

2025



JOHNSON  
Service Group PLC

# Annual Report & Accounts



# 2025

## ANNUAL REPORT & ACCOUNTS



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The background features a vibrant blue gradient. A large, flowing, white fabric-like shape dominates the upper half, with several translucent blue and white spheres scattered around it. In the lower right, a dark blue fabric-like shape flows upwards. The overall aesthetic is clean, modern, and dynamic.

# Strategic Report

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# GROUP OVERVIEW AND HIGHLIGHTS

We have a strong balance sheet with a highly cash generative model, so are well placed to capitalise on appropriate opportunities as they arise.

**Our employees are the foundation of our business, with a continued focus on delivering outstanding customer service**

**Progressive dividend policy**

**Margin improvement on track for target of at least 14% in 2026**

**Latest £55.0m share buyback programme completed in January 2026**

**We continue to prioritise the identification of earnings enhancing acquisition opportunities**

Opening of  
new HORECA  
site in Crawley

Strong balance  
sheet and cash  
generation with  
capacity for further  
investment

Successful  
transition from  
AIM to the Main  
Market of the  
London Stock  
Exchange

Productivity  
improvements,  
as a result of our  
ongoing targeted  
investment in the  
business, helped to  
offset cost inflation

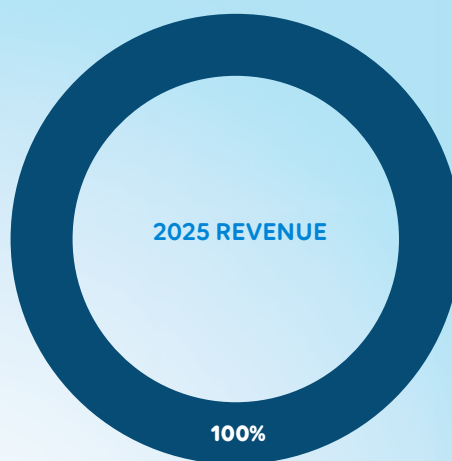
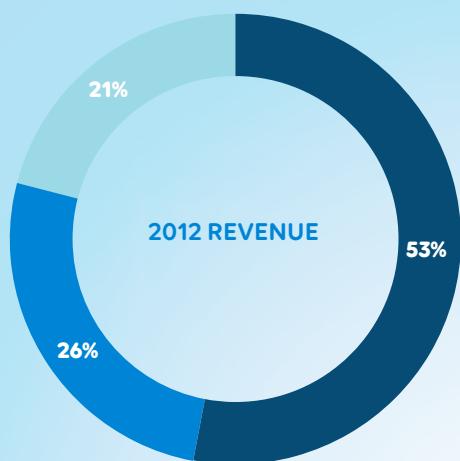
The Board  
remains  
confident about  
the growth  
opportunities  
available to the  
Group

"We have entered 2026 as a strongly invested business with a resilient business model and a proven ability to navigate periods of economic uncertainty."

# GROUP OVERVIEW AND HIGHLIGHTS

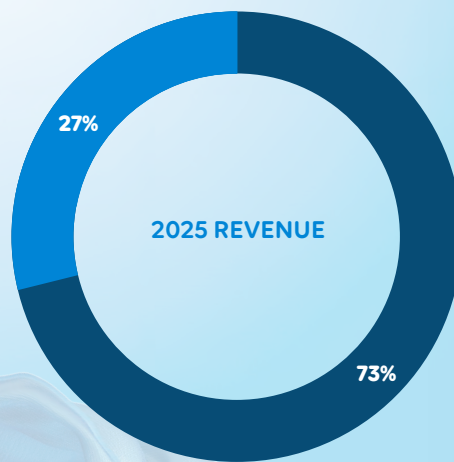
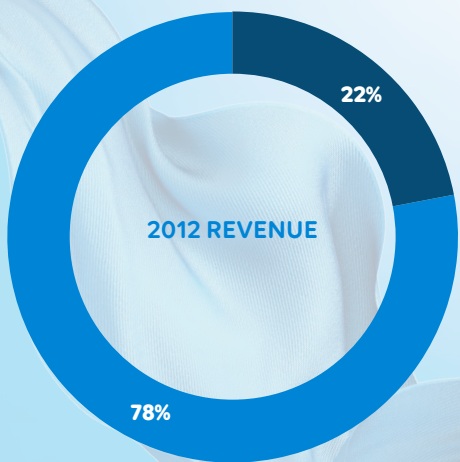
## Repositioned as a Dedicated Textile Services Provider

Revenue previously derived from three distinct sources...now derived from one focused business



- Textile Services
- Drycleaning
- Facilities Management

Source of revenue within Textile Services significantly changed



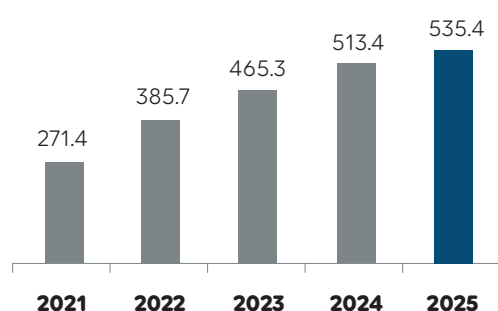
- HORECA
- Workwear

# Group Overview and Highlights

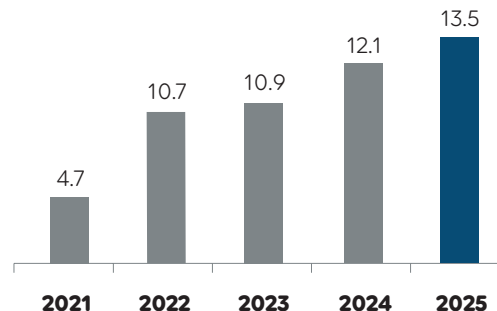
## Price increases, together with productivity improvements as a result of our ongoing targeted investment in the business, helped to offset cost inflation

"Our strong earnings growth and improved margin, in line with market expectations, reflects our continued focus on operational efficiencies, tight cost control and service excellence."

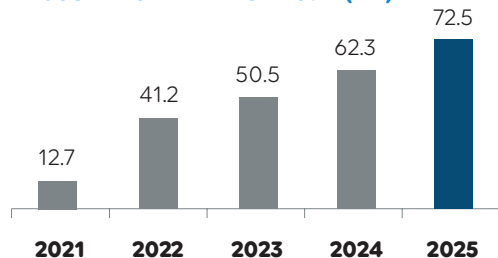
### REVENUE (£m)<sup>1</sup>



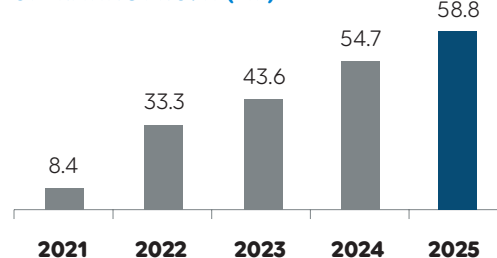
### ADJUSTED OPERATING PROFIT MARGIN (%)<sup>1</sup>



