FRANCHISE BRANDS

Together, we grow

Annual Report and Accounts 2025

Our Purpose

As they grow, we grow

Franchise Brands plc is an international multi brand franchisor, focused on building market-leading businesses via a franchise model.

We are a digital-first reporter, to see our full report online, click **here**

Contents

Click to read how our platform enables franchisees to grow, innovate, and deliver exceptional service in their communities.

For futher information please click here

Financial Highlights

£435.0m
System sales ●
+2% 2024: £425.6m ●●

£142.2m
Revenue
+2% 2024: £139.2m

£35.2m
Adjusted EBITDA* ●
0% 2024: £35.1m

£12.7m
Profit before tax
+38% 2024: £9.2m

9.0p
Adjusted basic earnings per share ●**
+5% 2024: 8.59p

4.67p
Basic earnings per share
+23% 2024: 3.78p

£55.6m
Adjusted net debt ●
£(9.5)m 2024: £65.1m

2.50p
Dividend per share
+4% 2024: 2.40p

Operational Highlights

- A resilient performance reflecting the essential nature of the majority of the Group's services and the benefits of international, diversification amid challenging macro conditions.
- Underlying demand for non-discretionary services combined with sector diversification, and increase in planned and higher value work enabled Pirtek Europe and Water & Waste Services division to marginally increase System sales.
- Filta International performed strongly and gained good traction with the FiltaMax strategic growth initiative. System sales increased by 13% and Adjusted EBITDA by 21% (in local currency).
- Willow Pumps also performed strongly with Adjusted EBITDA increasing 15% as the Special Projects Division becomes established.
- Adjusted net debt reduced to £55.6m at 31 December 2025 representing leverage of 1.6x.
- Significant progress with *One* Franchise Brands initiatives. Group-wide finance system and CRM are now live.
- Following Board review, confirmation of no current intention to seek a transfer of the Company's listing to the Main Market.

● Alternative Performance Measures (see Note 1 to the Accounts).
●● Prior Year Adjustment. 2024 System sales were restated to £425.6m from £418.5m as certain Pirtek DLO operations were not included in System sales disclosures in the prior year.
* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exchange differences, share-based payment expense and non-recurring items.
** Adjusted EPS is earnings per share before amortisation of acquired intangibles, share-based payment expense, and non-recurring items.

At a Glance

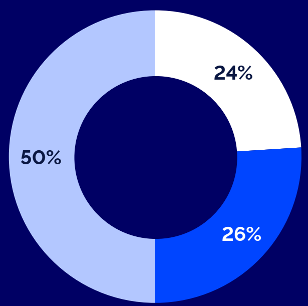
Multi-brand international franchisor. B2B van-based service.

7
Market-leading franchise brands

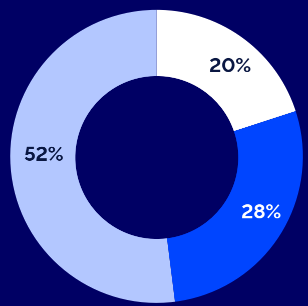
10
Countries

582
Franchise partners

System sales
by geographic region



Adjusted EBITDA
by geographic region



North America Europe UK

Pirtek
Leading European provider of on-site hydraulic hose replacement and related services. UK & Ireland, Germany & Austria, Benelux, France and Sweden.

£19.2m
Adjusted EBITDA*

Read more on pages 12-20

Water & Waste Services
Drainage, plumbing, pumps maintenance and Fats Oil & Grease ("FOG") services to commercial kitchens in the UK.

£11.8m
Adjusted EBITDA*

Read more on pages 12-20

Filta International
Cooking oil filtration, biodiesel recycling, bulk new oil supply & cleaning services for commercial kitchens in North America and Europe.

£7.0m
Adjusted EBITDA*

Read more on pages 12-20

B2C
Leading UK home service brands: ChipsAway, Ovenclean & Barking Mad.

£2.0m
Adjusted EBITDA*

Read more on pages 12-20

Click to see
Our Brands here

* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exchange differences, share-based payment expense and non-recurring items.

Investment Case

A Strong Platform For Growth

Internationally diversified Group of market-leading franchise brands, providing resilient services in large fragmented markets, delivering scalable franchisee-led growth under a highly experienced management team.

Market-leading franchise brands

Portfolio of seven high quality, franchise brands, leaders in their markets. Internationally-diversified across ten countries.

Resilient essential services

Resilient underlying demand for our essential reactive and planned services. Strategy to increase sector diversification.

Significant growth opportunities

Small, but growing shares of large fragmented markets. Our maximum potential model illustrates a potential for System sales of £2.1bn.

Highly cash generative

Capital light and highly cash-generative model as our franchise partners invest in their businesses. Average cash conversion 2023-2025: 98%.

Operational gearing

Operationally geared, with inherent scaleabilty being augmented by *One* Franchise Brands initiative, including digitally-enabled integration.

Highly experienced team

Highly experienced team with a strong track record of growing franchise businesses, with a shareholding of almost 30%.

Markets

Our Market Environment

Against a backdrop of challenging macro conditions in most key markets, the Group benefited from the inherent resilience of its reactive and essential planned services and international diversification. Filta International performed strongly and North America is our fastest growing market.

Macroeconomic environment

How we see it

- Reactive essential reactive and planned services held up well due to resilient underlying demand.
- Project work and other discretionary spending continued to be subdued as customers prioritised operational expenditure.
- The US was a supportive macro environment, with challenging macroeconomic conditions in certain European sectors.

How we are responding

- Diversifying into growth and/or supported sectors and continuing to expand our range of services.
- Benefiting from the traction of the FiltaMax strategic growth initiative launched in 2022.
- Developing opportunities to unlock potential in untapped or underpenetrated territories (eg, Pirtek van franchise, Filta under-served territories, new Metro Rod territories).

Cost and price factors

How we see it

- Continued widespread cost and price inflation challenges in respect of wages, materials, rent and other services.
- A "race to the bottom" on price in certain businesses driven by competitive pressures.
- Recruitment and retention of engineers an ongoing challenge but may change as labour markets soften.

How we are responding

- Implementing price and material increases across a number of our businesses.
- Offering various Management Service Fee ("MSF") incentives for franchisees on incremental growth.
- Launching new mobile service technician recruitment initiatives (e.g. Pirtek Germany).
- Leveraging the Group's combined purchasing power to help our franchise partners be more competitive (e.g fuel cards, parts and equipment).

Markets continued

Customer needs

How we see it

- Customers have been holding back discretionary and project work.
- Customer expectations continue to be demanding in terms of service level agreements and complying with their requirements.
- Customers are becoming increasingly technology-enabled.

How we are responding

- Focusing on consistent operational service delivery, and experience with a view to retaining customers.
- Providing a technology response through automation and AI where appropriate.
- FiltaClean allowing us to target new customer who value the service (e.g Quick Service Restaurants).
- Offering our expanded range of services to provide bundled offerings with economies of scale.

Market dynamics

How we see it

- Continued competitive pressures nationally and locally.
- Pirtek continues to experience competitive activity from companies not historically active in the reactive market.
- Buy and build activity in Water & Waste Services markets is strengthening some competitors.

How we are responding

- Positioning the benefits of our services, e.g., reduced customer downtime.
- Leveraging market leadership positions and increasing sales resource across the business.
- Differentiation through improved training, further accreditations and increased technical skills across the business.

The *One* Franchise Brands strategic inititiative is helping to build additional resilience by broadening and deepening our customer base, reduce sector dependency and establish a more efficient overhead structure. We are also better positioned to benefit as and when market conditions improve.

Business Model

How It Works

Our key resources and strstrengths

- **Market-leading franchise brands**
  Our principal brands have a leadership position in their key markets.
- **Size and financial strength**
  We have nearly 600 franchise partners and System sales of £435m, providing scale and diversification.
- **Established, resilient franchise networks**
  Our franchise partners are at the very backbone of the Group, operating successful and sustainable businesses.
- **Technology-enabled business**
  We use technology to enhance the natural operational gearing of our franchise business.
- **Leveraging *One* Franchise Brands**
  Our strategic Group-wide initiative to enhance sales, spend smartly and collect cash.
- **Highly experienced management team**
  The team has deep franchising expertise, a strong long-term track record of delivery and a significant shareholding in the business.

What we do

International multi-brand franchisor

We have seven franchise brands in ten countries delivering B2B essential van-based essential reactive and planned services.

Our services

Pirtek
Leading European provider of on-site hydraulic hose replacement and related services in UK & Ireland, Germany & Austria, Benelux, France and Sweden.

B2C
Leading home service brands in the UK: ChipsAway, Ovenclean and Barking Mad.

Water & Waste Services
Drainage, plumbing, pumps maintenance and FOG services to commercial kitchens in the UK.

Filta International
Cooking oil filtration, biodiesel recycling, new oil supply and cleaning services for commercial kitchens in North America and Europe.

The value we create for our stakeholders

Franchise partners
We support our franchise partners to grow their businesses so that “as they grow, we grow”. We have 582 franchise partners across seven market-leading brands.

Employees
We want to provide a great place for our c.600 people to work, develop their talents and careers, feel purposeful and positively impact wellbeing.

Customers
We aim to provide a first-class service on the c1.5m jobs a year, based on our speed of response, national coverage, one-stop solutions, technology-enabled customer service and quality of work.

Shareholders
We have a good long-term track record of delivering growth in earnings, and the cash generative nature of our business supports a progressive dividend policy.

Suppliers
We build long-term relationships with our suppliers so they have the opportunity to supply us with the highest possible quality of products, equipment and services.

Business Model continued

How We Make Money

Reconciliation of System sales to Adjusted EBITDA, 2025

This table sets out the reconciliation of System sales to Adjusted EBITDA, our two principal KPIs.

	System sales £m	Statutory Revenue £m	Gross profit £m	Gross profit as % System sales %	Admin expenses £m	Adjusted EBITDA £m	Adjusted EBITDA* %
Total franchise sales The underlying sales of our franchisees.	387.6	67.8	56.5	14.6%	(22.2)	34.3	86%
Direct Labour Organisation ("DLO") sales The sales relating to our DLO operations.	47.4	47.3	17.2	36.3%	(13.8)	3.4	9%
Other Includes product sales and other services for franchise partners including marketing, IT, resales.	–	27.1	11.0	–	(9.1)	1.9	5%
Group overheads These primarily relate to salaries and professional service fees of the plc.	–	–	–	–	(4.4)	(4.4)	–
Total	435.0	142.2	84.7	19.5%	(49.5)	35.2	100%

* Before group overheads.

For further information, see our KPI'S on pages 21 and 22.

Strategy

Business-Building Strategy

Our business-building strategy has five levers of growth that are driving the implementation of *One* Franchise Brands with a focus on enhancing sales, spending smartly and collecting cash.

Expanding and developing our range of services

Widening and deepening our range of services enables us to increase penetration and spend per customer. We have modest shares of large, fragmented markets as illustrated by our Maximum Potential Model.

Progress in 2025

In our Water & Waste Services division, we drove the development of tanker and pump sales and expanded into lining and excavation. Pirtek increased Total Hose Management ("THM") in its core markets together with technical sales and related services. Filta International developed FiltaClean and FiltaGold, both royalty-based services.

Priorities for 2026

- Continue to drive expanded range of sales at Metro Rod. Reposition Metro Plumb to grow local and domestic work.
- In Pirtek, drive THM, technical sales, ram and cylinder repairs, oil spill products and environmental services.
- In Filta International, further develop the FiltaClean offering and sell FiltaClean and FiltaGold to existing and new customers.

Developing a Group-wide technology platform

Helps enhance the customer experience, increase sales and drive efficiency and productivity. Opportunities to improve and harmonise processes and work more smartly. Technology and data standardisation creates a platform to deploy AI.

Progress in 2025

We made good progress on the rollout of the Group-wide technology initiatives with the One finance system (NetSuite) and One CRM (HubSpot) now live and in use across the majority of businesses. Good progress was made developing the One works management system (Vision) for Pirtek, which includes additional functionality.

Priorities for 2026

- Leverage One Finance process improvements and efficiencies.
- Complete development of and rollout of One works management system to Pirtek, synchronising with the end of contracts on legacy systems.
- Development of enhancements to One CRM.
- Roll-out One Reporting across the Group.

Strategy continued

Leveraging shared central services across the Group

Leverage the investment in technology and other central services such as sales & marketing and finance to optimise business effectiveness and efficiency.

Progress in 2025

Roll-out of One Finance and One CRM provides platform from which to improve and harmonise processes and work more smartly. Sales development initiatives across Pirtek. Initiated pan-European procurement initiatives. Embedding of AI across Group-wide marketing.

Priorities for 2026

- Leverage Group-wide technology initiatives to develop shared services.
- Leverage opportunities to buy more smartly using the Group's scale.
- Harmonise HR and people management across the Group.

Optimising our service delivery through our franchise network

Our objective is to grow our business with a franchise model, so "as they grow, we grow". The role of DLOs is to accelerate the growth of our franchise businesses and broaden the range of services offered to our customers.

Progress in 2025

Transfer of Filta pump work to Willow Pumps has led to optimisation of service delivery and improved profitability. Filta UK franchise partners delivering FOG servicing and installation previously carried out by direct labour. Expansion of range of services in each principal brand.

Priorities for 2026

- Support franchise partners across each brand to expand their range of services.
- Develop accredited sub-contractor model to further expand specialist services at Filta International.
- Develop initiatives to drive under utilised territories, e.g. van franchises.

Developing our connected businesses

Develop Group-wide sales opportunities through connecting the Group through our newly-launched CRM. This includes cross selling and upselling. Work smartly by sharing best practice, leverage expertise and relationships.

Progress in 2025

First full year of the new Management Board has encouraged the sharing of best practice, e.g. franchise network and sales development, including "Tools to scale", lapsed customers initiative, engineer recruitment and franchise partners' incentives.

Priorities for 2026

- Leverage benefits of Group-wide CRM to develop sales.
- Develop Group-wide communications across Support Centres, DLOs and franchise networks.
- Develop initiatives to reduce engineer labour downtime and improve productivity.

Chairman's Statement

A resilient performance, benefiting from international diversification

Stephen Hemsley
Executive Chairman

Introduction

The Group delivered a resilient performance in 2025, as the benefits of some of our *One* Franchise Brands' initiatives started to be realised, mitigating challenging macroeconomic conditions in certain European sectors. The Group also benefited from the essential nature of the majority of its services and its international diversification across its portfolio of market-leading franchise brands, with Filta International in the US performing strongly. The Group's robust cash generation continues to support the planned deleveraging alongside ongoing investment for growth and shareholder returns.

The integration of the Group to establish a platform of efficient group-wide systems continues to progress well. The *One* Franchise Brands strategic initiative is achieving its objectives of broadening and deepening our customer base, increasing sector diversification, and establishing a more efficient overhead structure. We have made good progress on the rollout of the Group-wide technology initiatives with the finance system and CRM now live and in use across the majority of businesses.

Chairman's Statement continued

The works management system for Pirtek continues to be developed and will be rolled out during 2026 to synchronise with the end of contracts on the legacy systems. The Group's clear strategic focus remains to accelerate the pace of integration, drive operational gearing and deleverage.

Capital allocation

Capital allocation decisions will balance deleveraging, maintaining a progressive dividend policy and investment in the organic expansion of the Group. As debt reduces, we will also consider purchasing our own shares when this covers share option dilution and enhances earnings per share.

As previously stated, the Board does not anticipate making any further significant acquisitions until the outstanding debt is substantially repaid and the integration of the existing group is complete, with the benefits of integration being delivered. As part of our ongoing review of capital allocation and given the considerable medium-term potential of our key B2B franchise networks we are now actively reviewing the strategic fit of businesses that no longer support the growth of the B2B franchise channels and/or are unlikely to deliver shareholder value in an acceptable timeframe. The Board is, therefore, considering the sale of certain businesses and capital generated through such disposals will be applied to accelerate debt repayment.

In the January trading update, the Company announced its intention to launch a new share buy-back programme of up to £10m, subject to obtaining certain consents. This programme will replace the previous £5m programme, announced in October 2024, of which circa £2.6m had been invested. In keeping with our overriding objective of deleveraging, the use of the new facility will continue to be used opportunistically to buy shares into the EBT to cover future option dilution and to purchase shares for treasury or cancellation where this is earnings-enhancing, and it is considered the best use of capital.

Trading venue

In line with the Company's statements in October 2024 and August last year, the Board has continued to assess the most appropriate market for the Company's shares. The Board has valued the feedback received from shareholders and has seen sustained institutional interest in the Company within the AIM market.

Taking these factors into account and balancing the potential benefits of a move against the additional demands and costs associated with a Main Market listing, the Board has concluded that remaining on AIM is currently in the best interests of shareholders. We, therefore, now confirm that we have no current intention to seek a transfer to the Main Market.

Outlook

Global macro conditions remain uncertain, but our business continues to demonstrate strong underlying resilience. Our focus on essential, non-discretionary services – delivered across ten countries and approximately 1.5 million jobs a year – and strong customer retention provides a highly diversified, stable foundation even in a volatile environment.

Early 2026 trading has continued to be varied with a continued strong performance in the US, with Filta International benefitting from a strong Used Cooking Oil ("UCO") price and our shift to royalty-based income. In Europe, volumes continued to be subdued, affected in part by the more severe winter weather in the early part of the year and continued macro-economic uncertainty.

While mindful of the geopolitical backdrop, we believe current System sales expectations continue to be realistic with room for improvement, and the accelerated integration of the Group gives us confidence in our cost control. On this basis, the Board continues to expect a full year performance for the year ending 31 December 2026 within the current range of analyst forecasts.

Initiatives to expand revenues across a more diversified customer base, sell more services to existing customers and enhance the quality of earnings and efficiency across the Group position it well for an improvement in its markets, including anticipated infrastructure investment in Germany and the UK.

Conclusion

In many of my recent Chairman's statements, I have referenced challenging trading conditions, and unfortunately that was also the backdrop to 2025. However, I believe we delivered a creditable performance, and this was entirely due to the determination, flexibility and sheer hard work of our franchise partners and corporate teams. As ever, my heartfelt thanks to them all.

Stephen Hemsley
Executive Chairman

£35.2m
Adjusted EBITDA*

1.6x
Leverage ratio**

* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exchange differences, share-based payment expense and non-recurring items.

** Leverage is calculated using Adjusted net debt at 31 December 2025 of £55.6m and Adjusted EBITDA for the financial year ended 31 December 2025 of £35.2m.

Operational Review

A creditable performance supported by the benefits of *One* Franchise Brands

Peter Molloy
CEO

"The *One* Franchise Brands strategic initiative has enabled the Group to develop sales opportunities across its businesses by sharing knowledge and expertise and by generally working more smartly."

Operational Review continued

Divisional performance

The focus of the Operational Review is the financial and business performance from System sales to Adjusted EBITDA. The Group's divisional trading results may be summarised as follows:

Year to 31 December 2025	Pirtek £'000	Water & Waste Services £'000	Filta Int'l £'000	B2C £'000	Azura £'000	Inter-company elimination £'000	2025 £'000
System sales	**193,470**	**110,521**	**107,515**	**24,503**	**386**	**(1,410)**	**434,985**
Statutory revenue	**63,978**	**45,323**	**30,516**	**5,338**	**386**	**(3,389)**	**142,152**
Cost of sales	(22,159)	(18,882)	(18,908)	(786)	–	3,341	(57,394)
Gross profit	**41,819**	**26,441**	**11,608**	**4,552**	**386**	**(48)**	**84,758**
GM%	65%	58%	38%	85%	100%	1%	60%
Administrative expenses	(22,624)	(14,604)	(4,580)	(2,601)	(730)	48	(45,091)
Divisional EBITDA	**19,195**	**11,837**	**7,028**	**1,951**	**(344)**	**–**	**39,667**
Group overheads	–	–	–	–	–	–	(4,422)
Adjusted EBITDA	**–**	**–**	**–**	**–**	**–**	**–**	**35,245**
Adjusted EBITDA/System sales	**–**	**–**	**–**	**–**	**–**	**–**	**8.1%**

Year to 31 December 2024	Pirtek £'000	Water & Waste Services £'000	Filta Int'l £'000	B2C £'000	Azura £'000	Inter-company elimination £'000	2024 £'000
System sales	**190,984**	**110,270**	**97,826**	**25,972**	**808**	**(285)**	**425,575**
Statutory revenue	**63,913**	**46,054**	**25,597**	**5,752**	**808**	**(2,918)**	**139,206**
Cost of sales	(22,010)	(19,661)	(15,691)	(1,001)	(0)	2,476	(55,887)
Gross profit	**41,903**	**26,393**	**9,906**	**4,751**	**808**	**(442)**	**83,319**
GM%	66%	57%	39%	83%	100%	15%	60%
Administrative expenses	(21,978)	(15,282)	(3,913)	(2,546)	(764)	442	(44,041)
Divisional EBITDA	**19,925**	**11,111**	**5,993**	**2,205**	**44**	**–**	**39,278**
Group Overheads	–	–	–	–	–	–	(4,157)
Adjusted EBITDA	**–**	**–**	**–**	**–**	**–**	**–**	**35,121**
Adjusted EBITDA/System sales	**–**	**–**	**–**	**–**	**–**	**–**	**8.3%**

Operational Review continued

System sales are a primary Key Performance Indicator ("KPI") of the Group and are considered a valuable indicator of Group performance as it allows total sales to end customers to be visible on a comparable basis across all Group businesses. System sales comprise the underlying sales of the Group's franchise partners and the statutory revenue of the Direct Labour Organisations ("DLOs"). In 2025, System sales increased by 2% to £435.0m (2024: £425.6m). 2024 System sales were restated to £425.6m from £418.5m as certain Pirtek DLO operations were not included in System sales disclosures in the prior year.

Statutory revenue increased by 2.1% to £142.2m (2024: £139.2m). Statutory revenue comprises many different types of revenue calculated on different bases and is not a KPI used in the operational management of the Group.

Administrative expenses were well controlled and increased by 2%. Adjusted EBITDA, which is the main KPI of the business, increased by 0.4% to £35.2m (2024: £35.1m). Operational gearing (Adjusted EBITDA/System sales) reduced marginally to 8.1% (2024: 8.3%).

Pirtek Europe

Pirtek operates in eight European countries: the UK & Ireland, Germany & Austria, the Netherlands & Belgium (Benelux) France and Sweden. In the major markets of the UK & Ireland, Germany & Austria, and Benelux, the business is mostly franchised, whereas the operations in France and Sweden are corporately operated. The franchised operations account for 91% of Pirtek's System sales and 97% of Adjusted EBITDA.

The sterling results for Pirtek Europe in 2025 may be summarised as follows:

Pirtek	2025 £'000	2024 £'000	Change %
System sales	**193,470**	**190,984**	**1%**
Statutory revenue	**63,978**	**63,913**	**0%**
Cost of sales	(22,159)	(22,010)	1%
Gross profit	**41,819**	**41,903**	**(0%)**
GM%	65%	66%	(0%)
Administrative expenses	(22,624)	(21,978)	3%
Adjusted EBITDA	**19,195**	**19,925**	**(4%)**
Adjusted EBITDA/System sales	**9.9%**	**10.4%**	**–**

The Pirtek Europe division generated total System sales of £193.5m, an increase of 1% (2024: £191.0m). Reactive sales held up well as a result of the successful diversification of the sectors serviced, mitigating project work and other discretionary spending which continued to be subdued. We consider the System sales growth achieved by Germany & Austria, our second largest market, creditable given the demanding macro-economic environment. The UK construction and plant hire sector remained challenging during the year, and this impacted System sales for the UK & Ireland.

System sales	2025 £'000	2024 £'000	Change %
UK & Ireland	82,741	83,201	(1%)
Germany & Austria	69,990	67,287	4%
Benelux	30,431	30,027	1%
France	7,906	7,779	2%
Sweden	2,402	2,690	(11%)
Total	**193,470**	**190,984**	**1%**

The underlying local currency System sales growth may be analysed as follows:

System sales local currency	2025 £'000	2024 £'000	Change %
UK & Ireland GBP	82,741	83,201	(1%)
Germany & Austria €	81,715	79,618	3%
Benelux €	35,547	35,534	0%
France €	9,225	9,201	0%
Sweden SEK	30,940	36,482	(15%)

UK & Ireland's System sales (which accounted for 43% of total System sales) declined modestly. Reactive job numbers held up, but the average order value ("AOV") reduced slightly, reflecting softness in the market for small projects. The strategic targeting of growth sectors, including rail, mining & quarrying and public services, all of which experienced double-digit System sales growth, provided some mitigation for the 3% decline in construction and plant hire. The business demonstrated a high level of resilience in terms of customer retention of national accounts. Good progress was also made to expand the range of services into ram and cylinder repairs, Total Hose Management ("THM"), air conditioning re-gassing and environmental treatment for oil spills.

Operational Review continued

Germany & Austria's System sales (which accounted for 36% of total System sales) increased by 3% in local currency. Against the backdrop of a challenging manufacturing environment, the business successfully targeted under-represented sectors. System sales in the industrial services sector increased 9%, driven by Total Hose Management work ("THM"). Other sectors which experienced good levels of growth were: rail, as a result of the overhaul and expansion of the German rail network (up 8%); infrastructure-related construction work, such as pipelines and roads (up 7%); and waste and recycling (up 4%). System sales in Maritime, a smaller sector, increased 9%. System sales in Manufacturing, the second largest sector in Germany & Austria, decreased 4%. The business saw a significant increase in sales for additional hydraulic services, such as repair of pressure and hydraulic accumulators, cylinder repairs, piping, and oil filtration (up 22%).
THM grew 5% and accounted for 19% of total System sales in Germany & Austria.

System sales in Benelux (which accounted for 16% of System sales) were flat in local currency. The business benefited from an increase in construction-related infrastructure projects, up 6%. Double-digit growth was achieved in the waste management and agricultural sectors. The strategic targeting of growth sectors helped provide some mitigation for continued weakness in the core construction and plant hire, and heavy industrial sectors. The business demonstrated a high level of resilience in terms of customer retention. It also further expanded its range of services with more customers taking THM and preventative maintenance services, which grew by 6%.

The performance of the non-franchised, DLO operations in France and Sweden (which accounted for a combined 5% of System sales) remains challenging. System sales in France were flat against a stronger comparative in 2024, driven by the Paris Olympics. The Swedish economy remains challenging with core construction and plant hire sectors experiencing a further contraction, and this contributed to a decline in overall System sales of 15%.

Adjusted EBITDA on a country basis may be summarised as follows:

Adjusted EBITDA	2025 £'000	2024 £'000	Change %
UK & Ireland	9,937	10,098	(2%)
Germany & Austria	6,251	6,212	1%
Benelux	3,786	3,942	(4%)
France	17	177	(90%)
Sweden	(18)	313	–
Divisional overheads	(778)	(817)	(5%)
Total	**19,195**	**19,925**	**(4%)**

Adjusted EBITDA decreased 4% to £19.2m (2024: £19.9m), which is a disappointing performance, albeit in challenging market conditions. The ratio of Adjusted EBITDA to System sales decreased from 10.4% to 9.9% as a result of the 3% growth in administrative expenses and 1% System sales growth.

The underlying performance of each country, in local currency can be analysed as follows:

Adjusted EBITDA Local Currencies	2025 '000	2024 '000	Change %
UK GBP	9,937	10,098	(2%)
Germany & Austria €	7,284	7,341	(1%)
Benelux €	4,427	4,666	(5%)
France €	13	206	(94%)
Sweden SEK	(203)	4,240	(105%)
Group overheads GBP	(778)	(817)	(5%)

The performance of Germany & Austria is considered creditable against a very challenging macro-economic environment in 2025 and positions the business well for 2026. The UK and Benelux businesses experienced modest declines in Adjusted EBITDA.

Administrative expenses for the Pirtek division were well controlled and increased by 3% to £22.6m (2024: £22.0m). These increases were across all Pirtek businesses with the biggest impact being in the UK and Germany where additional investment was allocated for Group-wide IT initiatives. As a result of continued Group integration, divisional overheads reduced 5%.

Operational Review continued

Water & Waste Services division

The results of the Water & Waste Services division may be summarised as follows:

	Metro £'000	Willow £'000	Filta UK £'000	2025 £'000
System sales	**79,444**	**19,212**	**11,865**	**110,521**
Statutory revenue	**18,443**	**19,212**	**7,668**	**45,323**
Cost of sales	(2,086)	(12,654)	(4,142)	(18,882)
Gross profit	**16,357**	**6,558**	**3,526**	**26,441**
GM%	89%	34%	46%	58%
Administrative expenses	(8,604)	(4,301)	(1,699)	(14,604)
Adjusted EBITDA	**7,753**	**2,257**	**1,827**	**11,837**

	Metro £'000	Willow £'000	Filta UK £'000	2024 £'000	Change £'000	Change %
System sales	**79,410**	**18,296**	**12,564**	**110,270**	**251**	**0%**
Statutory revenue	**18,408**	**18,296**	**9,350**	**46,054**	**(731)**	**(2%)**
Cost of sales	(2,353)	(11,911)	(5,397)	(19,661)	779	(4%)
Gross profit	**16,055**	**6,385**	**3,953**	**26,393**	**48**	**0%**
GM%	87%	35%	42%	57%	1%	2%
Administrative expenses	(8,023)	(4,424)	(2,835)	(15,282)	678	(4%)
Adjusted EBITDA	**8,032**	**1,961**	**1,118**	**11,111**	**726**	**7%**

The Water & Waste Services division continues to become more integrated and grow its franchise focus by expanding its franchise networks and reducing its DLO operations.

Operational Review continued

Metro Rod

	2025 £'000	2024 £'000	Change £'000	Change %
System sales	**79,444**	**79,410**	**34**	**0%**
Statutory revenue	**18,443**	**18,408**	**35**	**0%**
Cost of sales	(2,086)	(2,353)	267	(11%)
Gross profit	**16,357**	**16,055**	**302**	**2%**
GM%	89%	87%	1%	2%
Administrative expenses	(8,604)	(8,023)	(581)	7%
Adjusted EBITDA	**7,753**	**8,032**	**(279)**	**(3%)**

Metro Rod includes Metro Plumb and Kemac. Metro Rod System sales were flat at £79.4m (2024: £79.4m). While the number of jobs carried out reduced by 10%, the AOV increased 9% as part of a targeted move to higher quality work. Gross profit increased 2% as a result of a 2% improvement in the gross profit percentage to 89% (2024: 87%) reflecting the franchising of the DLO in North Scotland. Tanker sales increased 7% and pump sales 9%, and together account for 24% of Metro Rod System sales (2024: 22%).

The business made good progress in sector diversification targeting housing associations, food manufacturing and transportation, and in developing planned work which increased 7%. Administrative expenses increased by 7% primarily as a result of reallocated central IT support charges, which are now charged on a usage basis which added £0.4m to this cost. Adjusted EBITDA reduced modestly to £7.8m (2024: £8.0m) as a result.

Metro Plumb System sales declined by 4% (2024: 14%). This was largely due to a large national account moving to self-deliver a large proportion of their work. Franchisees continued to expand their service offerings to include gas and air-source heat pumps.

Willow Pumps

	2025 £'000	2024 £'000	Change £'000	Change %
Statutory revenue	**19,212**	**18,296**	**916**	**5%**
Cost of sales	(12,654)	(11,911)	(743)	6%
Gross profit	**6,558**	**6,385**	**173**	**3%**
GM%	34%	35%	(1%)	(2%)
Administrative expenses	(4,301)	(4,424)	123	(3%)
Adjusted EBITDA	**2,257**	**1,961**	**296**	**15%**

Willow Pumps performed strongly in 2025 with statutory revenue increasing by 5% to £19.2m (2024: £18.3m). The business benefited from the growing maturity of its Special Projects division, introduced in 2024, which has now been fully embedded into the business. This has enabled the diversification of the service offering to include large and complex infrastructure projects.

The more traditional parts of the business also performed well with a growth in Service revenue and contracted planned maintenance. The business also benefited from the transfer of pump work from Filta Pumps to ensure the most economical divisional method of delivery and an improved customer experience.

Gross margin reduced slightly, primarily due to a change in the way in which margin is recognised on longer-term contracts. Overheads decreased by 3% as a result of the elimination of Metro Rod Exeter overheads, which Willow Pumps had operated corporately. As a result, Adjusted EBITDA increased 15% to £2.3m (2024: £2.0m).

Operational Review continued

Filta UK

	2025 £'000	2024 £'000	Change £'000	Change %
System Sales	**11,865**	**12,564**	**(699)**	**(6%)**
Statutory revenue	**7,668**	**9,350**	**(1,682)**	**(18%)**
Cost of sales	(4,142)	(5,397)	1,255	(23%)
Gross profit	**3,526**	**3,953**	**(427)**	**(11%)**
GM%	46%	42%	4%	9%
Administrative expenses	(1,699)	(2,835)	1,136	(40%)
Adjusted EBITDA	**1,827**	**1,118**	**709**	**63%**

Filta UK comprises the Filta Environmental franchise network, the Filta Seal DLO and some remaining Fats, Oil and Grease ("FOG") installation work undertaken by direct labour.

In line with the Group's ambition to reduce DLO work where possible, all FOG servicing work and approximately half of the installation work has been transferred to franchise partners. As only the Management Service Fee ("MSF") paid by franchise partners is recognised in Statutory revenue this metric has declined year-on-year. All pump work has also been transferred to Willow Pumps, but is still invoiced from Filta at a zero margin. As a result, the double counting of the System sales in both businesses is eliminated in the consolidation.

System sales at Filta declined 6% to £11.9m (2024: £12.6m), driven by a reduction in FOG installations due to the slowdown in a large national account roll-out programme and reduced discretionary spending with Filta Seal.

As a result of these developments, Filta UK has become increasingly integrated within the Water & Waste Services division, which has enabled transactional finance to move to the Metro Rod Support Centre. This allowed the sale of a freehold property previously used by the Filta team which generated a profit of £0.6m. Overall, these efficiencies resulted in a 40% decrease in administrative expenses and a 63% increase in Adjusted EBITDA. Even excluding the profit on the sale of the freehold property, underlying Adjusted EBITDA increased by 14%.

Filta International

	US Franchisor £'000	US DLO £'000	Europe £'000	2025 £'000	North America £'000	Europe £'000	2024 £'000	Change £'000	Change %
System sales	**103,107**	**991**	**3,417**	**107,515**	**94,446**	**3,380**	**97,826**	**9,689**	**10%**
Statutory revenue	**29,255**	**917**	**344**	**30,516**	**25,029**	**568**	**25,597**	**4,919**	**19%**
Cost of sales	(18,142)	(671)	(95)	(18,908)	(15,419)	(272)	(15,691)	(3,217)	21%
Gross profit	**11,113**	**246**	**249**	**11,608**	**9,610**	**296**	**9,906**	**1,702**	**17%**
GM%	38%	27%	72%	38%	38%	52%	39%	(1%)	(2%)
Administrative expenses	(4,048)	(255)	(277)	(4,580)	(3,601)	(312)	(3,913)	(667)	17%
Adjusted EBITDA	**7,065**	**(9)**	**(28)**	**7,028**	**6,009**	**(16)**	**5,993**	**1,035**	**17%**

Filta International comprises the Filta franchise networks in North America and Europe. During the year, following the cessation of a franchise agreement in respect of three territories in Kentucky and Indiana, the Support Centre assumed management of two of these operations, and one was immediately assumed by another franchise partner. The remaining two territories are now reported as a DLO, of which one has subsequently been sold.

System sales in North America increased by 9% to £103.1m (2024: £94.4m) and by 13% in local currency to $136.1m (2024: $120.9m), benefiting from a supportive macro-environment. Excluding the revenue from the sale of used cooking oil ("UCO"), underlying Systems sales grew by 7% to £85.3m (2024: £79.6m) and in local currency by 11% to $112.6m (2024: $101.9m).

Good traction continues to be made with the FiltaMax strategic growth initiative in the 55 metro markets, where the range of services is being expanded and franchise partners are being upgraded. The business experienced continued momentum in growing the royalty-based FiltaGold and FiltaClean services, which now account for 23% of System sales (2024: 20%).

Good progress is also being made in converting the franchise partners onto a royalty-only model and away from the historic fixed monthly fee on each Mobile Filtration Unit ("MFU"). 45% of franchise partners are now on a percentage-based royalty and approximately 68% of System sales are now subject to a royalty.

Operational Review continued

Sales of UCO in 2025 increased by 20% to £17.8m (2024: £14.8m) and by 24% in local currency to $23.5m (2024: $19.0m). This resulted from a rise in the price of UCO of 12% in local currency and an 11% increase in volume.

Administrative expenses in the US franchisor increased by 12%, primarily due to an increase in professional fees related to the departure of a franchisee and the creation of the DLO referred to above. Adjusted EBITDA of the US franchisor grew by 17.6% to £7.1m (2024: £6.0m), and on a local currency basis by 21% to $9.3m (2024: $7.7m).

Filta Europe was sold to a master franchisee at the end of Q1 2025 and System sales are those achieved by the master franchisee in the territory and revenue represents our MSF.

B2C Division

	2025 £'000	2024 £'000	Change £'000	Change %
System sales	**24,503**	**25,972**	**(1,469)**	**(6%)**
Statutory revenue	**5,338**	**5,752**	**(414)**	**(7%)**
Cost of sales	(786)	(1,001)	215	(21%)
Gross profit	**4,552**	**4,751**	**(199)**	**(4%)**
GM%	85%	83%	3%	3%
Administrative expenses	(2,601)	(2,546)	(55)	2%
Adjusted EBITDA	**1,951**	**2,205**	**(254)**	**(12%)**

The B2C division includes ChipsAway, Ovenclean, and Barking Mad B2C brands. Its income is derived primarily from monthly fees paid by franchisees for using the brands and from the fees generated on recruiting new franchisees.

2025 remained challenging for franchisee recruitment and retention. 21 new franchisees were recruited (2024: 24), and 50 franchisees left the system (2024: 53), resulting in a net decline of 29 franchisees (2024: 29). As a result, the total number of franchisees reduced by 29 to 269 (2024: 298).

Gross profit declined by 4% due to lower monthly fee income on the reduced franchise base and the lower income from franchise recruitment. Strict cost control resulted in an increase in administrative expenses of only 2%. As a result Adjusted EBITDA declined by 12% to £2.0m (2024: £2.2m).

