



Protecting shareholder value

Governance

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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

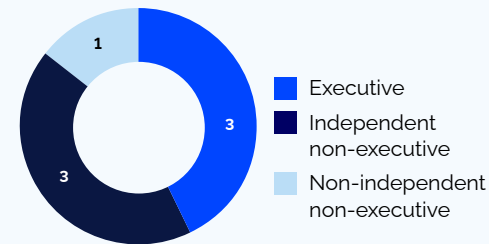
Board composition

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

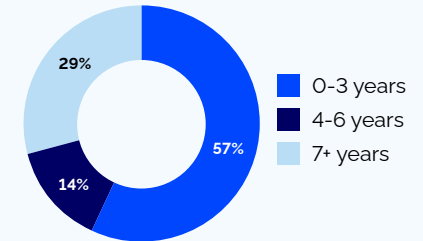
Board experience, skills and capabilities

	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	■	■	■	■	■	■	■

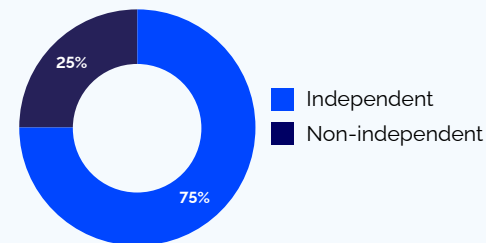
Executive/Non-executive



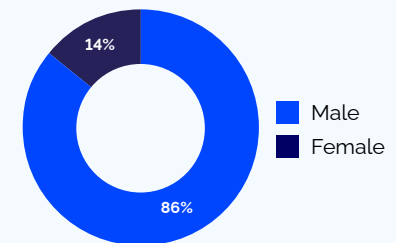
Tenure



Non-executive independence



Gender balance

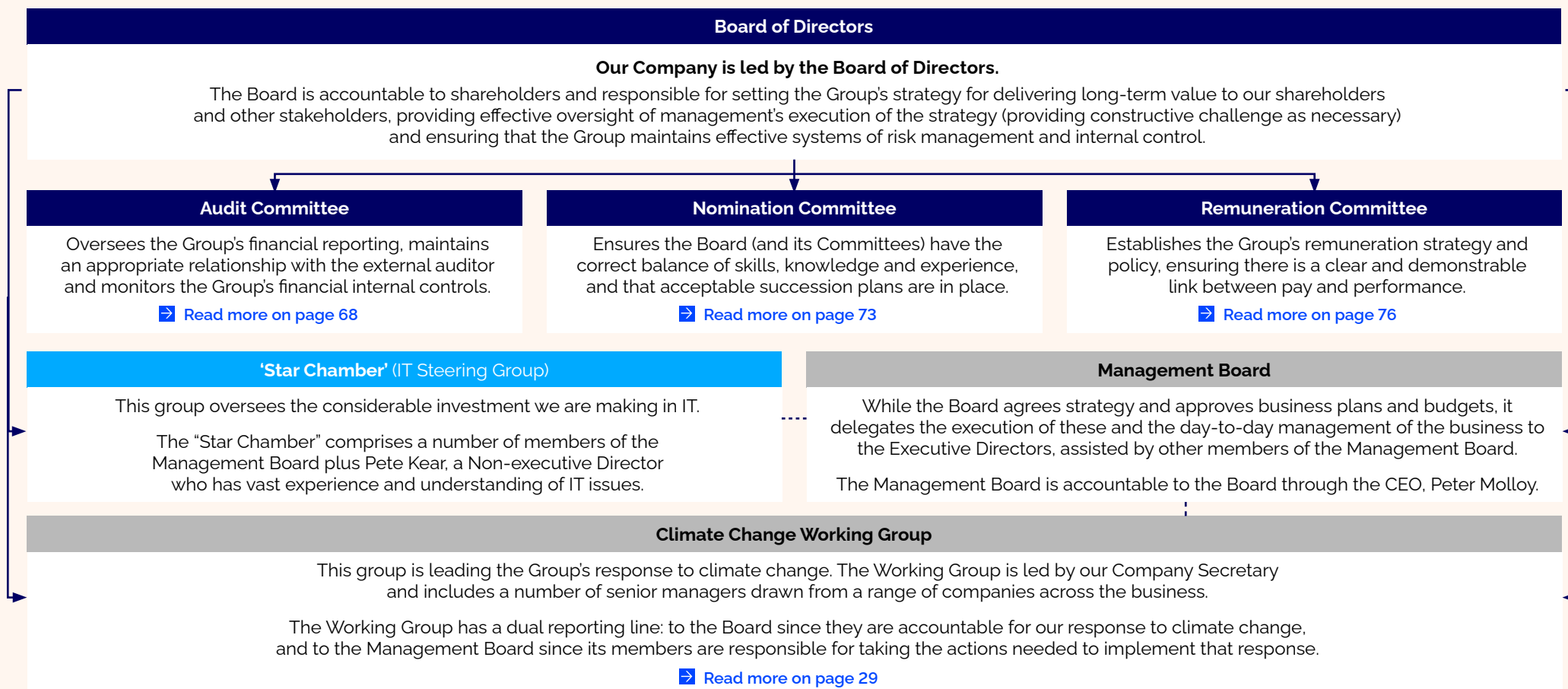


Click to read more about our leadership team



Our Governance Framework

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



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 Malloys 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 did the Committee do?	What conclusion did it reach?
<p>What is the risk?</p> <p>Revenue recognition and application of IFRS 15</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
<p>Consideration of potential impairment of goodwill and intangible assets</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
<p>Recoverability of investments in subsidiaries and intercompany balances – Franchise Brands plc (parent company)</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>The Committee is satisfied that the carrying values of the investment in subsidiaries and the intercompany balances continue to be justified.</p> <p>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.</p>



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.

Executive Director	Date of grant	Plan	Exercise price (pence)	Performance condition	Number of shares (31.12.24)	Changes during 2025			Number of shares (31.12.25)	Status	Exercisable from	Exercisable to
						Granted	Exercised	Lapsed				
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 between 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 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