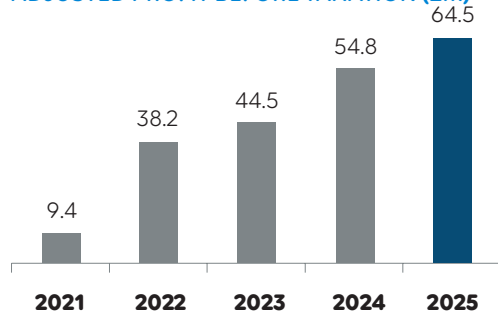
### ADJUSTED OPERATING PROFIT (£m)<sup>1,2</sup>



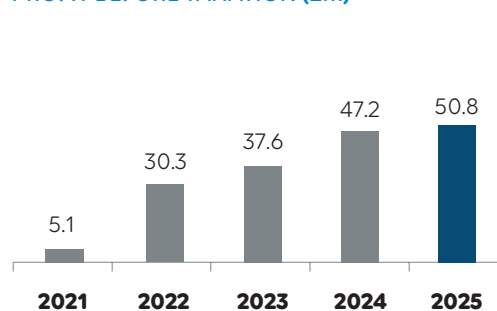
### OPERATING PROFIT (£m)<sup>1</sup>



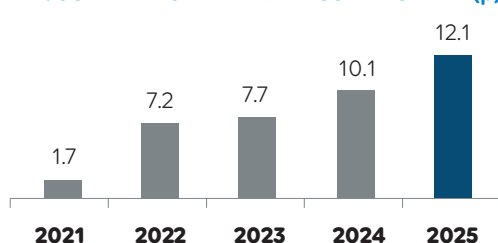
### ADJUSTED PROFIT BEFORE TAXATION (£m)<sup>1,3</sup>



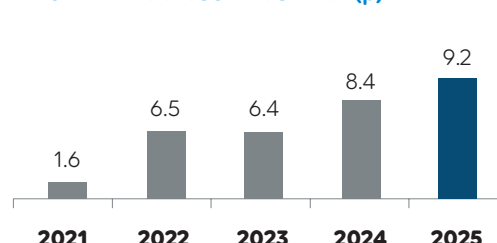
### PROFIT BEFORE TAXATION (£m)<sup>1</sup>



### ADJUSTED DILUTED EARNINGS PER SHARE (p)<sup>1,4</sup>



### DILUTED EARNINGS PER SHARE (p)<sup>1</sup>



#### Notes

- All figures are from Continuing Operations.
- "Adjusted Operating Profit" refers to operating profit before amortisation of intangible assets (excluding software amortisation), goodwill impairment and exceptional items.
- "Adjusted Profit Before Taxation" refers to Adjusted Operating Profit less finance costs.
- "Adjusted Diluted Earnings per Share" refers to diluted earnings per share calculated based on adjusted profit after taxation and, in 2021, 2022 and 2023, excludes the benefit of the capital allowances super deduction which offered 130% first year relief on qualifying spend.

# Chair's Statement

## Dear Shareholder

I am pleased to report that the Group has delivered a strong performance for the financial year ended 31 December 2025, establishing a solid platform for sustainable, long-term growth. This outcome reflects the strength and resilience of our business model, the depth of our operational expertise, the quality of our relationships with our customers and suppliers, and above all, the dedication and commitment of our people. Under the strong and energetic leadership of Peter Egan, our CEO, and the executive team, our colleagues continue to drive our success. On behalf of the Board, I extend my sincere appreciation to all employees for their exceptional contributions, and to our stakeholders for their continued confidence and support.

A significant milestone, this year, was the Group's successful transition from AIM to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct

**"I am pleased to report that the Group has delivered a strong performance for the financial year ended 31 December 2025, establishing a solid platform for sustainable, long-term growth."**

**Jock Lennox**  
Chair

Authority and to trading on London Stock Exchange plc's Main Market for listed securities, a step that reflects the maturity of our business and enhances our profile with a broader base of investors. In addition, in October 2025, after more than 40 years with the Group, including 17 years as Chief Financial Officer, Yvonne Monaghan stepped down from the Board as Chief Financial Officer ahead of her retirement in February 2026. The Board is deeply grateful for Yvonne's exceptional dedication and leadership over many years, which have been instrumental in strengthening the Group's financial foundations and driving sustained growth. Yvonne is succeeded by Ryan Govender, who brings strong experience and capability to the role. We are delighted to welcome Ryan as Chief Financial Officer and are confident that his appointment will ensure continuity and support the Group's next phase of development.

As we enter 2026, the Board remains focused on executing our growth strategy and seizing the growth opportunities ahead. We are also pleased to announce that, as part of our succession planning, Lysanne Gray will join the Board as an Independent Non-Executive Director with effect from 1 June 2026 and will succeed Chris Girling as Audit Committee Chair following the announcement of the Group's interim results for the six-month period ended 30 June 2026. In addition, Nicola Keach, who has served as an Independent Non-Executive Director of the Company since June 2022, will succeed Chris Girling as Senior Independent Director with effect from 1 June 2026.

## Financial Results

As explained in the Chief Executive's Operating Review on page 18, total revenue for the year to 31 December 2025 increased by 4.3% to £535.4 million (2024: £513.4 million). This increase delivered an adjusted profit before taxation of £64.5 million (2024: £54.8 million). This strong performance is the result of sustained effort across the Group, expertly guided by the dynamic leadership of the Group's Executive Directors and their management team. While volatility and macro-economic uncertainty have remained a constant backdrop, the Group has continued to focus on meeting the needs of our customers and supporting our people in line with our purpose. These foundations position the Group well to create long-term value for Shareholders. Further details of our operational and financial performance can be found on pages 18 to 27.



## Dividend

As determined by our progressive dividend policy, an interim dividend of 1.6 pence per share was paid on 4 November 2025. The Board is pleased to recommend a final dividend of 3.2 pence per share, which reflects the Board's confidence in the prospects of the business. Together with the interim dividend this takes the total dividend for the year to 4.8 pence per share and, as the Board previously committed to do, maintains cover at 2.5 times.

## A Strong Capital Base

The Group maintains a strong balance sheet and is well positioned to continue to invest in the business to support our long-term growth prospects. The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding earnings growth whilst also maintaining a strong balance sheet and increasing ROCE.

Our capital allocation policy remains unchanged and considers maintaining a strong balance sheet, ongoing capital investment in our estate, accretive acquisitions, a progressive dividend policy and distributing any surplus cash to Shareholders. Further details of our capital allocation policy are provided on pages 26 and 27 and further details of the share buyback programmes can be found on page 27.

## Share Buyback and Investment

In the period since September 2022, we have undertaken a number of share buyback programmes returning £90.3 million to Shareholders, established a presence in the Republic of Ireland, through the £27.1 million acquisition of Harkglade Limited, established our Johnsons Luxury Linen business, through the £5.8 million acquisition of Regency Laundry Limited and the £20.6 million acquisition of Empire Linen Services Limited, invested in the opening of a new site in Crawley and undertaken significant capital investment across many of our other sites. Even after taking into consideration these investments, the return of funds to Shareholders, including the payment of dividends, the Group remains well funded, is highly cash generative and has significant headroom with respect to its leverage target of 1.0 to 1.5 times. Accordingly, the Board will continue to pursue investment opportunities, both organic and inorganic, and actively review its options for further share buybacks throughout 2026.