Azura

	2025 £'000	2024 £'000	Change £'000	Change %
System sales	**386**	**808**	**(422)**	**(52%)**
Statutory revenue	**386**	**808**	**(422)**	**(52%)**
Cost of sales	–	–	–	(0%)
Gross profit	**386**	**808**	**(422)**	**(52%)**
GM%	100%	100%	0%	0%
Administrative expenses	(730)	(764)	34	(4%)
Adjusted EBITDA	**(344)**	**44**	**(388)**	**(882%)**

Statutory revenue is comprised of third-party income of £0.4m (2024: £0.4m) and charges to Group companies of £0.0m (2024: £0.4m). The Azura resources are currently focused on supporting the development and rollout of the One Works Management system to the Pirtek businesses. When completed, Azura will generate revenues which were previously paid to third-party software providers, and the capitalised cost will be amortised. Throughout the year the charges to Group companies were temporarily suspended during ongoing development work.

Operational Review continued

One Franchise Brands

The *One* Franchise Brands strategic initiative has enabled the Group to develop sales opportunities across its businesses by sharing knowledge and expertise and working more smartly. This has reduced sector dependency and increased diversification. This initiative has also deepened and broadened customer relationships by providing a wider range of services.

Good progress was made establishing a platform of efficient Group-wide systems which can drive greater efficiency. The Group-wide finance system (NetSuite) has been deployed and is live across the majority of the Group and will facilitate process improvements and efficiencies. The Group is already benefiting from improved speed and quality of reporting.

The Group-wide CRM (HubSpot), the development of which was brought forward into 2025 from a planned roll-out in 2026, has now been rolled out to all major businesses. Once fully integrated, this system will provide both the Group and our franchise partners with actionable, real-time insights to enable sales growth to accelerate.

The Vision works management system is being rolled out to Pirtek on a phased basis to avoid dual running costs with legacy systems and to ensure functionality is optimised in each market. The rollout will be complete in 2026. In the meantime, the enhanced functionality the team at Azura has developed for Pirtek is being rolled out at Metro Rod.

The technology and data standardisation of the Group's integrated systems provides a platform for the application of Artificial Intelligence at scale. As the IT strategy evolves, AI will become increasingly central. The current investment is focused in two main areas: generative AI and agentic AI.

In generative AI, the focus is on generating new content for diverse use cases, from creating marketing materials to developing software code. For example, AI is being used to build software that automates repetitive processes and enhances the efficiency and productivity of the Group's people. Azura has also generated AI software tests that are able to validate their own application software, resulting in faster time to market and higher quality functionality.

> "We see great future potential to deploy AI to help drive monitoring and predictive maintenance, providing customers with early alerts to breakdown or when maintenance is required."

In agentic AI, the focus is on building digital agents to augment and scale the Group's teams. These digital agents will operate and further enhance current processes, increasing productivity and availability by operating at speed, learning continuously, and executing workflows precisely and at scale. The agents are being tested at the front end of the process to speed up job logging and acceptance, with the aim of deploying digital agents across a wider range of the Group's processes to further enhance productivity.

The Group sees significant future potential to deploy AI to help drive monitoring and predictive maintenance, providing customers with early alerts to breakdown or when maintenance is required. Intelligent scheduling and route optimisation are also being developed, which will help with demand forecasting, dynamic dispatch and real-time updates.

Peter Molloy
CEO

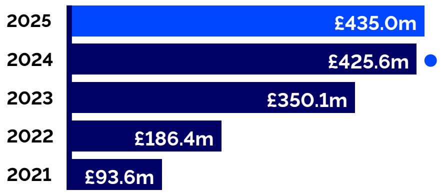
Key Performance Indicators

Tracking Our Progress

The Board reviews Franchise Brand's Key Performance Indicators ("KPIs") to track performance against the Group's six main priorities. The Board tracks six main financial KPIs which are set out on pages 21 and 22. The Group's Management Board reviews non-financial KPIs which vary for each division.

System sales
(£m)

£435.0m



Definition

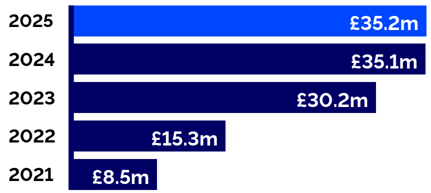
System sales are the underlying sales of our franchise partners and the statutory revenue of our DLO operations. It is considered a good indicator of Group performance as it allows total sales to end customers to be visible on a comparable basis across all the Group's businesses.

Progress in 2025

System sales increased by 2% in 2025. Underlying demand for the Group's essential reactive and planned services was resilient despite challenging macroeconomic conditions. The Group benefited from international diversification,

Adjusted EBITDA
(£m)

£35.2m



Definition

Earnings before interest, tax, depreciation, amortisation, exchange differences, share-based payment expenses and non-recurring items. Adjusted EBITDA is the most important KPI used in managing the financial performance of the business.

Progress in 2025

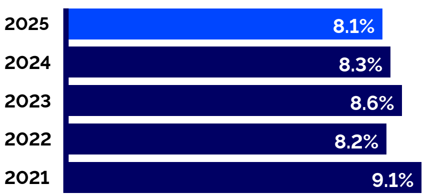
Adjusted EBITDA increased by 0.4% to £35.2m (2024: £35.1m) primarily as a result of modest growth in System sales being offset by both cost of sales and overhead increases of 3% each.

● Prior Year Adjustment 2024 System sales were restated to £425.6m from £418.5m as certain Pirtek DLO operations were not included in System sales disclosures in the prior year.

Key Performance Indicators continued

Adjusted EBITDA to System sales
(%)

8.1%



Definition
Adjusted EBITDA/System sales is the key measure of the Group's operational gearing.

Progress in 2025
Operational gearing reduced slightly from 8.3% in 2024 to 8.1% in 2025 as a result of the relatively fixed nature of the cost base against modest System sales growth and the investment we are making in the business.

Adjusted EPS
(p)

9.00p

Definition
Earnings per share before amortisation of acquired intangibles, share-based payment expense and non-recurring items.

Progress in 2025
Adjusted EPS increased 5% in 2025 as a result of the 25% reduction in interest charge due to debt repayments and reductions in the base rate. We also took proactive steps to reduce the cost of our banking facilities.

Dividend per share
(p)

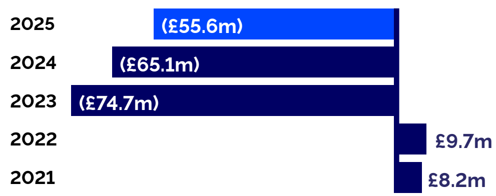
2.50p

Definition
Dividend per share represents the amount of our profit after tax that is paid out to shareholders as an interim and final dividend divided by the weighted average number of shares in issue.

Progress in 2025
Dividend per share increased 4% in 2025, a similar rate to the growth in earnings. The Company has had a progressive dividend policy since IPO.

Adjusted net debt
(£m)

(£55.6m)



Definition
Adjusted net debt represents total borrowings less cash and cash equivalents, excluding debt on right-of-use assets. It is the metric used in calculating compliance with our banking covenants.

Progress in 2025
We made good progress reducing Adjusted net debt driven by repaying bank loans of £15.5m which resulted in Adjusted net debt reducing to £55.6m at 31 December 2025 representing leverage of 1.6x.

Working Responsibly

Our guiding principles

We have five guiding principles that inform the way we work with each other, support our franchise partners, and serve our customers and communities.

We demand integrity

We are professional in everything we do and treat people with respect.

We empower people

We empower our people and expect them to take ownership of a situation and to be accountable for their actions and the results they generate.

We are fair

We consider that fairness and transparency are essential to creating high-trust working relationships with each other, and with our franchise partners, suppliers, and customers.

We challenge ourselves

We set high standards, are demanding of ourselves, prepared to challenge the norm and have a relentless focus on continuous improvement.

We work as a team

We place a huge amount of importance on teamwork between our colleagues and our franchise partners to create a dynamic business.

Click to see how our growth is powered by the ambition, talent, and dedication of our franchisees and employees.

Working responsibly continued

Sustainability Policy

1. Purpose
Across all our businesses, we are committed to delivering excellent and efficient services to our customers Our dedicated franchise partners and teams deliver approximately 1.5m jobs a year, having a positive impact on customers and the communities across the ten markets in which we operate.

Sustainability is at the heart of our business and our Sustainability Policy sets out the Group's commitment to operating responsibly, reducing the environmental and social impacts associated with our activities, offering employment and development opportunities, positively impacting the communities in which we operate and creating long-term value for our stakeholders.

Our approach is designed to support our franchise networks, direct operations, employees, customers and supply chain partners, while ensuring the long-term resilience and competitiveness of our business.

2. Scope

This Policy applies to:
- All Group companies.
- All directly employed staff.
- All franchise partners operating under the Group's brands.
- Contractors and suppliers working on our behalf.

Franchise partners are required to adopt and implement this Policy (or a local equivalent standard approved by the Group).

3. Sustainability framework
This is structured around four strategic pillars and one enabling pillar:

1. Safe, skilled and empowered people – Supporting health, safety, wellbeing, skills and development opportunities.
2. Responsible and resilient operations – Minimising environmental impact, improving efficiency and optimising service delivery.
3. Helping customers enhance value – Reduce downtime and waste, improve efficiency and value through timely, effective service.
4. Positive community impact – creating local employment, making a social and charitable contribution.
5. Robust governance & transparent reporting – Maintaining strong governance and accountability.

4. Our Commitments

People
We will:

- Maintain a safety-first culture and continuously improve incident prevention.
- Provide access to training and skills development pathways.
- Promote diversity, inclusion, equal opportunity and non-discrimination.
- Monitor working conditions and labour standards across the value chain.

Environment
We will:

- Measure, manage and seek to reduce greenhouse gas emissions.
- Improve route efficiency and adopt lower-emission vehicles where viable.
- Reduce waste and increase reuse and recycling.
- Ensure safe handling and disposal of chemicals, fluids and hazardous materials.

Customers
We will:

- Support customers in reducing downtime, resource loss and waste.
- Develop preventive maintenance and efficiency improvement programmes.
- Communicate sustainability benefits of our services clearly and credibly.

Governance & transparency
We will:

- Maintain Board oversight of sustainability strategy and performance.
- Set measurable targets and monitor progress.
- Ensure compliance with relevant legislation and industry standards.
- Publish transparent sustainability reporting.

5. Roles and responsibilities
- The Board provides oversight and approves sustainability strategy and targets.
- The Executive Team integrates sustainability into business planning and operations.
- Operational and Franchise Leaders implement the Policy locally.
- All employees and franchise partners are responsible for applying this Policy day-to-day.

6. Continuous improvement
In keeping with our philosophy of continuous learning and development, we are always looking for opportunities to improve our approach on our sustainability journey. This Policy will be reviewed annually to reflect changes in regulation, customer expectations, operational needs, and industry best practice.

Working responsibly continued

Sustainability framework

PILLAR 1: PEOPLE

Safe, skilled & empowered

We are committed to ensuring the health, safety and wellbeing of all individuals working for or on behalf of the Group. We support continuous skills development and a culture of respect, fairness and inclusion.

Focus areas:

- Zero harm safety programme (incl. leading indicators, not only RIDDOR outcomes)
- Standardised technician training & certification pathways (consistent across networks)
- Franchise partner and supplier labour standards (e.g., working hours, right-to-work)
- Diversity, inclusion and equal opportunity frameworks
- Wellbeing: fatigue management, mental health support for field teams

PILLAR 2: OPERATIONS

Responsible & resilient

We seek to minimise the environmental impact of our fleet, facilities and operational activities, reduce waste and resource use, and adopt practices that support long-term operational resilience.

Focus areas:

- Fleet: transition to low-emission vehicles where operationally practical
- Routing optimisation / telematics to reduce fuel use
- Efficient product usage (e.g., hoses, fittings, spares) to reduce waste
- Waste handling and recycling arrangements across franchise and direct sites
- Decarbonisation pathway and environmental management standardisation (e.g., ISO 14001 rollout where possible)

PILLAR 3: CUSTOMERS

Reducing downtime & waste

Our services help customers maintain safe and efficient operations. We aim to further enhance the value our services provide in preventing waste, improving resource efficiency and supporting customers' sustainability goals.

Focus areas:

- Quantify avoided waste (e.g., fluid loss prevented)
- Demonstrate how fast response reduces business downtime (energy waste & inefficiency)
- Offer preventive maintenance programmes
- Develop customer sustainability case studies to support bid processes

PILLAR 4: COMMUNITIES

Having a positive impact

We are committed to making a positive contribution to the communities we work in through the employment we create and services we provide. Both we and our franchise partners participate in a wide range of local community engagement and support activities.

Focus areas:

- Create meaningful local employment
- Strengthen local community partnerships and charitable contributions
- Paid volunteer days
- Operate as a trusted service provider

Enabling pillar: good governance & transparent reporting

We maintain robust governance, policies and performance data to support compliance, ethical conduct, and transparent reporting to stakeholders.

Focus areas:

- Minimum franchise sustainability standards
- Central policy suite: sustainabiility, modern slavery, whistleblowing, responsible tax, anti-bribery, supplier code of conduct
- Single ESG reporting data model (usable across countries and networks)
- Supplier ESG screening
- Alignment with appropriate reporting standards: TCFD, SECR, UK Sustainable Reporting Standards (when finalised)

Working responsibly continued

UN Sustainable Development Goals

At Franchise Brands, our commitment to working responsibly is aligned with the United Nations Sustainable Development Goals ("SDGs"). These goals provide a globally recognised framework for assessing the environmental, social, and economic factors that increasingly influence long-term business performance.

The Group uses the SDG framework as a strategic reference tool. It helps align sustainability initiatives with stakeholder expectations, and provides a consistent structure for communicating our approach to responsible and sustainable growth.

Our focus is particularly on SDG 3 (Good health and wellbeing), SDG 5 (Gender equality), SGD 8 (Decent work and economic growth), and SDG 11 (Sustainable cities and communities). These align with our core business and where we believe we can make an impact.

UN goal:	How we principally contribute:
Good health and wellbeing	– Employee assistance programme for all staff. – Mental health first aiders training. – Access to a range of health, wellbeing and lifestyle discounts. – Highly developed health and safety processes and training.
Gender equality	– High proportion of females in our Support Centres: 56% in Metro Rod and over 60% in B2C. – Leadership development opportunities for female managers. – More females in management positions.
Decent work and economic growth	– Development opportunities, rewards and recognition. – Share option scheme which covers 240people. – Create local employment in the community, fostering a culture of "giving back".
Sustainable cities and communities	– High standards of quality and sustainability. – Manage and commitment to reduce environmental impact. – Accreditations and certifications.

Working responsibly continued

Social

A great working environment

Our people are at the heart of our business and our most valuable resource. They play a key role in supporting our franchisees and helping them to grow their businesses. We support our people in a number of ways, are always receptive to ideas and feedback and encourage them to get involved.

Gender pay gap

We reward our people fairly. This includes upholding equal pay. As part of our commitment to be an Employer of Choice we report on our gender pay gap. We are pleased to report our gender pay gap reduced to 12% (2024: 18%) and we are proud of the increasing number of women we have in management roles.

Share ownership

Our strong ownership culture is one of the keys to our success and 240 people in the Group, or 40% of employees, have share options.

12.4%
Gender pay gap

606
number of people in the Group

Breakdown of our Group-wide employees

	Support Centres	DLO and Corporate Operations	Total	Male (%)	Female (%)
PIRTEK					
UK & Ireland	56	11	67	61%	39%
Germany & Austria	44	3	47	83%	17%
Belgium & Netherlands	16	33	49	12%	87%
France	–	74	74	92%	8%
Sweden	–	24	24	83%	8%
Total	**116**	**145**	**261**	**81%**	**19%**
WATER & WASTE SERVICES					
Metro Rod & Metro Plumb	109	–	109	44%	56%
Filta UK	12	22	34	59%	41%
Kemac	–	37	37	84%	16%
Willow Pumps	–	83	83	73%	27%
Total	**121**	**142**	**263**	**61%**	**39%**
FILTA INTERNATIONAL					
FILTA INTERNATIONAL	29	–	29	72%	28%
Total	**29**	**–**	**29**	**72%**	**28%**
GROUP					
B2C	13	–	13	40%	60%
AZURA	23	–	23	87%	13%
FRANCHISE BRANDS PLC	17	–	17	58%	42%
Total	**53**	**–**	**53**	**66%**	**34%**
Franchise Support Centres			265	57%	43%
DLOs and corporate operations			309	80%	20%
Azura			23	87%	13%
Franchise Brands plc			17	58%	42%
Total	**319**	**287**	**606**	**71%**	**29%**

* Full-time equivalent members of staff as at 31 December 2025.

Working responsibly continued

Some of the ways we create a great working environment

"Our collective success is rooted in the diverse strengths of our people, across all of our brands. Together, we create greater value."

Julian Mason, Group Head of HR

"We are committed to drive engagement across our workforce by investing in people's career progression, embracing AI and creating a supportive wellbeing culture."

Rupi Gill-Sodhi, Pirtek HR Manager

Keeping everyone informed and updated

- Implementing new and progressive HR communications strategy.
- Informal drop-in sessions and coffee mornings with management.
- All staff weekly calls, monthly briefings, staff lunches including with guest speakers.
- Using AI to deliver innovative group-wide communications.

Health and wellbeing

- Employee assistance programme access to counselling and occupational health and commitment to mental health first aiders.
- Health cash plans offering a wide range of benefits including access to virtual GP.
- Access to on-site gym facilities and a range of health, wellbing and lifestyle discounts.

Making things easier

- A range of flexible working options and family friendly support which goes beyond legal compliance.
- Retail benefits and discounts to help with the cost of living.
- Free on-site EV car chargers. Training centre vans and pool cars available.
- In house recruitment – making applications easier.

Reward & Recognition

- Group wide share options.
- Incentives for sales referrals and cross selling.
- Long service awards. Employee of the month initiatives.
- Salary sacrifice schemes.
- Journey to paying the Real Living Wage across all businesses.

Making a difference

- Fostering a culture of "giving back", from group charity events to paid volunteer days. Recognised as a brand that is an integral part of the fabric of or communities.
- Employee suggestions boxes.
- Partnering with a large range of charities Group-wide.

Personal and career development

- Innovative UK-based HR-information system.
- e-learning tools and training libraries.
- Leadership development, mentoring and coaching.
- Ladies networking and development activities.
- Cyber security training programme that helps handle and mitigate the challenges of cyber threats.

Working responsibly continued

Non-Financial and Sustainability Information Statement

Scope of this Statement

Franchise Brands plc is a UK-incorporated company with shares admitted to trading on the AIM market and had more than 500 employees during the year ended 31 December 2025. As such, we are required to report under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations).

The disclosures we are required to make by the Regulations are set out in this section of the Strategic Report and relate to the Company and all of its subsidiaries, including those incorporated outside the UK.

Together with this section of the Strategic Report, the disclosures in the remainder of the 'Working Responsibly' section on pages 23 to 44 provide the disclosures required to be included in this Non-Financial and Sustainability Information Statement.

Climate change – overview

Following a period of very rapid growth, from our 2023 financial year onwards, we are reporting in line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations). However, we see this as much more than a compliance and disclosure exercise.

We have now set up the necessary governance to ensure that we can embed and track climate action across our business model. We have identified potential climate change-related risks and opportunities for our business and have assessed them from an impact perspective. We expect that these will evolve over the longer-term as those effects become more pronounced. We are already taking steps aimed at mitigating those risks and positioning the business to take advantage of the opportunities. We are improving our emissions data collection and are aiming to develop a credible and commercially viable decarbonisation pathway for the Group with associated metrics in place over the next two years.

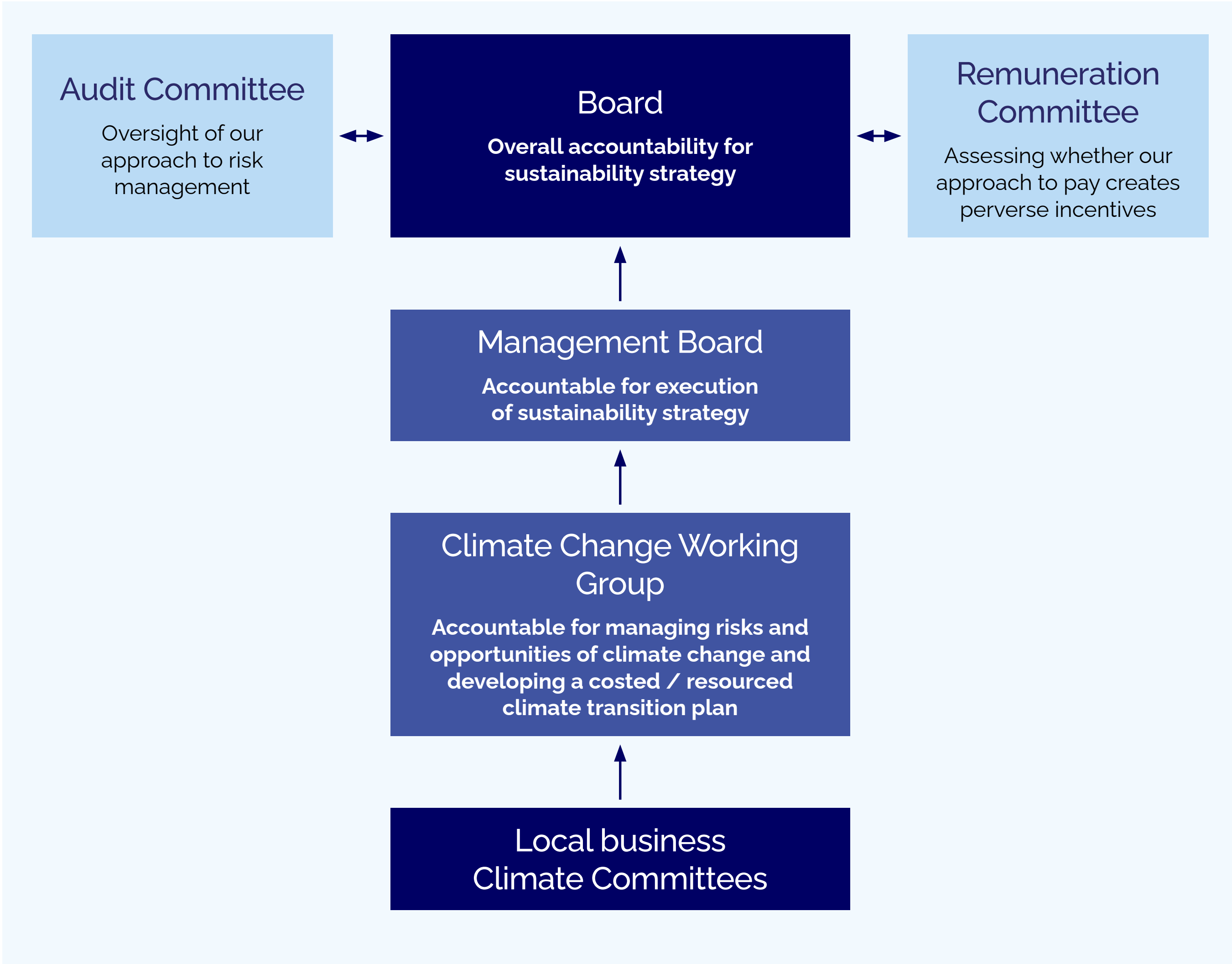
The table opposite sets out the current status of Franchise Brands' climate-related reporting with the eight disclosures required by the Regulations.

Required disclosure	Comment	See page
(a) Describe the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.	We have met this requirement.	32
(b) Describe how the Company identifies, assesses and manages climate-related risks and opportunities.	We have met this requirement.	33
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Company's overall risk management process.	We have met this requirement.	33
(d) Describe the principal climate-related risks and opportunities arising in connection with the Company's operations, and the time periods by reference to which those risks and opportunities are assessed.	We have met this requirement.	34
(e) Describe the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy.	We have met this requirement.	34
(f) Provide an analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios.	We have met this requirement.	35
(g) Disclose the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	We had no targets set in the reporting year. Scope of work for 2026 includes developing appropriate climate-related targets.	35
(h) Describe the key performance indicators used to assess progress against the targets used to manage climate-related risks and realise climate-related opportunities.	We have KPIs in place and continue to develop appropriate KPIs to help us monitor and measure our performance.	36

Working responsibly continued

Governance

Climate change and the requirements of the Regulations have been considered by both the Board and the Management Board. Importantly, we treat climate change as an integral part of the strategy, risks and operations of the Group.
A Climate Change Working Group ('Working Group') was created by the Board to consider the potential risks and opportunities for each of the Group's businesses. This is led by the Company Secretary, Rob Bellhouse, and comprises senior managers drawn from each of the Group's businesses. The composition of the Working Group was widened in 2025 to ensure that each of our major subsidiaries is represented. We are supported by external consultants who provide technical insights and know-how and support us on our climate change journey.



Working responsibly continued

Strategic approach

The Working Group leads and oversees our reviews of our climate-related risks and opportunities. We currently consider these under three different scenarios:

- **Delayed transition** (warming limited to 1.5-2.0˚C by 2100, the Inter-governmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6) – this is the scenario that would result if the international climate change response is delayed, requiring a very aggressive policy response starting in 2030.
- **Current policies** (3.1˚C by 2100, IPCC RCP 4.5) – this is the scenario that will result if climate change continues on its current path, with no new material policy responses implemented.
- **No climate policies** (Close to 5.0˚C by 2100, IPCC RCP 8.5) – this is the scenario that could result if major economic blocs reverse some or all of the measures that have been taken to date, and further exploit fossil fuels. It is sometimes referred to as a worst-case scenario.

These scenarios were chosen for our assessment of climate-related risks and opportunities as they represent the upside, central (current) and downside cases, respectively, for the possible trajectory of climate change.

The Working Group considered the risks and opportunities resulting from climate change under each of these three scenarios over three time periods:

- **Short-term** (2026-2028) – the period to the end of the Group's current strategic planning horizon.
- **Medium-term** (2029-2035) – this is highly relevant as 2035 is the date by which European vehicle manufacturers are currently expected to stop manufacturing vehicles with internal combustion engines. This is a key time horizon for us, as the delivery of van-based services forms the vast majority of the Group's business.
- **Longer-term** (2035-2050+) – the period when sustained physical risks from climate change are expected to become more acute.

Risk management

Risks and opportunities, both physical and transition, are a key element of the Working Group's discussions. Following a 'top-down' high level review undertaken by the Management Board members in late 2023, the Working Group has now completed two formal reviews of our climate-related risks and opportunities. Importantly, the most recent exercise involved the management teams of each of our main businesses to ensure that we captured a wider range of perspectives. This did not identify any new risks but did provide a deeper understanding of those risks.

More importantly, the businesses highlighted a number of potential opportunities over a range of time horizons.

In late 2024 we reviewed potential physical risks to the Group's operational sites linked to the impact of climate change. This identified that, of our current locations, only Filta's US site in Orlando is potentially at risk in the short to medium term. A mitigating action has already been put in place. Please see page 39 for more information. We have identified potential business opportunities arising from the physical risks associated with climate change. While these might offer an incremental benefit to certain of our businesses, the overall effect is not expected to be material for the Group.

The Working Group has also assessed climate change-related transitional risks and opportunities. The key issue we have identified is a risk arising from the transition from internal combustion engines (ICE) to electric vehicles (EVs). Following trials, we are concerned that the EVs currently available are not viable in our business for the reasons explained in the risk register on pages 37-39. The constraint on the future production of ICE vehicles is solely policy driven. As a result, either a technological breakthrough is required, or governments may need to relax their positions if the technological constraints cannot be overcome. While the UK currently retains 2035 as the deadline after which no ICE vans can be sold as new, the EU has already relaxed its position somewhat, replacing the hard deadline with a longer-term emissions reduction target. Despite this, there is a near-term risk in the Netherlands, where some municipalities will remove the current exemption which allows Euro 6/VI ICE vehicles to travel into their cities on 31 December 2027 (though this is intended to be deferred for a further 12 months). Our preparations, with the intention of being able to meet that deadline, are underway. We continue to trial different manufacturers' electric vans to establish their viability in our business. In the short term, some franchises are trialling solar panels on their vehicle roofs to power the equipment used. This avoids engine idling, so improves energy efficiency and reduces emissions.

The main climate-related risks and opportunities that the Working Group has identified are discussed in the table on pages 37-39. These have been discussed with the Board. On the basis that the assumptions listed in that table are borne out in practice, the Working Group's conclusion, based on our current understanding, is that we do not expect that any of the risks or opportunities, whether physical or transition, will be financially material to the Group under the scenarios and time horizons considered.

Working responsibly continued

Our commitment to addressing climate change

In 2025 the Board approved an initial goal of achieving Net Zero emissions across Scope 1 and Scope 2 (which we refer to as 'in our own operations') by 2045.

To set a wider Net Zero goal, including our Scope 3 emissions, will require buy-in from our franchisees, both present and future, since the majority of carbon emissions associated with our business activities arise from their vehicle fleets. We are already starting to improve our collection of data on Scope 3 emissions, which is detailed in the SECR information on page 40. While this is a material step forward, there is more that can and will be done during 2026.

The Working Group has agreed to use CO_2-equivalent emissions per job undertaken as our principal intensity metric, which will include Scope 3 data relating to the vehicles we and our franchise partners use. We need to establish our confidence in the data for 2025, but assuming this is sufficiently robust, 2025 will become our base year. Tracking the reduction in this metric relative to 2025 will therefore become our key performance indicator in subsequent years. We have a number of opportunities to reduce the carbon intensity of our business which we are pursuing.

As we start to get better visibility of our Scope 3 emissions as a Group, we are committed to setting incremental reduction targets and Net Zero targets which are both credible and commercially viable.

The table below sets out the current status of our climate change programme in relation to each of the requirements of the Regulations:

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Governance			
(a) A description of the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	The Board is ultimately accountable for, and oversees, the Group's response to climate change. The Board has delegated a Climate Change Working Group, led by the Company Secretary, to provide the initial identification and assessment of climate-related risks and opportunities and, subsequently, to support local subsidiary management teams in managing those risks and opportunities. As we treat managing climate-related risks and opportunities as part of the normal process of running the business, oversight of these rests with the Management Board.	The Working Group was strengthened by adding members from two of our European businesses, one of which faces a near-term transition risk. The most recent review of climate-related risks and opportunities was led by the Working Group members and involved the management teams of each of our material subsidiary companies. The Company Secretary reported on the progress made by the Working Group to the Board in January 2025 and presented the main climate-related risks and uncertainties to the Board in October 2025, as part of a wider review of key environmental and social risks.	We believe that the current governance arrangements and approach remain appropriate and proportionate, given the climate-related risks and opportunities we have identified. We therefore expect to maintain our current approach for the foreseeable future. The Working Group has scheduled quarterly meetings throughout 2026 to create greater momentum in our response to climate change. The Board and Management Board will be provided with an update on all material matters discussed. Should any risks or opportunities be identified that require additional focus, we will adapt our governance arrangements accordingly.

Working responsibly continued

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Risks and opportunities			
(b) A description of how the Company identifies, assesses, and manages climate-related risks and opportunities	**Identification and assessment** This has been undertaken on a 'top-down' basis by the Management Board, supplemented by two 'bottom-up' reviews overseen by the members of the Working Group. The most recent of these also involved the management teams of each of our material subsidiary companies. **Management of risks and opportunities** Our local management teams have primary responsibility for managing risks within their businesses, which includes our response to the risks and opportunities associated with climate change. Importantly, local management includes many members of the Management Board, who are also business leaders. Please see page 51 for a description of how the Group manages risk.	The Working Group led an in-depth review of the climate-related risks and opportunities on a business-by-business basis. This considered a number of climate change scenarios and time horizons. The most recent review of climate-related risks and opportunities was led by the Working Group members and the management teams of each of our material subsidiary companies. The outcome of the most recent review of climate-related risks and opportunities will be reported to the Management Board and Board.	The Working Group will continue to develop our understanding of climate-related risks and opportunities by conducting further review exercises. We will also encourage local management teams to do the same, which should help to strengthen local accountability for managing these risks and opportunities.
(c) A description of how processes for identifying, assessing and managing climate-related risks and opportunities are integrated into the Company's overall risk management process	We have a policy framework in place for the timely identification, assessment and management of risk, which enables all categories of risk to be rated and compared directly. The process for the identification, assessment and management of climate-related risks and opportunities is therefore fully integrated within the Group's risk management framework. For further details of our approach to risk management, see page 51.	The Working Group used the Group's risk management framework to undertake a review of climate-related risks and opportunities. This did not identify any shortcomings in the process for the identification or assessment of risk, including climate-related risk.	We will continue to use the Group's risk management framework to undertake reviews of climate-related risks and opportunities. We will ask local subsidiary management teams to undertake reviews of these risks and opportunities as part of their normal reviews of business risk, to supplement and support the reviews by the Working Group.

Working responsibly continued

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Risks and opportunities			
(d) A description of (i) the principal climate-related risks and opportunities arising in connection with the Company's operations and (ii) the time periods by reference to which those risks and opportunities are assessed	We do not currently judge any of the identified risks and opportunities to be material to the Group, in terms of either the potential financial or environmental impacts. The identified climate-related risks and opportunities that we believe could become material to the Group are set out in the table on pages 37-39. The introduction to this Statement explains our definitions of the short, medium and long term and why we have chosen these time periods.	The Working Group led an in-depth review of the climate-related risks and opportunities on a business-by-business basis. This considered a number of climate change scenarios and time horizons. The most recent review confirmed our initial view that none of the climate-related risks and opportunities we have identified was, or was likely to be, material to the Group. The main risk that has the potential to become material relates to the transition from vehicles powered by internal combustion engines to electric motors, as explained in the introduction to this Statement.	The Working Group will continue to evolve and improve its understanding of the climate-related risks and opportunities for the Group. Specifically, we will continue to monitor the legal and regulatory environment around the transition from vehicles powered by internal combustion engines to electric motors, and the evolution in the capabilities of EVs.
Business model and strategy			
(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy	Our assessment of climate-related risks and opportunities has not identified any that have, or that we currently expect will have, a material impact on the business model or strategy of the Company or Group. The identified climate-related risks and opportunities that we believe could become material to the Group, and their potential impacts, are set out in the table on pages 37-39.	The Working Group has considered the impacts on the business model and strategy of the Company or Group, as explained in the introduction to this report. The work undertaken in the year confirms our initial view that the identified climate-related risks and opportunities are unlikely to have a material impact on the Group's business model and strategy.	Based on our evolving and improving understanding of climate-related risks and opportunities, we will continue to review whether these have, or could have, an impact on the Group's business model and strategy

Working responsibly continued

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Business model and strategy			
(f) An analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios	Our scenario analysis conducted in early 2026 indicates that our business model and strategy are resilient. Our businesses are diverse, both geographically and by business sector. Having considered the climate-related risks and opportunities in a range of scenarios over various time horizons, we do not currently believe that any of these will be material to the Group. Based on our current understanding, we believe that the Company's business model and strategy will continue to be resilient.	The Working Group has assessed climate-related risks and opportunities under various scenarios and time horizons, as explained in the introduction to this report. The risk identification and assessment work undertaken to date confirms our initial view that the Company's business model and strategy are likely to be resilient in each of the scenarios considered.	We will continue to refine our understanding of our climate-related risks and opportunities. A focus for this work will be whether these have, or could have, a material impact on the resilience of the Company's business model and strategy.
Targets, metrics and KPIs			
(g) A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	We are currently using our Scope 1, 2 and 3 emissions data as the key metric in this area. We intend to set a target restricting the growth in our GHG emissions in our own operations (excluding future acquisitions) to a rate lower than that of the growth of the business (the latter most probably measured in terms of system sales). In January 2025 the Board approved a goal of achieving Net Zero emissions across Scopes 1 & 2 by 2045. We are currently refining the route to achieving Net Zero, which will include identifying and setting milestones for that journey. It is likely that the GHG intensity metrics and the milestones for our journey to Net Zero will form part of our revised targets.	In January 2025 the Board set a long-term goal of achieving Net Zero emissions across Scopes 1 & 2 by 2045. In October 2025 the Board agreed which environmental and social risks it regarded as 'key' to the Group. This included one climate-related risk, being the transition risk relating to the move from internal combustion engines to electric vehicles.	The Working Group intends to use CO_2-equivalent emissions per job undertaken as our principal intensity metric.. (which will include Scope 3 data relating to the vehicles we and/or our franchisees use) and track this relative to a baseline year, most likely 2025. Given that we are at an early stage of our carbon-reduction journey and are still improving our Scope 3 data collection mechanisms, it has not possible to set any targets at this stage. However, this task is a near-term priority

Working responsibly continued

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Targets, metrics and KPIs			
(h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, and of the calculations on which those KPIs are based	The Group measures and reports on a wide range of energy consumption and associated GHG emissions, in line with the Greenhouse Gas Protocol, as required by the Streamlined Energy and Carbon Reporting Regulations (SECR). This report is on pages 40-44. We have been measuring and reporting Scope 1 and 2 emissions and estimating and reporting our Scope 3 emissions for a number of years. We expect this will continue to be the bedrock of our reporting. As noted opposite, we have agreed an intensity metric which we intend to use as a KPI, to enable the energy intensity of our business to be tracked year-on-year, so we can monitor progress against the targets that we intend to set.	We started to improve the breadth and quality of data used in estimating the Scope 3 emissions relating to the vehicles used in our seven franchise networks by the almost 600 franchise partners through whom our services are delivered. This data has been included in the SECR report on pages 40-44.	The key task in the short-term is to further refine our measurement of the Scope 3 emissions relating to our franchise partners' operations. As noted under (g) above, we intend to use CO_2-equivalent emissions per job undertaken as our principal intensity metric. This will be calculated by dividing total CO_2 emissions (including an assessment of Scope 3 data relating to the vehicles we and our franchise partners use) by the number of jobs completed in the year, tracked relative to a baseline year, most likely 2025. This will provide us with a means of ensuring that we use carbon responsibly as we pursue our goals of growing the Group's business.

Working responsibly continued

Materiality and Resilience

Following a 'top-down' high level review undertaken by the Management Board members in late 2023, the Working Group has now completed two formal reviews of our climate-related risks and opportunities. Importantly, the most recent exercise involved the management teams of each our main businesses in this process to ensure that we captured a wider range of perspectives. The time horizons and climate change scenarios we considered, and the reasons for choosing these, are explained on page 31.

