



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.