## Governance and the Board

Companies today are rightly judged not only by their financial performance but also by their integrity and trustworthiness. As Chair, one of my key responsibilities is to ensure the highest standards of governance across the Group. I am fortunate to be strongly supported in this by my fellow Board members and by our General Counsel & Company Secretary, whose collective skills and experience complement the talents of our management teams.

The Board conducted a Board evaluation within the Company in the final quarter of 2025. Further details of the evaluation are

set out within the Corporate Governance Report on page 81. The 2025 evaluation concluded that the performance of the Board and its Committees continued to be effective in dealing with both day-to-day and ongoing strategic issues and that the Board and Committee structure ensured that the governance requirements of the business were met. Overall, the feedback from Board members was positive, indicating a desire to continue the Board's focus in 2026, primarily, on: strategic development and succession planning; whilst effectively exploiting the growth opportunities that are available to the Group; delivering on the Group's sustainability aims; and continuing to develop and encourage our people.

The Chief Executive Officer and Chief Financial Officer engage regularly with institutional investors to discuss the Group's strategy and present its financial results. As in previous years, I met with a number of our major Shareholders during the year to gain a fuller understanding of their perspectives and to provide an opportunity for dialogue outside the Company's normal investor relations programme. I intend to continue this engagement in 2026.

In 2025, I also led a consultation with major Shareholders in advance of the Company's proposed transition from AIM to the Main Market. This process reflected the Board's commitment to meaningful Shareholder engagement and ensured that investor feedback was carefully considered and informed the Board's decision to proceed with the transition to the Main Market. We were pleased to welcome new Shareholders to the register, replacing those investors whose mandates did not permit continued investment following the move to the Main Market, and were encouraged by the support of existing Shareholders who have increased their holdings since the transition.

## Sustainability

We strongly believe that embedding a best-in-class sustainability programme throughout our operations will help position us as a leader in responding to the challenges faced by the textile services industry and prove to be a differentiator for our customers. Following the launch of 'The Johnsons Way', our group-wide approach to sustainability, we continue to make excellent progress, refining and executing our strategy around the four 'Pillars' of 'Our Family', 'Our World', 'Our Integrity' and 'Our Communities', publishing our fourth Sustainability Report and achieving a Silver Medal in our inaugural EcoVadis rating assessment. Further details are set out in the report on Sustainability on pages 28 to 49.

## Summary and Outlook

Looking ahead, we are confident in the Group's ability to continue expanding both organically and through disciplined incremental and strategic acquisitions, driving further revenue and profit growth, enhancing operational efficiency, and delivering sustainable returns to shareholders. While we remain mindful of global economic and geopolitical uncertainties, our scale, strategic focus, and commitment to operational excellence – supported by ongoing investment in our people – provide a strong platform for future success. As we move into 2026, whilst we are mindful of the current economic uncertainty, particularly the impact of significantly increased labour and premises costs on some of our end customers, we expect to deliver another year of growth across the Group.

**Jock Lennox**  
Non-Executive Chair

2 March 2026





# Strategic Review

## The Strategic Report

The Strategic Report comprises the Group Overview and Highlights, the Chair's Statement, the Strategic Review, Our Commitment to Section 172(1), the Chief Executive's Operating Review, the Financial Review, the report on Sustainability (including the Group Non-Financial and Sustainability Information Statement) and the Principal Risks and Uncertainties.

## Principal Activities and Business Overview

Johnson Service Group PLC (the 'Company') is incorporated and domiciled in the UK, its registered number is 523335 and the address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH. The Company is a public limited company and, with effect from 1 August 2025, has all of its ordinary shares admitted to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and London Stock Exchange plc's Main Market for listed securities, having previously had all of its ordinary shares listed and admitted to trading on the AIM division of the London Stock Exchange.

The Company and its subsidiaries (together, the 'Group') provide textile rental and related services to the Hotel, Restaurant and Catering ('HORECA') and Workwear sectors throughout the UK and Republic of Ireland. Within our HORECA division, 'Johnsons Hotel Linen', our high-volume linen business, primarily serves group and independent large hotel customers, 'Johnsons Hotel, Restaurant and Catering Linen' provides premium linen services to restaurant, hospitality and corporate event customers whilst 'Johnsons Luxury Linen' provides bespoke linen predominantly to four- and five-star luxury hotels. Also, within HORECA, 'Johnsons Ireland' serves both hospitality and healthcare customers. Our Workwear division comprises solely of 'Johnsons Workwear', which predominantly provides workwear rental, protective wear and laundry services to UK businesses across a wide range of sectors including food manufacturing and industrial.



<p><b>Our Purpose</b> Our purpose sets out why we do what we do:</p>	<p><b>We do our job, so our customers can do theirs</b> Our purpose is to be an exceptional textile services provider to thousands of businesses every day, delivering sustainable growth and value to all our stakeholders.</p>
<p><b>Our Vision</b> Our vision sets out where we want to be:</p>	<p><b>We want to be number one</b> Our vision is to be recognised as the home of exceptional quality and sustainable textile services, where our people are integral to our success and where we lead the industry, setting the standards against which others aspire to.</p>
<p><b>Our Mission</b> Our mission sets out what we do and how it will contribute to achieving our vision:</p>	<p><b>We do textile services</b> Our mission is to provide valuable textiles services by building strong partnerships with our customers and providing exceptional service, quality products and technology enabled sustainable innovation that shapes the future of our industry.</p>
<p><b>Our Values</b> Our values set out what we collectively believe in and guide our behaviours – they act as our moral compass as a company:</p>	<p><b>Delivering exceptional service</b></p> <ul style="list-style-type: none"> <li>We take pride in providing a professional, efficient, reliable and friendly service to our customers.</li> <li>We are committed to disciplined management of our operations to deliver consistent standards of exceptional quality and to provide a service that our customers can trust.</li> </ul> <p><b>Championing our people</b></p> <ul style="list-style-type: none"> <li>We embody a culture that recognises and respects the diversity and contribution of all our people and where everyone feels valued.</li> <li>We promote a work environment where the health, safety and wellbeing of our people is a priority and which provides opportunities and support for everyone to grow and succeed.</li> </ul> <p><b>Caring for our environment</b></p> <ul style="list-style-type: none"> <li>We care about our impact on the environment and consider ways to protect and enhance it.</li> <li>We minimise the use of natural resources where possible and make sustainable purchasing choices so that we can leave a positive legacy.</li> </ul> <p><b>Acting in a responsible way</b></p> <ul style="list-style-type: none"> <li>Operating from a resilient financial platform, we act with professionalism, integrity and the highest ethical standards in everything that we do.</li> <li>We expect all our relationships to be based on honesty, respect, fairness and a commitment to openness and transparency.</li> </ul> <p><b>Supporting our communities</b></p> <ul style="list-style-type: none"> <li>We collaborate with our neighbours and wider communities to create strong, long-lasting relationships.</li> <li>We take part in programmes and activities that directly and indirectly support our communities to grow and thrive.</li> </ul>

Further information covering the activities of the business during the year are set out within the Chair's Statement and the Chief Executive's Operating Review.

# Strategic Review

Continued >



## Our Business Model and Strategy

The Board's strategy has been to focus the Group on our core businesses, increase the scale of our business both organically and through targeted strategic and 'bolt-on' acquisitions and to be the market leader in textile services in all geographies in which we operate.