Based on our current understanding, none of the risks or opportunities we have identified are believed to be material to the Group at this time, under any realistic scenario. For the purposes of our risk management framework, in financial terms we regard "materiality" as being 1% of Group Adjusted EBITDA, so approximately £350,000.

The risks and opportunities identified that could have the potential to become material to the Group are as follows:

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
No new vehicles powered by internal combustion engines (ICE) are permitted to be sold in the UK after 2035, and the availability of ICE vehicles in the EU will be severely curtailed from that date (transition risk)	Our business is largely the provision of essential, mainly reactive, van-based services. Our initial trials of electric vehicles (EVs) suggest that: • EVs cannot carry the loads typically found in our, or our franchisees', vans over a range that makes them a practicable alternative to ICE. • EV tankers (used in Metro Rod and Willow Pumps) cannot run for the length of time needed, or support the range required. • EV charging times are not compatible with the response times which form a key part of our customer service proposition, especially in Pirtek Europe. For these reasons, our interim conclusion is that the electric vehicles (EVs) currently available do not provide a viable alternative to ICE vehicles.	M/L	Current policies Delayed transition	The constraint on the future availability of ICE vehicles is solely policy driven. Either a technological breakthrough is required for EVs to be a viable alternative, or governments will need to relax their positions if the operational constraints cannot be overcome.	We are working with motor industry contacts to gain insights from vehicle manufacturers and other industry sources into the likely future development of EV vans and commercial vehicles and share in their understanding of the evolution and development of government policy. We and our franchise partners will remain reliant on ICE vehicles for the foreseeable future. We have considered alternative fuels that could reduce the carbon footprint of our current fleet such as hydrotreated vegetable oil fuel or hydrogen. However, these do not appear to be operationally or economically viable alternatives at this time.

Working responsibly continued

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
Bans on any ICE vehicles entering Zero Emission Zones (ZEZ) in certain town centres, with some Dutch cities implementing this from 1 January 2028 or 2029 (transition risk)	Where our customers are located in a ZEZ, or the van would need to cross this, we will not be able to use any ICE vehicle from 2028, although this may be extended by one year. While EV range is not a material issue in a geographically compact country such as the Netherlands, our initial trials of a small EV highlighted that this could not carry the full range of tools and hoses/fittings. As a result, our 'first time fix' percentage declined and the customer suffered extended downtime.	S	Current policies Delayed transition	The cities involved will not relax their policy change. We will be able to identify a viable EV to service work in the ZEZs.	We will continue trials, to seek to identify a larger EV capable of carrying the full payload of tools, hoses and fittings. We and/or our franchise partners will need to install EV charging points at every depot to ensure that the EVs needed to access relevant city centres can be kept fully charged.
Introduction or extension of carbon pricing, which could arise primarily in the form of increased fuel costs or road pricing, including the extension of Low Emission Zones (transition risk)	Due to the franchised nature of the vast majority of the Group's businesses, we do not judge that the increase in operating costs will prove to be material to the Company, although it could affect our franchisees' returns and ultimately our business model and strategy.	M/L	Current policies Delayed transition	While national and local governments may seek to increase the costs of using ICE vehicles, there will be a natural ceiling for those costs to avoid causing harm to their economies.	We are already implementing operations management software which includes 'plan my day' functionality designed to minimise driving times and distances. The possible use of EVs and/or alternative fuels could also help mitigate the effect of carbon pricing. We will continue trials of EVs and use our insight into the future evolution of EVs (or other alternative technologies) and government policy.

Working responsibly continued

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
Group operating premises in areas at risk from the effects of climate change (physical risk)	In the short term, Filta's offices and warehouse in Orlando, Florida are at risk from tropical cyclones, extreme heat, changing precipitation patterns and changing air temperature. In the longer term, certain of our, or our franchisees', locations in the UK, Belgium and the Netherlands could be at risk from rising sea levels, if coastal defences are not bolstered. Other sites could become 'at risk' in the most extreme climate change scenarios.	S/L	Delayed transition	National and local governments will take steps to protect their major centres of population and economic activity from any rise in sea levels.	Filta have already opened a second warehouse location in Las Vegas and could relocate from the Orlando site if required. The Orlando-based staff can all work remotely whenever required.
Opportunities					
Climate change results in more frequent and/or more pronounced weather events, or a general change in local climates, which leads to an increase in demand for the Group's services (physical risk)	Pirtek may see a benefit from longer or hotter weather, as hydraulic hoses used outdoors perish more quickly in these conditions. Metro Rod may see a benefit from longer periods of wet weather, as these reveal drains that have become blocked. Metro Plumb may see a benefit from longer periods of cold weather, as this may lead to burst pipes. In all of the cases above, there could be a switch from reactive work to planned or preventative work which may affect the overall demand for the Group's services.	M/L	Delayed transition	No material assumptions.	We track system sales and monitor trends in the business very closely, so would be able to alert our franchise partners to the need to have larger numbers of engineers and technicians available to support any longer-term increases in customers' requirements.

Working responsibly continued

Environmental

Priorities in 2025

Approach and performance

We acknowledge the significant environmental risk posed by climate change and are committed to reducing our environmental impact. In 2025 the Board approved an initial goal of achieving Net Zero emissions across Scope 1 and Scope 2 (which we refer to as 'in our own operations') by 2045.

Actions taken in 2025

We strengthened our Change Working Group by adding members from two of our European businesses.

The members led a review of climate-related risks and opportunities involving the management teams of each of our material subsidiary companies. For the second year we have voluntarily collected and analysed emissions from our franchise partners. Improving on 2024, we have collected and analysed emissions from 38 franchise partners (2024: 21) who accounted for 11% (2024: 9%) of Group System sales.

Activities planned for 2026

Focus on factors which minimise the environmental impact of our fleet, facilities and operational activities, reduce waste and resources. These including route optimisation using technology and efficient product usage (e.g., hoses, fittings, spares) to reduce waste.

For further information see pages 29-39.

Franchise Brands plc Streamlined Energy and Carbon Reporting 2025

Franchise Brands plc has reported scope 1, 2 and 3 greenhouse gas (GHG) emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR).

This SECR report reflects the period 1 January 2025 – 31 December 2025. The previous year's data for 1 January 2024 – 31 December 2024 have also been included in this report to allow for year-on-year comparison.

Methodology

Responsibilities of Franchise Brands plc and 51toCarbonZero

Franchise Brands plc was responsible for the internal management controls governing the data collection process. 51toCarbonZero was responsible for the data aggregation, GHG calculations and the resultant emissions statements.

Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. This standard is internationally accepted as best practice.

Scope and subject matter

The report includes sources of environmental impacts under the operational control of Franchise Brands plc In 1 January 2025 – 31 December 2025. This includes all offices that meet the mandatory reporting requirements.

* Location-based electricity (Scope 2) emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed. For SECR, location-based is mandatory.

** Market-based electricity (Scope 2) emissions use fuel mix that is specific to the purchased electricity's supplier and tariff. Where supplier-specific fuel mix data is absent, UK National Grid's residual fuel mix was used, in accordance with the GHG Protocol. For SECR, market-based is optional.

Working responsibly continued

GHG Sources Included in the Process

GHG Protocol Category	Data Source
Scope 1: Fuel used in company vehicles, natural gas (boilers), diesel for electricity generation, other fuels	– Natural gas consumption was provided as kWh or m3 at all sites excepting those where no utility bill information was available. These sites were charged in a single bill across all utility consumption with no separation and were unable to provide the total bill amount. – Company owned vehicle travel was provided in one of two ways. Either by litres of fuel consumed or distance travelled split by vehicle fuel type. Where car size information was unavailable the UK government 2025 average car size factor for the fuel type was used. – Litres of both fuels were converted to kWh using 2025 conversion factors calculated by DEFRA.
Scope 2: Purchased electricity *	– Companies provided their 2025 annual electricity consumption in kWh. – As with natural gas consumption some sites were excluded due to lack of data availability. Electricity was charged to these sites within a single utility charge where the specific energy consumption was unable to be disaggregated and the total utility spend was unavailable.
Scope 3: Fuel used for business travel in employee owned or hired vehicles	– Many Franchise Brands' companies utilise leased or employee-owned vehicles for business travel. – Expensed mileage in employee-owned or lease vehicles was reported in spend, fuel consumption (litres) and distance travelled by vehicle type. The reimbursement rate of 45p per mile was utilised to convert the spend to distance, which was then converted into kWh using 2025 conversion factors calculated by the UK Government. Activity data was converted directly into kWh using the 2025 UK government conversion factors. – Companies reported fuels used in leased vehicles either in a spend format or in litres. When the data was only provided in a spend format, the average fuel price per litre in 2025 was used to convert the spend into litres. In 2025 the average petrol price at the time of this report was 135.1p/litre in the UK. – Litres were converted to kWh using 2025 conversion factors provided by the UK Government.

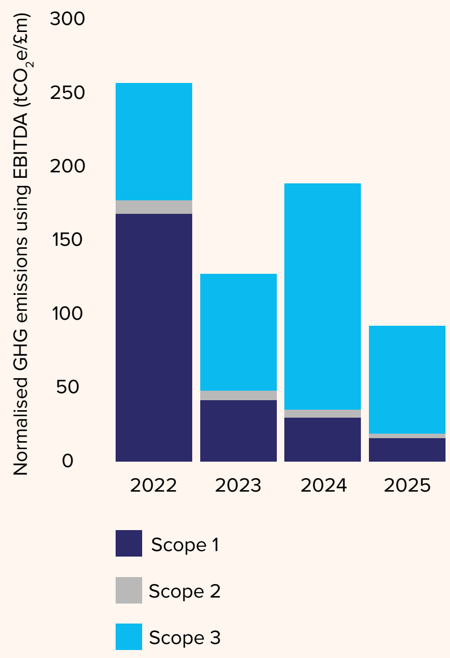
* Dual reporting of electricity emissions have been presented in line with the GHG Protocol. Location- based electricity emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed – for SECR, location-based is mandatory. Market-based electricity emissions use where provided the supplier's tariff-specific intensity factor and fuel mix, and where this is unavailable, the local grid's residual fuel mix intensity factor is used.

Working responsibly continued

	2022	2023	2024	2025	Change 2024-2025 %
Annual Energy Consumption (kWh)					
Electricity	587,263	937,241	1,074,624	942,064	(12%)
Gas	168,610	1,184,788	529,660	202,672	(62%)
Transport fuel	11,417,733	11,128,595	21,056,765	10,800,598	(49%)
Other Fuels	20,700	40,634	36,060	36,644	(1%)
Total	**12,194,306**	**13,291,258**	**22,697,109**	**11,981,978**	**(47%)**
Annual GHG Emissions (tCO_2e)					
Scope 1					
Combustion of Gas	31	217	97	38	(61%)
Mobile Combustion	2,523	1,021	929	504	(46%)
Combustion of Heating Oil	5	10	9	9	1%
Scope 2					
Purchased Electricity – Location-Based	138	193	202	150	(26%)
Purchased Electricity – Market-Based	252	345	394	306	(22%)
Scope 3					
Category 6: Business Travel in Employee – Owned Vehicles	437	1,626	5,093	2,626	(48%)
Category 3: Upstream emissions from purchased fuel and energy – Location-Based	777	748	306	183	(40%)
Category 3: Upstream emissions from purchased fuel and energy – Market-Based	783	780	344	204	(41%)
Total – *Location-Based*	**3,912**	**3,814**	**6,636**	**3,502**	**(47%)**
Total – *Market-Based*	**4,031**	**3,999**	**6,866**	**3,688**	**(46%)**
Intensity Ratio (tCO_2e/£ EBITDA)					
EBITDA £M	15.26	30.15	35.12	35.24	0.4%
Intensity Ratio: tCO_2e / £ Million Adjusted EBITDA – *Location-Based*	**256.34**	**126.50**	**188.95**	**99.36**	**(47%)**
Intensity Ratio: tCO_2e / £ Million Adjusted EBITDA – *Market-Based*	**264.13**	**132.64**	**195.14**	**104.39**	**(46%)**

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.

Franchise Brands' year-on-year normalised GHG emissions by scope



Franchise Brands' year-on-year normalised GHG Emissions, split by Scope. Emissions have been normalised by Adjusted EBITDA.

Working responsibly continued

	UK	EUROPE	USA	Total
Annual Energy Consumption (kWh)				
Electricity	508,664	339,673	93,727	942,064
Gas	3,532	199,140	–	202,672
Transport fuel	6,316,875	4,483,723	–	10,800,598
Other Fuels	36,544	–	–	36,544
Total	**6,865,615**	**5,022,536**	**93,727**	**11,981,878**
Annual GHG Emissions (tCO_2e)				
Scope 1				
Combustion of Gas	1	37	–	38
Mobile Combustion	504	–	–	504
Combustion of Heating Oil	9	–	–	9
Scope 2				
Purchased Electricity – Location-Based	90	25	35	150
Purchased Electricity – Market-Based	237	34	35	306
Scope 3				
Category 6: Business Travel in Employee – Owned Vehicles	1,276	1,350	–	2,626
Category 3: Upstream emissions from purchased fuel and energy – Location-Based	159	16	8	183
Category 3: Upstream emissions from purchased fuel and energy – Market-Based	182	14	8	204
Total – *Location-Based*	**2,030**	**1,429**	**43**	**3,502**
Total – *Market-Based*	**2,200**	**1,436**	**43**	**3,679**
Intensity Ratio (tCO_2e/£ EBITDA)				
EBITDA £M	35.24	35.24	35.24	35.24
Intensity Ratio: tCO_2e / £ Million Adjusted EBITDA – *Location-Based*	**57.61**	**40.54**	**1.21**	**99.36**
Intensity Ratio: tCO_2e / £ Million Adjusted EBITDA – *Market-Based*	**62.43**	**40.75**	**1.21**	**104.39**

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.

Working responsibly continued

Energy Efficiency and Carbon-Saving Measures

Pirtek

- Pirtek UK relocated to new, modern and eco-friendly office facility.
- Pirtek UK Support Centre fleet now 89% electric, with remaining 11% vehicles hybrid/petrol. Germany using eco-electricity power supply following new office premises.
- Full energy saving automated lighting system at Pirtek UK training centre and corporate franchises.
- Solar panels being trialled on mobile service units to negate the need to have the van engine running to power the equipment. Inverters on board for power tool charging.
- Solar panels on Pirtek Belgium corporate centre.

Water & Waste Services division

- Electric Mercedes vans are being trialled by Metro Plumb Kemac to lower emissions and fuel use.
- Energy efficient measures at the Metro Rod & Metro Plumb Support Centre which will improve efficiency and reduce energy consumption: new heating system and LED lighting.
- Solar panel installation is being assessed to reduce grid use and energy costs.
- Trees planted increased to 5,764 which is approximately 70-85 tonnes per year of CO_2 absorbed once they are fully grown.

Fllta International

- Acquires blocks of solar energy for Orlando Support Centre.

B2C division

- Continuing trials with EV vehicles.
- Trailing AI Meta Glasses to reduce the need for in person support – reducing travel and associated carbon costs.

Voluntary streamlined Energy and Carbon Reporting 2025

Introduction

Franchise Brands has volunteered for the second time to report emissions from franchise partners for a more comprehensive impact of the Group's environmental impact. Improving on 2024, we have collected and analysed emissions from 38 franchise partners (2024: 21) who accounted for 11% (2024: 9%) of Group System sales.

Voluntary SECR

	2024	2025	Change %
Annual Energy Consumption (kWh)			
Electricity	145,765	195,345	34%
Gas	77,266	48,769	(37)%
Transport fuel	5,523,432	10,553,260	91%
Total	**5,746,463**	**10,797,374**	**88%**
Annual GHG Emissions (tCO_2e)			
Scope 1			
Combustion of Gas	15	9	(39%)
Mobile Combustion	0	0	0%
Scope 2			
Purchased Electricity – *Location-Based*	30	35	15%
Purchased Electricity – *Market-Based*	678	91	34%
Scope 3			
Category 6: Business Travel in Employee-Owned Vehicles	1,719	3,000	75%
Category 3: Upstream emissions from purchased fuel and energy – *Location-Based*	12	15	23%
Category 3: Upstream emissions from purchased fuel and energy – *Market-Based*	19	24	27%
Total – *Location-Based*	**1,776**	**3,058**	**72%**
Total – *Market-Based*	**1,821**	**3,124**	**72%**

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.

Section 172 Statement

In performing their duties, the Directors of the Company are required to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. But they must also take into account the potentially competing interests of a range of other stakeholders and considerations, as set out in section 172(1) of the Companies Act 2006 (the Act).

This statement explains how the Directors had regard to each of the requirements of the Act, and engaged with the stakeholders where relevant, during the year.

Our key stakeholders

While there will always be specific considerations for any individual decision taken by a Director, the Board has a clear understanding of which groups are our key stakeholders. This was formally confirmed in a review by the Directors in September 2025. Please see page 6 where we explain who we see as our key stakeholders.

How the Directors fulfilled this duty in 2025

This statement focuses on matters that are strategically important to the Company, consistent with the Group's size and complexity. The Directors seek to consider all relevant matters when making decisions, most especially when these are intended to drive performance and momentum for our business into the future.

As a progressive, principles-led Group, we are committed to working in partnership with all our key stakeholders. Processes are in place to engage as necessary to understand their perspectives and to ensure that these are considered in the Directors' decision-making and the actions we take.

(a) The likely consequences of any decision in the long term

When considering decisions which have a lasting effect, the Directors take into account the impact on our annual budget and our longer-term business plans. They also consider the cumulative impact of the decisions they have taken and how these may play out in the future. We are aware that a 'quick fix' is not a solution if it is likely to jeopardise our sustained success over the medium or long term.

The impact of the decision being taken over various time horizons will be an important consideration, if this could have a negative effect on key stakeholders' interests and so create risks to the sustained success of our business.

(b) The interests of the company's employees and the wider workforce

Our committed and dedicated employees and wider workforce are a crucial asset. They play a key role in supporting our franchise owners, providing them with the support they need to grow their businesses. We aim to cultivate and maintain a positive working environment and provide learning and development opportunities, recognition and rewards.

Our franchise partners and their staff are the very backbone of the Group. It is their commitment, hard work and entrepreneurialism that helps us grow our business. Our teams provide support and development to help them grow their businesses and maintain the highest brand and operational standards.

The Executive Directors are present in our businesses on a day-to-day basis so encounter our employees and wider workforce, as well as our franchise partners and their staff, as a matter of course. We encourage all of our Non-executive Directors to visit any of sites whenever they wish, which provides them with the same opportunity. All Directors are invited to attend individual brand conferences and award dinners. This provides an opportunity for face-to-face discussions with employees and other members of the Group's workforce and, crucially, franchise partners and their staff. The Board is regularly provided with the views of management at its meetings, since they inevitably have greater insight.

The Directors regard our workforce, our franchise owners and their employees as critical stakeholder groups. Any decision to be taken that could have a negative impact on their interests would need to be evaluated thoroughly and all practicable alternatives considered.

Section 172 Statement continued

(c) The need to foster the company's business relationships with suppliers, customers and others
We are fortunate in having strong relationships with a range of excellent suppliers across the Group. We also appreciate the faith shown in us and our franchise owners by the many thousands of customers that we serve on a daily basis. There are many other partners with whom we do business or on whom we depend, most notably our main lending bank and the other local banks we work with across the Group. The continuation of those relationships is of crucial importance and requires that we deliver on our commitments and are open and transparent in our communications.

The Executive Directors will routinely meet with suppliers, customers and other business partners (as well as our franchise owners) as part of their day-to-day roles. We invite key suppliers to attend many of our individual brand conferences, which provides a further opportunity for the Executive and Non-executive Directors to meet them face-to-face. The Board is also breifed on the views of management at its meetings.

Other than our lending bank, HSBC, we do not have any individual supplier or customer relationships that are of strategic significance to the Group as a whole, though many of our individual brands or businesses do have important relationships that need to nurtured and maintained.

The Directors would always consider carefully any decision that could have a negative impact on the interests of a business counterparty that is material to the interests of a Group company.

(d) The impact of the company's operations on the community and the environment
In general our businesses, and those of our franchise partners, are relatively small companies and so unlikely to have a negative impact on any specific local community. However, across our entire value chain we are reliant on thousands of people so we, and our franchise partners, engage proactively and provide support to communities in many ways. This can vary from outlining the career and skills development opportunities we offer to our people, through to providing kit for football teams, and a wide range of things in between.

Given the nature of the Group's services, we do not have or are likely to have a material impact on the environment. It is important that this remains the case, and any new product or service introduction is considered carefully to ensure that it is environmentally responsible and appropriate.

The Directors will always consider the impacts of the Company's actual or potential impact on communities and the environment when relevant to the decision they are being asked to make. Where relevant, they will be provided with professional opinions of subject matter experts.

(e) The desirability of the company maintaining a reputation for high standards of business conduct
We are acutely aware that reputation is earned over years but can be lost in an instant if there is improper business conduct. This is especially true of a franchised business, where we are asking third parties to put their capital, energy and commitment into our brands. All of our employees and wider workforce are required to observe our Guiding Principles (see page 23) which we believe should help protect the Company's interests. As a group of service-centred businesses, we are aware of the need to demonstrate high standards of performance, customer care and communications and business conduct every day, throughout the year.

The Directors are aware of the importance of protecting our hard-earned business reputation and aware that corners cannot be cut. In making their decisions, the Directors will consider carefully whether these risk compromising or damaging the Company's business reputation.

(f) The need to act fairly as between members of the company
Our shareholders are a key constituency since their capital finances our business and growth ambitions. Our overriding goal is the long-term delivery of value to our investors.

The Executive Directors engage with both current and prospective investors regularly, to communicate progress, discuss issues and understand their perspectives. The Non-executive Directors will join meetings or calls where the matters under discussion are relevant to them, particularly if they chair a Board Committee. All shareholders have the opportunity to attend the AGM and our Capital Markets Days and results presentations, which provides the Board with an opportunity to hear their views. We also run regular investor engagement through digital platforms such as Investor Meets Company, which provides a forum for 1:1 engagement.

The Board is provided with full feedback reports following all shareholder engagement roadshows, often on an anonymised basis to support candid communications.

The Directors are conscious that companies are run for the benefit of shareholders as a whole. No decision would be taken by a Director that directly advantaged one member of the Company over another.

Financial Review

A resilient, cash generative, profitable performance

Andrew Mallows
CFO

"The Group's robust cash flow generation continues to support deleveraging alongside ongoing investment for growth."

98%
Cash conversion

1.6x
Leverage ratio

Financial Review continued

Summary statement of income

	2025 £'000	2024 £'000	Change £'000	Change %
System sales*	**434,985**	**425,575**	**9,410**	**2%**
Statutory revenue	**142,152**	**139,206**	**2,946**	**2%**
Cost of sales	(57,394)	(55,887)	(1,507)	3%
Gross profit	**84,758**	**83,319**	**1,439**	**2%**
Administrative expenses	(49,513)	(48,198)	(1,315)	3%
Adjusted EBITDA	**35,245**	**35,121**	**124**	**0%**
Depreciation & amortisation of software	(6,146)	(6,072)	(74)	1%
Finance expense	(5,558)	(7,378)	1,820	(25%)
Foreign exchange	349	(386)	735	–
Adjusted profit before tax	**23,890**	**21,285**	**2,605**	**12%**
Tax expense	(6,574)	(4,743)	(1,831)	39%
Adjusted profit after tax	**17,316**	**16,542**	**774**	**5%**
Amortisation of acquired intangibles	(10,296)	(10,156)	(140)	–
Share-based payment expense	(874)	(1,480)	606	–
Non-recurring items	–	(444)	444	–
Tax on adjusting items	2,831	2,822	9	–
Statutory profit	**8,977**	**7,284**	**1,693**	**23%**
Total Profit and Other Comprehensive Income	**8,498**	**7,633**	**865**	**11%**

* Restated to reflect 2024 year-end restatement as detailed in note 1 of the 2024 Annual Report.

Adjusted EBITDA increased by 0.2% to £35.2m (2024: £35.1m) primarily as a result of modest growth in System sales being offset by cost of sales and overhead increases of 3% each.

Depreciation and amortisation of software decreased by 1% to £6.1m (2024: £6.1m) demonstrating the capital light nature of the Group's substantially franchised business.

The finance expense decreased by 25% to £5.6m (2024: £7.4m) due to debt repayments and reductions in the base rate. The Group also took proactive steps to reduce the cost of its banking facilities. The Group entered into a UK pooling arrangement with its primary lender (HSBC) to allow it to offset cash balances which previously attracted no interest. The Group subsequently entered into an agreement with HSBC to provide the whole debt facility, which reduced both the interest margin and the administrative costs of the previous syndicate of four lenders.

Financial Review continued

The average interest rate payable in 2025 reduced to 6.4% (2024: 7.6%). The interest margin at the start of 2025 was 2.5%, but following both the reduction in leverage ratio and our renegotiated margin, the interest margin had reduced to 1.7% by the end of the year.

Foreign exchange differences reflect the realised and unrealised gains or losses primarily associated with internal and external debt funding arrangements for both the Pirtek acquisition and the Pirtek intercompany loans.

The overall effective tax rate increased to 29.4% (2024: 20.9%) as a result of higher tax rates in the US and in overseas operations. The prior year also included a credit related to a prior over-provision and the recognition of a deferred tax asset.

Statutory profit after tax rose by 23% to £9.0m (2024: £7.3m).

Earnings per share

The Adjusted and basic EPS are shown in the table below:

	2025 £'000	2025 EPS p	2024 £'000	2024 EPS p	Change p	Change %
Adjusted profit after tax	**17,316**	**9.00**	**16,542**	**8.59**	**0.41**	**4.8%**
Amortisation of acquired intangibles	(10,296)	(5.35)	(10,156)	(5.28)	(0.07)	1.3%
Share based payment	(874)	(0.45)	(1,480)	(0.77)	0.32	(41.6%)
Non-recurring costs	–	–	(444)	(0.23)	0.23	(100.0%)
Tax on adjusting items	2,831	1.47	2,822	1.47	0.00	0.0%
Statutory profit after tax	**8,977**	**4.67**	**7,284**	**3.78**	**0.89**	**23.4%**

The total number of Ordinary Shares in issue on 31 December 2025 and 31 December 2024 was 193,784,080.

The Employee Benefit Trust ("EBT") started the period holding 1,247,122 Ordinary Shares, purchased 1,531,094 Ordinary Shares and disposed of 674,892 Ordinary Shares in respect of the exercise of employees' share options. The EBT therefore ended the period holding 2,103,324 Ordinary Shares.

On 31 December 2025, there were 13,319,157 shares under option (6.9% of the total number of Ordinary Shares), of which 3,551,310 had vested and were exercisable.

The total number of Ordinary Shares in issue on 31 December 2025, net of the EBT holding was 191,680,756 (31 December 2024: 192,536,958), and the basic weighted average number of Ordinary Shares in issue for the year was 192,317,519 (2024: 192,221,395).

Adjusted basic EPS increased by 4.8% to 9.00p (2024: 8.59p), and basic earnings per share increased by 23.4% to 4.67p (2024: 3.78p).

Cash flow and working capital

A summary of the Group cash flow for the period is set out in the table below:

	2025 £'000	2024 £'000
Adjusted EBITDA	**35,245**	**35,121**
Non-recurring costs	–	(444)
Working capital movements	(798)	(1,577)
Adjusted cash generated from operations	**34,447**	**33,100**
Taxes paid	(5,608)	(3,991)
Purchases of PPE	(996)	(1,470)
Proceeds from sale of PPE	1,104	248
Purchase/capitalisation of software	(2,104)	(1,657)
Purchase of IP	–	(9)
Net bank loans repaid	(15,720)	(9,250)
Overdraft utilised	7,542	–
Interest paid bank and other loan	(4,315)	(6,704)
Lease payments	(4,391)	(4,264)
Funds supplied to the EBT	(2,000)	(300)
Funds received from the EBT	460	223
Dividends paid	(4,711)	(4,429)
Other net movements	(1,270)	(776)
Net cash movement	**2,438**	**721**
Net cash at beginning of period	12,921	12,278
Exchange differences on cash and cash equivalents	(66)	(78)
Net cash at end period	**15,293**	**12,921**

Financial Review continued

Cash flow and working capital continued

The Group generated Adjusted cash from operating activities of £34.5m (2024: £33.1m) resulting in a cash conversion rate of 98% (2024: 94%).

Taxes paid increased to £5.6m (2024: £4.0m) and relate to both the UK and international quarterly payments. The 2024 tax payments benefited from the previously mentioned prior-year adjustments.

Property, Plant and Equipment purchases were £1.0m (2024: £1.5m) and related primarily to plant and equipment additions in the DLO businesses. The software purchases of £2.1m (2024: £1.7m) represent the capitalised component of our ongoing investment in developing our global IT platform.

Bank loans repaid represented both the £7.5m term loan repayments and an £8.0m repayment of the RCF. Interest paid reflects the cost of servicing this debt. Lease payments remain the same as the previous year.

Purchase of shares by the EBT of £2.0m relates to the re-commencement of the share purchase programme announced in October 2024.

Dividends paid reflect the combined cash cost of the final 2024 dividend and the 2025 interim dividend paid in 2025.

Net debt

The net debt of the Group may be summarised as follows:

	31 December 2025 £'000	31 December 2024 £'000	Change £'000	Change %
Cash	15,293	12,921	2,372	18%
Overdraft	(7,542)	–	(7,542)	(100%)
Term loan	(32,500)	(40,000)	7,500	(19%)
RCF	(29,465)	(37,431)	7,966	(21%)
Loan fee	653	689	(36)	(5%)
Hire purchase debt	(2,006)	(1,266)	(740)	58%
Adjusted (net debt)/net cash	**(55,567)**	**(65,087)**	**9,520**	**(15%)**
Other lease debt	(9,648)	(9,975)	327	(3%)
(Net Debt)/Net cash	**(65,215)**	**(75,062)**	**9,847**	**(13%)**

During the year, the term loan balance was reduced by £7.5m (2024: £10.0m) in accordance with the banking agreement and the RCF was reduced by £8.0m (2024: increased by £0.5m). Adjusted net debt, the metric used in calculating compliance with our banking covenants, reduced to £55.6m (31 December 2024: £65.1m). This reduced the leverage ratio to 1.6x Adjusted EBITDA, down from 1.9x at the end of 2024, which was in line with management's expectations and comfortably within banking covenants.

Dividend

The Board is pleased to propose a final dividend of 1.30 pence per share (2024: 1.30p per share), giving a total dividend for the year of 2.50p (2024: 2.40p), an increase of 4%. Subject to shareholder approval at the AGM on 30 April 2026, the final dividend will be paid on 22 May 2026 to those shareholders on the register at the close of business on 8 May 2026.

Andrew Mallows
CFO
24 March 2026

Risk Management

The nature of risk

Risk and return are two sides of the same coin. Like all businesses, we take levels of risk that we judge to be acceptable in order to deliver a return to our investors. But we also face risks that are we are not prepared to take, either due to the nature of the impact of those risks (such as a material safety risk) or if they have the potential to prevent us meeting our strategic objectives.

Effective risk management therefore underpins our business model and strategy. We identify the risks inherent in the businesses we operate and categorise these in one of three ways:

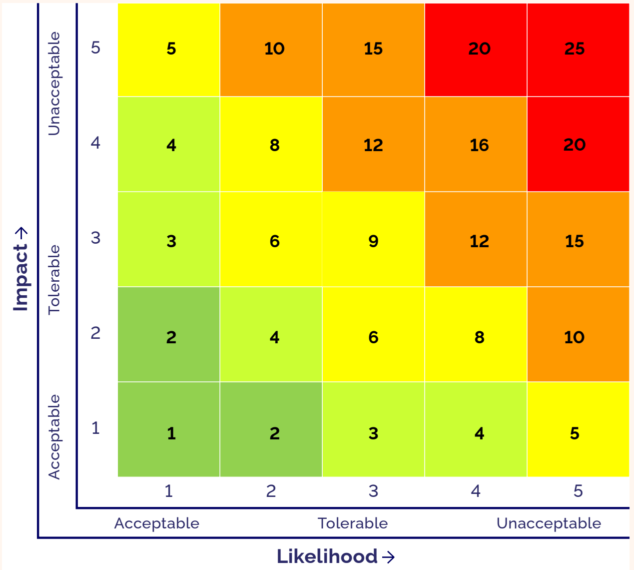
- Risks we will actively seek in the expectation of making a return (our risk appetite).
- Risks we will accept, but seek to manage (our risk tolerance).
- Risks we are not prepared to face – broadly these are risks which, if they materialise, will prevent us delivering on our business plans or have other impacts that we cannot live with.

Our risk management framework

At Franchise Brands, the Board is ultimately responsible for the systems of risk management and the effectiveness of those processes. The Board meets regularly and reviews business performance and the impact of risk, both operationally and financially.

During 2025 the Board adopted an updated risk management framework, designed to enhance and standardise the process for assessing the impact and likelihood of the risks we face. The methodology can be applied consistently across all categories of risk, including strategic, operational, financial and reputational risks, and regardless of whether the underlying source of the risk is internal or external to Franchise Brands.

Through the use of standardised risk rating scales for impact and likelihood across all risk categories, we are able to compare these ratings, normalise and rank these. Like many companies, we use a 5x5 matrix for assessing risk:



The Board has determined an escalation process for material risks, based on their combined score (ie, impact and likelihood ratings multiplied):

- At 10 or more – the risk must be escalated for acceptance by the local business leader.
- At 15 or more – the risk must be escalated for consideration by the Management Board.
- At 20 or more – the risk must be escalated for consideration by the Board as it is likely to be outside our risk tolerance on anything other than a short-term basis.

The identification, assessment and mitigation of risk is the responsibility of management. Our approach is to embed risk management principles and processes within our businesses so that managing risk is part of the everyday activity of managing the business, and vice versa.

Risk Management continued

Key roles and responsibilities

Board

- Approves the framework for the identification, assessment and management of risk.
- Monitors operational and financial performance to identify emerging risks to the delivery of strategic goals and business plans.
- Identifies risks on a 'top down' basis and reviews the Group risk register.
- Assesses the effectiveness of the risk management framework.

Management Board

- Responsible for implementing the risk management framework across the business and ensuring this is embedded in day-to-day operations.
- Oversees controls to mitigate and manage the impact of risk on the Group.
- Identifies risks on a 'top down' basis and reviews the Group risk register.
- Reviews the impact of risk on operational and financial performance and implements mitigation strategies where appropriate.

Operational (line) management

- Responsible for embedding risk management within the parts of the business for which they are accountable.
- Identifies risks on a 'bottom up' basis.
- Designs and implements controls to mitigate and manage the impact of risk locally.
- Monitors risk in their business and reports this to senior management.

Risks are identified on a 'bottom-up' basis by the leadership teams of each of the Group's businesses:

- We review and score the likelihood and potential impact of the risk, however this might materialise.
- We model the multiple of the likelihood and impact scores against our risk appetite and tolerance, and decide whether we will accept, manage or seek to eliminate the risk as explained above. In some cases, the availability of insurance for the particular risk may be a factor. As part of this process, we ask management to identify whether controls need to be implemented or adapted, either to mitigate the risk or provide early warning that the risk has materialised.
- We then monitor the impact of the identified risks, and the effectiveness of our risk management strategies and mitigations, including controls. These are then reported on and reviewed as part of the ongoing monitoring process.
- We repeat the risk identification process, to identify new potential risks or any change in those we have already identified.

To supplement this, we undertake an independent 'top down' risk review by the Board and the Management Board. This is intended to cross-check and verify the risk reviews undertaken by local management and also consider any intra-Group dependencies or vulnerabilities that may not have been recognised in the local risk reviews.

As with any programme of this nature, our risk management process is an iterative exercise. Our business and the risk universe in which we operate does not stand still, and our response to this will always be subject to evolution.

Principal Risks and Uncertainties

Based on the risk management work undertaken during the year, the Board believes that these are the principal risks and uncertainties that the Group currently faces. There are a number of other risks, in addition to those listed below, which could affect our business. We operate in a dynamic environment that is also affected by macro-economic events, so it is possible that new risks might emerge or the nature or impact of existing risks may evolve over time. The risks are therefore presented alphabetically rather than using the ratings of impact and probability determined at any arbitrary point in time. While mitigations are listed in the table below, due to the nature of risk there can be no certainty or assurance that those actions, or any additional planned actions, will be wholly effective.

