing balance
Fixtures and fittings	20% on cost
Computer Equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the stocks 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. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Incremental costs associated with issuing shares have been included within share premium.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Tax credits on qualifying research and development are recognised on a cash basis in the period during which they are received.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company 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.

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

The company issues equity-settled share options to employees and to certain Non-executive directors and advisors. Equity-settled share-based payments transactions are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Monte Carlo simulation pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability exercise restrictions, and behavioural considerations.

1.17 Leases

As lessee

Rentals payable under operating leases, including any lease incentives received, are charged to the statement of comprehensive income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

The company holds stock of a highly specialised nature with a cost of £256,172 (2024: £nil). The Directors have reviewed the net realisable value of these and are of the opinion that a provision of £76,845 (2024: £nil) for impairment is required. They believe the items can be resold due to a strong demand in the market and a current shortage of supply.

Share based payments

Fair value is measured by use of the Monte Carlo simulation which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability exercise restrictions, and behavioural considerations. Further details can be found in note 10.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2025 Number	2024 Number
Total	50	32

4 Intangible fixed assets

	Patents & licences £
Cost	
At 1 January 2025 and 31 December 2025	20,000
Amortisation and impairment	
At 1 January 2025 and 31 December 2025	20,000
Carrying amount	
At 31 December 2025	-
At 31 December 2024	-

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5 Tangible fixed assets

	Plant and Machinery £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At 1 January 2025	113,784	50,022	158,590	322,396
Additions	-	6,200	70,083	76,283
At 31 December 2025	113,784	56,222	228,673	398,679
Depreciation and impairment				
At 1 January 2025	51,499	25,320	93,351	170,170
Depreciation charged in the year	9,343	7,903	47,860	65,106
At 31 December 2025	60,842	33,223	141,211	235,276
Carrying amount				
At 31 December 2025	52,942	22,999	87,462	163,403
At 31 December 2024	62,285	24,702	65,239	152,226

6 Fixed asset investments

	2025 £	2024 £
Shares in group undertakings and participating interests	1	1

The entity has a dormant subsidiary in the US called Optalysys Inc.

7 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	573,257	303,711
Prepayments and accrued income	216,861	155,765
	790,118	459,476

8 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	350,817	196,446
Taxation and social security	208,260	129,944
Other creditors	30,140	41,600
Accruals and deferred income	518,417	506,333
	1,107,634	874,323

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9 Called up share capital

	2025	2024	2025	2024
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Series A Shares of 0.001p each	1,740,401	955,665	1,740	955
Non-voting Ordinary Shares of 0.001p each	702,593	702,593	703	703
	<u>2,442,994</u>	<u>1,658,258</u>	<u>2,443</u>	<u>1,658</u>

On the 22nd December 2025 the company issued 784,736 Series A Shares of £0.001 each for total consideration of £23,353,743.

10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2025	2024	2025	2024
	Number	Number	£	£
Outstanding at 1 January 2025	185,773	23,271	0.001	0.001
Granted	223,592	170,571	0.001	0.001
Forfeited	(13,167)	(8,069)	0.001	0.001
Exercised	-	-	-	-
	<u>396,198</u>	<u>185,773</u>	<u>0.001</u>	<u>0.001</u>
Outstanding at 31 December 2025				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable at 31 December 2025				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 December 2025 had an exercise price of £0.001. Options may be exercised typically when the Company makes an exit. In addition, where a participant ceases employment and is determined to be a good leaver in accordance with the terms of the plan, any vested options may be exercised within the period specified by the scheme rules.

In December 2025, the Company issued 223,592 equity-settled share options to employees with an exercise price of £0.001 per share. The options have a contractual term of 10 years from the grant date.

The fair value of the options are determined at the date of grant using a Monte-Carlo simulation, taking into account the terms and conditions upon which the options have been granted, with the following key inputs:

- Share price volatility 85%
- Risk free rate 3.73%

The starting company valuation was inferred based on the latest fundraise round.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £1,480,836 (2024: £325,749) which related to equity settled share based payment transactions.

A prior year adjustment, details of which can be found in note 12, has been made to increase the charge recognised in 2024.

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Related party transactions

During the year, consultancy fees in total of £100,306 (2024: £123,035) were charged by Mr D I Patel and Engenuitee Labs Ltd, who were Directors of the Company during the year. As at the year-end, £20,000 (2024: £30,000) was outstanding.

During the year, Director's fees in total of £13,019 (2024: £13,313) were charged to the Company by xband Partners BV, a related party of xband II Comm V, a shareholder of the company. As at the year-end, £13,019 was outstanding (2024: £nil).

As part of the Series A2 fundraise during the year, the Company incurred costs of £141,521 on behalf of Northern Gritstone Limited and Lingotto Opportunity Fund ILP, who are both shareholders and persons with significant control. There was £nil balance outstanding at the year-end (2024: £nil).

A £12,500 monitoring fee was charged by Northern Gritstone Investment Management Limited, a related party of Northern Gritstone Limited, a shareholder of the company (2024: £12,500). The balance outstanding at the year-end was £nil (2024: £12,500).

During the year, £3,000 (2024: £3,000) was paid in relation to storage costs to RDT Precision Optics Limited, a company with a shared directorship. There was £nil balance outstanding at the year-end (2024: £nil).

12 Prior period adjustment

Following a valuation exercise undertaken in 2025, management identified that previous share-based payment awards had been incorrectly valued. Accordingly, the comparative figures have been restated to reflect the correct fair value and associated share-based payment expense.

Reconciliation of changes in loss for the previous financial period

	2024 £
Adjustments to prior year	
Share based payment charge	(325,692)
Loss as previously reported	(6,908,826)
Loss as adjusted	(7,234,518)

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

13 Events after the reporting date

Following the year end, the company issued a further 42,451 Series A shares, raising an additional £1,263,342.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report is unqualified and includes the following:

OPTALYSYS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14 Audit report information

(Continued)

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Senior Statutory Auditor:

Chris Neale

Statutory Auditor:

Sumer Auditco Limited

Date of audit report:

31 July 2026

15 Parent company

In the opinion of the directors there is no ultimate controlling party, the controlling parties being the shareholders.

Lingotto Opportunity Fund ILP was a person with significant control throughout the period by virtue of holding shares in excess of 25% but less than 50%.

Following the Series A2 fundraising on 22 December 2025, Northern Gritstone Limited also became a person with significant control by virtue of holding shares in excess of 25% but less than 50%.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.