The Group's business model, which supports this strategy and aims to increase both profitability and shareholder value, focuses on delivering exceptional customer service across all of our businesses in order to increase customer satisfaction and loyalty and attract new customers.

Like many businesses, we continue to operate against a backdrop of external cost pressures including those stemming from the challenging macroeconomic environment and the well-documented inflationary and operating pressures within the hospitality sector. However, in the ordinary course our business model seeks to generate efficiencies in order to mitigate those pressures and to allow us to maintain divisional margin over the medium term. Such efficiencies include:

- investing in the latest machinery technology in order to increase capacity and productivity whilst at the same time reducing energy costs and water consumption;
- taking advantage of operational synergies, for example, redistributing the processing of customer work across our estate of sites in order to take advantage of reduced distribution costs;

- in alignment with our approach towards a circular economy, identifying opportunities for end-of-life textile management, including exploring new technologies and partnerships to help develop innovative solutions for textile recycling; and
- diligently and proactively managing our cost base.

Key to this is our biggest asset, our highly capable employees, who are the face of our business. The investment we make in the training and development of our employees supports our business model and we seek the views and opinions of employees, at all levels, to continuously develop the way we operate such that we support our people and the operations of the Group.

The scale and geographic coverage of our business, together with our focus on customer service, cost control, sustainability and efficiencies, give us a competitive advantage. We can provide our customers with the best value in terms of quality, cost and service and this helps drive long term and sustainable organic revenue growth.

We continue to identify opportunities to grow the business organically and actively pursue strategic and 'bolt-on' acquisition opportunities which will broaden our services and geographic spread, add value for Shareholders and complement our position as a market leader in textile services.

## Key Performance Indicators (KPIs)

The Group refers to certain KPIs to assess the performance of the Group as a whole, and of the various businesses. Further details of the KPIs are set out within the Financial Review.

## Viability Statement

The Board is acutely aware that an understanding of the future prospects of the Group is of vital importance to all stakeholders and, as such, a statement, on behalf of the Board, is set out below on the future prospects of the Group.

*"The Directors confirm that, based upon the information and knowledge of which they can be reasonably expected to be aware, they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for a period of not less than 36 months from the balance sheet date."*

The Directors acknowledge the heightened uncertainty of the Group's strategic plans in the current macro-economic environment and, as a result, have considered a range of different scenarios. Financial forecasts are reviewed and approved by the Board, with involvement throughout from the Group CEO, Group CFO and the Group Management Board. Part of the Board's role is to consider the appropriateness of key assumptions, considering the external environment, business strategy and business model of the Group.

Whilst the Directors expect the future prospects of the Group to extend beyond the 36-month period referred to above, this period has been selected, for the purpose of this statement, as:

- it is concurrent with the most recently available financial modelling for the Group;
- the situation with respect to the UK and ROI current macro-economic environment remains uncertain and is likely to continue impacting the Group in the medium term;
- it is consistent with the average contract life of key customers, which provide stable revenue streams, being approximately 36 months;
- the Group's committed banking facilities, which are due to expire in August 2027, are expected to be refinanced with existing lenders for a tenure extending to at least the end of the 36-month period referred to above; and
- projections looking out further than 36 months become significantly less meaningful in the context of the Group's operations and markets.

The Directors have a reasonable expectation, having taken into consideration the principal risks and uncertainties facing the Group (as set out on pages 50 to 56) and, inter alia, the points set out below, that the trading performance and cash generation of the Group will not be materially adversely affected within that time frame, as:

- our diversified customer base, the majority of which have a formal contract in place with varying expiry dates of up to five years, provides a secure future income stream whilst at the same time ensuring that the loss of any single customer would not materially impact the Group's future trading performance and cash flows;
- the diverse and unrelated nature of the Group's customer base limits concentration of credit risk;
- the Group has prepared financial modelling, covering a three-year period, which has been approved by the Board. Prior to approving the financial modelling, the Board reviewed, challenged and stress tested the financial projections and assumptions contained within the forecasts. The stress tests were designed to determine the performance



level that would result in a reduction in headroom against the Group's committed facilities to nil or a breach of covenants. The Directors did not consider such a reduction in performance to be likely and hence were able to conclude that there were no indications of a significant threat to the future prospects of the Group;

- the Group continuously strives to seek out and invest in plant and equipment that will help drive operational efficiencies;
- a significant number of the Group's key processing sites are owned on either a freehold or long leasehold basis thereby providing security of tenure;
- the wide geographic spread of processing sites mitigates the effect of a loss of any single processing facility (as demonstrated during 2020, following serious fire damage at one of our sites and flood damage at another of our sites, and, more recently, in 2025, following a fire at a small industrial workwear processing unit) and, furthermore, appropriate insurance cover is in place such that the increased cost of working following a loss of processing capacity may, in some circumstances, be recovered; and
- the Group continuously reviews the adequacy and strength of its management teams to ensure that appropriate experience and training is given and develops succession planning as part of the development programmes for our people.

Although the Board is confident of the future prospects of the Group, there remain a number of risks and uncertainties, which are often beyond the control of the Directors, which could mean that actual results and events may differ from those budgeted.

## Strategic Report Approval

The Strategic Report, outlined on pages 6 to 56, incorporates the Group Overview and Highlights, the Chair's Statement, the Strategic Review, Our Commitment to Section 172(1), the Chief Executive's Operating Review, the Financial Review, the report on Sustainability (including the Group Non-Financial and Sustainability Information Statement) and the Principal Risks and Uncertainties.

The Strategic Report was approved by the Board on 2 March 2026.

By order of the Board.

**Christopher Clarkson**  
Company Secretary

2 March 2026

# Our Commitment to Section 172(1)

## Our Stakeholders

The success of our strategy is reliant on the support and commitment of all our stakeholders. Their interests are important to us and we are committed to maintaining strong, positive relationships with them, built on a foundation of mutual respect, trust and understanding. Our key stakeholders are our people, the communities in which we do business, our customers, our suppliers, our shareholders, non-government organisations as well as Government organisations and regulators. We work hard to ensure that we provide the right resources, energy and focus to meet the expectations of all of our stakeholders. The table below provides a high-level overview of how we engage with our stakeholders. Further details are then provided within the report on Sustainability on pages 28 to 49.