Risk description and impacts	Underlying cause(s)	Mitigations in place	Change in the year	Link to strategy
Ability to grow our businesses Failure to deliver organic growth in our existing businesses in line with our strategic plans and market commitments	• Failure to attract or retain franchise partners of the required calibre • Failure of our franchise partners to attract and retain the skilled technicians needed to deliver the growth in the business • Inability to grow our business with existing customers, or to attract or retain new customers	• Diversification of the risk, geographically and across business sectors • Multiple levers for organic growth, with all businesses having small shares of large markets • Focus on areas where we have a proven track record • Clear understanding of what successful franchise partners do (including through the Maximum Potential Model) and recruiting with this in mind • Supporting our franchise partners with the recruitment of technicians, including direct recruitment support and referral of candidates from our existing technicians • Strong customer relationships, with cross-selling opportunities identified and being pursued	Decrease	Expanding and developing our services; Developing our technology platform; Leveraging shared central services; Optimising our service delivery; Connecting our businesses
Ability to pursue strategic options Inability to deliver on our buy-and-build strategy through lack of organic growth, lack of suitable acquisition opportunities or our inability to finance an acquisition	• Operational execution fails to deliver cash flow to pay down debt, leading to a breach of the bank covenants • Lack of suitable acquisition opportunities in the market at a price we are prepared to pay	• Strong and empowered management teams running each business with clear focus on growth, using operational gearing to drive profitability and cash flow • Relationships with investment banks and other agents acting on business sales • Relationships with our institutional shareholders and lending banks	Decrease	Expanding and developing our services; Developing our technology platform; Leveraging shared central services; Optimising our service delivery; Connecting our businesses

Strategy: Expanding and developing our services; Developing our technology platform; Leveraging shared central services; Optimising our service delivery; Connecting our businesses

Risk direction: Increase; Decrease; No change

Principal Risks and Uncertainties continued

Risk description and impacts	Underlying cause(s)	Mitigations in place	Change in the year	Link to strategy
Attraction and retention of customers Loss of key national or regional account customers could lead to failure to deliver on our strategic plans	• Poor delivery to existing customers leading to reputational damage in the market • Failure to secure or retain new customers as a consequence	• Diversification of the risk, geographically and across business sectors • Experienced management teams who are actively engaged in the business, with weekly reporting of trends and market developments • Strong customer relationships, supported by robust data gathering and analysis		
Climate change Ability to operate from current locations of our (or our franchise partners') businesses, due to the impact of climate change. Structural changes to cost base driven by legal or regulatory change could affect the economic viability of certain of our businesses	• Cost pressures, including from central or local government initiatives linked to climate change, such as replacing vehicles with low emissions models, ULEZ charges, future carbon pricing, etc (transition risks) • Physical risks arising from the anticipated impacts of climate change on our, and our franchise partners', operations	• Developing an understanding of the potential impact of the physical and transition risks of climate change in the short-, medium- and long-term, across different scenarios. For more information, see page 29 onwards • Choosing long-term locations for our businesses with physical risks (eg. flood, wildfire or storm) in mind and advising franchise partners to consider these risks • Engaging with manufacturers of vans and commercial vehicles to understand potential technological advances and whether governments are likely to implement, or relax, the proposed phasing-out of internal combustion engines in the UK and continental Europe		
Cyber-risks Loss of access to systems or data, disruption to the business(es), costs of incident management and rehabilitation, possible GDPR fines plus reputational damage	• Malicious parties seeking to hack our IT systems, either for extortion or otherwise • Accidental loss of unencrypted customer or personal data	• Migration of IT systems onto shared, centrally-managed infrastructure • Use of information security specialists • Investment in new systems and the retirement of legacy systems • Staff training and the raising of awareness on good cyber security practices		
H&S or environmental incident Human, social and operational impact of a serious incident, in terms of direct and indirect costs and potential reputational damage	• Unsafe behaviour by our workforce or that of our franchise partners • Unsafe conditions in the workplaces where our technicians operate	• Diversification of the risk, geographically and across business sectors • Well developed H&S and environmental systems and processes • Training for franchise partners and, where relevant, their technicians • Operations manuals for each franchise partner, explaining what is expected of them • Compliance with customers' on-site HSE procedures • Near miss and incident reporting used to drive awareness-raising communications		

Principal Risks and Uncertainties continued

Risk description and impacts	Underlying cause(s)	Mitigations in place	Change in the year	Link to strategy
Legislative or regulatory change Government or regulator-led change constrains the ability of one or more of our businesses to operate either at all, or at viable levels of profitability	• Change driven by a perception of weakness or excessive risk in current business practices	• Diversification of the risk, geographically and across business sectors • Managing our operations in line with best practices • Awareness of legal and regulatory agenda and proposed changes • Lobbying and influencing, where necessary, either on a company or industry-wide basis	–	
Macro-economic environment External geopolitical and economic environment adversely impacts our operations and prevents us fulfilling our strategic plans and market commitments	• Geopolitical tensions lead to an adverse international climate, with disruptions to supply chains • Tariffs and other barriers or impediments to world trade • Uncertainty leads to adverse economic backdrop, including inflationary pressures, FX volatility and higher interest rates	• Diversification of the Group's business risk across seven brands, operating in different sectors and geographical locations • Diversification of our supplier base internationally • Fundamentally conservative approach to planning, budgeting and forecasting • Monitoring external macro-economic forecasts on key variables affecting our businesses • Relationships with our key customers to enable us to understand the pressures on their businesses • Continuous monitoring of business performance to identify macro-impacts and need for contingency plans	↑	
People risks Lack of skilled and experienced people to deliver the growth in our business in line with our strategic plans. Potential loss of key individuals who will underpin and drive our growth initiatives, if succession plans do not deliver suitable replacements	• We have significant growth plans, which require that our franchise partners and DLOs retain and recruit significant numbers of technicians • We have a wide range of growth projects underway, some of which rely on key individuals • Like any business, we may find that our succession plans for the loss of a key person, particularly in unexpected circumstances, are not effective	• Diversification of the risk, geographically and across business sectors and low reliance on any individual franchise partner • Well established and high-quality franchise brands and investment to support our franchise partners in growing their businesses • Significant experience in franchise partner recruitment • Management bench strength and optionality increases as new businesses are acquired • Focus on identifying and nurturing high potential talent and retaining key individuals • Continuous monitoring of staff turnover, by a stable management team which has seen very low 'churn'	–	

This Strategic Report (comprising pages 1 to 55 inclusive) was approved by the Board on 24 March 2026 and is signed on its behalf.

Rob Bellhouse
Company Secretary

Protecting shareholder value

Governance

Chairman's Introduction to Governance

Responsible and sustainable

Dear fellow shareholders,

As Chairman of the Board, I am responsible for our governance arrangements. These support our corporate purpose, which is deliberately franchise partner-centric: "as they grow, we grow". The goal is to enable the Board and management to grow our business in a responsible and sustainable way.

As an AIM-quoted company, the Board has chosen to follow the QCA Corporate Governance Code (the Code). We believe that this provides a practical and proportionate framework that will support the Company's success over all time horizons. While no governance framework is likely to create value in and of itself, having appropriate and robust structures and processes in place should mitigate risk and so help us preserve value for our shareholders and other stakeholders.

During 2025 we were subject to the 2023 edition of the Code. We have applied all of its principles throughout the year and to the date of this report and do not diverge from the Code in any material areas. Putting in place the structures, processes and controls recommended in the Code helps create a robust business that should be able to succeed in fulfilling its purpose and meeting its objectives over the medium to long term.

The Code invites me to provide an introduction to the corporate governance statement, and I'm pleased to do so. Taking each of the main themes of the Code in turn.

Deliver growth

This is a complex international business. In 2025 we delivered £435m of system sales across seven franchise brands in ten countries, with circa 600 employees, plus our wider network of almost 600 franchise owners and all of their members of staff. We estimate that in total over 3,000 people are involved in delivering the Group's operational performance, in addition to those in our supply chain.

Over the last two financial years we have reconfigured our senior leadership team with the first-time appointments of a CEO and a COO and simplified the management of the business on a day-to-day basis. The Management Board, led by the CEO, has a clear focus on growing sales, spending smartly and collecting cash.

We are in the later stages of implementing modern, cloud-based finance, CRM, works management and reporting systems. We expect these to transform the level of business information and insight available to leaders at all levels in our business.

As a Board we have considered stakeholder interests, including social and environmental matters, and identified which are material to the group and how we manage these.

We have also defined a risk management framework, which has been rolled out across the business to facilitate stronger oversight over risks and opportunities and the development of our internal controls.

Chairman's Introduction to Governance continued

Maintain a dynamic management framework

Our business has become increasingly complex, particularly over the last three financial years. I was delighted that Louise George joined the Board in January 2025 as an independent Non-executive Director and as Chairman of the Audit Committee. She has extensive experience as a director and CFO of AIM-quoted franchised businesses and is already a strong contributor to the Board's deliberations. Louise has built strong working relationships with many key individuals, especially our CFO and the lead audit partner.

In autumn 2025 Louise led a Board effectiveness review with the support of our Company Secretary. This was an excellent piece of work and yielded valuable insights that will enhance the functioning of the Board, as explained on page 66.

In the last Annual Report we set out our remuneration policy for the first time and were pleased that this was resoundingly supported by our shareholders in the vote on the Remuneration Committee Report at the 2025 AGM. Their support is appreciated.

Our business does not stand still and our governance structures and processes will continue to evolve in line with our needs, to ensure the continued effective operation of the Board, its Committees and the oversight that they provide in support of the Group's operational delivery and continued growth.

Build trust

As a Board, we know that we will be judged first and foremost on the results that the business delivers. To communicate effectively with our investors and other key stakeholders requires a clear understanding of their needs which flows from regular, open and transparent engagement with them. As Directors, we all spend a considerable proportion of our time maintaining an effective dialogue with stakeholders, and this Annual Report is just one more component of that effort.

Further information on our corporate governance arrangements can be found on pages 63 to 67. A full description of how we applied the Code's principles in 2025 can be found on the corporate website here.

The Board has set ambitious targets for the growth of our business. We are no less rigorous in striving to do business in a responsible and sustainable way. Having a strong governance framework in place, with the right people in the right roles, is therefore an important enabler of our future success.

Stephen Hemsley
Executive Chairman

Click to see more information online

Priorities in 2026

- Support the CEO and Management Board in delivering growth.
- Implement the recommendations from the 2025 Board effectiveness review.
- Continue to refine and develop our succession planning for Board and Management Board roles.

"Since joining the Board in January 2025, I have been struck by the clear focus on growth that is shared across the business."

Louise George, NED

Looking forward

As we continue to grow the business, we will continue to review and evolve our governance framework. We are prepared to adapt our processes, systems and controls as needed, since these underpin the sustainability of our success.

Having the right people in the right roles will be a crucial factor in delivering on our growth plans. As the Company grows, our leadership needs will evolve and we will act as and when needed to ensure that we have the right management team in place.

Board of Directors

Committee membership: A Audit Committee N Nomination Committee R Remuneration Committee ■ Denotes Committee Chairman

Stephen Hemsley
Executive Chairman

N

Stephen co-founded Franchise Brands in 2008 and has since led the development of the business, including the IPO and subsequent growth. He is a Chartered Accountant by training and spent nine years with 3i becoming an Investment Director. He then joined Domino's Pizza Group as Finance Director, progressing to CEO, Executive Chairman and Non-executive Chairman. During this time he took Domino's Pizza Group from private ownership to a FTSE 250 company with a market capitalisation of almost £1.5bn. He retired as Non-executive Chairman in 2019 after 21 years with the business to focus exclusively on Franchise Brands. He was appointed as a Director on 15 July 2016.

Peter Molloy
Chief Executive Officer

Peter has over 35 years of management and commercial experience. He joined Metro Rod in 2003 and was promoted to Commercial Director in 2005 and to Managing Director in 2017, following the acquisition by Franchise Brands. He was appointed as a Director and as our CEO on 22 October 2024, having previously served as a Director of the Company from March 2018 to October 2023 when he held business and subsequently divisional leadership roles. Before joining Metro Rod, he was Managing Director of a UK business within the Saint-Gobain Group.

Andrew Mallows
Chief Financial Officer

Andrew originally joined Franchise Brands in 2016 as Finance Director, and since 2017 has been the Group's Commercial Director, in which capacity he served as a Director of the Company at various times. Andrew was appointed as a Director and as our CFO on an interim basis on 19 June 2024 and his permanent appointment was confirmed in February 2025. He has significant experience in franchising and business development and was Finance Director of Domino's Pizza Group from 2001 to 2004 before being appointed as its Business Development Director.

Peter Kear
Senior Independent Non-executive Director

A N R

Pete is a highly experienced public company director with substantial experience in business building and management in the technology sector. He co-founded Celebrus Technologies plc (originally IS Solutions plc, then D4t4 Solutions plc) in 1985 and was responsible for sales and business development before being appointed CEO in 2016. During his tenure as CEO, Celebrus achieved substantial growth in revenue and profits, growing from a market capitalisation of £40m to £160m when he stood down in 2022. Peter has experience of both the London Stock Exchange's Main Market and AIM. Peter was appointed as a Director of the Company on 2 October 2023.

Board of Directors continued

Andy Brattesani
Independent
Non-executive Director

A N R

Andy is an experienced banking professional with extensive experience in the franchising sector. From 2016 until recently he was UK Head of Franchise at HSBC, the market leader in the UK franchise sector. As well as supporting the growth of HSBC's franchise business in the UK, Andy has also led the expansion of HSBC's franchise model internationally. Andy's career in banking over the past 30 years has also encompassed roles with HBOS, RBS and Standard Chartered. Andy was appointed as a Director of the Company on 11 September 2022.

Louise George
Independent
Non-executive Director

A N R

Louise has over 20 years' board-level service with AIM-quoted companies, including substantial experience of franchised businesses. Between 2014 and 2024 she was CFO of Belvoir Group, one of the largest UK property franchise groups, where she helped take the business, via a buy and build strategy, to a multi-brand franchise group of scale. Previously, from 2002 she was Finance Director and Company Secretary of Image Scan Holdings. In October 2025, she was appointed as a Non-executive Director of Princes Group plc, a FTSE 250 business where she is a member of the audit and nomination committees and chairs the remuneration committee. Louise is a Chartered Accountant, having qualified with Ernst & Young in 1991 and also a Chartered Governance Professional. She was appointed as a Director on 16 January 2025.

Nigel Wray
Non-executive Director

N

Nigel co-founded Franchise Brands in 2008. He is an entrepreneurial investor in both public and private companies. Currently he is a substantial shareholder and Director at Chapel Down Group plc and is a significant investor in a number of AIM-quoted companies, as well as a number of private companies, including Saracens Rugby Club. He is a former Director and was a significant shareholder in Domino's Pizza Group. He was appointed as a Director of the Company on 15 July 2016.

Rob Bellhouse
Company Secretary
(non-Board)

Rob is a commercially focused Chartered Governance Professional who previously served as an independent Non-executive director of the Group from the IPO in July 2016 until October 2023, when he was appointed as Company Secretary. He has almost 40 years' experience gained in Main Market and AIM-quoted companies. Rob was previously Company Secretary of Greene King, Lonmin and De La Rue. He also held a number of senior company secretarial appointments during an interim/freelance career, including Company Secretary of Domino's Pizza Group and Deputy Secretary of Rio Tinto plc. Rob was chosen as his professional body's Company Secretary of the Year in 2014.

Board of Directors continued

Board composition

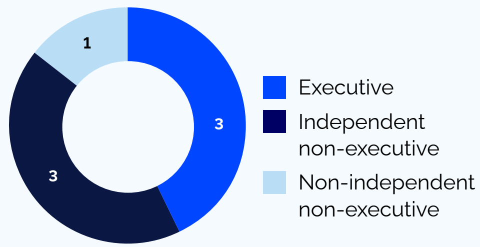
We believe that the Directors collectively possess the relevant skills and experience to deliver the strategic goals of our business.

Board experience, skills and capabilities

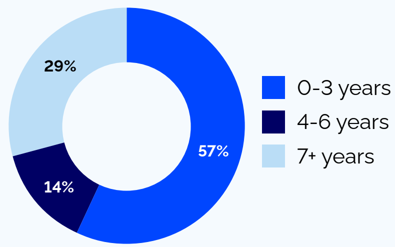
	Stephen Hemsley	Peter Molloy	Andrew Mallows	Pete Kear	Andy Brattesani	Louise George	Nigel Wray
Finance	■	■	■	■	■	■	■
Franchising	■	■	■		■	■	■
International growth	■	■	■	■	■		
Operational management	■	■	■	■	■	■	
People	■	■	■	■	■	■	■
Sales and marketing	■	■		■	■		
Strategic management	■	■	■	■		■	■
Technology	■			■			

Click to read more about our leadership team

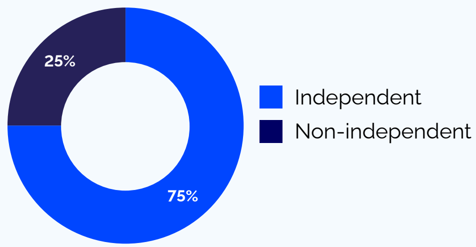
Executive/Non-executive



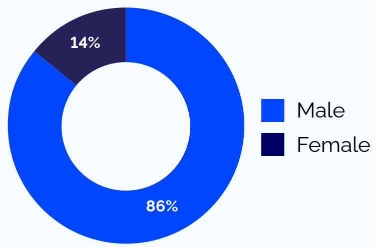
Tenure



Non-executive independence



Gender balance



Our Governance Framework

Key: Board/NED committees | Management committees | Management committee with NED participation

Board of Directors

Our Company is led by the Board of Directors.

The Board is accountable to shareholders and responsible for setting the Group's strategy for delivering long-term value to our shareholders and other stakeholders, providing effective oversight of management's execution of the strategy (providing constructive challenge as necessary) and ensuring that the Group maintains effective systems of risk management and internal control.

Audit Committee

Oversees the Group's financial reporting, maintains an appropriate relationship with the external auditor and monitors the Group's financial internal controls.

Read more on page 68

Nomination Committee

Ensures the Board (and its Committees) have the correct balance of skills, knowledge and experience, and that acceptable succession plans are in place.

Read more on page 73

Remuneration Committee

Establishes the Group's remuneration strategy and policy, ensuring there is a clear and demonstrable link between pay and performance.

Read more on page 76

'Star Chamber' (IT Steering Group)

This group oversees the considerable investment we are making in IT.

The "Star Chamber" comprises a number of members of the Management Board plus Pete Kear, a Non-executive Director who has vast experience and understanding of IT issues.

Management Board

While the Board agrees strategy and approves business plans and budgets, it delegates the execution of these and the day-to-day management of the business to the Executive Directors, assisted by other members of the Management Board.

The Management Board is accountable to the Board through the CEO, Peter Molloy.

Climate Change Working Group

This group is leading the Group's response to climate change. The Working Group is led by our Company Secretary and includes a number of senior managers drawn from a range of companies across the business.

The Working Group has a dual reporting line: to the Board since they are accountable for our response to climate change, and to the Management Board since its members are responsible for taking the actions needed to implement that response.

Read more on page 29

To learn more about the full mandate of these bodies, and the roles and responsibilities of the Directors, please click here

Corporate Governance Report

In this section of the Annual Report we give a high level explanation of how we applied each of the ten principles of the QCA Corporate Governance Code during the year, and where the required disclosures can be found.

A full description of how we applied the principles can be found on the corporate website here

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

We have a widely understood purpose which deliberately puts our franchise partners first – "as they grow, we grow". Our strategy is simple – grow sales, spend smartly and collect cash. Everything we do is predicated on growing the business, sustainably, to deliver value for our shareholders over the long term.

- Company Purpose, see inside front cover
- Business Model, see page 06
- Strategy, see page 08
- Challenges in execution and how these were addressed, see page 12

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

Our desired company culture is entrepreneurial yet responsible and is driven by our Guiding Principles. Delivering results matters, but the way in which those results are achieved is of equal importance if we are to perform at the levels we expect, consistently, over the long term.

Tone from the top is of paramount importance, and every member of our Board and senior leadership team is expected to provide a role model example of the culture we seek to embed in the Group.

The Directors are able to assess and monitor corporate culture through their interactions with our people throughout the year, whether in formal or ad hoc social settings.

The Board would always be made aware of any material deviations from our target culture, but there were no such instances during the year.

- Guiding Principles, see page 23

Corporate Governance Report continued

3. Seek to understand and meet shareholder needs and expectations

We seek to maintain an active and open dialogue with our key investors, based on mutual understanding and trust. Where investors have specific expectations in relation to environmental and social matters, we will always seek to understand why these issues matter to them, explain how these might arise in our businesses and how we will address these. To date, no matters have been raised that would require us to provide specific reporting.

- Shareholder engagement activities, see page 45
- Environmental matters, see page 29 onwards
- Social matters, see page 27

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

During 2025 the Board reviewed the key environmental and social issues facing the Group. The two most material of these were the risks of an uninsured pollution event and the legislative and regulatory risk that vehicles powered by internal combustion engines (ICE) may become mandatory from around 2035, when our trials to date have failed to demonstrate that electric vehicles (EV) currently offer a viable alternative.

Since that conversation the Group has taken out a policy covering environmental impairment liability risks to extend the coverage already available through our insurance programme. The Climate Change Working Group has been asked to look into the potential of electric vehicles, and in particular vans and HGVs, as well as developing a better understanding of the legislative agenda in this area. The Board does not currently receive KPIs on pollution risks, as we have not experienced any material incidents but would be informed if any events should occur. The ICE/EV risk is not suited to a KPI, but the Board is provided with updates whenever material new information is discovered. It was not felt relevant to set forward-looking targets due to the nature of these matters.

- Environmental matters, see page 29 onwards
- Climate Change report, see page 29 onwards

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

The Board approved a formal risk management framework document during 2025, which has been rolled out to the business and will be embedded over the next 12 months. This is intended to allow the Board and management to identify and assess all material risks to the delivery of the corporate purpose and our strategic goals and put in place remedial actions and controls. The framework is deliberately designed to apply to all categories of risk. As part of this process, the Board confirmed its risk appetite, ie, the level of risk it is prepared to take.

The Board has also discussed assurance processes and agreed with management how these can be implemented throughout the Group. Once in place, these will enhance the Board's ability to assess the effectiveness of the systems of risk management and internal control.

Identified risks are used to assess the future prospects and long-term viability of the business, and also confirm the appropriateness of the use of the going concern basis of accounting.

- Risk Management, see page 51
- Principal Risks and Uncertainties, see page 53
- Governance of climate-related risks and opportunities, see page 29 onwards
- Internal controls and assurance, see page 72
- Auditor independence, see page 71
- Assessment of future prospects, viability and resilience, see page 85
- Going concern basis of accounting, see page 85

Corporate Governance Report continued

6. Establish and maintain the board as a well-functioning, balanced team led by the chairman

The Board provides leadership to the business and oversees the implementation of its agreed strategy for the benefit of the shareholders over the medium to long-term. The Chairman leads the Board, while the CEO leads the business.

We believe that its current members have the necessary mix of experience, skills, and capabilities to do this successfully, but the composition of the Board will evolve naturally with the needs of the business.

Our preference is to avoid the Board becoming too large, as academic evidence suggests that there is an optimum size. This therefore creates a natural constraint on our opportunity to build a very diverse directorate, and we have always preferred to hire the best available candidate, rather than compromise to meet diversity goals. We accept that the current composition of the Board is not overly diverse, and we always look to enhance the diversity characteristics when hiring new Directors.

Board balance is an important consideration. We currently have three executive Directors and four Non-executive Directors. The Board judges that Andy Brattesani, Louise George and Pete Kear are independent Directors. While he demonstrates complete independence of thought, Nigel Wray is not considered by the Board to be independent in view of his significant shareholding and long tenure with the Group.

The three Executive Directors work full-time in the business. We expect the Non-executive Directors to commit the time necessary for the proper performance of their duties, including attending all scheduled Board and Committee meetings, the AGM, site visits and other non-scheduled calls and meetings. In addition, they are expected to devote time to reading papers and being prepared fully for each of these meetings or events. In total, we estimate that this should amount to two to three days per month, but the actual time commitment is open-ended.

Under their service agreements, the Executive Directors are required to devote substantially the whole of their time to the Company's business, and they could only take on an external role (for example, a non-executive directorship) with the permission of the Board. The letters of appointment of the Non-executive Directors require that they obtain the consent of the Chairman before committing themselves to any further external roles.

During 2025 the Board held nine scheduled meetings, plus additional calls and meetings to meet the needs of the business. Attendance at the scheduled meetings was as follows:

Director	Jan	Mar	May	Jul (1)	Jul (2)	Sep	Oct	Nov	Dec	Total
Stephen Hemsley	■	■	■	■	■	■	■	■	■	9/9
Peter Molloy	■	■	■	■	■	■	■	■	■	9/9
Andrew Mallows	■	■	■	■	■	■	■	■	■	9/9
Andy Brattesani	■	■	■	■	■	■	■	□	■	8/9
Louise George[1]	■	■	■	■	■	■	■	■	■	9/9
Pete Kear	■	□	□	■	■	■	■	■	■	7/9
Nigel Wray	■	■	■	■	■	■	■	■	■	9/9

1. Appointed 16 January 2025.

Pete Kear was unable to attend the March meeting due to a delayed flight and had committed to travel plans before our April meeting was rescheduled into early May. Andy Brattesani was unable to attend the November meeting due to time differences as he was in Australia. Whenever a Director is unable to attend a meeting, they review the papers and provide any comments, ideas or thoughts to the Chairman ahead of the meeting.

Directors' experience, skills and capabilities, see page 61

Board diversity, see pages 61 and 75

Corporate Governance Report continued

7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

We believe that our current governance framework is fit for purpose and enables the Board to oversee the performance and development of the business.

As noted under Principle 6 above, we feel that the Directors collectively possess the experience, skills, and capabilities needed to meet the challenges of the present and the foreseeable future. However, it is essential that those skills are kept up to date. The Company Secretary provides briefings on relevant changes in law or regulation, supplemented by briefings by the Nominated Advisor. The CEO keeps the Board up to date with changes in the Group's businesses and the environment in which they operate. The Company also offers each Director the opportunity to enhance their technical skills and knowledge, at the Company's expense, should they feel this necessary or advisable.

The Board has established Audit, Nomination and Remuneration Committees to facilitate more focussed discussions and oversight of specific matters. The Remuneration Committee has engaged the services of a remuneration consultant, as explained in their report.

- Governance framework, see page 62
- Audit Committee Report, see page 68
- Nomination Committee Report, see page 73
- Remuneration Committee Report, see page 76
- Governance of climate-related risks and opportunities, see page 29

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

The Board has carried out performance effectiveness reviews on a biennial basis since 2018. Each of these was conducted by an independent Non-executive Director with expertise in corporate governance, with the results being presented to the Chairman and shared with the full Board. We believe that this approach does amount to external facilitation, since the individual leading the review does so from an entirely independent, yet well-informed, perspective. All of the recommendations from the 2022 Board effectiveness review have been implemented.

As flagged in last year's Annual Report, a review was conducted in Q4 2025. This was led by Louise George, an independent Non-executive Director who was in the first year of her tenure, supported by the Company Secretary. The process was conducted through an online questionnaire posing 15 questions, designed to provide a mix of qualitative and quantitative responses. The questions were agreed with the Chairman to address areas that he and Louise felt were most relevant to enhancing the functioning of the Board. Where relevant, quantitative results were compared to equivalent questions asked in prior reviews, so that progress could be measured. The results were discussed with the Chairman and shared with and discussed by the full Board.

The recommendations emerging from the review were accepted by the Board in full. The changes that flow from this will be:

- Introduction of a Board strategy day, to enable a detailed evaluation of the current strategy and risk environment, and identify whether alternative approaches could enhance the creation of value for our shareholders and other stakeholders.
- Periodic 'deep dives' into the most material individual risks facing the Group.
- Refine reporting to the Board, harnessing our investment in new systems to create better dashboards and KPI suites and enhance the Directors' decision-making process.
- Review of our communications with our workforce, our franchise partners and their staff.
- Review of the current operating model, to assess whether the level of support we provide to franchise partners is appropriate.
- Keeping board composition under review as our strategy evolves.

Corporate Governance Report continued

There are no plans at this stage to bring in a traditional external facilitator to undertake a Board review, as we believe that our current process of asking an independent Non-executive Director to lead our review offers considerable advantages. However, the Board retains an open mind on this and if a suitable facilitator was identified and available, we would consider their appointment.

At the meeting where the Board effectiveness review was discussed, the Senior Independent Director also led the Board in a discussion of the effectiveness of Stephen Hemsley as Executive Chairman. The conclusion was that he was highly effective in this role.

Board succession is a topic of high importance and is overseen by the Nomination Committee, who oversaw the introduction of a new approach during the year. We will continue to refine our approach to succession planning, and the plans themselves, in 2026.

Nomination Committee Report, see page 73

9. Establish a remuneration policy which is supportive of long-term value creation and the company’s purpose, strategy and culture

In line with the recommendations of the QCA Code, we set out our remuneration policy in last year’s Annual Report, within the Remuneration Committee Report. That report was put to an advisory vote at the 2025 AGM, where it received the support of almost 98% of the votes cast, with no votes withheld. We are not a ‘larger company’ for the purposes of the QCA Code, so there was no separate binding vote on the remuneration policy.

Remuneration Committee Report, see page 76

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

This corporate governance report, together with the Chairman’s introduction, seeks to explain how the Company is governed. Any of the Board Directors is available to shareholders should they wish to discuss matters relating to our corporate governance, whether general or specific.

The only material change to the Board’s structure during the year was the appointment of Louise George as an independent Non-executive Director and as Chairman of the Audit Committee. No material challenges were experienced in the year in the smooth functioning of the Board’s processes.

Chairman’s Introduction to Corporate Governance, see page 57

Directors’ experience, skills and capabilities, see page 61

Board changes during the year, see page 73

To learn more about the QCA Corporate Governance Code, please click here

Audit Committee Report

Robust financial reporting

Dear fellow shareholders,

During 2025 the Company made significant progress in developing its finance function and I am pleased that the Committee has played a part in this.

In February the Board confirmed the appointments of Andrew Mallows as our Chief Financial Officer and of Beth Peace into the new role of Group Finance Director. The underpinning logic was to combine the commercial function previously led by Andrew with a strengthened Group finance team, to support the newly-appointed CEO and support his *One* Franchise Brands strategic initiative.

Throughout the year we and the finance team have continued to build an open and transparent relationship with PKF Littlejohn, who were appointed in 2024. I am pleased with the quality of the relationships we have developed with Hannes Verwey and his audit team. While we are all maintaining an appropriate professional distance, the strong cooperation and communication now occurring on an everyday basis can only enhance the quality of the statutory audit.

In the autumn management commenced the roll-out of NetSuite into the business, supported by a Power BI reporting suite. These are badged as One Finance and One Reporting respectively.

The implementation is being phased to ensure that lessons can be learned from each step of the process and management expects to have completed the roll-out across the Group by Q2 2026. Early signs are encouraging and the project is on time and on budget.

NetSuite forms a major component of our system of internal controls, which will support the growth at the heart of the Board's strategic ambitions. The tools management has chosen are market-leading and will be scalable as we develop and grow. The enhanced management information that management and the Board will receive, and tools to support budgeting and forecasting in the business, should make a difference to the Group at all levels. While we have no doubt that the introduction of the software will succeed, there may well be lessons that can be learned that could help further de-risk any future IT deployments. The Committee has already committed to undertake a full review of the NetSuite implementation at our scheduled meeting in July 2026.

Louise George
Chairman, Audit Committee

Audit Committee Report continued

Membership and meetings

Membership

The members of the Committee at the date of this report are Louise George (Chairman), Andy Brattesani and Pete Kear, each of whom is an independent Non-executive Director.

Louise George is a highly experienced Chief Financial Officer with over 20 years' board level experience with AIM-quoted companies, including significant experience of franchised businesses. She is a Chartered Accountant, having qualified with Ernst & Young in 1991. The Board is confident that she has the relevant and recent experience needed to chair the Committee.

The other Committee members also have strong financial credentials. Andy Brattesani is an experienced banking executive with more than 30 years' professional experience. Pete Kear has extensive business experience as both an executive and non-executive director, including serving as CEO of a quoted company with a market capitalisation of £160m.

All members have access to training at the Company's cost, should they feel this to be appropriate.

Meetings and attendance records

In addition to the Committee members, the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Group Finance Director are invited to attend all meetings, with other senior financial managers invited to attend when necessary. The external auditors attend meetings to discuss the planning and conclusions of their work and meet with the members of the Committee without any members of the executive team present after each meeting. The Committee is able to call for information from management and consults with the external auditors directly as required.

The Committee met twice in 2025 and attendance was as follows:

Director	Mar	Oct	Total
Louise George	■	■	2/2
Andy Brattesani	■	■	2/2
Pete Kear	■	■	2/2

"The Audit Committee plays an important role in overseeing the integrity of our financial reporting to investors."

Louise George, Chairman, Audit Committee

Operation of the Audit Committee

Role of the Audit Committee

The role of the Audit Committee is to check:

- that the Board maintains sound policies and procedures to satisfy itself on the integrity of financial and narrative statements and other public reporting and that these present a fair, balanced and understandable assessment of the Company's position and prospects;
- that the Company maintains sound procedures to identify and manage risk and to oversee the internal control framework and systems;
- whether the Company's enterprise-wide internal controls are sufficiently robust to support the effective management of identified risks and whether there are appropriate assurance activities in place;
- that there is an appropriate relationship with the external auditor, such that they are able to deliver an effective and objective external audit; and
- whether there is a need for an internal audit function or, where there is such a function, that its remit, independence, objectivity and independence is secured.

To view the Committee's full terms of reference, please click here

Audit Committee Report continued

Financial reporting

Key matters considered by the Audit Committee

The integrity of the Group's financial reporting is of critical importance, and it is a core responsibility of the Committee to review this reporting and the key accounting matters and judgements contained in the financial statements.

The Committee reviewed a paper on the use of the going concern basis of accounting. This considered whether the Group would have access to financial resources such that it would be able to meet its liabilities as they fell due for at least 12 months following the date of approval of the financial statements. The review also considered this question in a range of realistic downside scenarios. The same model of the Group's businesses was used to assess the carrying values of the goodwill and other intangible assets and whether there were any indications of impairment.

Key accounting matters considered in relation to 2025

The Committee considered a number of issues in relation to the Annual Report and Accounts, including significant estimates and key accounting judgements. How these were handled and the decisions reached are set out in the table below. For further information on the work of the external auditor, please see their report on pages 89 to 96.

Topic What is the risk?	What did the Committee do?	What conclusion did it reach?
Revenue recognition and application of IFRS 15		
The Group has a number of revenue streams and transacts with its customers both directly (as principal) and indirectly, acting as either a commission agent or where services are delivered through its franchise networks. The risk is that revenue and cost of sales are not recognised correctly in the financial statements. While the profitability would be unaffected, the profit margins earned would be stated erroneously.	The Committee was provided with a summary of management's paper on the application of IFRS 15 on key revenue streams within the Group and discussed this with the finance team. The Committee also reviewed the findings contained in the external auditor's reporting to the Board and discussed the work performed by the audit team with the senior statutory auditor.	The Committee is satisfied that management is accounting for all key revenue streams in an appropriate way and that IFRS 15 is being applied correctly within the Group. The Committee is also satisfied that the external auditor has reviewed the accounting approach with an appropriate level of professional scepticism and conducted a thorough review of the Group's accounting practices in this area.
Consideration of potential impairment of goodwill and intangible assets		
Management has determined that the Group has goodwill and intangible assets that were treated during the year as having an indefinite lifespan, and which therefore had to be tested annually for indications of impairment. The risk is that carrying values are overstated and the profits for the year similarly overstated, if those asset values have not been impaired, where this would be the appropriate treatment.	The Committee reviewed management's approach to the annual test for indications of impairment, noting that there is a high degree of judgement in assessing the value in use of the Cash Generating Units to which the goodwill and intangible assets are allocated. The Committee also reviewed the findings contained in the external auditor's reporting to the Board and discussed the work performed by the audit team with the senior statutory auditor.	The Committee is satisfied that management's judgements in this area are reasonable and that the carrying values of goodwill and intangible assets continue to be justified. The Committee is also satisfied that the external auditor has provided an appropriate level of scrutiny to the assessment of whether there is any requirement to impair.
Recoverability of investments in subsidiaries and intercompany balances – Franchise Brands plc (parent company)		
The carrying value of the Company's investment in the Group undertakings may be overstated if it cannot be recovered in certain future scenarios. Similarly, the value of loans made by the Company to its subsidiary undertakings may also be overstated if these cannot be repaid by the borrowing entity.	The Committee assessed the ability of the relevant Group undertakings to repay loans made by the Company, and the carrying value of the investments in the share capital of those entities, using the impairment model referred to above. The Committee also reviewed the findings contained in the external auditor's reporting to the Board and discussed the work performed by the audit team with the senior statutory auditor.	The Committee is satisfied that the carrying values of the investment in subsidiaries and the intercompany balances continue to be justified. The Committee is also satisfied that the external auditor has provided an appropriate level of scrutiny to the assessment of whether there is any requirement to impair.

Audit Committee Report continued

External audit

Relationship with the external auditor
PKF Littlejohn LLP were appointed as the statutory auditor to the Company and Group in September 2024. This was the result of a tender process in which four audit firms were considered, including Big Four and so-called 'challenger' firms. PKF Littlejohn were subsequently re-elected by shareholders at the 2025 AGM with no votes cast against or withheld. Under the resolution approved at that meeting, they hold office until the conclusion of the 2026 AGM.

Senior members of the audit team will be rotated in line with regulatory requirements and best practices. Hannes Verwey is the lead audit engagement partner and he took on this role in September 2024, having had no previous connection with the Group. The Audit Committee maintains a strong relationship with the lead audit engagement partner, who acts as the senior statutory auditor, and with other senior members of the audit team. In particular, the Committee Chairman has regular contact with the audit partner, both formally and informally, to understand the relationships between the auditor and the senior members of the Company's finance team and whether there are any accounting or financial reporting issues that need to be discussed and resolved.

Auditor objectivity and independence
The Committee places great emphasis on audit quality. This encompasses monitoring the skills and knowledge of the audit team, their mindset and culture and the quality of the judgements reached by the senior members of the audit team. In all their dealings with the key members of the audit team, the Committee members look for evidence that their work is being done from a position of independence, with an entirely objective eye and appropriate professional scepticism.

The Committee also seeks the views of senior members of the finance team on their, and their teams', dealings with the external auditors and whether there are any indications that audit quality is being compromised in any way, or any means by which it could be further enhanced.

In turn, PKF puts safeguards in place to avoid compromising their objectivity and independence. They provide a written report to the Committee on how they comply with professional and regulatory requirements and best practice designed to ensure their independence. As noted above, key members of the audit team will be rotated in line with regulatory requirements.

The objectivity and independence of the external auditors is safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company and tracking the level of fees payable to the auditors for non-audit services, and the nature of those services.

Non-audit services
During the year and to the date of this report the Group has operated in line with the requirements of the FRC's Ethical Standard in relation to the use of the auditor to perform non-audit services, and the fees that can be paid for permitted work of that nature.

The fees paid to PKF during or in respect of 2025 and 2024 are:

	2025 £'000	2024 £'000
Statutory audit fees:		
Group/UK	**413**	420
Component audits overseas	**126**	104
Total: Audit fees	**539**	524
Non-audit services:		
Consent services for filings with the US FTC	**3**	3
Total: Non-audit services	**3**	3

The non-audit service was performed by the auditor's US affiliate, PKF Berkowitz Pollack Brant (now Baker Tilly US LLP), and is a task which can only be performed by them as the local auditor. The Committee is satisfied that the non-audit services provided by the PKF network during 2025 did not compromise the objectivity and independence of the firm as Group auditor.

Audit Committee Report continued

Effectiveness of the external audit process
In the later stages of the audit process the Audit Committee undertook a review of the effectiveness of PKF as the external auditors, which was discussed at its meeting in March 2026. This took into account the views of the Executive Directors, the Group finance team, local finance teams and other senior executives with direct experience of the audit of the 2025 financial statements. The conclusions reached were shared and discussed with the external auditor.

Based on its assessment of the audit of the 2025 financial statements and the results of the effectiveness review, the Audit Committee is satisfied that PKF provided a comprehensive audit and demonstrated appropriate levels of independence, objectivity and professional scepticism.

Interactions with the Financial Reporting Council
The Company has had no interactions with the Financial Reporting Council during the year.

The Committee notes that the FRC regards PKF Littlejohn LLP as a Tier 2 audit firm, and has not published any commentary on its findings in relation to the quality of the firm's audit work.

Proposed re-election of the auditor at the 2026 AGM
The Committee has recommended to the Board that PKF Littlejohn LLP should be proposed for re-election as the external auditor at the 2026 AGM. The Board has accepted that recommendation and resolutions will be proposed at that meeting for their re-election and to empower the Directors to approve the auditor's fees for the next statutory audit.

Risk management and internal control

Systems of risk management and internal control
The Group has robust systems of risk management, which are explained on page 51. This was enhanced during the year by the development of a formal risk management framework policy document, which was approved by the Board. This has been trained into the business and the next focus is on embedding this into each of the operating subsidiaries to help ensure that risk is identified, assessed and managed as we would expect.

The system of internal control continues to develop and evolve. We expect that this will be materially enhanced when the implementation of NetSuite as our Group-wide accounting system is complete and all of the Group's businesses are operating on a single platform. The parallel implementation of Power BI as a reporting tool will further bolster the availability and quality of management information to provide actionable insights to management at all levels of the Group. Taken together, this investment in our core systems should help enhance the quality and ease of preparation of our external reporting.

We expect that the Group's wider universe of internal controls more generally will also be improved by implementing these and other systems.

Effectiveness review
The Committee has not undertaken a formal review of the effectiveness of the systems of risk management and internal control during the year. However, based on its members' knowledge of the Group's operations and performance it is satisfied that the arrangements currently in place are fit for purpose and that the risk and control frameworks and processes are operating as intended.

Internal audit
The Group does not have an internal audit function at this stage of its journey. The Committee is satisfied that this does not compromise the quality of, or confidence in, its internal and external reporting and that the absence of an internal audit function does not have any detrimental effect on the work of the external auditor.

Nomination Committee Report

Ensuring we have the right team in place

Dear fellow shareholders,

The Nomination Committee oversees succession planning for Board and Management Board roles and also recommends the appointment of Directors to the plc Board, including running any recruitment processes. Within those broad headings, the Committee carries out a wide range of tasks, all intended to ensure that we have the right team in place to manage the business both now and in the future.

This is an important responsibility, and one we take seriously. The Group is investing heavily in systems that are intended to support an impressive programme of business growth. It is equally important that we have the management team in place to deliver on our growth ambitions, and a Board of Directors with the skills, experience and capabilities to oversee that delivery and the future evolution of the Company's strategy.

During the year, we reviewed an update of the succession plan. We were happy with the process followed, which covered both planned succession and short-term contingency cover, but there is more to do. Management is enhancing succession planning, which will increase our confidence in delivering on our strategic plans.

Pete Kear
Chairman, Nomination Committee

Activities in 2025

The Committee met three times in 2025:

- In January we recommended to the Board that Louise George should be appointed as an independent Non-executive Director and as Chairman of the Audit Committee, as well as a member of the Nomination and Remuneration Committees.
- In February we recommended to the Board that the appointment of Andrew Mallows as the Group's Chief Financial Officer, which had been on an interim basis, should be confirmed as a permanent appointment. This followed a comprehensive search process which considered a number of external candidates from a range of AIM, Main Market and private equity-backed company backgrounds, alongside internal candidates. Our judgement was that the wider needs of the business would be best served by Andrew leading an enhanced finance team providing both commercial and financial support to our newly-appointed CEO.
- In September we held a scheduled meeting where we reviewed succession plans for Board and Management Board roles. This covered both planned succession and also contingency cover for unexpected absences.

Nomination Committee Report continued

Succession planning

Every organisation depends on its people to deliver its success, particularly if this is to be sustained beyond the short-term. We have ambitious long-term growth aspirations and, as a result, succession planning is a key focus for the Committee. While there will always be some specialised, often technical, roles for which we might struggle to retain a 'ready now' successor, for our main commercial leadership roles our ambition is to be able to promote from within. This is particularly important at Board level, where cultural fit is a key determinant of whether a new appointment will succeed.

In September 2025 we reviewed succession plans for Board and Management Board roles, including the pipeline of talent available from within the business over various time horizons, as well as contingency cover. This followed a robust methodology and the Committee provided feedback to management on the next steps that we wished to see taken to develop our understanding of the 'bench strength' available within the Group. We will review the next iteration of the plan in 2026, and it is our intention to review it twice annually, reflecting the importance of this task to the future development of the Company and Group.

Membership and meetings

Membership
The members of the Committee at the date of this report are Pete Kear (Chair), Stephen Hemsley, Andy Brattesani, Louise George and Nigel Wray. The Committee Chairman is the Senior Independent Director, the majority of members of the Committee are independent Non-executive Directors and the only Executive Director to be a member of the Committee is the Executive Chairman.

Meetings and attendance records
In addition to the Committee members, other senior managers are invited to attend meetings when necessary. The Committee is able to call for information from management directly as required.

The Committee held one scheduled meeting in 2025 and attendance was as follows:

Director	Sep	Total
Pete Kear	■	1/1
Stephen Hemsley	■	1/1
Andy Brattesani	■	1/1
Louise George	■	1/1
Nigel Wray	■	1/1

Operation of the Nomination Committee

Role of the Nomination Committee
The role of the Nomination Committee is to ensure:

- that the Board possesses the necessary experience, knowledge and skillset to deliver the Company's strategic goals over the short, medium and longer term and has appropriate levels of independence and diversity of background to avoid groupthink, with the balance, diversity and effectiveness of the Board being reviewed on a regular basis;
- that there are formal, rigorous and transparent procedures in place for the appointment of new Directors to the Board, that the membership of the Board is periodically refreshed and that no member of the Board should become indispensable;
- that there is appropriate succession planning for all executive management roles (considering at a minimum the Board and the Management Board) to support the next stage of the Company's development.

Nomination Committee Report continued

Board composition

Board and Committee changes

During the year Louise George was appointed as an independent Non-executive Director on 16 January 2025. The appointment of Andrew Mallows as our CFO and an Executive Director on a permanent basis was confirmed on 12 February 2025.

In terms of Committee appointments, Louise George was appointed as Chairman of the Audit Committee and as a member of the Nomination and Remuneration Committees on her appointment as a Director. There were no other changes to the composition of the Board Committees during the year.

Board appointment and induction

When considering a Board appointment we identify any potential gaps in the collective experience, skills and capabilities and background of the current Directors, taking into account the needs of the Company and Group over the medium term and beyond. We have developed a formal matrix that seeks to define our future needs in support of this process. This enables us to develop robust and transparent appointment criteria which then form the brief for any recruitment process or search consultant used. Cultural fit is a hugely important consideration, and for this reason we will always consider whether there are internal candidates for Executive Director roles.

All new Directors are provided with a personalised induction programme when they join the Board, tailored to their role and responsibilities. The induction process is intended to provide new Directors with the opportunity to glean insights from, and build relationships with, key individuals both within and outside the Group. All Director induction includes a briefing from the Company's Nominated Advisor on their responsibilities, and those of the Company, under the AIM Rules for Companies and other legal, regulatory and governance matters.

Feedback on the induction process is collated by the Company Secretary to inform future induction processes in a spirit of continuous improvement.

Board diversity

We recognise the benefits of diversity, in all its forms, in helping the Board and its Committees consider a range of perspectives and avoid 'groupthink'. Like many businesses, we are on a journey and recognise that more can always be done. We will be steadfast, however, in always appointing the strongest candidate to any available role.

As at the date of this report, the Board comprises seven directors of whom six are male and one is female. All of the current Directors are of the same ethnicity, but come from a range of socio-economic backgrounds. We are satisfied that the collective diversity of the Board remains appropriate to the needs of the business at this time.

Biographical details of each of the Directors are on pages 59 and 60 and details of their individual and collective experience, skills and capabilities are provided on page 61.

Re-election of Directors at the 2026 AGM

All Directors in office will stand for re-election at the 2026 AGM. The Committee considers each of the Directors to be effective in their respective roles. It judges that they demonstrate commitment and that each of them continues to provide valuable contributions to the long-term success of the Company. Collectively, they possess the experience, skills and capabilities that we believe will be needed at the Board table to oversee and support the delivery of the next phase of the Company's growth.

The Board strongly supports the re-election of each of the Directors and recommends that shareholders vote in favour of the relevant resolutions at the AGM.

Management Board

The Management Board brings together those responsible for leading all of the Group's major business and key functions, to ensure that they are all aligned with our corporate strategy and, importantly, are included in discussions and decision-making on matters of Group-wide significance.

As at the date of this report, the Management Board comprises fourteen members, of whom twelve are male and two are female. Nine of the members are British, three are US citizens, one is Dutch and one is German. All members are of the same ethnicity, but come from a range of socio-economic backgrounds.

Biographical details of each of these senior executives can be found on the corporate website here.

Remuneration Committee Report

Paying responsibly and rewarding performance fairly

Dear fellow shareholders,

The Board has chosen to follow the QCA Corporate Governance Code and throughout the year we have applied the recommendations of its 2023 edition.

We developed a remuneration policy which was set out in this report last year, and on which shareholders voted at the 2025 AGM. I was very pleased that this was passed with almost 98% of the votes cast in favour and no abstentions. As a Committee we appreciate the support shown by our shareholders. We have investigated the few votes cast against and are satisfied that there is nothing we need to change.

Our remuneration policy is intended to operate consistently through economic cycles.

During 2025 we confirmed that no bonus should be payable for 2024, a year in which the Group's performance fell short of our initial expectations for largely external reasons.

We were pleased to be able to confirm during the year that the long-term awards made under our employee share schemes in 2022 vested in full, as the compound growth in Diluted Adjusted EPS from the base year of 2021 to the end of 2024 amounted to 16.7% pa.

2025 was an interesting year for Franchise Brands. While our profits were essentially flat year-on-year, many of our brands were able to drive record levels of system sales despite material macro-economic headwinds. Managing in a downturn is always challenging and we experienced material cost pressures during the year, including changes to employment taxation in the UK where we employ the majority of our people.

Since the year-end we have determined that no bonus should be paid in relation to 2025. We are disappointed by this outcome as there was great work done by our management teams during the year, but this did not result in the delivery of the EBITDA needed to justify a bonus payment. We have also reviewed the performance conditions to which our share-settled awards made in 2023 are subject. These look at EPS growth from 2022 to 2025 and this fell short of the 8% pa threshold level, so the awards will all lapse. While that is the right outcome, it also means that we inevitably lose some financial retention over many key managers and executives and the Committee has reflected on how to reinstate their "skin in the game". We are likely to make new grants under our employee share schemes to rebase their long-term incentives, which will be linked to performance from 2025 to the end of 2028.

Remuneration Committee Report continued

It is vital that pay and performance are linked, and I think the decisions the Committee has made during and in respect of 2025 demonstrate this.

We operate in a dynamic environment, and our remuneration policy must be capable of addressing that reality, striking the right balance between the interests of our investors and the executives who will deliver the growth we anticipate. During 2026 we intend to review our executive pay strategy to ensure that this remains appropriate and will act where necessary.

In line with the recommendation of the QCA Code we are again offering shareholders an advisory vote on this Remuneration Committee Report at the 2026 AGM. I believe that our approach to remuneration is clearly aligned with shareholders' interests, with a significant focus on the longer term. I very much hope that you will vote in favour of accepting this report at the AGM.

Pete Kear
Chairman, Remuneration Committee

Membership
The members of the Committee at the date of this report are Peter Kear (Chairman), Andy Brattesani and Louise George, each of whom is an independent Non-executive Director.

Meetings and attendance records
The Committee met formally in March and July 2025 and held further ad hoc meetings and calls during the year. In addition to the Committee members, the Executive Chairman and the CEO are invited to attend meetings of the Remuneration Committee but does not participate when his own remuneration is being discussed. The Committee is also able to access external advice, which it obtains from a variety of sources. There is no retained adviser to the Committee, though we do tend to use FIT Remuneration Consultants LLP, who have considerable knowledge of market practice amongst our AIM-quoted peers.

The Committee held two scheduled meetings in 2025 and attendance was as follows:

Director	Mar	Jul	Total
Pete Kear	■	■	2/2
Andy Brattesani	■	■	2/2
Louise George	■	■	2/2

Operation of the Remuneration Committee

Role of the Remuneration Committee
The role of the Remuneration Committee is to:

- ensure that the Company establishes an effective remuneration policy aligned with the Company's purpose, strategy and culture as well as its stage of development, and that the remuneration policy (i) motivates management and promotes the long-term growth of shareholder value and (ii) supports and reinforces the desired corporate culture and promote the right behaviours and decisions;
- check that remuneration policies and practices support the successful delivery of the Company's long-term strategy and, in particular, that a significant proportion of Executive Directors' and senior managers' remuneration is structured to clearly link rewards to corporate and individual performance; and
- ensure that there is a formal and transparent procedure for developing policy on executive remuneration and for setting the remuneration packages of individual Directors, including the granting of share awards and other equity incentives through the Group's employee share schemes.

Remuneration Committee Report continued

Remuneration policy

Objectives and strategic alignment

The objective of the Company's remuneration policy is to facilitate the recruitment and retention of executives of an appropriate calibre and to provide them with an appropriate level of incentives to encourage enhanced performance. By doing so, those executives are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

The Remuneration Committee is satisfied that the pay that can be earned is appropriate for a company of comparable size and complexity at each level of performance and that the pay structure is aligned with the Company's purpose, strategy and culture. This includes encouraging our executives to promote and demonstrate the right behaviour and take appropriate decisions in line with our Guiding Principles.

The long-term growth of shareholder value is a key objective of our remuneration policy. Over 40% of our shares are held by the Directors and senior management and their families. All of the Executive Directors and many of our senior managers have significant exposure to the Company's share price, through a combination of their personal investments in our shares and through options granted under our employee share schemes. Stephen Hemsley, as co-founder of the Company, has a significant personal shareholding in the Company, but does not participate in our employee share schemes.

The vesting of options granted under our ESOP and legacy LTIP are subject to a performance condition requiring a pre-determined and challenging rate of compound annual growth in diluted adjusted earnings per share, which the Board regards as a key performance metric. As a result, there is a clear incentive to sustain EPS growth over the longer term and to mitigate downside risks that could affect the Company's profitability. We have chosen to use market-value options to deliver this reward, meaning that value can only arise for the executives if they have delivered share price growth for shareholders. Reputational risks could reasonably be expected to affect the share price, which means that share plan participants are further incentivised to mitigate these exposures to maximise the potential value of their awards.

Components of executive pay

It is important that pay structures are simple and easy for participants to understand, if they are to have the desired effect. Given our significant focus on share-settled, long-term incentives, we expect that this component of pay will foster alignment with shareholders through the building and holding of a meaningful shareholding in the Company.

In keeping with the goal of simplicity noted above, the remuneration that the Company offers to its Executive Directors and senior management has four principal components:

- **Fixed pay (base salaries and benefits in kind)** – base salaries are determined by the Committee, taking into account the salaries paid in AIM-quoted companies of similar size and complexity and the tenure and performance in role of the individual. Benefits in kind include provision at an appropriate level of a car or car allowance, healthcare and life assurance.
- **Pensions** – the Company operates a defined contribution scheme available to all employees including the Executive Directors, or a cash supplement if executives are unable to participate in the scheme. Only basic salaries are pensionable and no Executive Director is offered an employer contribution different from that available to employees generally. The Company has never operated a defined benefits scheme. No Director or former Director received any benefits from a retirement benefits scheme that were not otherwise available to all members of the scheme.
- **Short-term incentives** – our annual cash bonus plan extends to a range of senior executives and managers, including the Executive Directors. A bonus pool is calculated as a percentage of Adjusted EBITDA delivered beyond budget or the City consensus expectation and this is then available to be shared between the participants. Individual entitlements are generally linked to the delivery of Adjusted EBITDA in the part of the business for which the executive is accountable, with an element dependent on the delivery of personal goals, which can include non-financial objectives. No individual bonus can exceed 50% of salary. Bonus payments are non-pensionable.
- **Long-term incentives** – the Company operates a share option scheme covering permanent employees (including the Executive Directors, other than Stephen Hemsley). Subject to achieving compound EPS growth targets, options can vest no earlier than the third anniversary of the date of grant and, once vested, may be exercised until the tenth anniversary. The exercise price of the options is set at the market value of the Company's shares at the time of grant, so that the individual only benefits if there has been share price growth. The only exception to this is for an historic (and now discontinued) matching scheme, where certain Directors were granted nominal value options if they purchased an equal number of shares in the market. Those nominal value options could only vest if the same EPS growth performance targets were met. All of our share option schemes are overseen by the Committee, which determines the terms under which eligible individuals may be invited to participate, including the level of awards.

Remuneration Committee Report continued

Remuneration policy continued

Short-term incentives – annual cash bonus plan
The Committee believes that the bonus plan is necessary to create a strong incentive for the Executive Directors and key employees to deliver in-year financial and non-financial goals. It is important that our profitability is sustainable and the results for any given year do not risk our long-term ambitions. Operating in tandem with our share schemes, this should ensure there is appropriate focus on delivering corporate objectives over the short and longer term.

The plan operates by calculating a bonus pool as a percentage of Adjusted EBITDA achieved beyond budget or the City consensus expectation. Our belief is that senior executives should not receive a bonus payment for delivering an on-budget performance. We have chosen to use Adjusted EBITDA as the profit metric as that best reflects outcomes under the control or influence of operational management, excluding the effects of corporate funding and accounting decisions taken by the Board. It also complements the Adjusted EPS target used in determining the vesting of share options.

The maximum bonus payable to any one individual, including the Executive Directors, is capped at 50% of salary, with lower levels of maximum bonus set for some Management Board members (primarily those with functional, rather than business responsibilities). Targets are set for delivery of Group profitability, the delivery of profits in any part of the business for which the relevant executive is accountable, and personal elements linked to specific deliverables.

The rules of our bonus plan include market-normal malus and clawback provisions.

Long-term incentives – employee share schemes
All employees, including the Executive Directors of the Company are eligible to participate in our employee share schemes. However, since these have a three-year vesting horizon and are linked to the delivery of EPS growth, we tend to limit the grant of awards to those who are profit-accountable, or whose roles puts them in a position to influence profits, EPS or share price performance. In 2025 we granted options to 80 employees.

The Group's principal scheme is the Employee Share Option Plan, which is used to grant share options to employees in the UK and other European countries. In addition, the Company grants cash-settled share appreciation rights to its employees in the Netherlands and the United States. Finally, some options remain outstanding under a legacy UK employee share scheme, the Long Term Incentive Plan.

Long Term Incentive Plan ("LTIP")
The LTIP was adopted upon the Company's IPO in 2016. It is a flexible plan that could be operated as a tax-advantaged EMI plan, but which was also capable of granting non-EMI options either at the market value of the Company's shares at the date of grant, or their nominal value of 0.5p. We have used the LTIP in different ways at different times in the past, including one instance of a matching scheme where senior executives invested in the Company's shares and were granted a nominal value option in recognition of this. All options granted have been subject to standard performance conditions, requiring material growth in the Company's audited Adjusted EPS. For more details of the performance condition, please see below.

We do not expect to issue any further options or awards under this plan.

Employee Share Option Plan ("ESOP")
In 2020 the Company established the ESOP for employees including the Executive Directors, which enables them to acquire shares in the Company subject to meeting stretching yet realistic performance conditions. The plan is a UK market-standard tax-advantaged Company Share Option Plan, with supplementary sections to create an Unapproved Share Option Plan and a Share Appreciation Rights Plan, on equivalent terms to the main plan.

All options and awards are granted with an exercise price set at the market value of the Company's shares at the date of grant. In each case, vesting is (or has been) subject to our standard performance conditions, requiring material growth in the Company's audited Adjusted diluted EPS. Value only accrues to the participant to the extent that there has been growth in the Company's share price.

The rules of the ESOP include market-normal malus and clawback provisions, which apply to all options and awards issued after January 2024.

Performance conditions
All of the historic and current options and awards granted under the LTIP, the ESOP and our SARs plans have been subject to the achievement of stretching yet realistic targets for growth in adjusted diluted earnings per share. This is measured over three financial years, using the EPS figure for the year prior to the year of grant as the base and is calculated using audited results. Employees, including Executive Directors, are only able to exercise their options and awards as follows:

Remuneration Committee Report continued

Remuneration policy continued

1. In respect of 20% of their shares, if we deliver compound annual EPS growth of 8% over each of the next three financial years;
2. In respect of 100% of their shares, if we deliver compound annual EPS growth of 15% over each of the next three financial years; and
3. Between 20% to 100% of their shares, on a straight-line basis, if EPS growth is between the targets in 1 and 2.

As we explain on page 79, for future grants of options and awards we will retain the same EPS growth performance condition but amend the vesting schedule slightly.

Directors' service contracts

All Executive Directors are employed under service contracts. The services of the Executive Directors may be terminated by the Company, on the expiry of six months' notice.

Non-executive Directors' remuneration

The Non-executive Directors receive a fixed fee for their service. This is set by the Board, with each conflicted Director recusing themselves from the discussion and decision. The Senior Independent Director and the Audit Committee Chairman each receive a supplement to recognise the additional contributions that they have each been asked to provide. The NEDs receive no benefits in kind, no pension contributions and no performance-related pay. They are not eligible to participate in any of the Company's incentive arrangements.

The NEDs are retained under letters of engagement which may be terminated by the Company (i) giving three months' notice or (ii) immediately, in the event that the Director is not re-elected by shareholders at an AGM.

Directors' remuneration in 2025

Pay outcomes reflect performance

The Remuneration Committee has monitored the outcomes of the Company's remuneration policy for 2025 and is satisfied that the levels and nature of pay offered reflects both the performance of the individuals and the results delivered for shareholders:

- The salaries and benefits in kind offered are judged to be appropriate to the level and tenure of the Executive Directors and their performance in role.
- No bonus was payable from the annual cash bonus scheme: the Adjusted EBITDA of the Group for 2025 of £35.2m was flat on the prior year in challenging market conditions. This fell short of the original budget and market expectations at the start of the year, and no cash bonus payment was warranted or could be supported.
- The long-term incentives granted in 2022 were due to vest in 2025. The performance condition to which these were subject compared diluted adjusted EPS in 2024 to that of 2021. As this measure of EPS showed a 16.7% pa compound growth over the three years, which was ahead of the vesting hurdle of 15% pa, these awards all vested in full.
- The Committee approved awards under our employee share schemes on our standard grant policy to 80 employees, including Andrew Mallows, in July 2025. No award was made to Peter Molloy in 2025 as he received an one-off award in late 2024 on his appointment as CEO, which the Committee believes created a suitably powerful incentive to deliver value to shareholders.
- The long-term incentives granted in 2023 are due to vest in 2026. The performance condition to which these are subject compares diluted adjusted EPS in 2025 to that of 2022. Based on the audited results for 2025 it is clear that, while EPS has grown over the performance period, the results fell short of the threshold hurdle of 8% pa compound growth. As a result, these options will lapse on the third anniversary of their date of granting.

Directors' remuneration – single figure table (audited)

The remuneration payable to the Directors for the year ended 31 December 2025 was as follows:

Director	Salary or fees £	Benefits in kind £	Pension contributions £	**Total for 2025 £**	Comparison for 2024 £
Executive Directors					
Stephen Hemsley	375,000	26,290	–	**401,290**	401,250
Peter Molloy[1]	309,000	19,418	9,135	**337,553**	56,148
Andrew Mallows[2]	283,750	8,563	8,374	**300,687**	146,997
Non-executive Directors					
Pete Kear	50,000	–	–	**50,000**	50,000
Andy Brattesani	40,000	–	–	**40,000**	40,000
Louise George[3]	48,141	–	–	**48,141**	–
Nigel Wray	40,000	–	–	**40,000**	40,000
Total	1,145,891	54,271	17,509	**1,217,671**	734,395

1. In the prior year, he served as a Director from 22 October 2024.
2. In the prior year, he served as a Director from 19 June 2024.
3. Appointed 16 January 2025.

Remuneration Committee Report continued

Directors' remuneration in 2025 continued

No Director received any remuneration from a third party in respect of their service as a Director of the Company.

No Director received any compensation for loss of office upon resignation, and no payments were made to them in respect of qualifying services after the date on which they ceased to serve as a Director.

Directors' share options (audited)
The table below shows the interests of those who serve as Directors in options granted under the Company's employee share schemes. For details of those schemes and of the performance conditions to which the vesting of awards are subject, please see page 79. The dates shown in the table during which currently unvested options can be exercised are dependent on the performance conditions being met. If these conditions are not satisfied, the option will lapse on the third anniversary of the date of grant.

						Changes during 2025						
Executive Director	Date of grant	Plan	Exercise price (pence)	Performance condition	Number of shares (31.12.24)	Granted	Exercised	Lapsed	**Number of shares (31.12.25)**	Status	Exercisable from	Exercisable to
Peter Molloy	11-Apr-17	LTIP	67	EPS growth	150,000	–	–	–	**150,000**	Vested	11-Apr-20	10-Apr-27
	11-Dec-18	LTIP	69	EPS growth	106,000	–	–	–	**106,000**	Vested	11-Dec-21	10-Dec-28
	15-Sep-20	LTIP	0.5	EPS growth	28,409	–	–	–	**28,409**	Vested	15-Sep-23	14-Sep-30
	15-Sep-20	ESOP	88	EPS growth	34,091	–	–	–	**34,091**	Vested	15-Sep-23	14-Sep-30
	10-Mar-22	ESOP	150	EPS growth	150,000	–	–	–	**150,000**	Vested	10-Mar-25	09-Mar-32
	10-May-23	ESOP	180	EPS growth	150,000	–	–	–	**150,000**	Unvested	10-May-26	09-May-33
	06-Jul-24	ESOP	158	EPS growth	178,470	–			**178,470**	Unvested	06-Jul-27	05-Jul-34
	13-Nov-24	ESOP	167.5	EPS growth	500,000	–	–	–	**500,000**	Unvested	13-Nov-27	12-Nov-34
					1,296,970	–	–	–	**1,296,970**			
Andrew Mallows	12-Dec-17	LTIP	49.5	EPS growth	75,758	–	75,758	–	**–**	Vested	N/A	N/A
	11-Dec-18	LTIP	69	EPS growth	99,242	–	99,242	–	**–**	Vested	N/A	N/A
	15-Sep-20	ESOP	88	EPS growth	34,091	–	34,091	–	**–**	Vested	N/A	N/A
	15-Sep-20	LTIP	0.5	EPS growth	96,591	–	96,591	–	**–**	Vested	N/A	N/A
	10-Mar-22	ESOP	150	EPS growth	75,000	–	–	–	**75,000**	Vested	10-Mar-25	09-Mar-32
	30-Sep-22	ESOP	151.5	EPS growth	120,000	–	–	–	**120,000**	Vested	30-Sep-25	29-Sep-32
	10-May-23	ESOP	180	EPS growth	50,000	–	–	–	**50,000**	Unvested	10-May-26	09-May-33
	06-Jul-24	ESOP	158	EPS growth	351,288	–	–	–	**351,288**	Unvested	06-Jul-27	05-Jul-34
	31-Jul-25	ESOP	126	EPS growth	–	180,000	–	–	**180,000**	Unvested	31-Jul-28	30-Jul-35
					901,970	180,000	305,682	–	**776,288**			

Remuneration Committee Report continued

Directors' remuneration in 2025 continued

Andrew Mallows exercised options over a total of 305,682 shares on 25 September 2025. All of these shares were sold in the market betweeen 25 and 30 September 2025 to raise funds to enable him to meet a tax obligation arising from an historic matter relating to a previous employment.

Stephen Hemsley has a significant personal shareholding in the Company. As a result, he has not been granted options or awards under the Company's employee share schemes. For details of the interests of the Directors in the Company's shares during the year, please see the Directors' Report on page 83.

No Non-executive Director participates, or has participated, in the Company's employee share schemes.

During 2025 the closing mid-market quote for the Company's shares ranged from a low of 106p to a high of 158p. The closing mid-market price on 31 December 2025 was 139.5p.

Non-executive Directors' fees

Each of the NEDs received a base fee of £40,000 in 2025. Under our remuneration policy we pay an additional fee of £10,000 pa to the Senior Executive Director and the Chairman of the Audit Committee, reflecting the additional duties each has agreed to perform for the benefit of the Company.

Directors' remuneration in 2026

The Committee believes that the Company's remuneration policy remains appropriate for the needs of the business and aligned with the strategic outcomes that the Board is seeking to deliver.

Executive Directors' pay in 2026

We were due to review the salaries of all our senior executives, including the Executive Directors, on 1 January 2026 but this review has been deferred to 1 April 2026 (the date on which our UK employees' annual pay review is normally implemented) given the uncertain macro-economic outlook.

As flagged in the Committee Chairman's introductory remarks, we intend to review some aspects of our executive pay in 2026 to ensure that this remains appropriate, and the Committee will act where necessary.

The annual cash bonus plan for 2026 has been agreed and publicised across the Group. There is no fundamental change in the basis of the bonus plan from that used in 2025.

We expect to make grants of market-value share options and awards under the ESOP in Q2 2026, to a range of employees including the Executive Directors. The Committee has reviewed the performance conditions to which these awards will be subject, and decided to adapt the targets to reflect the need for a stronger retention tool for our senior management, given the challenging and uncertain economic and market conditions that could continue into the medium-term. While vesting will remain subject to delivering growth in adjusted diluted earnings per share, we will change the vesting schedule so that 20% of the award will vest for compound growth of 5% pa and 50% of the award will vest for growth of 10% pa, though 100% vesting will still require growth of 15% pa (in all cases, measured over three financial years). Interpolation between these levels will be on a straight line basis. The slight relaxation of the vesting schedule also recognises the increasing challenge of delivering growth as the Group becomes larger.

In addition to the normal annual award, as signalled in the Committee Chairman's introductory remarks, we will also consider whether to enhance these awards to reinstate the "skin in the game" of our key managers and executives. Since the vesting of these awards will be linked to EPS growth from 2025 to the end of 2028, this will also create an important incentive for the award holders to remain with the business and deliver value for shareholders.

Non-executive Directors' fees in 2026

As with the Executive Directors, the Board was due to review NED fees on 1 January 2026 but has deferred this review.

Strategic alignment

We are satisfied that we have developed an effective remuneration policy which is aligned with the Company's purpose, strategy and culture, and relevant to this stage of its development. We expect that the remuneration we offer should motivate management and promote the long-term growth of shareholder value. There is a clear and easily understood link between performance and pay, with a significant proportion of potential reward being related to the growth in the Company's share price over the longer term, earned through the delivery of growth in earnings per share. We are therefore comfortable that the interests of shareholders and senior management, including the Executive Directors, are fully aligned.

The Committee hopes to receive shareholders' support in the advisory vote at the 2026 AGM and urges you to vote in favour of the resolution.

Directors' Report

The Directors present their report on the affairs of the Company and Group for the year ended 31 December 2025.

Introduction
Franchise Brands plc is a public limited company, registered in England and Wales as company number 10281033 and has its registered office at Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire, SK10 2XF. As such, it is subject to the reporting requirements set out in the Companies Act 2006. In addition, the Ordinary shares of 0.5 pence each of the Company are admitted to trading on AIM. As a result, the Company is obliged to report in accordance with the requirements of the AIM Rules for Companies. We have chosen to apply the QCA Corporate Governance Code and are reporting in line with the 2023 edition.

Our reporting to shareholders
The Strategic Report on pages 1 to 55 of this Annual Report provides an overview of the development and performance of the Group's business for the year ended 31 December 2025 and likely future developments in the business of the Group. That information is presented in that part of the Annual Report, rather than this Directors' Report, as permitted by Regulations made under the Companies Act 2006. The various sections of the Strategic Report together provide the information which the Directors consider to be of strategic importance to the Group.

The following disclosures are hereby incorporated by reference into, and form part of, this Directors' Report:

- data on Greenhouse Gas emissions and other climate change-related disclosures from page 40 onwards. This information was included in the Strategic Report as the Directors consider those matters to be of strategic importance to the Group;
- the reporting on corporate governance on pages 57 to 82, including the Directors' biographies on pages 59 and 60;
- information relating to financial instruments and financial risk management, as provided in note 3 to the financial statements; and
- related party transactions as set out in note 25 to the financial statements.

Principal activities
The principal activity of the Group is building market-leading businesses in selected customer segments, primarily via a franchised model, with a focus on B2B essential, usually reactive, van-based services. We seek to own established brands which can benefit from our shared support services, specialist sector expertise, management experience and Group resources.

The principal activity of the Company is to act as a holding company and to provide management services to its subsidiary companies.

Directors
Names, biographical details and appointment dates of the Directors of the Company at the date of this report are shown on pages 59 and 60.

Directors' interests
The following table shows the interests of the Directors (and their spouses and minor children) in the Ordinary shares of the Company:

Director	As at 31 December 2024 or later date of appointment	**As at 31 December 2025**
Executive Directors		
Stephen Hemsley[1]	22,750,000	**22,900,000**
Peter Molloy[2]	71,956	**71,956**
Andrew Mallows[3]	124,290	**124,290**
Non-executive Directors		
Pete Kear	82,500	**117,500**
Andy Brattesani	5,555	**5,555**
Louise George	–	**150,000**
Nigel Wray[4]	15,921,858	**16,071,858**

1. Included in the holding of Stephen Hemsley are 2,030,658 Ordinary shares held by his Self-Invested Personal Pension ("SIPP"), and 9,000,000 Ordinary shares held by CTG Investment Limited, a company owned by a discretionary trust of which Mr Hemsley and his family are potential beneficiaries.
2. Included in the holding of Peter Molloy are 38,095 Ordinary shares held by his SIPP.
3. Included in the holding of Andrew Mallows are 99,007 Ordinary shares held by his SIPP.
4. Included in the holding of Nigel Wray are 2,371,338 Ordinary shares held by Vidacos Nominees Limited, acting as nominee for RBC Trustees (Jersey) Limited as trustee of Nigel Wray's family trust. Also included are 4,631,782 Ordinary shares and 8,085,248 Ordinary shares held by Euroblue Investments Limited and Glengrace Limited, respectively, companies wholly owned by Nigel Wray. Also included in Nigel Wray's interest are 223,880 Ordinary shares owned by The Priory Foundation, a charitable trust of which he is the settlor and a trustee. Nigel Wray is not the beneficial owner of these shares.

Directors' Report continued

In addition, during their tenure as Directors each of Peter Molloy and Andrew Mallows held options over shares of the Company through their participation in the Company's employee share schemes. These are detailed in the Remuneration Committee Report on pages 76-82. Stephen Hemsley does not participate in the employee share schemes given his significant personal investments in the Company's shares.

Directors' and officers' liability insurance and indemnification of Directors
The Company maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors.

The Company has also granted indemnities to each of its Directors to the extent permitted by law. Qualifying third-party indemnity provisions (as defined in Section 324 of the Companies Act 2006) have been given in favour of all Directors on the Board. These indemnities remain in force and relate to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors of the Company.

Shares and shareholders

Share capital
The Company's entire issued share capital comprises Ordinary shares of 0.5 pence each. The number of shares in issue during the year is summarised in note 24 to the financial statements.

The Company has granted options to acquire its shares under its employee share schemes, as detailed in note 8 to the financial statements and explained in the Remuneration Committee Report on page 78. However, if and when these options are exercised, we anticipate that the vast majority of these requests will be satisfied by the transfer of existing shares held in the Company's Employee Benefit Trust.

All of the Company's shares are freely transferable and carry the same rights in relation to voting, to appoint a proxy or proxies (or where relevant a corporate representative) to attend meetings, speak and vote, and to participate in distributions including the right to receive dividends. The rights attaching to the Company's shares are set out in the Articles of Association, which can only be amended with the approval of at least 75% of the votes cast at a General Meeting.

To the Directors' best knowledge, there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights.

Major shareholders
In addition to the holdings of the Directors set out on the previous page, to the date of this report the Company has received formal notification of the following holdings in its shares pursuant to DTR 5 (being broadly a direct or indirect interest of 3% or more of the share capital). It should be noted that these holdings, or the percentage of the issued share capital they represent, may have changed since the Company was notified, but no further notification is required until the relevant percentage threshold is crossed:

Shareholder	Date of last notification	Number of shares	Percentage of capital held (at the date of notification)
Slater Investments Limited	11 March 2026	30,761,520	15.88%
Jason Sayers (Chairman, Filta International)	21 January 2026	10,688,183	5.52%
BGF Investment Management Limited	17 May 2023	9,996,103	5.16%
Rathbone Investment Management Limited	4 April 2025	9,685,049	5.00%
Gresham House Asset Management Limited	26 February 2026	9,679,055	4.99%
Victor Clewes	10 March 2022	5,274,473	4.27%
Oxy Capital – SGOIC, S.A.	5 March 2026	7,802,006	4.03%
Canaccord Genuity Group Inc	11 March 2022	4,867,364	3.94%
Swedbank Robur Fonder AB	28 May 2025	5,817,000	3.00%

Dividends
A final dividend of 1.3 pence per share was paid on 23 May 2025 in respect of the 2024 financial year. An interim dividend of 1.15 pence per share was paid on 26 September 2025 in respect of the 2025 financial year.

The Directors are recommending a final dividend of 1.35 pence per share in respect of the 2025 financial year which, subject to shareholders' approval at the AGM, will be paid on 22 May 2026 to shareholders on the register at the close of business on 8 May 2026.