	Description	Areas of focus	Why we engage	How we engage
<b>People</b>	Our employees who work in our business	<ul style="list-style-type: none"> <li>health and wellbeing</li> <li>diversity and inclusion</li> <li>recognition and careers</li> <li>remuneration</li> </ul>	Our people are at the heart of our business and key to our ongoing success. We want our people to thrive in a fair and inclusive work environment.	There are many ways we engage, including engagement surveys, employee focus groups, site meetings, internal social media and newsletters.
<b>Communities</b>	The people who live in the local communities around our sites and operations	<ul style="list-style-type: none"> <li>fair employment and equal opportunities</li> <li>local causes and issues</li> <li>health and wellbeing</li> </ul>	To build trust by operating responsibly and sustainably and addressing issues that are material to our communities. To provide employment opportunities to local people to help support the community.	We operate many local employment programmes to recruit and develop people to work in our sites. We partner with charities and organisations to raise awareness and donate funds to help local causes.
<b>Customers</b>	The businesses and organisations to whom we provide goods and services	<ul style="list-style-type: none"> <li>working within defined sectors, we provide solutions to match specific market and customer requirements</li> <li>sustainable customer relationship initiatives</li> <li>technology and innovation to support customer requirements</li> </ul>	By understanding what is important to our customers, we ensure that our services are tailored to support their individual business objectives.	We aim to have open and transparent relationships that are based on honesty and respect. We conduct independent customer surveys which measure satisfaction levels.
<b>Suppliers</b>	Our trusted partners who source and supply products and services to us	<ul style="list-style-type: none"> <li>workplace health and safety</li> <li>supply chain integrity</li> <li>human rights</li> <li>sustainable products</li> </ul>	To develop mutually beneficial and lasting partnerships aimed at addressing shared challenges in responsible and sustainable sourcing and to communicate our supply chain standards, expectations and commitments.	We regularly communicate with our suppliers and we have also hosted multi-supplier conferences. We aim to pay suppliers within agreed contractual terms and endeavour to work in a collaborative manner with them in order to resolve any disputes that may arise.
<b>Shareholders</b>	Individuals or institutions that own shares in Johnson Service Group PLC	<ul style="list-style-type: none"> <li>financial performance</li> <li>competitive positioning</li> <li>strategy and outlook</li> <li>ethical business practices and sound governance</li> <li>leadership and succession planning</li> <li>debt and liquidity</li> <li>sustainability</li> </ul>	Our philosophy is to engage in regular, open and transparent dialogue with our existing and prospective shareholders. We value their thoughts and opinions which are shared with the Board. The Board reviews the feedback and, where relevant, takes appropriate actions to address any concerns.	We engage with our existing investors through one-to-one and group meetings, presentations, conference calls and at our AGM. The Group CEO, Group CFO and Chair dedicate significant time to engaging with our major shareholders.
<b>Non-Governmental Organisations (NGOs)</b>	NGOs support us with knowledge and expertise on key industrial, social, environmental and economic issues	<ul style="list-style-type: none"> <li>human rights</li> <li>climate change</li> <li>social issues</li> </ul>	To ensure we stay up to date and develop effective action plans so we can have a positive impact on key social, environmental and economic issues.	We engage with NGOs through regular communications, interactions and meetings as well as through industry association memberships and at forums and conferences.
<b>Government &amp; Regulators</b>	Regional and national government bodies and agencies which implement and enforce applicable laws across our industry	<ul style="list-style-type: none"> <li>public health policies</li> <li>workplace health and safety</li> <li>human rights</li> <li>climate change</li> <li>legal and regulatory compliance</li> </ul>	To communicate our views to those who have responsibility for implementing policy, laws and regulations relevant to our businesses.	We engage through a series of industry consultations, forums and conferences.

## Section 172(1) Statement – Duty to Promote the Success of the Company

Section 172(1) of the Companies Act 2006 (the 'Act') requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the company.

As part of their induction, a Director is briefed on their duties and they can access professional guidance on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. In addition, the Company's financial adviser and external lawyers are available to the Board to provide training updates on directors' duties and any relevant legislative changes.

The Board confirms that, during the year, the Board and its individual members have acted in a way that would be most likely to promote the success of the Company, for the benefit of its members as a whole, in the decisions made by the Board during the year. The Directors confirm that the deliberations of the Board, which underpin its decisions, incorporate appropriate regard to the matters detailed in section 172(1) of the Companies Act 2006. During the year, the Board considered information from across the Group's businesses and received presentations from management, reviewed papers and reports and took part in discussions which considered, where relevant, the impact of the Company's activities on its key stakeholders. These activities, together with direct engagement by the Board and individual Directors with the Company's stakeholders, helped to inform the Board in its decision-making processes.

Further details as to how the Directors have fulfilled their duties, together with references to relevant areas within this Annual Report, are set out below. Specific examples of how the Board considered the interests of stakeholders in its principal decision-making are provided on pages 74 to 75.

The Board acknowledges that balancing the needs and expectations of stakeholders is important, but it often has to make difficult decisions based on competing priorities where the outcome of any decision it makes will not necessarily result in a positive outcome for all of the Group's stakeholders. Decisions are not taken lightly and the decision-making process has been structured to enable directors to evaluate the merit of proposed business activities and the likely consequences of its decisions over the short, medium and long term, with the aim of safeguarding the Company so that it can continue in existence, fulfilling its purpose and creating value for future generations of stakeholders. By considering the Company's purpose, vision and values, together with its strategic priorities and having a process in place for decision-making the Board does, however, aim to make sure that its decisions are consistent and predictable.

## Risk Management

It is vital that we effectively identify, evaluate, manage and mitigate the risks we face as a business. For details of our principal risks and uncertainties, and how we manage our risk environment, please see pages 50 to 56. The Board is also aware that an understanding of the future prospects of the Group is of vital importance to all stakeholders – a statement as such, together with further explanatory information, is set out within our Viability Statement.

## Our Employees

The Group is committed to being a responsible employer. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We recognise that our people are key to the success of the Group and we value the contribution of each and every one of our employees. We strive to create an inspiring working environment where everyone is engaged and motivated. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way. The Board receives updates on key elements of the people strategy which provides insight into a variety of areas including culture, diversity and inclusion, succession planning, future capabilities and employee engagement. For further details on our employees and equality, diversity and inclusion initiatives within the Group, please see pages 36 to 37.

## Business Relationships

Our strategy prioritises growth, both organically and through acquisition. Organic growth is driven through up-selling services to existing clients as well as bringing new customers into the Group. To do this, we need to develop and maintain strong customer relationships. We value all of our suppliers and have multi-year contracts with our key suppliers. For further details on how we work with our customers and suppliers, please see pages 40 to 41.

## Community and Environment

The Group's approach is to use our position of strength to create positive change for the people and communities with which we interact, giving back wherever we can. We want to leverage our expertise and enable our people to support the communities around us. We recognise our responsibilities to achieve good environmental practice and to continue to strive for improvement in areas of environmental impact. We are committed to energy efficiency improvement and continue to take steps in a continuous improvement strategy. For further details on how we interact with communities and the environment, please see pages 32 to 35 and pages 38 to 39.

## Culture and Values

The Board recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our employees, customers and other stakeholders. Further details on our purpose, mission, vision and values are set out on page 13 whilst details of our corporate culture can be found on page 65.

## Shareholders

The Board is committed to openly engaging with our Shareholders, as we recognise the importance of a continuing effective dialogue, whether with major institutional investors, private or employee Shareholders. It is important to us that Shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised, properly considered. For further details on how we engage with our Shareholders, see pages 75 to 76.

# Chief Executive's Operating Review

"...the Board expects to deliver another year of growth across the Group and we remain on track towards achieving our targeted adjusted operating margin of at least 14.0% in 2026."

**Peter Egan**  
Chief Executive Officer

## Basis of Preparation

Throughout this statement, and consistent with prior years, a number of alternative performance measures ('APMs') are used to describe the Group's performance. APMs are not recognised under UK-adopted international accounting standards. Whilst the Board uses APMs to manage and assess the performance of the Group, and believes they are representative of underlying trading, facilitate meaningful year on year comparisons and hence provide useful information to stakeholders, it is cognisant that they do have limitations and should not be regarded as a complete picture of the Group's financial performance. APMs, which include adjusted operating profit, adjusted profit before taxation, adjusted EBITDA, adjusted earnings per share, adjusted diluted earnings per share and net debt excluding IFRS 16 lease liabilities, are defined within note 1 (Basis of Preparation) and are reconciled to statutory reporting measures in notes 2, 5, 8 and 17 of the Financial Statements.