Our employees and wider workforce

Employment of disabled persons
The Group gives full and fair consideration to applications for employment from disabled persons, where the requirements of the job can be adequately fulfilled by that person. Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Directors' Report continued

Employee communications and engagement

The Group provides its entire workforce (including employees) with information on matters that could be of concern to them as our workers. We regard it as crucial that our employees and wider workforce are aware of the factors affecting the performance of the Company, so that they can help us drive its future success. These communications are generally delivered at a brand level, with the CEO, MD or other senior executives of that brand holding open forums with their employees and other workforce members. These are deliberately structured to facilitate and encourage two-way communications. In addition, informal communication takes place on a daily basis.

Where appropriate, we consult members of our workforce or their representatives on a regular basis so that their views can be taken into account in making decisions which are likely to affect their interests.

We encourage involvement in the Company's performance by our employees and workforce and offer awards under our employee share schemes to a wide range of employees who are best placed to influence that performance. Of our circa 620 employees, 235 currently participate and are able to access to information on their share options and awards and Company performance through an online portal. Since we introduced our share schemes, 104 employees have exercised awards, making a collective gain of around £3.4m.

Board engagement with the wider workforce

All of the Directors are encouraged to engage with our employees, contractors and franchise partners wherever possible. We arrange site visits for the Non-executive Directors while the Executive Directors will come into contact with a wide range of employees, franchise partners and others as a matter of course, in their everyday roles. In addition, all Directors are invited to attend franchise conferences for each of our brands and are encouraged to undertake personal visits to operational sites whenever possible.

This mix of formal and informal interactions with a wide range of employees, contractors and franchise owners enables the Directors to have regard to their interests in their deliberations, including on the principal decisions taken by the Company.

Disclosures relating to the audited financial statements

Subsidiary audit exemption

Certain UK subsidiaries of the Company are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act. A full list of the Company's subsidiaries is provided in note 23 to the financial statements, which identifies those subsidiaries whose outstanding liabilities at 31 December 2025 have been or will be guaranteed by the Company pursuant to s479A to s479C of the Act. In the opinion of the Directors, the possibility of the parent company guarantees being called upon is remote.

Going concern

In assessing the appropriateness of adopting the going concern basis in preparing the financial statements, the Directors have considered the current financial position of the Group, alongside its principal risks and uncertainties.

The review performed considers plausible financial and operational issues that could reasonably arise within a period of 12 months from the date of approval of the financial statements. This included credit risk, dependency on key suppliers and/or customers and economic risk. The budgets and business plans prepared for the next 12 months and beyond have been subjected to sensitivity analysis, considering the impact of a downturn in trade, and changes to the Group's financing costs.

On an individual customer basis, we do not have a concentration of credit risk. We have taken account of the bad debt risk in our expected credit loss provisions and believe this is sufficient.

The Group is not overly dependent on any one key customer or supplier. As at 31 December 2025, we had around 650 franchise owners spread over seven different franchise networks, which operate collectively in ten jurisdictions. Within each network, there is no particular concentration of risk in any individual franchise owner. We therefore regard each franchise partner as posing relatively low credit risk to the Company. In addition, our networks are characterised by having a large number of small value jobs being completed for a wide variety of customers.

The Group is not overly reliant on the UK economy, with typically around 50% of our revenues and profits being derived from this market.

Our bank facilities comprise a term loan, a revolving credit facility and an overdraft. Subject to compliance with the terms of these facilities, we have access to working capital until early April 2028. The facilities have only two covenants and the Group has significant headroom on each of these when tested on a quarterly basis. During 2025 we amended the facilities so that we now borrow from a single bank, HSBC, rather than the previous syndicate of four banks. The Board is satisfied that there is no material risk to the Group from having this single source of funding.

We have modelled the Group's financial performance in a range of realistic downside scenarios, including combinations of risks, and applied sensitivities to this testing with regard to overall debt level and compliance with banking covenants. The Group's business is profitable and cash-generative and this provides resilience against the principal risks and uncertainties to which the Group is exposed. Following this modelling work, we concluded that in all realistically plausible scenarios the Group would maintain access to sufficient current financial assets to meet its current liabilities as they fall due.

Directors' Report continued

We also undertook reverse stress-testing to identify the scenarios in which the materialisation of risk, or the combination of risks, could cause the Group to fail financially. We concluded that none of these scenarios was realistically plausible during the period covered by our review.

Given the fact that the Group and the Company continue to be profitable, continue to have net assets and have access to cash and funding, the Directors have made appropriate enquiries and consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Financial instruments and financial risk management

The Company's use of financial instruments and its financial risk management objectives and policies are set out in note 3 to the financial statements.

Relevant audit information

The Directors confirm that:

- so far as each of the Directors is aware, there is no relevant audit information (as that term is defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- they have each taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to re-appoint PKF Littlejohn LLP as auditor will be proposed at the AGM. They were appointed by the Board in September 2024 following a tender process. For information on how we manage the relationship with the external auditor, please refer to the Audit Committee Report on page 71.

Other statutory disclosures

Branches

There are no branches of the Company in existence. Subsidiaries of the Company operate businesses in the UK, a number of continental European countries, Canada and the USA. For details of the subsidiary undertakings of the Company, please see note 23 to the financial statements.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

In compliance with these Regulations and in addition to the material contained elsewhere in this report, the Directors make the following disclosures:

- the Company has not made any purchases of its own shares during the year;
- there were no material research and development activities undertaken by the Company or its subsidiaries during the year;
- a description of the actions taken to foster the Company's business relationships with suppliers, customers and others, and the effect of those actions, including the principal decisions taken by the Company can be found in the Section 172 Statement on pages 45-46; and
- there have been no post-balance sheet events of the Company or its subsidiaries which the Directors believe need to be brought to the attention of its shareholders.

Political contributions

No political contributions were made during the period. The Company has not sought an authority from its shareholders to make political contributions and does not intend to do so.

Annual General Meeting

The Annual General Meeting of the Company will be held at 11:00 a.m. on Thursday 30 April 2026 at the offices of Gateley plc, 1 Paternoster Square, London, EC4M 7DX. The business of the AGM is set out in a circular containing the Notice of Meeting and an explanatory letter from the Chairman, which is being issued to shareholders with this Annual Report and is also available on the Company's website.

This Directors' Report was approved by the Board on 24 March 2026 and is signed on its behalf.

Rob Bellhouse
Company Secretary

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the Group's profit or loss for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies whose securities are traded on AIM.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors, as is the ongoing integrity of the financial statements contained therein.

This statement was approved by the Board on 24 March 2026.

Andrew Mallows
Chief Financial Officer

A resilient performance

Financial Statements

Independent Auditor's Report

to the members of Franchise Brands plc

Opinion

We have audited the financial statements of Franchise Brands Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- An understanding of the future plans for the group;
- Reviewing cashflow forecasts for the 15 month period ending 31 December 2025 to 30 June 2027, and challenging management on the key operating assumptions based on the 2025 actual results;
- Reviewing all the key inputs into the cash flow forecast to ensure they are appropriate, and no evidence of management bias exists;
- Testing the integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions;
- Reviewing the company and group's management accounts to assess if material matters have been reflected in the underlying assumptions to the forecasts;
- Comparing Board of Directors approved budgets to actual figures achieved to assess the reliability of management's forecasts;
- Assessing the adherence to covenants in the going concern period forecasts;
- Reviewing the new financing arrangement entered into during the period to ensure the new terms have been appropriately factored into forecast, and to assess covenant compliance across the period;
- Performing sensitivity analysis on the forecasts provided; and
- Review the going concern disclosure within the financial statements for appropriateness.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report continued

to the members of Franchise Brands plc

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Materiality for the group was set based on the consolidated position of the Group, at £1,055,000. This was calculated based on 3% of Adjusted EBITDA. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to stakeholders in assessing the financial performance of the group.

We also determined a level of group performance materiality which we use to assess the extent of testing needed to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Performance materiality for the group was set at £685,000 being 65% of materiality for the financial statements as a whole. A benchmark of 65% for performance materiality was applied to provide sufficient coverage of significant and residual risks in the financial statements.

In determining performance materiality, we considered the following factors:

- the number and quantum of identified misstatements observed during the prior year audit; and
- the consistency in the level of judgement required in key accounting estimates and the level of significant or other key risks, including KAMs, identified during our planning procedures.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit of the group with a value in excess of £52,000.

Materiality for the parent company was set at £600,000, with a performance materiality of £390,000. The benchmark used in determining the materiality for the parent company was 2% of net assets, given this is a holding company with no external trade, but capped at an allocated component materiality.

We agreed to report to the audit committee all corrected and uncorrected misstatements for the parent company we identified through the audit with a value in excess of £30,000.

Our approach to the audit

Our audit was tailored in such a way as to perform sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and of the company, the accounting processes and controls, and the industry in which they operate.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. We looked at the areas Directors make subjective judgements, for example in respect of significant accounting estimates which involve making assumptions and considering future events, this process being inherently uncertain.

The group consists of the parent company and its subsidiaries which are geographically dispersed. Materiality and the risks of material misstatement were assessed at subsidiary level for our audit procedures on the subsidiaries.

We performed as assessment of those components which were significant to the group, determined to be those which were financially significant to the group and in which proportionally higher levels of risk through the transactions in which they engage. Six components were determined to be significant to the audit, on which full scope procedures were performed. The remaining subsidiaries were tested to a percentage of group materiality either through specified procedures, or analytical procedures as determined sufficient by the audit team for the purposes of the group audit.

Audit approach	No. of components	% coverage of revenue	% coverage of adjusted EBITDA
Full-scope audit	6	75	76
Specified audit procedures	4	22	16

With the exception of four components, located in France, Benelux, Germany and the United States of America, all in scope components were located in the UK, where the audit work was conducted by us using a team with specific experience of auditing publicly listed entities.

The components in Germany and the United States of America were audited by PKF and non-PKF network firms respectively under our instruction. We interacted regularly with the component audit team during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and company financial statements.

Independent Auditor's Report continued

to the members of Franchise Brands plc

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Revenue Recognition Refer to accounting policies in Note 1 and further details in Notes 2 and 5	
Revenue recognition Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. The group has a number of different revenue streams. Each revenue stream has its own estimates and judgements in relation to IFRS 15 ***"Revenue from Contracts with Customers."*** Within Willow Pumps Limited, revenue for certain projects is recognised over time and management must recognise revenue and profit accordingly across the identified stages of the project (Stage 1 – delivery to site, Stage 2 – first fix, Stage 3 – commissioning) based on the input method. Given the level of estimation uncertainty and the level of judgements involved, this element of Revenue Recognition is determined to be a key audit matter. As part of the Management override of controls risk, we have also identified revenue journals posting as a significant risk of material misstatement.	We reviewed the accounting treatment applied by Management in respect of revenue recognition for Willow Pumps Design & Installation revenue which is recognised over time using the input method under IFRS 15. Our work included, but was not limited to: ▪ Discussions with Management in respect of revenue transaction arrangements for the Design & Installation revenue stream, and understanding Management's own assessment of the treatment of the revenue stream; ▪ Performing walkthrough testing to develop an understanding of the revenue transaction flow for each entity and which parties are involved at each stage; ▪ Obtaining revenue contracts for Design & Installation revenue transactions; ▪ Documenting and challenging Management's treatment of a water pump installation as a single performance obligation; ▪ Confirming Management's approach to the accounting treatments for stages 2 & 3 and ensuring that these were in line with the requirements of IFRS 15; ▪ Substantive testing of revenue to supporting documentation both during the year and around year end; ▪ Journals testing focussed on unusual manual adjustments to revenue line items; ▪ We challenged Management as to the phasing of profit catch ups in stages 2 & 3 and developed our own estimates of revenue to be recognised in the period; and ▪ Review the disclosure of the revenue steam within the financial statements. **Key observations** Revenue recognition accounting was seen to be materially in line with the requirements of IFRS 15.

Independent Auditor's Report continued

to the members of Franchise Brands plc

Key Audit Matter	How our scope addressed this matter
Impairment of goodwill and indefinite useful life intangible assets Refer to accounting policies in Note 1 and further details in Notes 2 and 12	
The group has goodwill and indefinite useful life intangibles which, under IAS 36 (Intangibles) are required to be tested annually for impairment. Management must exercise a high degree of estimation in both the assessment of Cash Generated Units (CGUs) or group of CGUs to which Goodwill is allocated, and in determining the value in use of these CGUs. The inputs and assumptions into the value in use models are both highly subjective and complex, which leads to a significant risk that impairment of assets exists, and is therefore designated as a key audit matter.	For each impairment assessment performed we determined whether the inputs and assumptions into the models were both reasonable and supportable. Our work in this area included, but was not limited to: ■ A critical review of the CGUs derived by Management to ensure that they were in line with the requirements of IAS 36; ■ Review and challenge of Management's previous forecasting accuracy and understanding of the reasons as to where budgets were not achieved where applicable; ■ Challenge of the future trading forecasts to ensure that they are supportable and reasonable based on the external market and internal factors such as past performance and future business plans; ■ Ensuring mechanical accuracy of the forecasts and their consistency with forecasts used in other areas, such as going concern; ■ Ensuring that the forecasts are consistent with the Board of Directors approved budgets; ■ Using our internal valuations team we assessed the appropriateness of the calculation of the discount rates per CGU and challenged these where these fell outside of an expected range; ■ Reviewing sensitivities performed by Management to ensure that these were both plausible and sufficiently severe in nature, and assessing the impact of these sensitivities on the key assumptions within the model; and ■ Assessing the completeness and appropriateness of the disclosures within the financial statements. **Key observations** The carrying values of the goodwill and intangible assets at the period end are reasonable. We draw your attention to Note 12 of the financial statements where the impact on impairment of sensitivities is disclosed.

Independent Auditor's Report continued

to the members of Franchise Brands plc

Key Audit Matter	How our scope addressed this matter
Recoverability of investments and intercompany balances – Franchise Brands Plc (Company only)	
Refer to accounting policies in Note 1 and further details in Notes 2 and 23	
The parent company statement of financial position has material investments in subsidiaries: 2025 – £209,468k (2024 – £208,905k) and amounts due from group undertakings 2025 – £100,693k (2024 – £100,036k). In line with IAS 36, Management must exercise judgement in assessing the recoverability of these balances which can involve complex modelling and assumptions, presenting a risk of material misstatement if not performed correctly.	For the recoverability assessment performed we determined the reasonableness of the inputs and assumptions used by Management. Our work in this area included, but was not limited to: ▪ An assessment of the assumptions used by Management in determining the recoverability of investments in subsidiaries and amounts due from group undertakings for reasonableness; ▪ Ensuring mechanical accuracy of the forecasts and their consistency with forecasts used in other areas, such as going concern; ▪ Reviewing sensitivity analysis performed by management to ensure that these are both plausible and sufficiently severe in nature, and assessing the impact of these sensitivities on the key inputs and assumptions within the model; ▪ Obtaining management's assessment of the ECL on the intercompany receivables and evaluated the appropriateness of the assessment; and ▪ Reviewing current period performance and expected future trading of the subsidiary entities. **Key observations** The carrying values of the investments and intercompany balances at the period end are reasonable.

Independent Auditor's Report continued

to the members of Franchise Brands plc

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Independent Auditor's Report continued

to the members of Franchise Brands plc

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with Management, review of board minutes and cumulative knowledge of the industries in which the subsidiaries operate.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the:
  - Companies Act 2006;
  - UK-adopted international accounting standards;
  - Climate reporting requirements (SECR and TCFD);
  - UK and overseas taxation regulations;
  - Employment, health and safety laws both in the UK and overseas;
  - Data Protection and GDPR rules;
  - Local laws and regulations in the jurisdictions of the subsidiary entities;
  - FCA Listing and AIM Rules for Companies;
  - The financial services Act; and
  - Anti-bribery and anti-money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing board meeting minutes; and
  - Reviewing legal correspondence (where applicable) and reviewing legal and professional fees.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to both the estimates and judgements in relation to revenue recognition, and the impairment assessment of Goodwill and indefinite useful life intangible assets (group), and investments and intercompany balances (parent). We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate and ensuring that there were adequate disclosures included in the respective notes including the disclosures within critical accounting estimates;
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

Independent Auditor's Report continued

to the members of Franchise Brands plc

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Hannes Verwey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
24 March 2026

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	**2025 Total £'000**	2024 Total £'000
Revenue	5	**142,152**	139,206
Cost of sales		**(57,394)**	(55,887)
Gross profit		**84,758**	83,319
Adjusted earnings before interest, tax, amortisation, share-based payments & non-recurring items ("Adjusted EBITDA")		**35,245**	35,121
Depreciation and amortisation on right-of-use assets	6, 13, 14	**(4,969)**	(4,837)
Amortisation of software	6, 12	**(1,177)**	(1,235)
Amortisation of acquired intangibles	6, 12	**(10,296)**	(10,156)
Share-based payment expense	6, 8	**(874)**	(1,480)
Non-recurring items	6	**–**	(444)
Total administrative expenses		**(65,492)**	(65,858)
Net impairment losses on financial assets	17	**(1,337)**	(492)
Operating profit		**17,929**	16,969
Foreign exchange losses		**349**	(386)
Finance expense	9	**(5,558)**	(7,378)
Profit before tax		**12,720**	9,205
Tax expense	10	**(3,743)**	(1,921)
Profit for the year attributable to equity holders of the Parent Company		**8,977**	7,284
Other comprehensive (expense)/income			
Actuarial gains	27	**31**	12
Exchange differences on translation of foreign operations		**(510)**	337
Total comprehensive (expense)/income attributable to equity holders of the Parent Company		**(479)**	349
Total Profit and other comprehensive income for the year attributable to equity holders of the Parent Company		**8,498**	7,633
Earnings per share			
Basic	11	**4.67p**	3.78p
Diluted	11	**4.64p**	3.74p

The Notes on pages 107 to 141 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
Assets			
Non-current assets			
Intangible assets	12	**286,178**	295,536
Property, plant and equipment	13	**4,334**	4,667
Right-of-use assets	14	**11,601**	11,106
Contract acquisition costs	15	**424**	454
Trade and other receivables	17	**2,633**	333
Total non-current assets		**305,170**	312,096
Current assets			
Inventories	16	**7,265**	7,577
Trade and other receivables	17	**43,949**	40,217
Contract acquisition costs	15	**86**	98
Current tax asset		**908**	390
Cash and cash equivalents		**15,293**	12,921
Total current assets		**67,501**	61,203
Total assets		**372,671**	373,299
Liabilities			
Current liabilities			
Overdraft		**7,542**	–
Trade and other payables	18	**35,652**	31,018
Loans and borrowings	20	**9,681**	9,311
Obligations under leases	21	**3,250**	3,062
Deferred income	19	**1,335**	2,237
Current tax liability		**1,091**	778
Total current liabilities		**58,551**	46,406

	Note	2025 Total £'000	2024 Total £'000
Non-current liabilities			
Loans and borrowings	20	**51,631**	67,431
Obligations under leases	21	**8,404**	8,179
Deferred income	19	**3,205**	1,892
Deferred tax liability	22	**29,366**	30,828
Total non-current liabilities		**92,606**	108,330
Total liabilities		**151,157**	154,736
Total net assets		**221,514**	218,563
Issued capital and reserves attributable to owners of the Company			
Share capital	24	**969**	969
Share premium	24	**131,131**	131,131
Share-based payment reserve	24	**4,080**	3,213
Merger reserve	24	**69,754**	69,754
Translation reserve		**(149)**	361
EBT reserve	24	**(4,296)**	(2,756)
Retained earnings		**20,025**	15,891
Total equity attributable to equity holders		**221,514**	218,563

The consolidated financial statements of Franchise Brands plc (Company number: 10281033) on pages 97 to 141 were approved and authorised for issue by the Board of Directors on 24 March 2026 and were signed on its behalf by:

Andrew Mallows
Director

Company Statement of Financial Position

At 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
Assets			
Non-current assets			
Investment in group companies	23	**209,468**	208,905
Property, plant and equipment	13	**8**	7
Right-of-use assets	14	**22**	–
Total non-current assets		**209,498**	208,912
Current assets			
Trade and other receivables	17	**104,783**	102,459
Cash and cash equivalents		**3**	1,585
Total current assets		**104,786**	104,044
Total assets		**314,284**	312,956
Liabilities			
Current liabilities			
Overdraft		**7,542**	–
Trade and other payables	18	**37,686**	27,945
Loans and borrowings	20	**9,681**	9,311
Obligations under leases		**6**	–
Total current liabilities		**54,915**	37,256
Non-current liabilities			
Loans and borrowings	20	**51,631**	67,431
Obligations under leases		**15**	–
Total non-current liabilities		**51,646**	67,431
Total liabilities		**106,561**	104,687
Total net assets		**207,723**	208,269

	Note	2025 Total £'000	2024 Total £'000
Issued capital and reserves attributable to owners of the Company			
Share capital	24	**969**	969
Share premium	24	**131,131**	131,131
Share-based payment reserve	24	**4,080**	3,213
Merger reserve	24	**69,634**	69,634
EBT reserve	24	**(4,296)**	(2,756)
Retained earnings		**6,205**	6,078
Total equity attributable to equity holders		**207,723**	208,269

No statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act. Franchise Brands plc reported a profit and total comprehensive income for the financial period ended 31 December 2025 of £4.89m (2024: £2.06m).

The Company financial statements of Franchise Brands plc (Company number: 10281033) on pages 99 to 141 were approved and authorised for issue by the Board of Directors on 24 March 2026 and were signed on its behalf by:

Andrew Mallows
Director

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Note	**2025 Total £'000**	2024 Total £'000
Cash flows from operating activities			
Profit for the year		**8,977**	7,284
Adjustment for:			
Depreciation of property, plant and equipment	13	**1,278**	1,122
Depreciation of right-of-use assets	14	**3,691**	3,715
Amortisation of software & other intangibles	12	**1,177**	1,235
Amortisation of acquired intangibles	12	**10,296**	10,156
Stock provision adjustment		**–**	(313)
Non-recurring costs		**–**	(491)
Share-based payment expense	8	**874**	1,480
Gain on disposal of property, plant and equipment		**(699)**	(102)
Current service cost – DBO	27	**17**	(18)
Finance expense	9	**5,558**	7,378
Exchange differences on translation of foreign operations		**(387)**	357
Tax expense	10	**3,743**	1,921
Operating cash flow before movements in working capital		**34,525**	33,724
(Increase)/decrease in trade and other receivables	17	**(5,268)**	421
(Increase)/decrease in inventories	16	**123**	(344)
Increase/(decrease) in trade and other payables	18	**4,347**	(1,654)
Cash generated from operations		**33,727**	32,147
Corporation taxes paid		**(5,608)**	(3,991)
Net cash generated from operating activities		**28,119**	28,156
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(996)**	(1,470)
Proceeds from the sale of property, plant and equipment		**1,104**	248
Purchase of software	12	**(2,104)**	(1,657)
Purchase of Intellectual Property	12	**–**	(9)
Loans to franchisees		**(973)**	(164)
Loans to franchisees repaid		**423**	341

Consolidated Statement of Cash Flows continued

For the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
Net cash used in investing activities		**(2,546)**	(2,711)
Cash flows from financing activities			
Bank loans – received		**2,520**	2,000
Bank loans – repaid		**(18,240)**	(11,250)
Overdraft		**7,542**	–
Capital element of lease liability repaid	21	**(3,778)**	(3,666)
Interest paid – bank and other loan	9	**(4,315)**	(6,704)
Interest paid – leases	9, 21	**(613)**	(598)
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		**(1,540)**	(77)
Dividends paid	26	**(4,711)**	(4,429)
Net cash absorbed from financing activities		**(23,135)**	(24,724)
Net increase in cash and cash equivalents		**2,438**	721
Cash and cash equivalents at beginning of year		**12,921**	12,278
Exchange differences on cash and cash equivalents		**(66)**	(78)
Cash and cash equivalents at end of year		**15,293**	12,921

Consolidated Statement of Cash Flows continued

For the year ended 31 December 2025

Reconciliation of cash flow to the Group net debt position

Group	Term loan £'000	Revolving credit facility £'000	Overdraft facility £'000	Lease liabilities £'000	Total liabilities from financing activities £'000	Cash £'000	Total net cash / (net debt) £'000
At 1 January 2024	(49,251)	(36,908)	–	(9,388)	(95,547)	12,278	(83,269)
Financing cash inflows	–	(2,000)	–	–	(2,000)	–	(2,000)
Financing cash outflows	10,000	1,250	–	4,264	15,514	–	15,514
Leases interest expense	–	–	–	(598)	(598)	–	(598)
Other cash flows	–	–	–	–	–	721	721
Cash items	10,000	(750)	–	3,666	12,916	721	13,637
Non-cash items							
Amortised loan fees	(60)	–	–	–	(60)	–	(60)
Foreign exchange movements	–	227	–	304	531	(78)	453
Additions to new leases	–	–	–	(5,948)	(5,948)	–	(5,948)
Disposals	–	–	–	125	125	–	125
At 1 January 2025	**(39,311)**	**(37,431)**	**–**	**(11,241)**	**(87,983)**	**12,921**	**(75,062)**
Financing cash inflows	**(2,500)**	**(20)**	**(7,542)**	**–**	**(10,062)**	**–**	**(10,062)**
Financing cash outflows	**10,000**	**8,240**	**–**	**4,391**	**22,631**	**–**	**22,631**
Leases interest expense	**–**	**–**	**–**	**(613)**	**(613)**	**–**	**(613)**
Other cash flows	**–**	**–**	**–**	**–**	**–**	**2,438**	**2,438**
Cash items	**7,500**	**8,220**	**(7,542)**	**3,778**	**11,956**	**2,438**	**14,394**
Non-cash items							
Amortised loan fees	**(36)**	**–**	**–**	**–**	**(36)**	**–**	**(36)**
Foreign exchange movements	**–**	**(254)**	**–**	**(386)**	**(640)**	**(66)**	**(706)**
Additions to new leases	**–**	**–**	**–**	**(3,810)**	**(3,810)**	**–**	**(3,810)**
Disposals	**–**	**–**	**–**	**5**	**5**	**–**	**5**
At 31 December 2025	**(31,847)**	**(29,465)**	**(7,542)**	**(11,654)**	**(80,508)**	**15,293**	**(65,215)**

Company Statement of Cash Flows
For the year ended 31 December 2025

	Note	**2025 Total £'000**	2024 Total £'000
Cash flows from operating activities			
Profit for the year		**4,885**	2,064
Adjustment for:			
Depreciation of property, plant and equipment	13	**3**	2
Depreciation of right-of-use assets	14	**7**	–
Management charges		**(4,164)**	(4,428)
Finance expenses		**5,052**	6,761
Tax expense		**(1,451)**	(1,584)
Exchange differences on translation of foreign operations		**211**	(230)
Share-based payment expense		**304**	203
Operating cash flow before movements in working capital		**4,847**	2,788
(Increase)/decrease in trade and other receivables	17	**(672)**	919
Increase in trade and other payables	18	**15,612**	17,519
Cash generated from operations		**19,787**	21,226
Corporation taxes paid		**(2,486)**	(50)
Net cash generated from operating activities		**17,301**	21,176
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(4)**	(9)
Net cash used in investing activities		**(4)**	(9)
Cash flows from financing activities			
Bank loans – received		**2,520**	2,000
Bank loans – repaid		**(18,240)**	(11,250)
Overdraft		**7,542**	–
Capital element of lease liability repaid	21	**(8)**	–
Interest paid – bank and other loans		**(4,440)**	(6,701)
Interest paid – leases	9, 21	**(2)**	–
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		**(1,540)**	(77)
Dividends paid	26	**(4,711)**	(4,429)
Net cash absorbed from financing activities		**(18,879)**	(20,457)
Net increase/(decrease) in cash and cash equivalents		**(1,582)**	710
Cash and cash equivalents at beginning of year		**1,585**	875
Cash and cash equivalents at end of year		**3**	1,585

Company Statement of Cash Flows continued

For the year ended 31 December 2025

Reconciliation of cash flow to the Company net debt position

Company	Term loan £'000	Revolving credit facility £'000	Overdraft facility £'000	Lease liabilities £'000	Total liabilities from financing activities £'000	Cash £'000	Total net cash / (net debt) £'000
At 1 January 2024	(49,251)	(36,908)	–	–	(86,159)	875	(85,284)
Financing cash inflows	–	(2,000)	–	–	(2,000)	–	(2,000)
Financing cash outflows	10,000	1,250	–	–	11,250	–	11,250
Other cash flows	–	–	–	–	–	710	710
Cash items	10,000	(750)	–	–	9,250	710	9,960
Non-cash items							
Amortised loan fees	(60)	–	–	–	(60)	–	(60)
Foreign exchange movements	–	227	–	–	227	–	227
At 1 January 2025	**(39,311)**	**(37,431)**	**–**	**–**	**(76,742)**	**1,585**	**(75,157)**
Financing cash inflows	**(2,500)**	**(20)**	**(7,542)**	**–**	**(10,062)**	**–**	**(10,062)**
Financing cash outflows	**10,000**	**8,240**	**–**	**10**	**18,250**	**–**	**18,250**
Leases interest expense	**–**	**–**	**–**	**(2)**	**(2)**	**–**	**(2)**
Other cash flows	**–**	**–**	**–**	**–**	**–**	**(1,582)**	**(1,582)**
Cash items	**7,500**	**8,220**	**(7,542)**	**8**	**8,186**	**(1,582)**	**6,604**
Non-cash items							
Amortised loan fees	**(36)**	**–**	**–**	**–**	**(36)**	**–**	**(36)**
Foreign exchange movements	**–**	**(254)**	**–**	**–**	**(254)**	**–**	**(254)**
Additions to new leases	**–**	**–**	**–**	**(29)**	**(29)**	**–**	**(29)**
At 31 December 2025	**(31,847)**	**(29,465)**	**(7,542)**	**(21)**	**(68,875)**	**3**	**(68,872)**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Group	Share capital £'000	Share premium account £'000	Share-based payment £'000	Merger reserve £'000	Translation reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2024	969	131,131	1,936	69,754	24	(2,679)	12,901	214,036
Profit for the year	–	–	–	–	–	–	7,284	7,284
Actuarial gain	–	–	–	–	–	–	12	12
Foreign exchange translation differences	–	–	–	–	337	–	–	337
Profit for the year and total comprehensive income	–	–	–	–	337	–	7,296	7,633
Contributions by and distributions to owners								
Shares issued	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	–	(4,429)	(4,429)
Contributions to Employee Benefit Trust	–	–	–	–	–	(77)	–	(77)
Share-based payment	–	–	1,277	–	–	–	–	1,277
Tax on share-based payment expense	–	–	–	–	–	–	123	123
At 1 January 2025	**969**	**131,131**	**3,213**	**69,754**	**361**	**(2,756)**	**15,891**	**218,563**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**8,977**	**8,977**
Actuarial gain	**–**	**–**	**–**	**–**	**–**	**–**	**31**	**31**
Foreign exchange translation differences	**–**	**–**	**–**	**–**	**(510)**	**–**	**–**	**(510)**
Profit for the year and total comprehensive income	**–**	**–**	**–**	**–**	**(510)**	**–**	**9,008**	**8,498**
Contributions by and distributions to owners								
Shares issued	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(4,711)**	**(4,711)**
Contributions to Employee Benefit Trust	**–**	**–**	**–**	**–**	**–**	**(1,540)**	**–**	**(1,540)**
Share-based payment	**–**	**–**	**867**	**–**	**–**	**–**	**–**	**867**
Tax on share-based payment expense	**–**	**–**	**–**	**–**	**–**	**–**	**(163)**	**(163)**
At 31 December 2025	**969**	**131,131**	**4,080**	**69,754**	**(149)**	**(4,296)**	**20,025**	**221,514**

Company Statement of Changes in Equity

For the year ended 31 December 2025

Company	Share capital £'000	Share premium account £'000	Share-based payment £'000	Merger reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2024	969	131,131	1,936	69,634	(2,679)	8,421	209,412
Profit for the year and total comprehensive income	–	–	–	–	–	2,064	2,064
Contributions by and distributions to owners							
Dividend paid	–	–	–	–	–	(4,429)	(4,429)
Contributions to Employee Benefit Trust	–	–	–	–	(77)	–	(77)
Share-based payment	–	–	1,277	–	–	–	1,277
Tax on share-based payment expense	–	–	–	–	–	22	22
At 1 January 2025	**969**	**131,131**	**3,213**	**69,634**	**(2,756)**	**6,078**	**208,269**
Profit for the year and total comprehensive income	**–**	**–**	**–**	**–**	**–**	**4,886**	**4,886**
Contributions by and distributions to owners							
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(4,711)**	**(4,711)**
Contributions to Employee Benefit Trust	**–**	**–**	**–**	**–**	**(1,540)**	**–**	**(1,540)**
Share-based payment	**–**	**–**	**867**	**–**	**–**	**–**	**867**
Tax on share-based payment expense	**–**	**–**	**–**	**–**	**–**	**(48)**	**(48)**
At 31 December 2025	**969**	**131,131**	**4,080**	**69,634**	**(4,296)**	**6,205**	**207,723**

Notes forming part of the Financial Statements

For the year ended 31 December 2025

1 Significant accounting policies

General information

Franchise Brands plc (the "Company", and together with its subsidiaries, the "Group"), is a public company incorporated in England and Wales under the Companies Act 2006 with Company Number 10281033. The principal activity of the Group is focused on building market-leading businesses in selected customer segments, using primarily a franchise model. Our focus is on established brands which can benefit from our shared support services, specialist sector expertise, management experience and Group resources. The principal activity of the Company is that of a holding company of a group of companies engaged in franchising and related activities.

Basis of consolidation

The consolidated financial statements incorporate the results and net assets of the Company and its subsidiary undertakings. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases. All intercompany transactions and balances between Group entities are eliminated upon consolidation.

Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted international accounting standards, in accordance with the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2025. The Group's consolidated financial statements are prepared under the historical cost convention. The principal accounting policies adopted are set out below and have been consistently applied to all the years presented. The Group's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000s) except where indicated.

Going concern

The Group's financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. In assessing the appropriateness of adopting the going concern basis in preparing the Annual Report and financial statements, the Directors have considered the current financial position of the Group, alongside its principal risks and uncertainties. The review performed considers plausible financial and operational issues that could reasonably arise within the period. This included credit risk, dependency on key suppliers / customers; and economic risk. The budgets and plans prepared for the next 12 months to June 2027 have been subjected to sensitivity analysis, considering the impact of a downturn in trade.

In all cases, the business model remained robust. The Group has generated significant profits both during the years covered by these financial statements, and in previous years. The Group has sufficient current financial assets to meet its current liabilities as they fall due. The Group's strong operating cashflow allows for contractual repayment of term loan with interest, and lease costs, for the next 12 months to June 2027. The Directors have stress-tested the banking covenants, considered mitigating actions, and concluded that there is sufficient headroom. All these provide resilience against these factors and other principal risks the Group is exposed to. The Directors have made appropriate enquiries and consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Segmental reporting

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer, with support from the Board of Directors, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The business is organised in line with the divisions of Pirtek Europe, Water & Waste Services, Filta International and B2C. Within the Water & Waste Services division there are two different principal activities: Franchisor – management of franchise partners who trade with businesses and consumers; and direct labour organisations – trading directly with businesses and consumers.

Therefore, the Board has determined that we have six different operating segments:

- Pirtek Europe, the franchise and DLOs of Pirtek across eight European countries;
- Water & Waste Services, which is made up of Metro Rod and Metro Plumb, Willow Pumps and Filta UK;
- Filta International, which is made up of Filta US and Filta Europe;
- B2C, which is made up of ChipsAway, Ovenclean and Barking Mad;
- Azura, which is made up of the software business of Azura; and
- Other operations including central administration costs and non-trading companies.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Business combinations

The consolidated financial statements comprise the accounts of the Company and its subsidiary undertakings. An undertaking is regarded as a subsidiary if the Group has control over its operating and financial policies. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The profits and losses of subsidiary undertakings are consolidated as from the effective date of acquisition or to the effective date of disposal.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of completion, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of acquired subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Group, costs of acquisition are charged directly to the income statement as non-recurring costs, unless directly relating to equity issuance, in which case these costs have been charged to share premium account. In the Company, directly attributable costs of acquisition have been capitalised as investment in subsidiaries.

Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Pounds Sterling, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the profit and loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost, except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Pounds Sterling are translated into Pounds Sterling upon consolidation.

On consolidation, assets and liabilities have been translated into Pounds Sterling at the closing rate at the reporting date. Income and expenses have been translated into Pounds Sterling at the average monthly rate, as an approximation of the rates on the dates of the transactions over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the translation reserve in equity.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Intangible assets

Intangible assets comprise goodwill, certain acquired separable corporate brand names, acquired customer relationships, acquired franchise relationships, acquired licence trade agreements and capitalised computer software not integral to a related item of hardware. Goodwill represents the excess of fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets, including intangible assets, at the date of their acquisition. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the net present value of future cash flows derived from the underlying assets using a projection period of five years, based on the latest approved budgets, for each group of cash generating units ("CGU"). After the projection period a steady growth rate representing an appropriate long-term growth rate for the industry is applied. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Corporate brand names, trademarks, customer relationships, acquired franchise relationships, and other intangibles acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets. Historically, certain brands and trademarks of the Group have been considered to have an indefinite economic life. From 31 December 2024, these brands and trademarks were revised from being indefinite life to finite life, and are now amortised over their estimated useful life.

The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required. Recoverable amount is the higher of fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and written down to its recoverable amount. Any impairment is charged to the profit and loss in the period concerned.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows. Customer-related intangibles have a useful life of 5-10 years. Franchise contracts have a useful life of 10 years. Others (including capitalised computer software) have a useful life of 3-10 years. Brands that have a finite life have a useful life of 10-50 years.

Revenue

Revenue is income arising from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised when performance obligations are satisfied and control has transferred to the customer. Revenue is measured at the fair value of consideration received or receivable, net of returns, rebates and value-added taxes. The following criteria must also be met before revenue is recognised:

National accounts and commission agent revenue

Within Metro Rod and Filta UK, national account revenue is recognised net, or on an agent commission basis, as the Group only has momentary control of the work between receiving the work and passing it to the incumbent franchise. Franchise partners have right of first refusal and maintain operational fulfilment; if they cannot carry out the work, they must find someone else to complete the work. Within ChipsAway, the franchise partners are passed a lead, which may or may not be converted into a job, and as such we treat national account revenue in the same way as above. In each case, revenue is recognised at the later of our performance obligation being met, or the subsequent sale occurring. As the sale by the franchise partners to the end customer is always completed after our performance obligation is met, which is to pass the work to the franchise, we recognise revenue at the point of job completion.

Local accounts and royalty fee income

MSF is a sales-based royalty, charged for the continuing use of the rights and continuing services provided during the franchise period agreement's term. They are recognised as the service is provided and the right to access the licence is used. These are charged on a monthly basis, and the values recognised are based on the performance obligations in the relevant contracts with our franchisees at the fair value of the goods.

Where the underlying transaction belongs to the franchisee, MSF is recorded as a royalty fee. The work is sourced, and jobs are priced and completed by the franchise partners. For national account sales at Pirtek, and local account sales in all subsidiaries, this is deemed to be when the work is performed and invoiced, as we play no part in passing the work to the franchise (see Note 2 for critical accounting judgements).

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Revenue continued

Sale of new franchise territories

Revenue from the sales of new franchise territories represent the charges for packages which include start-up support and equipment, and the right to access the license to operate in a designated territory for a stated length of time. The territory fee is deferred over the length of the franchise agreement and released to the consolidated statements of comprehensive income on a straight-line basis, as our performance obligation is to provide a license to operate. If equipment or stock is provided, this is considered a distinct performance obligation and recorded at a point in time when transferred over to the franchise partner.

When a new franchise joins the Group, they are given extensive training. Within Metro Rod, Filta UK and the B2C business, the revenue associated with this training is recognised over the life of the franchise agreement, as it is deemed to be a pre-opening activity which is fundamental for a new franchise to begin operating.

Resale of franchise territories

Revenue from resales of franchise territories is recognised when the sale has been contractually transferred. It is recognised at a point in time as a termination fee.

Training facility revenue

Revenue from training within Filta International and Pirtek is recognised at the point at which the training is completed, as they are distinct performance obligations in the context of these specific contracts, and at that point we have completed our performance obligations. Filta International and Pirtek have their own training centres, providing on-going industry-specific training to franchisee engineers in their respective industries which go beyond training franchise partners on how to work with Filta International and Pirtek as franchisees respectively. As such, training is a separate revenue stream in these entities and this revenue is distinct from franchise sales.

Product sales

Revenue from sales of products is recognised on delivery to customers, as this is when control is deemed to have been transferred. Where freight costs are charged to the franchise, revenue is recognised on completion of the delivery, which is normally at the same point as the goods are recognised. Pirtek franchise partners may order direct from suppliers on a central account; in this instance we recognise both the revenue from recharging franchise partners and cost of goods from the supplier under revenue, in a back-to-back agreement as an agent where no profit is recorded.

Direct labour income

Direct labour income is where labour employed by the Group carry out revenue-earning work. Revenue from our DLOs is recognised at the point of which the job is completed, with the exception of Willow Pumps.

Within Willow Pumps, revenue is recognised when our performance obligations are met in relation to an individual job. Willow Pumps performs installation and commissioning work using its own labour as well as bought-out material by integrating them into a single performance obligation where control over goods is transferred in advance of rendering services. Due to the bespoke nature of work performed and contracts being non-cancellable, it meets the requirements of IFRS 15.35c for recognising revenue on over-time basis. However, practically, the entity recognises revenue on completion of each phase (which takes 1-2 days). This is not considered to be material by the Group. Due to the nature of work that requires use of labour, it is appropriate to use the input method to measure stage of completion. Also, observable inputs to measure the stage of completion based on an output method is not available.

Due to the above, it is appropriate to recognise revenue at nil margin for transfer of control over bought-out standard material before providing installation and commissioning services. Once installation begins, the value of the uninstalled goods is excluded from the cost to cost method to calculate the revenue and margin over the period the revenue is recognised. It is to be noted that “nil margin” recognition is available only when the measure of progress is based on input method and not output method (see Note 2). The performance obligations are defined in our underlying contracts with customers.

Waste oil

Revenue from sales of waste oil is recognised on a principal basis; although it is the franchise partners that collect and transfer the waste oil, Filta places restrictions on the inventory, insofar as the franchise partners can only sell to Filta, and the onward sale of the waste oil is at Filta’s contractual risk. Filta retains control over the oil for a period of time; it is not a back-to-back arrangement. Revenue is recognised when the oil is collected by the customer, as this is when control is deemed to have transferred.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Revenue continued

IT contribution

Franchise partners are charged a monthly fee for use of IT systems. Revenue is recognised when the franchise partners are invoiced; this is when the monthly service of providing the IT that allows the franchise to operate their franchise has been fulfilled.

Central billing

In certain circumstances the franchise partners are charged a fee to invoice certain national account customers on their behalf. This is recognised when the customer has been invoiced, at which point we are able to invoice the franchise partner for our customer invoicing.

National advertising funds

National advertising funds are collected from franchise partners under their agreements and then spent on their behalf on advertising which benefits the underlying franchise networks. The management of the funds does not result in any profit or loss for the Group as all funds received are expended on behalf of the networks. Advertising is not seen to be a separate performance obligation from license (local) and agency (national) sales, it is merely an add-on that the franchisee contributes towards. Advertising of our brands, our franchise partners, and the services that they offer, does not constitute a service to the customer, hence advertising does not represent a separate performance obligation. The Directors have concluded that the Group will recognise the costs expended by the funds in the year, and will recognise a fixed royalty amount as revenue, with any difference from the amount of cash received from our franchisees as accrued or deferred revenue within the balance sheet. This is because it is the Group which controls the expenditure of the funds, rather than the franchise partners. Overall, there is no impact on profit.

Other income

The Group has a number of other revenue streams, which are immaterial for reporting purposes. These include freight charges to franchise partners, lending vans to franchise partners, and other charges to franchise partners.

Contract acquisition costs

Internal staff-related costs to obtain a customer are expensed to the income statement as incurred. Where these are external i.e. broker fees, these costs are capitalised and recognised within contract assets where management expects to recover those costs. Contract assets are amortised, through cost of sales, over the period consistent with the Group's transfer of the related goods and services to the customer.

The costs capitalised primarily include broker fees paid to third parties where payment is identified as relating directly to the sale of a territory licence and initially recognised upon the signing of a customer contract. The costs are amortised over the contract life. Management is required to determine the recoverability of contract-related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the Group expects to receive in exchange for providing the associated goods and services under the relevant contract. Any impairment is recognised immediately where such losses are forecast. The movement in the contract asset balance in the period, therefore, represents additional payments made, subsequent amortisation and any required impairment.

Financial liabilities

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

For any bank borrowings denominated in foreign currency, the balances are translated at the relevant exchange rate at the reporting date. Any applicable gains or losses are taken through other comprehensive income.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Long-term employee benefits

A one-off bonus is payable to staff who remain with the French businesses until they retire based on French law. Under IAS 19, obligations for one-off employee bonuses are recognised in the balance sheet under provisions for liabilities based on assessment of the current value of those benefits. The current value is calculated using criteria including earnings, life expectancy, estimated length of service and wage inflation which is then discounted to give an estimated current value. The annual movement in provision is charged to Other Comprehensive Income.

Financial assets

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

Inventories are stated at the lower of cost and net realisable value. The cost of goods for resale is based on a weighted average cost methodology. At the end of each reporting period inventories are assessed for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed based on customer type, history of payment as well as by the number of days that debt is past due. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Cash and cash equivalents includes cash in hand.

Property, plant and equipment

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes cost directly attributable to making the asset capable of operating as intended. Depreciation is provided to write off the cost, less the estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property improvements	–	over period of lease
Short-term leasehold improvements	–	over period of lease
Freehold property	–	2%–10% straight line
Motor vehicles	–	10%–25% straight line
Plant & equipment	–	10%–33% straight line
Fixtures & fittings	–	20%–33% straight line
Computer equipment	–	20%–33% straight line

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate on an annual basis. Any gain or loss arising on derecognition of an asset is included in the statement of comprehensive income in the year that the asset is derecognised.

Share-based payment

When equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Share-based payment costs are charged to the subsidiary companies in line with their allocation of share options.

Fair value is measured by the use of an appropriate valuation model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The volatility in the model is calculated by reference to an implied volatility of a group of listed entities that have similar characteristics and are in the same industry sector.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Share-based payment continued

Additionally, all qualifying US and European employees have been awarded stock appreciation rights ("SARs") which are cash-settled. The SARs are conditional bonuses whose value will be calculated by reference to the amount by which the price of the Company's ordinary shares have risen above the base price at the date of exercise, thus providing holders of SARs the same reward value as if the SARs were share options. The qualifying conditions and timing of vesting are identical to those within the share options scheme for UK employees. For these cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in the fair value recognised in the statement of comprehensive income. There are no SARs within the Company.

Corporation tax

Current tax assets and liabilities are measured at the amount expected to be received or paid to the taxation authorities. Corporation tax is charged or credited to the income statement, except when it relates to items charged directly to other comprehensive income or to equity, in which case the corporation tax is also dealt with in other comprehensive income or equity respectively. Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on the initial recognition of goodwill. 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 substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

Leases

In line with IFRS 16, all leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of 12 months or less.

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. The range of incremental borrowing rates used is between 3.0% and 11.2% depending on the type of asset and its characteristics. There are no variable lease payments to consider.

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.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. 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:

- 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), 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.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial 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.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

1 Significant accounting policies continued

Employee benefit trust

In order to facilitate its employee share option scheme, on 1 July 2021 the Group established an onshore discretionary employee benefit trust (the "EBT"), which is expected to conduct market purchases of Ordinary shares to satisfy potential future option exercises by employees (but not Directors). When the Group funds the EBT, the cash value is debited to a separate EBT reserve of the Parent Company. The EBT's assets are consolidated into the Group.

Adjusted performance measures ("APMs")

APMs are utilised throughout this report as key performance indicators for the Group and are calculated by adjusting the relevant IFRS measurement by amortisation of acquired intangibles, impairment losses, share-based payments and other non-recurring items including acquisition costs.

The three main APMs which are used are System sales, Adjusted EBITDA and Adjusted EPS. System sales are the total aggregate sales of franchise partners and the DLO operations net of VAT to third-party customers. The Directors use this measure to compare the underlying revenues of each business.

Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share-based payment expenses and non-recurring items. This measure is used to give the Chief Operating Decision Maker ("CODM") and the Board visibility of the true operational metrics of the business. The Directors use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-GAAP measures, Adjusted EBITDA measures used by other entities may not be calculated in the same way and are not directly comparable.

Adjusted EPS is before amortisation of acquired intangibles, share-based payment expenses, exchange differences and non-recurring items. Once again this provides a more operationally focused view of the relevant subsidiaries.

Non-recurring costs which are material in size and infrequent in nature are disclosed separately in the consolidated income statement. These include acquisition-related fees, restructuring costs and other material one-off costs. The separate recording of these items, along with the details disclosed in Note 6 of these accounts help provide an indication of the underlying business performance of the Group.

APMs are non-GAAP measures and are not intended to replace those measurements, but are the measures used by the Directors in their day-to-day operational management of the business, and are, therefore, considered important KPIs. Further information can be found within the Strategic Report on pages 21 and 22.

Adoption of new standards

The Group adopted the amendment to IAS 21, the effects of changes in foreign exchange rates – lack of exchangeability, in the current year. The amendment had no material impact on the Group's consolidated financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations that are relevant to the Group, which have not been applied in these financial statements, were in issue but not yet effective. None of the standards have a material impact on the Group financial statements on application; IFRS 18 will change certain presentations, the impact of which is currently being assessed.

	Effective for periods beginning on or after:
Classification and measurement – amendments to IFRS 7 & IFRS 9	1 January 2026
Presentation and disclosure in financial statements – IFRS 18	1 January 2027
Subsidiaries without public accountability – IFRS 19	1 January 2027

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

2 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. Each of the following items contain judgements and significant estimates and have the most significant effect on amounts recognised in the financial statements.

Revenue recognition

National account sales

Within Metro Rod, and parts of Filta UK, orders are received centrally from national account customers; this creates a contract with the customer. This work is passed to the incumbent franchise partner, who has right of first refusal, and will carry out the work; within ChipsAway a lead is passed to franchisees who quote for the work, and that quote may or may not be successful. The responsibility for operational fulfilment lies with the local franchise. If they cannot carry out the work, the franchise must find someone else to do the work or cancel the job. As such, following an assessment of the contracts facts and circumstances, the Group have concluded that we are acting as a commission agent, as we only have momentary control of the contract as it is a back-to-back arrangement, and operational fulfilment rests with the franchise partner.

Metro Rod, Filta UK and ChipsAway's performance obligations are deemed to have been met when the work is passed to the relevant franchise. Revenue however is recognised at the latter of performance obligation being met or when the subsequent sale occurs, as required by IFRS 15 for sales-based royalties. As the subsequent sale by the franchise partner to the end customer is always completed after our performance obligation is met, it is at this point that our sales-based royalty revenue should be recognised and this is therefore at the point of job completion.

Local account sales

Local account customers are sourced, and jobs are priced and completed, by the incumbent franchise partner. Our performance obligations are to grant the licence to operate to the franchise partners; Metro Rod also provides invoicing and cash collection services as a performance obligation; however, we have concluded these are not where the significant allocation of consideration applies. As such, we are generating royalty income, and therefore are only recognising our management fee on a net basis.

Franchise fees

The territory fee is deferred over the length of the franchise agreement and released to the combined statements of comprehensive income on a straight-line basis, as our performance obligation is to provide a licence to operate. Internal costs are expensed to the income statement as incurred; external costs directly related to the acquisition of a new franchise partner are deferred and released to the statement of comprehensive income to match the revenue recognition. These are not a significant quantum, please see Note 15.

Where franchise territories are resold, on an arm's-length basis between a franchise partner and a third party, it is the Group's policy to recognise the original deferred revenue over the life of the original franchise agreement, and the resale fee is recognised immediately, as a termination fee, as we have completed our obligations as facilitators for the resale. If a franchise agreement is terminated by either party, the remainder of any revenue and cost is recognised immediately, and any subsequent sale is treated as a new territory sale.

Training fees revenue recognition

We have deemed that training fees for new franchise partners in Metro Rod and Filta UK should be recognised over the life of the franchise agreement, as this is a pre-opening activity as the franchise cannot operate without this training.

Pirtek and Filta International have their own training centres and provide training externally wider than the franchise network. As such, training is a distinct revenue stream in these instances. All training revenues are judged to be revenue at the point the training takes place, as at that point we have performed our obligations to train the franchise staff to a necessary standard.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

2 Critical accounting estimates and judgements continued

Revenue recognition continued

Willow Pumps revenue recognition

As part of its range of services, Willow Pumps undertakes the supply and install of pumps in adoptable pump stations. These are typically projects which are performed over a number of accounting periods. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. Where a job spans a number of accounting periods but only one performance obligation exists, revenue and associated costs are recognised at each stage of the job using an input method. However, profit margin is deferred until the point the single performance obligation where control over goods is transferred in advance of rendering services. For most contractual fee arrangements, costs incurred are used as an objective input measure of performance. The primary input for assessing that substantially all work performed under these arrangements is labour. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance. Judgement is required regarding the timing of recognition, particularly in assessing progress on performance obligations, in particular whether the underlying contract contains a single or multiple performance obligations as to when revenue is recognised over time. In rare circumstances, and based on the type of installation work required, sub-contractors are required to install the materials. As a result, the directors determine that the delivery of the goods are a separate performance obligation, resulting in profits being recognised on delivery of the goods.

Waste oil revenue recognition

Filta recognise revenue from the sale of waste oil. We have judged that this is on a principal basis; although it is the franchise partners that collect and transfer the waste oil, Filta place restrictions on the inventory, giving it more than momentary control, insofar as the franchise partners can only sell to Filta, and the onward sale of the waste oil is at Filta's contractual risk. Filta retains control over the oil for a period of time, it is not a back-to-back arrangement. There is no right of first refusal for the franchise partners, so Filta retains control of the sale of the oil. It is Filta that agrees the price with the end customer, Filta invoices the customer and arranges all the relevant paperwork.

Direct labour organisations Revenue recognition

Within our direct labour organisations, we act as a principal in arranging, completing, invoicing and cash collecting from each contract. As such, we recognise revenue gross at the point at which our performance obligations are met, which is on invoicing the customer.

Direct sales from third-party suppliers

Where a franchise buys directly from a third-party supplier, but the supplier invoices the Group and we invoice the franchise, no revenue is recorded. In these cases, control over the goods is momentary; the term of the delivery from the supplier to franchise partner is delivered at place. The Group do not carry any inventory risk and the transaction is to facilitate the work of the franchise partner only.

National advertising funds revenue recognition

As per Note 1, National Advertising Funds are collected from franchise partners and then spent on their behalf on advertising. Franchise Brands subsidiaries performance obligations are to receive and manage the funds, and then spend it for the benefit of the franchise community; this is completed, and therefore recognised as revenue, at the point at which consideration is given for the advertising. We take a judgement on estimating the amount to collect from franchise partners; this is held on the statement of financial position until it is recognised as revenue. An assessment is made annually on whether a constraint needs to be applied, depending on whether the amount held on the statement of financial position is in credit or debit.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

2 Critical accounting estimates and judgements continued

Business combinations

Determining a value and life for assets acquired

Determining the fair value, and the life, of acquired intangible assets and goodwill acquired in business combinations requires the use of estimates regarding the value of intangible assets. The values are determined using discounted cash flows and based upon latest approved budgets which include estimates concerning factors such as future growth rates, new franchise sales and timing of such sales. Acquired brands, licences and trademarks were revised from being definite life to finite life from December 31 2024. As such, the Willow Pumps brand is amortised over 25 years from 31 December 2024, and the Metro Rod and Filta brands over 49 years from 31 December 2024. The Directors have previously decided to amortise the Barking Mad brand over 10 years from 1 January 2023, and the Pirtek brand over 50 years from acquisition on 21 April 2023. As with all tangible and intangible assets, the brands and trademarks will be reviewed at the end of each reporting period to determine whether there is any indication that they have suffered an impairment loss.

Other intangible assets with finite lives are customer relationships and franchise contracts. In both cases, management has determined that they have a useful life of 5-10 years, based on historic duration of customer relationships and franchise contract duration.

Performing impairment tests

Subsequent impairment reviews based on long-term forecasts for the Group require estimates. The main estimates used have been the level of sales growth, gross margin, return on sales, operational leverage, level of working capital, capital expenditure and tax rates. These estimates have been performed on a group of CGUs basis and when averaged have resulted in a compound annual system sales growth rate of 7% across the Group, an increase in return on sales from the current level, a consistent tax rate and consistent levels of operating cashflow divided by Adjusted EBITDA. The WACC has been sourced using key variables obtained from independent market sources.

Subsequent impairment reviews also require the use of estimates to value the group of CGUs to which goodwill and indefinite life intangibles have been allocated. The value-in-use calculations, which are run on an annual basis for goodwill and indefinite life intangibles, or when there is an indicator of impairment for tangible and finite life intangible fixed assets, determine whether there is any impairment to the carrying value of assets arising from business combinations. More details of these estimates can be found in Note 12.

Intercompany recoverability

The Company has receivables due from subsidiaries. The recoverability of these is assessed under IFRS 9, which requires the recognition of an expected credit loss provision. Where a subsidiary is dependent on Group support or has limited capacity to generate sufficient cash flows, management exercises judgement in determining the extent of expected credit losses to recognise. This assessment incorporates forward-looking information and reflects management's best estimate of the probability-weighted outcome. Due to inherent uncertainties in forecasting future cash flows, the recoverability of intercompany receivables represents an area of significant estimation uncertainty.

3 Financial instruments – risk management

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings, and long- and medium-term debt facilities. Term loans and revolving credit facilities are used to finance long-term investment such as acquisitions. Revolving credit facilities are used to manage short-term cash requirements and minimise interest costs. The Group's financing facilities have two financial covenants: minimum interest cover and maximum net debt to Adjusted EBITDA. The Group comfortably met these requirements throughout the year.

The Group's dividend policy is to provide sustainable dividends to shareholders, consistent with the Group's earnings growth and debt gearing levels, to attract long-term investors and to enable shareholders to enjoy returns on their investment in tandem with the Group's growth. The payment and amount of any dividends or distributions to shareholders is at the discretion of the Board, and subject to shareholder approval.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

3 Financial instruments – risk management continued

Categories of financial instruments

Group	2025 £'000	2024 £'000
Financial assets at amortised cost		
Cash and cash equivalents	**15,293**	12,921
Trade and other receivables	**42,259**	37,161
Financial liabilities at amortised cost		
Trade and other payables	**(33,029)**	(28,712)
Loans and borrowings	**(81,108)**	(88,537)
Financial liabilities at fair value through profit and loss ("FVTPL")	**(9)**	(236)

Company	2025 £'000	2024 £'000
Financial assets at amortised cost		
Cash and cash equivalents	**3**	1,585
Trade and other receivables	**100,693**	100,036
Financial liabilities at amortised cost		
Trade and other payables	**(37,573)**	(27,610)
Loans and borrowings	**(61,987)**	(77,431)

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

Financial and market risk management objectives

The Group does not use or trade in derivative financial instruments. The Group's financial instruments comprise its cash and cash equivalents and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of the financial assets and liabilities is to provide finance for the Group's operations in the year. The Group is exposed to interest rate risk as the Group borrows funds at variable interest rates.

Foreign currency sensitivity

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The currencies giving rise to this risk are the US Dollar, Canadian Dollar, Euro and Swedish Krona. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge wherever possible, by matching the cash inflows (revenue streams) and cash outgoings in foreign currencies.

The following table demonstrates the sensitivity to a reasonable possible change in sterling against the foreign currencies with all other variables held constant.

	Change in rate %	Effect on profit before tax £'000	Effect on net assets £'000
USD	+10%	(527)	(364)
USD	–10%	645	445
CAD	+10%	–	2
CAD	–10%	–	2
EUR	+10%	(398)	(316)
EUR	–10%	486	387
SEK	+10%	(7)	(50)
SEK	–10%	9	62

Credit risk management

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities after assessing credit quality using independent rating agencies and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net of expected credit risk losses, represents the Group's maximum exposure to credit risk.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

3 Financial instruments – risk management continued

Interest rate sensitivity

The effect on both income and equity, based on exposure to non-derivative floating rate instruments at the balance sheet date, is shown in the table below.

	Sensitivity income 2025 £'000	Sensitivity equity 2025 £'000	Sensitivity income 2024 £'000	Sensitivity equity 2024 £'000
0.25% increase in interest rates	(153)	(153)	(192)	(192)
0.25% decrease in interest rates	153	153	192	192

Liquidity risk management

The Group's policy throughout the year has been to ensure continuity of funds. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities.

Group	Trade and other payables 2025 £'000	Loans and borrowings 2025 £'000	Total 2025 £'000	Trade and other payables 2024 £'000	Loans and borrowings 2024 £'000	Total 2024 £'000
On demand	–	–	–	–	–	–
Within one year	33,029	15,591	48,620	28,712	16,139	44,851
More than one year and less than two years	–	13,793	13,793	–	14,801	14,801
More than two years and less than five years	–	44,319	44,319	–	61,731	61,731
In more than five years	–	2,167	2,167	–	2,372	2,372
Total	33,029	75,870	108,899	28,712	95,043	123,755

Company	Trade and other payables 2025 £'000	Loans and borrowings 2025 £'000	Total 2025 £'000	Trade and other payables 2024 £'000	Loans and borrowings 2024 £'000	Total 2024 £'000
On demand	–	–	–	–	–	–
Within one year	37,573	12,238	49,811	27,610	12,666	40,276
More than one year and less than two years	–	10,918	10,918	–	11,886	11,886
More than two years and less than five years	–	41,386	41,386	–	57,635	57,635
Total	37,573	64,542	102,115	27,610	82,187	109,797

4 Operating segments

The Group's operating segments are determined based on the Group's internal reporting to the CODM. The CODM has been determined to be the Chief Executive Officer, with support from the Board of Directors, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The business is organised along the lines of our Pirtek, Water & Waste Services, Filta International and B2C businesses.

Therefore, the Board has determined that we have six different operating segments:

- Pirtek Europe, the franchise and direct labour operations of Pirtek across eight European countries;
- Water & Waste Services, which is made up of Metro Rod and Metro Plumb, Willow Pumps and Filta UK;
- Filta International, which is made up of Filta US and Filta Europe;
- B2C, which is made up of ChipsAway, Ovenclean and Barking Mad;
- Azura, which is made up of the software business of Azura; and
- Unallocated assets includes results from central administration costs and non-trading companies; elimination of intercompany trading; and assets and liabilities that are not directly attributable to a segment, or are not able to be allocated on a reasonable basis. This includes intangible assets generated as part of business acquisitions.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

4 Operating segments continued

The CODM uses Adjusted EBITDA, as reviewed at Board meetings and as part of the Managing Directors' and Chief Financial Officer's weekly report to the senior management team, as the key measure of segments' results as it reflects the underlying performance for the financial year under evaluation.

2025	Pirtek £'000	Water & Waste £'000	Filta International £'000	B2C £'000	Azura £'000	Unallocated assets £'000	Total £'000
Revenue from external customers	63,978	41,982	30,516	5,338	338	–	142,152
Revenue from internal customers	–	3,341	–	–	48	(3,389)	–
Segment revenue	63,978	45,323	30,516	5,338	386	(3,389)	142,152
Gross profit	41,819	26,441	11,608	4,552	386	(48)	84,758
Adjusted EBITDA*	19,195	11,837	7,028	1,951	(344)	(4,422)	35,245
Depreciation & amortisation of software	(3,053)	(2,065)	(396)	(300)	(288)	(44)	(6,146)
Amortisation of acquired intangibles	(7,868)	(33)	–	–	–	(2,395)	(10,296)
Share-based payment expense	(213)	(302)	31	(47)	(39)	(304)	(874)
Non-recurring costs	(28)	–	–	–	–	28	–
Finance expense	140	(46)	(29)	6	4	(5,284)	(5,209)
Profit before tax*	8,173	9,391	6,634	1,610	(667)	(12,421)	12,720
Tax expense	(2,932)	(2,407)	(1,612)	(347)	158	3,397	(3,743)
Profit after tax*	5,241	6,984	5,022	1,263	(509)	(9,024)	8,977
Additions to non-current assets	1,041	248	503	345	1,904	4	4,045
Reportable segment assets	76,938	47,580	12,623	4,328	3,308	227,894	372,671
Reportable segment liabilities	(98,519)	(26,589)	(9,563)	(2,278)	(3,650)	(10,558)	(151,157)

* Operating segments presented before intercompany management recharges which eliminate on consolidation.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

4 Operating segments continued

2024	Pirtek £'000	Water & Waste £'000	Filta International £'000	B2C £'000	Azura £'000	Unallocated assets £'000	Total £'000
Revenue from external customers	63,913	43,577	25,597	5,752	367	–	139,206
Revenue from internal customers	–	2,477	–	–	441	(2,918)	–
Segment revenue	63,913	46,054	25,597	5,752	808	(2,918)	139,206
Gross profit	41,903	26,393	9,906	4,751	808	(442)	83,319
Adjusted EBITDA*	19,925	11,111	5,993	2,205	44	(4,157)	35,121
Depreciation & amortisation of software	(3,241)	(2,120)	(267)	(226)	(183)	(35)	(6,072)
Amortisation of acquired intangibles	(7,867)	(33)	–	–	–	(2,256)	(10,156)
Share-based payment expense	(499)	(437)	(143)	(55)	(33)	(313)	(1,480)
Non-recurring costs	(638)	–	–	–	–	194	(444)
Finance expense	(1,022)	(122)	(57)	(9)	(8)	(6,546)	(7,764)
Profit before tax*	6,658	8,399	5,526	1,915	(180)	(13,113)	9,205
Tax expense	(1,928)	(1,888)	(1,355)	(290)	48	3,492	(1,921)
Profit after tax*	4,730	6,511	4,171	1,625	(132)	(9,621)	7,284
Additions to non-current assets	1,142	1,099	252	63	573	9	3,138
Reportable segment assets	84,258	45,651	8,881	4,295	1,195	229,019	373,299
Reportable segment liabilities	(109,134)	(25,114)	(6,941)	(1,953)	(1,024)	(10,570)	(154,736)

* Operating segments presented before intercompany management recharges which eliminate on consolidation.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

5 Revenue

	2025 £'000	2024 £'000
Management service fee income – commission agent revenue	**5,047**	6,407
Management service fee income – royalty fee income	**44,951**	44,110
Franchise sales and resales – licence fees – recognised over time	**1,846**	1,464
Franchise sales and resales – termination fees and immediate sales – recognised at point in time	**651**	989
Product sales	**22,674**	23,001
Waste oil	**17,798**	14,837
Direct labour income	**41,663**	41,710
IT contribution SAAS	**2,776**	2,544
National advertising funds	**2,926**	2,707
Central billing fee	**372**	364
Training facility income	**659**	353
Other income	**789**	720
	142,152	139,206

The table shows revenue from contracts disaggregated into major classes of revenue and reconciled to the Group revenue reported.

Revenue and non-current assets by origin of geographical segment for all entities in the Group are as follows:

Revenue	2025 £'000	2024 £'000
North America	**30,172**	25,029
United Kingdom & Ireland	**72,486**	74,410
Continental Europe	**39,494**	39,767
	142,152	139,206

Non-current assets	2025 £'000	2024 £'000
North America	**43,868**	42,532
United Kingdom & Ireland	**147,921**	159,155
Continental Europe	**113,381**	110,409
	305,170	312,096

6 Operating profit

Operating profit is stated after charging:	2025 £'000	2024 £'000
Depreciation and amortisation on right-of-use assets	**4,969**	4,837
Amortisation	**11,473**	11,391
Share-based payment expense	**874**	1,480
Auditors' remuneration:		
Fees for audit of the Company	**48**	47
Fees for audit of the Group	**491**	477
Fees for non-audit services:		
Other services	**3**	3

Of the total fee for the audit of the Group, £539,000 (2024: £524,000) was paid to the Group statutory auditors PKF Littlejohn. No non-audit services were provided on a contingent fee basis.

The following costs have been drawn to the attention of the users of the accounts due to their nature and materiality within the accounts.

	2025 £'000	2024 £'000
Exceptional income	**–**	(409)
Reorganisation expense	**–**	792
Other exceptional costs	**–**	61
	–	444

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

7 Staff costs

	2025 £'000	2024 £'000
Wages and salaries	**31,667**	33,770
Social security costs	**5,271**	4,915
Defined contribution pension cost	**750**	961
Share-based payment expense (see Note 8 for further information)	**874**	1,480
	38,562	41,126

The average monthly number of persons (including Directors) employed by the Group was:

	2025	2024
Administration	**306**	321
Sales	**68**	100
Operations	**241**	303
Directors	**7**	5
	622	729

Directors' remuneration

	2025 £'000	2024 £'000
Directors' emoluments	**1,218**	884
Share-based payment expense	**276**	42
	1,494	926

The highest paid Director's remuneration was £568,049 (2024: £401,250), which included £267,363 for gain on share exercises. The costs to the Group for the Directors is £1,361,216 (2024: £991,413), after including employer's National Insurance. The Company had an average of 11 employees during the period (2024: 11) (other than the Directors) incurring staff costs of £1,412,699 (2024: £1,677,562).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the Directors of the Company. Directors' emoluments above comprise of; £1,146,000 salary and fees (2024: £851,000), £36,000 car allowance/benefit (2024: £25,000), £7,000 healthcare benefits (2024: £2,000), £11,000 payment in lieu of pension (2024: £nil) and £18,000 defined pension contributions (2024: £6,000). In addition to the emoluments, the Directors benefitted from £267,000 gain on share exercises (2024: £nil).

8 Share-based payments

The Company has established an LTIP in the form of an equity-settled share option scheme. Awards are granted and approved at the discretion of the Remuneration Committee. Awards vest on or after the third anniversary of their issue, based on compound growth in the underlying earnings per share of the Group for the three-year period. If the compound annual growth rate is below 8%, then none of these options will vest; if the compound annual growth rate is above 15%, then all of these options will vest; between 8% and 15%, then a proportion of these options will vest on a straight-line basis. Currently, 214 (2024: 261) members of staff hold options for shares in the Company under the scheme. The share-based payments expense recognised in respect of employee services received during the year was £867,000 (2024: £1,277,000). This all arises on equity-settled share-based payment transactions.

Additionally, all qualifying US and European employees have been awarded stock appreciation rights ("SARs"), which are conditional bonuses whose value is calculated by reference to the amount by which price of the Company's ordinary shares has risen above the base price at the date of exercise. The qualifying conditions and timing of vesting are identical to the LTIP above. Currently, 27 (2024: 32) members of staff hold options for shares in the Company under the scheme. A total of £7,000 (2024: £203,000) was recognised during the year in respect of SARS. This all arises on cash-settled share-based payment transactions.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

8 Share-based payments continued

	Share options	SARs	2025	Weighted average exercise price	Share options	SARs	2024	Weighted average exercise price
Outstanding at the beginning of the period	**14,815,191**	**1,907,000**	**16,722,191**	**151p**	10,347,231	1,171,000	11,518,231	136p
Granted during the period	**1,895,000**	**410,000**	**2,305,000**	**129p**	6,274,867	930,000	7,204,867	166p
Lapsed during the period	**(2,716,142)**	**(199,000)**	**(2,915,142)**	**162p**	(1,170,232)	(194,000)	(1,364,232)	148p
Exercised during the period	**(674,892)**	**–**	**(674,892)**	**71p**	(636,675)	–	(636,675)	68p
Outstanding at the end of the period	**13,319,157**	**2,118,000**	**15,437,157**	**149p**	14,815,191	1,907,000	16,722,191	151p
Exercisable at the end of the period	**3,760,426**	**496,000**	**4,256,426**	**120p**	2,514,509	–	2,514,509	72p

The fair value of the options and SARs granted is estimated at the date of grant using a Black-Scholes model, after taking into account the terms and conditions upon which they were granted. For options outstanding at the end of the period, the range of exercise prices was 33p-180p (2024: 33p-180p), and the weighted average remaining contractual life was 7.3 years (2024: 7.8 years).

In order to facilitate the scheme, the Company established an onshore discretionary EBT, which conducts market purchases of Ordinary shares to satisfy potential future option exercises by employees (but not Directors). The Black-Scholes pricing model is applied on the granting dates of options, as shown in the table below.

Expected volatility for the Black-Scholes valuations has been determined using the Company's share price in the 5.5 years preceding the grant date; and for the Mark-to-Market using the Company's share price in the 5.5 years preceding 31 December 2025.

The total carrying amount at the end of the period for liabilities arising from share-based payment transactions is £436,000 (2024: £428,000). The total intrinsic value at the end of the period for the 4,256,426 (2024: 2,514,509) exercisable share options is £851,000 (2024: £2,195,000).

Option pricing models

	Black-Scholes 18 February 2025	Black-Scholes 31 July 2025	Mark-to-Market 31 July 2025
Closing share price, £	1.52	1.28	1.28
Exercise price, £	1.50	1.26	1.26
Risk-free interest rate	4.38%	4.17%	4.17%
Expected life of option (years)	5.5	5.5	5.5
Volatility	36.8%	37.2%	37.2%
Dividend yield	1.6%	1.9%	1.9%

9 Finance expense

	2025 £'000	2024 £'000
Interest element on lease agreements	**613**	598
Interest expense on defined benefit obligation	**19**	16
Loan interest	**4,926**	6,764
	5,558	7,378

For further information please see Notes 14, 20, 21 and 27.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

10 Corporation tax

	2025 £'000	2024 £'000
Current tax expense		
Current tax on profits for the period	**5,567**	5,308
Adjustment for prior period	**(104)**	(319)
Deferred tax expense		
Origination and reversal (see Note 22)	**(1,877)**	(2,964)
Adjustment for prior period (see Note 22)	**157**	(104)
Total tax expense	**3,743**	1,921
Profit before tax	**12,720**	9,205
Accounting profit multiplied by the UK statutory rate of corporation tax of 25% (2024: 25%)	**3,180**	2,301
Expenses not deductible/(income not taxable) in determining taxable profits	**352**	497
Deferred tax assets not recognised	**87**	(420)
Effect of tax rate change	**11**	(2)
Different tax rates applied in overseas jurisdictions	**60**	(32)
Adjustment for prior period	**53**	(423)
Total tax expense	**3,743**	1,921
Effective tax rate	**29%**	21%

The rate of UK corporation tax of 25% has been used when calculating UK deferred tax balances at the reporting date. Deferred tax balances relating to overseas entities have been calculated using the latest substantively enacted relevant overseas tax rates, including a rate of approximately 28% for balances relating to the Group's US business. Deferred tax balances relating to intangible assets have been calculated at rates between 25% – 27.29% based on the geography of the underlying intangible assets.

11 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary shares outstanding during the year, plus the weighted average number of Ordinary shares that would have been issued on the conversion of all dilutive share options at the start of the period or, if later, the date of issue.