## Financial Overview

### Financial Results

Total revenue for the year increased by £22.0 million, or 4.3%, to £535.4 million (2024: £513.4 million). Whilst price increase and renewal discussions continued to be challenging during 2025, we remain focused on delivering excellent service which is commensurate with our pricing levels. On an organic basis, revenue in HORECA increased by 1.0% over 2024 and Workwear increased by 2.4%.

We have continued to proactively manage ongoing input cost inflation pressures, particularly in relation to labour following the significant increases to UK National Insurance, the UK National Living Wage and, within the Republic of Ireland, the National Minimum Wage, through a combination of price increases and capital investment, which delivers increased operational efficiencies and lowers energy and water usage. Energy, as a percentage of revenue, has continued to reduce but remains a higher cost than has been experienced historically. Our stated policy of proactively forward fixing energy prices for the coming months to obtain and manage some degree of certainty over the cost of supply is being maintained, giving us visibility of a further reduction, as a percentage of revenue, in 2026. Labour costs, as a percentage of revenue, are expected to remain relatively stable into 2026.

Adjusted operating profit increased by 16.4% to £72.5 million (2024: £62.3 million) whilst adjusted operating profit margin improved by 140 basis points to 13.5% (2024: 12.1%), reflecting strong operational control and the benefit of efficiencies through our targeted investment in the business.

Adjusted EBITDA increased by 9.3% to £166.8 million (2024: £152.6 million) giving an increased margin of 31.2% (2024: 29.7%). Adjusted profit before taxation increased by 17.7% to £64.5 million (2024: £54.8 million).

The exceptional charge of £6.0 million (2024: £0.4 million) represents £1.7 million of costs in relation to our move to the Main Market, £3.4 million of reorganisation costs, including £1.4 million relating to the closure of our Lancaster Workwear site, £0.5 million in relation to business acquisition activity and £0.4 million of costs incurred in respect of the fire at the Bristol Workwear site.

Statutory operating profit increased to £58.8 million (2024: £54.7 million) whilst statutory profit before taxation, after amortisation of intangible assets (excluding software amortisation) of £7.7 million (2024: £7.2 million) and the exceptional items referred to above, increased to £50.8 million (2024: £47.2 million).

Adjusted diluted earnings per share increased by 19.8% to 12.1 pence (2024: 10.1 pence).

### Dividends

An interim dividend of 1.6 pence (2024: 1.3 pence) per share was declared at the time of announcing our interim results. We are pleased to recommend a final dividend of 3.2 pence per share, taking the full year dividend to 4.8 pence (2024: 4.0 pence) per share. This year-on-year increase of 20.0% reflects the Board's confidence in the future performance of the Group. Dividend cover remains at 2.5 times.



### Share Buyback Programme

In the period since September 2022, we have returned £90.3 million to Shareholders through share buyback programmes. In line with our capital allocation policy, the Board will continue to actively review its options on further share buybacks throughout 2026, taking into account the cash generation profile of the Group and the level of headroom available under its committed bank facilities. Further details are set out within the Financial Review.

## Operational Review

### Our Businesses

The Group provides textile rental and related services throughout the UK and Republic of Ireland.

Within our Hotel, Restaurant and Catering ('HORECA') division, 'Johnsons Hotel Linen', our high-volume linen business, primarily serves group and independent large hotel customers, 'Johnsons Hotel, Restaurant and Catering Linen' provides premium linen services to restaurant, hospitality and corporate event customers whilst 'Johnsons Luxury Linen' provides bespoke linen predominantly to four and five-star luxury hotels. Also, within HORECA, 'Johnsons Ireland' serves both hospitality and healthcare customers. Our Workwear division comprises solely of 'Johnsons Workwear', which predominantly provides workwear rental, protective wear and laundry services to UK businesses across a wide range of sectors including food manufacturing and industrial.

The impact of significantly increased labour and premises costs is being felt by some of our end customers, particularly within the hospitality market, making price increases and renewals more challenging. Whilst the market remains competitive, we remain focused on consistently delivering excellent service that aligns with our pricing levels and investing in our estate to drive continued operational efficiencies.

### Energy Cost Management

Energy costs (comprising gas, electricity and fuel) have remained elevated throughout the year and continue to be so. Costs for 2025 represented 7.4% of revenue, a reduction from 8.8% of revenue in 2024 but significantly higher than in 2019 where the cost was 6.2% of revenue.

# Chief Executive's Operating Review

Continued >

For many years, our policy in the UK has been to fix energy prices on a rolling basis, building a position so that the upcoming months are largely fixed. This provides certainty but also means that costs do not immediately reflect falls, or increases, in spot prices. We have continued this policy of proactively fixing energy prices and, as at the end of February 2026, we had fixed some 90% of our anticipated electricity usage and some 95% of our anticipated gas usage for the first half of 2026 and approximately 75% and 85%, respectively, for the second half of 2026. In addition, we have hedged approximately 70% of our anticipated diesel requirement across 2026.

Looking further ahead, we currently have, based on our anticipated usage, approximately 55% electricity and approximately 70% gas at fixed prices for 2027, with reducing amounts into 2028 and 2029, and will continue to lock in prices as opportunities allow.

## Labour

Labour remains the biggest cost of our operations. In the year to 31 December 2025 labour, as a percentage of revenue, increased 140 basis points to 46.0%, significantly higher than the 44.6% in the year to 31 December 2024 and the 43.0% in the year to 31 December 2019.

The higher percentage above is reflective of increases in National Minimum Wage and Pay Related Social Insurance in January 2025 in the Republic of Ireland and increases in the National Living Wage and National Insurance in the UK in April 2025. The annualised impact of the increase in employer National Insurance contributions in the UK alone is some £6.0 million, which we have mitigated and managed through price increases, operational efficiencies and other measures. Labour costs, as a percentage of revenue, are expected to remain relatively stable into 2026.

## HORECA Division

Revenue within HORECA increased to £389.8 million (2024: £371.2 million) whilst adjusted operating profit increased to £59.8 million (2024: £49.4 million), giving a margin of 15.3% (2024: 13.3%). This significant increase in profitability reflects, in part,

production efficiencies resulting from more predictable volumes and the benefits of capital investment together with lower energy costs. Adjusted EBITDA for the year increased to £122.9 million (2024: £110.5 million) with an improved margin of 31.5% (2024: 29.8%).

## Johnsons Hotel Linen

Volumes within Johnsons Hotel Linen were in line with our expectations, with new business coming from a combination of successful sales team activity and new build hotels or extensions with existing customers. We remain easy to do business with and continue to provide solutions to customers' challenges, with excellent on time and in full service levels. Installations of new business continued to be well organised and efficient, often with very short lead times, and our externally facilitated customer satisfaction survey resulted in a high score of 88%, similar to the prior year. We received excellent feedback relating to our service team's partnership approach and they continue to build excellent customer relationships. Testament to our reputation for delivering excellent service levels, in 2025 Johnsons Hotel Linen agreed a five-year contract renewal with one of its largest customers.