	2025 £'000	2024 £'000
Profit attributable to owners of the Parent Company	**8,977**	7,284
Non-recurring costs (Note 6)	**–**	444
Amortisation of acquired intangibles (Note 12)	**10,296**	10,156
Share-based payment expense (Note 8)	**874**	1,480
Tax on adjusting items	**(2,831)**	(2,822)
Adjusted profit attributable to owners of the Parent Company	**17,316**	16,542

	2025 Total number	2024 Total number
Basic weighted average number of shares	**192,317,519**	192,471,897
Dilutive effect of share options	**1,057,043**	2,231,135
Diluted weighted average number of shares	**193,374,562**	194,703,032

	2025 Pence	2024 Pence
Basic earnings per share	**4.67**	3.78
Diluted earnings per share	**4.64**	3.74
Adjusted earnings per share	**9.00**	8.59
Adjusted diluted earnings per share	**8.95**	8.50

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

12 Intangible assets

	Goodwill £'000	Brands & other intangibles £'000	Customer relationships £'000	Software £'000	Total £'000
Cost					
At 1 January 2024	169,957	105,989	37,816	6,137	319,899
Additions	–	9	–	1,657	1,666
Disposals	–	–	–	(164)	(164)
Foreign exchange rate movements	–	–	–	(7)	(7)
At 31 December 2024	169,957	105,998	37,816	7,623	321,394
Additions	**–**	**–**	**–**	**2,131**	**2,131**
Foreign exchange rate movements	**–**	**–**	**–**	**(20)**	**(20)**
At 31 December 2025	**169,957**	**105,998**	**37,816**	**9,734**	**323,505**
Amortisation					
At 1 January 2024	–	(7,401)	(4,690)	(2,480)	(14,571)
Charge for the year	–	(6,090)	(3,807)	(1,494)	(11,391)
Disposals	–	–	–	104	104
Foreign exchange rate movements	–	–	–	–	–
At 31 December 2024	–	(13,491)	(8,497)	(3,870)	(25,858)
Charge for the year	**–**	**(6,342)**	**(3,695)**	**(1,436)**	**(11,473)**
Foreign exchange rate movements	**–**	**–**	**–**	**4**	**4**
At 31 December 2025	**–**	**(19,833)**	**(12,192)**	**(5,302)**	**(37,327)**
Net book value					
At 31 December 2025	**169,957**	**86,165**	**25,624**	**4,432**	**286,178**
At 31 December 2024	169,957	92,507	29,319	3,753	295,536
At 1 January 2024	169,957	98,588	33,126	3,657	305,328

Carrying amount of assets with indefinite useful lives

Goodwill	**2025 £'000**	2024 £'000
Pirtek – franchisor	**109,563**	109,563
Pirtek – DLO	**–**	–
Metro Rod	**18,174**	18,174
Willow Pumps	**3,812**	3,812
Filta UK	**6,156**	6,156
Filta International	**30,080**	30,080
B2C	**1,315**	1,315
Azura	**856**	856
	169,957	169,957

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

12 Intangible assets continued

Carrying amount of assets with definite useful lives

	Remaining life at December 2025	Brands & tradenames £'000	Patents £'000	Franchise agreements £'000	Intellectual property £'000	2025 £'000	Brands & tradenames £'000	Patents £'000	Franchise agreements £'000	Intellectual property £'000	2024 £'000
Pirtek – franchisor	48 years	39,366	–	–	–	39,366	40,198	–	–	–	40,198
Pirtek – franchisor	8 years	–	–	28,769	–	28,769	–	–	32,707	–	32,707
Pirtek – DLO	48 years	164	–	–	–	164	166	–	–	–	166
Metro Rod	48 years	4,653	–	–	–	4,653	4,750	–	–	–	4,750
Willow Pumps	24 years	2,666	–	–	–	2,666	2,777	–	–	–	2,777
Filta UK	48 years	359	–	–	–	359	367	–	–	–	367
Filta UK	7 years	–	330	934	–	1,264	–	384	1,085	–	1,469
Filta UK	7 years	–	–	–	459	459	–	–	–	492	492
Filta International	48 years	1,752	–	–	–	1,752	1,789	–	–	–	1,789
Filta International	7 years	–	1,612	4,566	–	6,178	–	1,874	5,307	–	7,181
B2C	8 years	535	–	–	–	535	611	–	–	–	611
		49,495	1,942	34,269	459	86,165	50,658	2,258	39,099	492	92,507

The key assumptions for the value-in-use calculations are those regarding the discount rates and expected changes to operating results and cash flows during the period of five years from the statement of financial position dates. Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks in relation to the group of CGUs. The WACC for each group of CGUs is shown in the table below.

Changes in operating results and cash flows including the sales of franchises and the level of sales of the franchise partners, are based on past results and expectations of future performance. The Group prepares cash flow forecasts for the next five years derived from the most recent budgets and long-term business plans which have been approved by the Board of Directors.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

12 Intangible assets continued

The long-term growth rates and discount rates applied in the annual impairment reviews are as follows:

	5-year compound annual growth rate		Discount rate	
	2025	2024	**2025**	2024
Pirtek – franchisor	**6.1%**	8.4%	**9.0%**	9.0%
Pirtek – DLO	**7.4%**	9.8%	**8.5%**	10.7%
Metro Rod	**5.7%**	6.3%	**9.1%**	8.6%
Willow Pumps	**8.1%**	8.9%	**9.3%**	10.2%
Filta UK	**7.3%**	7.4%	**10.9%**	10.2%
Filta International	**9.4%**	7.0%	**9.2%**	10.1%
B2C	**(0.7%)**	3.3%	**9.4%**	8.8%
Azura	**36.0%**	15.3%	**11.4%**	8.8%

For Metro Rod, Willow Pumps, Filta UK, Filta International and Pirtek businesses, revenue growth rates have been set at between 5% and 13%, which is consistent with historical averages, and plans to widen our range of services and increase our franchise footprint, particularly within the US. For B2C brands franchisee recruitment and churn are consistent with historical averages, with the revenue growth of between -5% and 1% per annum being driven by the net new franchisees being introduced to the networks. Historic and future investment in IT will result in profit margins continually improving in all groups of CGUs.
A 2% perpetual growth rate has been assumed when extrapolating cash flow projections beyond the five-year period used in the long-term business plans, on the basis that this is a reasonable long-term growth rate for the UK, European and US economies. Based on the calculations prepared, the recoverable amount for all groups of CGUs exceeds their carrying amount.

Sensitivity analysis

The recoverable amounts, with the exception of the Pirtek franchisor, are not considered to be sensitive to reasonably possible changes in the discount rate or growth rates.
The Directors do not believe that there is currently a reasonably possible change of key assumptions that would cause a group of CGU's carrying amount to exceed its recoverable amount. However, a sensitivity analysis has been performed on the base case assumptions used for assessing the level of headroom in each group of CGUs. These are summarised as follows:

- A 5% reduction in annual sales from the growth rates used in the model, and a 2% growth in perpetuity, with all other assumptions remaining the same. All groups of CGUs would have headroom, with the exception of Pirtek franchisor, where the carrying value of the unit would exceed the recoverable amount by £20.5m. Given the long-term nature of the model, and historic growth rates, we do not consider it appropriate to recognise an impairment at this time.
- A 1% reduction in EBITDA margin in each group of CGUs, with all other assumptions remaining the same. All groups of CGUs would have headroom in this scenario, including Pirtek franchisor. For the carrying value to exceed the recoverable amount EBITDA to System sales margin would need to reduce by 1.6% in Pirtek Franchisor. Given the relatively fixed cost nature of a franchising model the Board consider this deterioration in margin to be unlikely.
- Increasing the WACC to the point at which all headroom is eliminated in each group of CGUs. The most sensitive group of CGUs to this is Pirtek franchisor; for the carrying value to be equal to the recoverable amount the WACC would have to increase by 1.3%, which the Board believe to be unlikely.
- Changing the WACC to 11.4% for each group of CGUs, with all other assumptions remaining the same. At this rate there would be an impairment of Pirtek franchisor of £23.5m. As per the above, we do not believe this would result in an impairment, due to the factors previously mentioned.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

13 Property, plant and equipment

	Freehold property £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company-only computer equipment £'000
Cost								
At 1 January 2024	1,004	422	401	1,164	2,863	1,802	7,656	–
Reclassified from ROU	–	–	–	–	313	–	313	–
Additions	574	117	164	207	94	314	1,470	9
Disposals	(3)	–	(25)	48	(413)	(124)	(517)	–
Foreign exchange rate movements	(3)	–	(8)	(13)	(5)	(22)	(51)	–
At 31 December 2024	1,572	539	532	1,406	2,852	1,970	8,871	9
Reclassified from ROU	**–**	**–**	**–**	**–**	**17**	**–**	**17**	**–**
Additions	**92**	**3**	**61**	**105**	**544**	**527**	**1,332**	**4**
Disposals	**(194)**	**(10)**	**(6)**	**(433)**	**(715)**	**(395)**	**(1,753)**	**–**
Foreign exchange rate movements	**–**	**–**	**12**	**17**	**7**	**44**	**80**	**–**
At 31 December 2025	**1,470**	**532**	**599**	**1,095**	**2,705**	**2,146**	**8,547**	**13**
Depreciation								
At 1 January 2024	(79)	(264)	(239)	(623)	(1,157)	(876)	(3,238)	–
Reclassified from ROU	–	–	–	–	(312)	–	(312)	–
Charge for the year	(86)	(62)	(65)	(219)	(371)	(319)	(1,122)	(2)
Disposals	2	–	9	(9)	349	102	453	–
Foreign exchange rate movements	1	–	1	4	1	8	15	–
At 31 December 2024	(162)	(326)	(294)	(847)	(1,490)	(1,085)	(4,204)	(2)
Reclassified from ROU	**–**	**–**	**–**	**–**	**(17)**	**–**	**(17)**	**–**
Charge for the year	**(107)**	**(65)**	**(59)**	**(236)**	**(473)**	**(338)**	**(1,278)**	**(3)**
Disposals	**2**	**9**	**3**	**404**	**557**	**340**	**1,315**	**–**
Foreign exchange rate movements	**1**	**–**	**(2)**	**(7)**	**(2)**	**(19)**	**(29)**	**–**
At 31 December 2025	**(266)**	**(382)**	**(352)**	**(686)**	**(1,425)**	**(1,102)**	**(4,213)**	**(5)**
Net book value								
At 31 December 2025	**1,204**	**150**	**247**	**409**	**1,280**	**1,044**	**4,334**	**8**
At 31 December 2024	1,410	213	238	559	1,362	885	4,667	7
At 1 January 2024	925	158	162	541	1,706	926	4,418	–

ROU assets are those categorised as "right-of-use". Please see Note 14.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

14 Right-of-use assets

	Land and buildings £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company-only motor vehicles £'000
Cost					
At 1 January 2024	8,117	6,509	571	15,197	–
Additions	2,881	3,009	59	5,949	–
Disposals	(1,328)	(872)	(89)	(2,289)	–
Foreign exchange rate movements	(194)	(103)	(3)	(300)	–
At 31 December 2024	9,476	8,543	538	18,557	–
Additions	**1,863**	**1,921**	**47**	**3,831**	**29**
Disposals	**(105)**	**(98)**	**–**	**(203)**	**–**
Foreign exchange rate movements	**313**	**203**	**5**	**521**	**–**
At 31 December 2025	**11,547**	**10,569**	**590**	**22,706**	**29**
Amortisation					
At 1 January 2024	(2,914)	(2,713)	(232)	(5,859)	–
Charge for the year	(1,597)	(2,016)	(102)	(3,715)	–
Disposals	1,246	829	46	2,121	–
Foreign exchange rate movements	–	2	–	2	–
At 31 December 2024	(3,265)	(3,898)	(288)	(7,451)	–
Charge for the year	**(1,477)**	**(2,118)**	**(96)**	**(3,691)**	**(7)**
Disposals	**104**	**82**	**–**	**186**	**–**
Foreign exchange rate movements	**(72)**	**(71)**	**(6)**	**(149)**	**–**
At 31 December 2025	**(4,710)**	**(6,005)**	**(390)**	**(11,105)**	**(7)**
Net book value					
At 31 December 2025	**6,837**	**4,564**	**200**	**11,601**	**22**
At 31 December 2024	6,211	4,645	250	11,106	–
At 1 January 2024	5,203	3,796	339	9,338	–

PPE assets are those categorised as "Property, Plant and Equipment". Please see Note 13.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

14 Right-of-use assets continued

Amounts recognised in profit and loss

Amounts recognised in profit and loss	2025 £'000	2024 £'000
Depreciation expense on right-of-use assets	**3,691**	3,715
Interest expense on lease liabilities	**613**	598
Expense relating to short-term leases	**303**	374
Expense relating to leases of low value assets	**–**	–
Expense relating to variable lease payments not included in the measurement of the lease liability	**–**	81
Income from sub-leasing right of use assets	**243**	208

For further information please see Notes 9 and 21.

15 Contracts acquisition costs

The Group capitalises incremental costs to obtain contracts with customers where it is expected these costs will be recoverable. Incremental costs to obtain contracts with customers are considered those which would not have been incurred if the contract had not been obtained. For the Group, these costs relate primarily to third-party broker fees. The Group has elected to use the practical expedient as allowed by IFRS 15 whereby such costs will be expensed as incurred where the expected amortisation is period one year or less. Where the amortisation period is greater than one year, these costs are amortised over the contractual term on a systematic basis consistent with the transfer of the underlying goods and services to which these costs relate. Expense recognised in 2025 was £105,000 (2024: £98,000) whilst impairment of capitalised contract costs was £nil in 2025 (2024: nil).

The amount of capitalised contract cost expected to be recovered within one year is £86,000 (2024: £98,000), after more than one year is £424,000 (2024: £454,000).

16 Inventories

Group	2025 £'000	2024 £'000
Finished goods and goods for resale	**7,265**	7,577

All amounts are carried at cost and therefore no amounts are carried at fair value less costs to sell. There is a provision of £1.2m against stock at the period end (2024: £1.3m). No material amounts have been written off in either year ended 31 December 2025 or 31 December 2024, within the income statement of the Group £26.9m of inventories were recognised as an expense within the year (2024: £23.0m).

17 Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected credit loss rates are based on the Group's subsidiaries' historic credit losses experience and a future assessment of lifetime credit loss on a franchise partner-by-franchise partner basis and customer-by-customer basis. The differing segmental risks to which the Group is exposed in respect of the franchisee and customer base have been considered.

	2025 £'000	2025 %	2025 £'000	2025 £'000	2024 £'000	2024 %	2024 £'000	2024 £'000
	Gross		**Provision**	**Net**	Gross		Provision	Net
No provision	**22,758**	**0%**	**–**	**22,758**	22,121	0%	–	22,121
Low risk	**3,817**	**6%**	**(240)**	**3,577**	2,757	6%	(172)	2,585
Medium risk	**2,260**	**44%**	**(992)**	**1,268**	2,231	24%	(541)	1,690
High risk	**1,516**	**85%**	**(1,287)**	**229**	1,166	77%	(902)	264
Total	**30,351**	**8%**	**(2,519)**	**27,832**	28,275	6%	(1,615)	26,660

In relation to the Company, the credit risk for amounts owed by Group undertakings has not increased significantly since their initial recognition. No expected credit loss provision has been recognised on the basis of the significant net assets and positive cash flows of subsidiaries.

Group	2025 £'000	2024 £'000
Non-current other receivables	**2,633**	333
Trade receivables	**30,351**	28,275
Provision at the year-end	**(2,519)**	(1,615)
Other receivables	**11,794**	10,168
Total current financial assets other than cash and cash equivalents	**39,626**	36,828
Prepayments	**4,323**	3,389
Total current trade and other receivables	**43,949**	40,217
Total trade and other receivables	**46,582**	40,550

Included within Group other debtors is an amount of £13,000 (2024: £nil) which represents the net receivable in relation to the National Advertising Funds.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

17 Trade and other receivables continued

	2025 £'000	2024 £'000
Credit loss provision:		
Brought forward	**(1,615)**	(1,424)
Provision for the year	**(1,337)**	(492)
Utilised	**439**	294
Foreign exchange movement	**(6)**	7
Total current trade and other receivables	**(2,519)**	(1,615)

	2025 £'000	2024 £'000
The ageing of the trade receivables is as follows:		
Due	**8,735**	12,142
Past due not impaired		
0-30 days	**6,762**	7,263
31-60 days	**3,780**	2,464
61-90 days	**1,472**	885
91-120 days	**1,980**	510
121+ days	**4,102**	1,975
Past due and impaired		
Due	**894**	37
0-30 days	**418**	43
31-60 days	**80**	79
61-90 days	**35**	50
91-120 days	**111**	76
121+ days	**1,982**	2,751
Total	**30,351**	28,275

Company	2025 £'000	2024 £'000
Amounts owed by Group undertakings	**100,693**	100,036
Prepayments	**119**	103
Corporation tax	**3,971**	2,320
Total current trade and other receivables	**104,783**	102,459

Company amounts owed by Group undertakings are interest free and due on demand.

18 Trade and other payables

Group	2025 £'000	2024 £'000
Current		
Trade payables	**11,004**	12,458
Accruals	**16,396**	11,619
Other creditors	**5,629**	4,635
Social security and other taxes	**2,623**	2,306
Total trade and other payables	**35,652**	31,018

Company	2025 £'000	2024 £'000
Trade payables	**848**	961
Accruals	**1,263**	758
Other creditors	**27**	21
Social security and other taxes	**113**	335
Amounts owed to Group undertakings	**35,435**	25,870
Total trade and other payables	**37,686**	27,945

Carrying values approximate to fair value. Included within Group other creditors is an amount of £nil (2024: £125,000) which represents the net payable in relation to the National Advertising Funds.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

19 Deferred income

Within the franchise subsidiaries, deferred income relates to certain performance obligations from franchise sales that are deferred over the life of the franchise agreement. The deferral period is determined by the length of the franchise agreement. Revenue is recognised equally over the deferral period.

	2025 £'000	2024 £'000
At 1 January	**4,129**	4,212
Additions in the year	**3,161**	2,098
Utilisation	**(2,664)**	(2,168)
Foreign exchange	**(86)**	(13)
Total trade and other payables	**4,540**	4,129

	2025 £'000	2024 £'000
Current	**1,335**	2,237
Non-current	**3,205**	1,892
Total deferred income	**4,540**	4,129

20 Loans and borrowings

	2025 £'000	2024 £'000
Current		
Term loan	**9,681**	9,311
Total current loans and borrowings	**9,681**	9,311
Non-current		
Revolving credit facility	**29,465**	37,431
Term loan	**22,166**	30,000
Total non-current loans and borrowings	**51,631**	67,431

The loans are comprised of a £37.5m term loan, which at 31 December 2025 £32.5m is outstanding (before capitalised arrangement fees of £0.7m), and carries a 5.4% interest rate, comprising 3.7% SONIA rate and 1.7% margin, and is repayable in instalments until 2028; and a £49.5m RCF, of which £29.5m (2024: £37.4) is utilised, which is fixed until 2028 and is not renewed annually, and carries the same 5.4% interest rate. The Group debt facilities are secured by way of an English Debenture, with cross-guarantees to cover, at all times, the aggregate of the EBITDA, turnover and gross assets and net assets of the guarantor Group companies (being all material companies contributing in excess of 5% of gross assets, net assets or turnover) and these should contribute at any time 85% or more of the consolidated EBITDA, consolidated turnover and consolidated gross assets respectively of the Group at that time. The Group has only two bank covenants: net debt divided by EBITDA and EBITDA divided by interest payable. The Group had comfortable headroom on both these bank covenants at 31 December 2025. During the year, the company refinanced its loan arrangement from the syndicate in place as at 31 December 2024 to HSBC UK Bank Plc. The terms of this agreement remained materially the same as the previous syndicate arrangement.

The Company's present and future assets are subject to a fixed and floating charge in favour of HSBC UK Bank plc in respect of certain borrowings of fellow Group companies: Franchise Brands plc, Metro Rod Limited, Willow Pumps Limited, The Filta Group Limited, ChipsAway International Ltd, The Filta Group Inc, WPL Group Holdings Limited, Filta Group Holdings Limited, Hydraulic Authority I Limited, Hydraulic Authority II Limited, Hydraulic Authority III Limited, Pirtek Europe Limited, Pirtek Sweden AB and Pirtek Deutschland GmbH. At 31 December 2025, the net borrowings encompassed by the charges amounted to £61,312,000 (2024: £76,742,000).

In the year, Franchise Brands entered into an overdraft agreement with HSBC with interest charges offset through a cash pooling arrangement with fellow Group companies: Metro Rod Limited, Willow Pumps Limited, The Filta Group Limited, ChipsAway International Ltd, Barking Mad Limited and Oven Clean Limited. The arrangement has been agreed and actioned under the normal course of business and does not require the movement of cash. As such, this Notional Pooling arrangement is not subject to additional disclosures in the annual accounts and has been reported on a gross basis in the statement of financial position.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

20 Loans and borrowings continued

The Group has set up an asset financing scheme with HSBC plc for the use of Metro Rod franchise partners, primarily for the purchase of vans and tankers. The Group participates in this scheme, on a step-in basis, up to a total value of £1.0m. In the event of a default of a franchise partner, the Group would step-in and have the rights of the financed asset, and the obligation of the liability. At the year-end, £0.4m (2024: £0.5m) is outstanding in relation to this scheme. There are no expected credit losses to recognise in respect of the asset financing scheme.

Based on contractual undertakings, Metro Rod Limited franchise partners can request for payment for local account sales that have been invoiced, but not yet collected from the customer, and not yet paid on the typical standard monthly payment run to franchise partners. The value of this open commitment at 31 December 2025 is £2.9m (2024: £2.3m).

21 Obligations under leases

Undiscounted amounts due under finance leases	2025 £'000	2024 £'000
Current	**3,762**	3,554
Non-current (between 1 and 5 years)	**6,970**	7,125
Non-current (greater than 5 years)	**2,726**	2,372
Total undiscounted lease liabilities	**13,458**	13,051
Less present value discount	**(1,804)**	(1,810)
Total obligations under leases	**11,654**	11,241

Group	2025 £'000	2024 £'000
Current	**3,250**	3,062
Non-current (between 1 and 5 years)	**6,093**	6,256
Non-current (greater than 5 years)	**2,311**	1,923
Total obligations under leases	**11,654**	11,241

Company	2025 £'000	2024 £'000
Current	**6**	–
Non-current (between 1 and 5 years)	**15**	–
Non-current (greater than 5 years)	**–**	–
Total obligations under leases	**21**	–

	Land and buildings £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company-only motor vehicles £'000
At 1 January 2024	5,384	3,624	380	9,388	–
Additions	2,879	3,010	59	5,948	–
Interest expense	352	236	10	598	–
Lease payments	(1,797)	(2,365)	(102)	(4,264)	–
Disposals	(87)	(36)	(2)	(125)	–
Foreign exchange rate movements	(197)	(104)	(3)	(304)	–
At 31 December 2024	**6,534**	**4,365**	**342**	**11,241**	**–**
Additions	**1,861**	**1,906**	**43**	**3,810**	**29**
Interest expense	**341**	**262**	**10**	**613**	**2**
Lease payments	**(1,825)**	**(2,460)**	**(106)**	**(4,391)**	**(10)**
Disposals	**–**	**(4)**	**(1)**	**(5)**	**–**
Foreign exchange rate movements	**251**	**134**	**1**	**386**	**–**
At 31 December 2025	**7,162**	**4,203**	**289**	**11,654**	**21**

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

22 Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using the latest substantively enacted tax rates in the relevant countries, including 25% for the UK, approximately 28% for the US and rates of between 25% – 27.29% for intangibles depending on the geography of the underlying assets.

	Intangibles £'000	Losses £'000	Accelerated allowances £'000	Provisions £'000	Share-based payment £'000	ROU assets £'000	Lease liabilities £'000	Total £'000
At 1 January 2024	(35,681)	881	(280)	451	683	(1,535)	1,562	(33,919)
Recognised through statement of changes in equity	–	–	–	–	14	–	–	14
Foreign exchange rate movements				10		58	(59)	9
Credit/(charge) in the year	2,746	322	103	41	(179)	(623)	658	3,068
At 31 December 2024	**(32,935)**	**1,203**	**(177)**	**502**	**518**	**(2,100)**	**2,161**	**(30,828)**
Recognised through statement of changes in equity	**–**	**–**	**–**	**–**	**(230)**	**–**	**–**	**(230)**
Foreign exchange rate movements	**–**	**–**	**–**	**(31)**	**–**	**(98)**	**101**	**(28)**
Credit/(charge) in the year	**2,778**	**(542)**	**(446)**	**(73)**	**(31)**	**246**	**(212)**	**1,720**
At 31 December 2025	**(30,157)**	**661**	**(623)**	**398**	**257**	**(1,952)**	**2,050**	**(29,366)**

23 Subsidiaries & audit exemption

The investment in Group companies held by the Company are as follows:

	Total £'000
Cost	
At 1 January 2024	207,830
Additions	1,075
At 31 December 2024	**208,905**
Additions	**563**
At 31 December 2025	**209,468**

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

23 Subsidiaries and audit exemption continued

The subsidiaries of the Company included in the consolidated financial statements are as set out below.

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
Azura Business Solutions Limited [2]	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Azura Design Studio Limited [2]	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Azura Group Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Barking Mad Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
ChipsAway International Limited [1,2]	England & Wales	£0.10 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSK Hydraulics Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSS Hydraulics Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CST Hydraulics Limited [2]	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSY Hydraulics Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
DentsAway Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Edwin Investments Limited [2]	England & Wales	£0.25 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Environmental Biotech Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
FB Holdings Limited [1,2]	England & Wales	£0.01 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
Filta Group Europe BV	Netherlands	€1.00 Ordinary shares	100	Trading	Hongkongstraat 29, 3047BR, Rotterdam, Netherlands
Filta Group Holdings Limited [1,2]	England & Wales	£0.10 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Filta Local Operators, LLC	USA (Delaware)	Membership units	100	Trading	7075 Kingspointe Parkway, Suite 1, Orlando, Florida, 32819, United States
Filta Refrigeration Limited [2]	England & Wales	£1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
FiltaFry Deutschland GmbH	Germany	€25,500 Ordinary 1 share and €24,500 Ordinary 2 share	100	Trading	Pliniusstrasse 8, 48488, Emsbüren, Germany
FiltaFry Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Grease Management Limited [2]	England & Wales	£1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority I Limited [1,2]	England & Wales	£0.10 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority II Limited [2]	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority III Limited [2]	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Kemac Services Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
M&M Asset Maintenance Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Metro Plumb Limited [2]	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Metro Rod Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom

Notes forming part of the Financial Statements continued
For the year ended 31 December 2025

23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
MRB Drainage Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
MRE Drainage Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Oven Clean (Ontario) Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Oven Clean Domestic Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek (UK) Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek 24/7 HydraulikService GmbH	Austria	€1.00 Ordinary shares	100	Trading	Brückenkopfgasse 1/6, 8020, Graz, Austria
Pirtek Austria GmbH	Austria	€35.00 Ordinary shares	100	Trading	Gonzagagasse 4, 1010, Wien, Austria
Pirtek Brussel BV	Belgium	€100.00 Ordinary shares	100	Trading	Avenue Newton 7, 1300, Wavre,Belgium
Pirtek BV	Netherlands	€1.00 Ordinary shares	100	Trading	Hongkongstraat 29, 3047BR, Rotterdam, Netherlands
Pirtek (Deutschland) GmbH	Germany	€100.00 Ordinary shares	100	Trading	Bayerische Allee 2, D-50858, Köln, Germany
Pirtek Europe Limited [2]	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek Europoort BV	Netherlands	€1.00 Ordinary shares	100	Trading	Moezelweg 104, 3198 LS, Europoort, Netherlands
Pirtek France Holding SAS	France	€1.00 Ordinary shares	100	Holding company	3 rue des Lancés, 94310, Orly, France
Pirtek Hydraulique Service SAS	France	€21.95 shares	100	Trading	3 rue des Lancés, 94310, Orly, France
Pirtek Liége BV	Belgium	€100.00 shares	100	Trading	Rue de l'Informatique 10/3, 4460 Grâce-Hollogne, Belgium
Pirtek Lummen BV	Belgium	€100.00 Ordinary shares	100	Trading	Klaverbladstraat 16, 3560, Lummen, Belgium
Pirtek Rotterdam Noord BV	Netherlands	€1.00 Ordinary shares	100	Trading	Schuttevaerweg 88, 3044BB, Rotterdam, Netherlands
Pirtek Sweden AB	Sweden	SEK100 Ordinary shares	100	Trading	Vendevägen 85B 6tr, 182 91, Danderyd, Sweden

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
The Filta Group Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
The Filta Group, Inc	USA (Delaware)	Common stock (no par value)	100	Trading	7075 Kingspointe Parkway, Suite 1, Orlando, Florida, 32819, United States
The Handyman Van Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watbio Holdings Limited [2]	England & Wales	£1.00 A Ordinary shares and £1.00 B Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watbio Limited [2]	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watling Hope (Installations) Limited [2]	England & Wales	£1.00 B Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Willow Drainage Limited [2]	England & Wales	£1.00 Ordinary shares and £1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Willow Pumps Limited [2]	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
WPL Group Holdings Limited [1,2]	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom

1. Entities directly owned by Franchise Brands plc:
2. For the purposes of section 479A to 479C, Companies Act 2006 (the "Act") the Company confirms that the UK subsidiaries of the Company, all of which are included in these consolidated accounts, are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of s479A of the Act. The outstanding liabilities at 31 December 2025 of the UK subsidiaries have been (or will be) guaranteed by the Company pursuant to s479A to s479C of the Act. In the opinion of the Directors, the possibility of the guarantee being called upon is remote.

Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

24 Share capital and other reserves

Alloted, called-up and fully paid	**2025 £'000**	2024 £'000	**2025 No. of shares**	2024 No. of shares
At 1 January	**969**	969	**193,784,080**	193,784,080
Placing	**–**	–	**–**	–
At 31 December	**969**	969	**193,784,080**	193,784,080

Share capital comprises the nominal value of the Company's Ordinary shares of 0.5 pence each.

Share premium: The share premium reserve is the premium paid on the Company's 0.5 pence Ordinary shares.

Share-based payment reserve: The share-based payment reserve represents the movement in cost of equity-settled transactions in relation to the long-term incentive plan.

Merger reserve: The merger reserve represents the premium above the nominal value of the equity issued as part of the consideration in relation to acquisitions.

EBT reserve: This represents the amount that the Company paid for its own shares held in the EBT. During the year, the EBT purchased 1,531,094 Ordinary shares (2024: 326,112 Ordinary shares) at an average price of 132 pence per share (2024: 156 pence per share). 674,892 Ordinary shares (2024: 641,675 Ordinary shares) have been used to satisfy the exercise of options. Accordingly, at the year-end the EBT held 2,103,324 Ordinary shares (2024: 1,247,122 Ordinary shares) which represents 1.09% (2024: 0.64%) of the Company's current issued share capital.

Movements on these reserves are set out in the consolidated statement of changes in equity.

25 Related-party transactions

Remuneration of Directors and other transactions

During the year, the Group employed family members of one of the Directors. The total remuneration paid was the same as other employees at an equivalent level in the organisation.

We operate a number of businesses which provide consumer-facing services. From time-to-time, Directors of the Parent Company and other Group companies may use some of these to provide services to them or their immediate family members in a personal capacity. These transactions are conducted at arm's length and no discounts or special terms are offered by virtue of the Director's position. The value of these transactions, individually and collectively, are not material for either the individual or the Group company involved. There are no other transactions with Directors.

26 Dividends

	2025 £'000	2024 £'000
Final 2024 dividend of 1.3p per Ordinary share paid and declared (2024: Final 2023 dividend of 1.2p)	**2,519**	2,325
Interim dividend of 1.15p per Ordinary share paid and declared (2024: 1.1p)	**2,229**	2,132
	4,748	4,457

A final dividend of 1.35 pence per share is proposed.

Shares held by the Employee Benefit Trust have a dividend waiver applied to them; as such they are exempt from receiving a dividend, resulting in a difference between the total dividend calculated above and the dividend cash paid in the Consolidated Statement of Cash Flows.

Notes forming part of the Financial Statements continued
For the year ended 31 December 2025

27 Employee benefits

	2025	2024
Country	**France**	France
Valuation date	**31 December 2025**	31 December 2024
Fiscal year	**31 December 2025**	31 December 2024
Currency	**Euro (€)**	Euro (€)
Plan	**Pension**	Pension
Actuarial method	**OCI**	OCI

Key assumptions	2025	2024
Discount rate	**3.96%**	3.38%
Measurement date	**31 December 2025**	31 December 2024
Salary increase rate	**2.50%**	2.50%
Mortality table	**Insee 2022**	Insee 2022

	2025 £'000	2024 £'000
Movement in defined benefit obligation		
At 1 January	**471**	507
Additions in year	**–**	–
Current service cost	**17**	(18)
Interest expense on DBO	**19**	16
Actuarial gain – financial assumption changes	**(31)**	(12)
Actuarial gain – demographic changes	**–**	–
Foreign exchange movements	**25**	(22)
At 31 December	**501**	471

	2025 £'000	2024 £'000
Funded status		
Defined benefit obligation at end of year	**501**	471
Funded status liability	**–**	–
Net pension liability	**501**	471

Net liability reconciliation	2025 £'000	2024 £'000
Balance sheet reconciliation		
At 1 January	**471**	507
Additions in year	**–**	–
Expense recognised in consolidation statement of income	**36**	(2)
Remeasurement amounts recognised in OCI	**(31)**	(12)
Foreign exchange movements	**25**	(22)
At 31 December	**501**	471

	2025 £'000	2024 £'000
Expense		
Current service cost	**17**	(18)
Interest cost	**19**	16
Total expenses recognised	**36**	(2)

The Group assumed defined benefit retirement schemes for all qualifying employees in France as part of the acquisition of Pirtek Europe. The scheme is an unfunded plan, therefore there are no separately identifiable assets associated with the scheme. The Group recorded an increase in expenses of £36,000 (2024: a reduction of £2,000) in the consolidated income statement for the year. That expense represents contributions payable to the trust fund for this scheme by the Group at rates specified in the rules of the scheme. The unfunded benefit obligation for this scheme reflected on the consolidated statement of financial position as at 31 December 2025 is £501,000 (2024: £471,000).

Pirtek France operates a post-employment bonus scheme which is as required by French law. Under this national scheme, employees accrue a bonus based on years of service and a bonus is paid out at retirement. The scheme is an unfunded plan, therefore there are no separately identifiable assets associated with the scheme. The following sensitivities have been modelled by the Group actuaries: 1% change in the discount rate has a potential impact of £75,000 (2024: £86,000), a 1.5% change in salary inflation £94,000 (2024: £107,000) and a 2% change in social contribution £9,000 (2024: £10,000).

Five Year Financial Summary (Unaudited)

For the year ended 31 December 2025

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
System sales	**434,985**	425,574	350,053	186,353	93,571
Statutory revenue	**142,152**	139,206	121,019	69,839	34,133
Adjusted EBITDA	**35,245**	35,121	30,153	15,257	8,474
Depreciation & amortisation of software	**(6,146)**	(6,072)	(4,598)	(2,281)	(1,716)
Finance expense	**(5,209)**	(7,764)	(5,880)	(235)	(292)
Adjusted profit before tax	**23,890**	21,285	19,675	12,741	6,465
Tax expense	**(6,574)**	(4,743)	(5,147)	(2,560)	(1,154)
Adjusted profit after tax	**17,316**	16,542	14,528	10,181	5,311
Amortisation of acquired intangibles	**(10,296)**	(10,156)	(7,718)	(1,693)	(393)
Other gains & losses	**–**	–	–	1,232	223
Share-based payment	**(874)**	(1,480)	(838)	(535)	(334)
Non-recurring items	**–**	(444)	(6,159)	(1,707)	(187)
Tax on adjusting items	**2,831**	2,822	3,174	648	(387)
Statutory profit	**8,977**	7,284	2,987	8,126	4,233
Basic EPS	**4.67p**	3.78p	1.75p	6.65p	4.42p
Adjusted basic EPS	**9.00p**	8.59p	8.42p	8.34p	5.55p
Dividend	**2.50p**	2.40p	2.20p	2.00p	1.50p

Glossary of key terms

Term	Definition
CRM	Customer Relationship Management
DLO	Direct Labour Organisation
FOG	Fats, Oil and Grease
GRU	Grease Recovery Unit
MFU	Mobile Filtration Unit
MSU	Mobile Service Unit
MST	Mobile Service Technician
NAF	National Advertising Funds
THM	Total Hose Management

Company Information

Directors and Company Secretary

Stephen Hemsley
Executive Chairman

Peter Molloy
Group Chief Executive Officer

Andrew Mallows
Chief Financial Officer

Pete Kear
Senior Independent
Non-executive Director

Andy Brattesani
Independent Non-executive Director

Louise George
Independent Non-executive Director

Nigel Wray
Non-executive Director

Rob Bellhouse
Company Secretary

Registered office and principal place of business

Ashwood Court
Springwood Close
Tytherington Business Park
Macclesfield
SK10 2XF

Auditor

PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD

Nominated adviser and joint broker

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

Joint brokers

Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

Dowgate Capital
(Singer Capital Markets)
1 Bartholomew Lane
London
EC2N 2AX

Financial public relations advisers

MHP Group
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London
WC2N 4HN

Legal adviser

Gateley Plc
One Eleven Edmund Street
Birmingham
B3 2HJ

Registrars

Neville Registrars
Neville House
Steelpark Road
Halesowen
B62 8HD

Bankers

HSBC Bank
8 Canada Square
London
E14 5HQ

Warning to shareholders – investment fraud

We are aware that shareholders in UK companies sometimes receive unsolicited telephone calls or correspondence offering to buy or sell their shares on very favourable terms. The callers can be extremely persistent and very persuasive and often have professional-looking websites and telephone numbers to support their activities. These callers will sometimes imply a connection to the Company and provide incorrect or misleading information. This type of call should be treated as an investment scam – the safest thing to do is hang up and ignore any written communications.

You should always check that any firm calling you about potential investment opportunities is properly authorised and regulated by the FCA. If you deal with an unauthorised firm, you will not be eligible for compensation under the Financial Services Compensation Scheme. You can find out more about protecting yourself from investment scams by visiting the FCA's website www.fca.org.uk/consumers/fca-firm-checker.

If you have already paid money to share fraudsters you should contact Report Fraud immediately on 0300 123 2040 or through their website, www.reportfraud.police.uk.

Cautionary note regarding forward-looking statements

Certain statements contained in this document relate to the future and constitute “forward-looking statements”. These forward-looking statements include all matters that are not historical facts. In some case, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “may”, “will”, “could”, “shall”, “risk”, “aims”, “predicts”, “continues”, “assumes”, “positioned” or “should” or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors, Franchise Brands or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of Franchise Brands and the industry sectors in which it operates.

By their nature, forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the Group’s control, and which may cause the Group’s actual results of operations, financial condition, liquidity, dividend policy and the development of the industry and business sectors in which the Group operates to differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if the Group’s actual results of operations, financial condition and the development of the business sectors in which it operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation or assurance that trends or activities underlying past performance will continue in the future. Accordingly, readers of this documents are cautioned not to place undue reliance on these forward-looking statements.

Other than as required by English law, none of the Company, its Directors, officers, advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur, in part or in whole. Additionally, statements of the intentions of the Board and/or Directors reflect the present intentions of the Board and/or Directors, respectively, as at the date of this document, and may be subject to change as the composition of the Company’s Board of Directors alters, or as circumstances require. The forward-looking statements contained in this document speak only as at the date of this document.

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