As in previous years, capital investment focused on driving operational efficiency and increasing capacity whilst reducing our carbon emissions. At Edinburgh and Pwllheli, we replaced sorting systems and automatic dryers whilst our Reading, Chester and Cardiff sites benefitted from the installation of new boilers and the replacement of older ironers for newer models. A number of stand-alone washing machines were also upgraded across the estate and we have continued to invest in our vehicle fleet, resulting in excellent reliability and a reduction in emissions.

As part of continually improving our sustainability credentials, plastic wrapping of clean, delivered product has been removed from our Birmingham, Chester, Clacton and Pwllheli sites. Instead, linen is now delivered in reusable, washable bags which can also be used for linen storage at customers' premises. Roll out across the estate will continue in 2026.

## Johnsons Hotel, Restaurant and Catering Linen

Against a difficult hospitality market backdrop, the effect of significantly increased business costs has particularly impacted some of the customers served by Johnsons Hotel, Restaurant



and Catering Linen, with price increases and renewals becoming more challenging. In addition, whilst new sales activity has remained broadly consistent with prior periods, market churn, particularly within the independent hotel and restaurant sector, has increased in recent months, resulting in a decline in volumes in some regions.

Whilst the market remains competitive, we are focused on continuing to deliver an excellent level of service to our customers, as reflected in our annual customer survey results where an improved overall score of 89% was achieved, with several sites achieving a world class score of over 90%.

The significant cost increases being experienced across UK businesses are encouraging some of our smaller, independent competitors to review their business strategy and, as a result, we added customer contracts with an annualised revenue of some £4.9 million to the division during 2025. We anticipate that further, similar, opportunities will continue to arise.

Many of our existing customers located in London and the Southeast region have now been successfully transferred into our new Crawley site, which began processing in March 2025. This, in addition to new business wins, resulted in peak processing volumes during the year building to some 50% of capacity, in line with our expectations. The Crawley laundry process is designed to consume significantly less energy than a traditional laundry, provides significant water recycling opportunities, utilises renewable energy sources and undertakes deliveries using vehicles powered by HVO, which provides for a significant reduction in vehicle emissions.

Investment in the wider estate has also continued, with replacement boilers, water recycling systems, ironers and garment finishing equipment having been installed across several of our sites. All new investments have a pre-requisite to reduce carbon emissions against our 2030 targets and improve production efficiency.

#### Johnsons Luxury Linen

Johnsons Luxury Linen experienced strong volumes in 2025, aided by both high retention levels and a number of high-profile customer wins. The sales pipeline is encouraging and supports our growth ambitions in securing additional five-star luxury hotel customers.

The site in Tottenham, acquired in September 2024, has been successfully integrated into the Group, with local management now working collaboratively with colleagues in both Corsham and across the wider Group, sharing knowledge, experience and best practice methodologies.

Both sites have benefitted from strategic investment in plant and equipment. In particular, the £1.3 million investment in plant and machinery at our Corsham site at the end of 2024, which increased processing capacity there by almost 20%, is now being utilised as the site achieved record volumes and efficiencies in 2025. Plans for increasing processing capacity are being developed to further expand this part of our business.

#### Johnsons Ireland

The rollout of our Johnsons Ireland rebranding is now complete, with Johnsons Celtic Linen in the south and Johnsons Belfast in the north supplying customers across the entire island of Ireland. Our vehicles and sites have been rebranded and we have launched our new website.

In hospitality, volumes were as expected albeit with some regional variations. Healthcare volumes have continued to rise, with an increase in day procedures performed by hospitals. Overall, our end markets remain competitive with any customer attrition often due to the customer seeking pricing levels which are not commensurate with the level of service we provide. We continue to concentrate on our proven track record of providing a high quality and reliable service to our customers, easy and available access to our team and consistent communication.

Similar to the UK, increasing labour costs in the Republic of Ireland remain a challenge following the 6.3% increase in minimum wage and the increase in Pay-Related Social Insurance ('PRSI'), both of which were effective on 1 January 2025. As part of the overall mitigation plan, we are working to continue improving efficiencies and processes, helped by the capital investment programme across the estate.

The capital investment of £6.3 million in Wexford and Naas, which started in 2024, has been completed. This investment includes the installation of a state-of-the-art sortation system, a high-speed ironer line, a continuous batch washer system, additional drying capacity and a new automated chemical dosing system. These new pieces of equipment help to optimise washing throughput and energy efficiency and have increased capacity in Wexford

# Chief Executive's Operating Review

Continued >

by some 20% and in Naas by some 40%. In addition to installing new processing equipment, we have also upgraded employee welfare facilities and offices.

## Workwear Division

Revenue for the Workwear division increased by 2.4% to £145.6 million (2024: £142.2 million). Adjusted EBITDA was £52.1 million (2024: £49.4 million) with an increased margin of 35.8% (2024: 34.7%). Adjusted operating profit was £21.0 million (2024: £20.3 million), resulting in an improved margin of 14.4% (2024: 14.3%), reflecting the implementation of price increases throughout the year to offset input cost inflation.

Our sales team had a successful year in acquiring new business. They have confidence in our ability to deliver excellent service and focus on this when participating in new commercial opportunities and tenders. Similarly, the service team secured significant contract renewals with multiple key customers, often identifying opportunities for expansion within those accounts.

Customer retention is now 94% (2024: 93%) and trending towards historic levels, validating the strength of our customer relationships, the consistent delivery of our service and our responsiveness to evolving customer needs. The renewal rate also reflects the effectiveness of our proactive engagement strategy, built around personalised account management and ongoing customer interaction.

The externally facilitated satisfaction survey for existing customers saw us achieve a result of 84%, whilst the new customer satisfaction survey achieved a robust score of almost 86%. These results reflect our commitment to delivering high quality service, building trusted relationships and continually improving the customer experience.

Capital expenditure in the year included investment in forty new commercial vehicles, laundry processing equipment and boiler systems at several sites, all of which help deliver operational resilience and assist in reducing our carbon footprint.

The relocation of operations from Lancaster to Manchester, and the subsequent closure of the Lancaster site, was successfully completed during the year with no disruption to service delivery. The cost of the project was £1.4 million and has been charged to exceptional costs.

At the end of June 2025, our small industrial workwear processing unit in Bristol suffered a fire which rendered that part of the site inoperable. Work continues to be processed at our sites in Exeter and Treforest and, importantly, there has been no disruption to customer service. Business interruption insurance is in place and we expect to finalise the claim with insurers in 2026 however, a £0.4 million charge has been recognised within exceptional items during 2025.

## Sustainability

The Board has overall responsibility for environmental and social matters and we recognise our duty to stakeholders to operate the business in an ethical and responsible manner. We remain committed to further developing our environmental and social responsibility agenda, recognising that it plays a major part in leading and influencing our people and operations.

In June 2025, we published our fourth Sustainability Report which set out the progress we have made and the targets we have set ourselves. We have continued to build on the foundations of our sustainability strategy with communication and involvement of employees at all levels being a key focus.

Further details of our achievements during 2025 and our targets for 2026, ongoing initiatives and actions for the future are set out within the Sustainability Statement.

## Employees

We place great importance on the contribution that each of our employees make to the success of the Group. Our employees are key in our ability to deliver customer service levels which exceed our customers' expectations. The Board would like to thank them for their support and hard work during 2025.

Ensuring employees achieve their full potential remains a key focus of the Group. Providing a range of training, education, apprenticeship and development programmes for employees allows them to take advantage of career progression opportunities within the Group and helps to build a workforce for the future.



Employee engagement activity remains ongoing, supporting our people and providing safe, clean and enjoyable environments to work in. The scores from our employee engagement surveys were outstanding, reflecting the commitment and enthusiasm of our employees across all of our operating locations.

## Board Changes

As previously announced, Ryan Govender was appointed to the Board as Chief Financial Officer ('CFO') in succession to Yvonne Monaghan, with effect from 1 October 2025. Yvonne retired from the Board on the same date, having served seventeen years as CFO. The Board would like to thank Yvonne for her significant input and unwavering support during her time with the Group.

As separately announced, Lysanne Gray will join the Board as an Independent Non-Executive Director with effect from 1 June 2026 and will succeed Chris Girling as Audit Committee Chair following the announcement of the Group's interim results for the six-month period ended 30 June 2026. In addition, Nicola Keach, who has served as an Independent Non-Executive Director of the Company since June 2022, will succeed Chris Girling as Senior Independent Director with effect from 1 June 2026. Chris will continue to serve as an Independent Non-Executive Director until he steps down and retires from the Board on 31 December 2026.

## Forthcoming Investor Activities

We are committed to clearly communicating our strategy and activities to our stakeholders, in order that they receive a balanced and complete view of our performance. An audio recording of the sell-side analysts' meeting, which was on 3 March 2026, will be made available on the Group's website ([www.jsg.com](http://www.jsg.com)).

## Outlook

Our successful admission to the Main Market in August 2025 marks a significant milestone in our growth journey. The move reflects our confidence in the Group's future, our commitment to delivering long-term value for all stakeholders and positions us well for the next phase of growth.

We have entered 2026 as a strongly invested business with a resilient business model and a proven ability to navigate periods of economic uncertainty. Whilst the challenges created by the significantly increased cost of labour in both the UK and the Republic of Ireland remain difficult to predict, in part due to the impact on customer behaviour, we remain focused on delivering excellent service which is commensurate with our pricing levels. Our scale and depth of expertise give us the capability not only to mitigate potential challenges through continued operational efficiencies and disciplined cost management, but also to move decisively when appropriate opportunities arise.

We have continued to fix a proportion of our future energy costs and improve the efficiency of our sites to help offset cost inflation and stabilise our cost base and we are continuing to engage with our customers regarding the pricing of our services as we advance through 2026. New sales across the business are a focus, particularly in the regions where we have added capacity.

We have a strong balance sheet and a highly cash generative model, so are well placed to capitalise on appropriate opportunities as they arise. We are continuing to focus on expanding the Group through targeted investment in our existing sites and identifying further earnings enhancing opportunities to deploy capital. In line with our capital allocation policy, the Board will continue to actively review its options on further share buybacks throughout 2026.

Entering 2026, the regional and sector variations in HORECA volumes experienced in 2025 continued. Notwithstanding this, and recognising normal seasonality driving stronger trading over the summer months, the Board expects to deliver another year of growth across the Group and we remain on track towards achieving our targeted adjusted operating margin of at least 14.0% in 2026.

**Peter Egan**  
Chief Executive Officer

2 March 2026

# Financial Review

**"...the Group remains well funded, is highly cash generative and has significant headroom with respect to its leverage target of 1.0 to 1.5 times. Accordingly, the Board will continue to pursue investment opportunities, both organic and inorganic, and actively review its options on further share buybacks throughout 2026."**

## Financial Results

Total revenue for the year to 31 December 2025 increased 4.3% to £535.4 million (2024: £513.4 million).

Adjusted EBITDA was £166.8 million (2024: £152.6 million) giving an improved margin of 31.2% (2024: 29.7%) and, in-line with our expectations, improving from the 29.3% margin achieved in the first half of 2025.

Segmental revenue, adjusted operating profit and adjusted operating profit margin are as follows:

	2025			2024		
	Revenue £m	Adjusted Operating Profit £m	Margin %	Revenue £m	Adjusted Operating Profit £m	Margin %
HORECA	389.8	59.8	15.3	371.2	49.4	13.3
Workwear	145.6	21.0	14.4	142.2	20.3	14.3
Central Costs	-	(8.3)	-	-	(7.4)	-
<b>Group</b>	<b>535.4</b>	<b>72.5</b>	<b>13.5</b>	<b>513.4</b>	<b>62.3</b>	<b>12.1</b>

**Ryan Govender**  
Chief Financial Officer





Statutory operating profit was £58.8 million (2024: £54.7 million) whilst adjusted operating profit, which increased by 16.4%, was in line with market consensus at £72.5 million (2024: £62.3 million).

The total finance cost increased to £8.0 million (2024: £7.5 million) and included £5.6 million (2024: £5.2 million) of bank interest, £2.6 million (2024: £2.3 million) of interest in respect of IFRS 16 lease liabilities and a credit of £0.2 million (2024: £nil) in respect of notional interest on pension liabilities.

The exceptional charge of £6.0 million (2024: £0.4 million) represents £0.5 million in relation to business acquisition activity, £3.4 million of reorganisation costs, including £1.4 million relating to the closure of our Lancaster Workwear site, £1.7 million of costs in relation to the Company's ordinary shares being admitted to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange and £0.4 million of costs incurred relating to the fire at the Bristol Workwear site.

Adjusted profit before taxation was £64.5 million (2024: £54.8 million) whilst statutory profit before taxation, after amortisation of intangible assets (excluding software amortisation) of £7.7 million (2024: £7.2 million) and the exceptional charge outlined above, was £50.8 million (2024: £47.2 million).

Adjusted diluted earnings per share increased by 19.8% to 12.1 pence (2024: 10.1 pence).

## Financing

Bank debt at the end of the year was £112.4 million (December 2024: £68.6 million) reflecting capital investment across our estate of £35.9 million, the impact of a £54.7 million cash outflow during the year in respect of share buybacks and the payment of £17.4 million of dividends, offset by the improved trading performance. Including IFRS 16 liabilities, net debt at December 2025 was £159.2 million (December 2024: £115.6 million).

The Group remains well funded, with access to a committed revolving credit facility of £135.0 million which matures in August 2027. Whilst the existing facility provides sufficient liquidity for current commitments, we have commenced discussions with our existing lenders to refinance the facility, having regard to the future deployment of capital and our target leverage of 1.0 to 1.5 times, and to extend its tenure.

Bank covenants comprise leverage and interest cover tests. Leverage is calculated as adjusted EBITDA compared to total net debt, including IFRS 16 liabilities. The agreed covenant is for the ratio to be not more than three times and the ratio at 31 December 2025 was 0.95 times. Interest cover compares adjusted

operating profit to total interest cost, with a minimum covenant ratio of four times. Our current scenario planning provides significant headroom against the covenants.

Interest payable on bank borrowings is based upon SONIA or, in the case of Euro denominated borrowings, EURIBOR, plus a margin, linked to our leverage covenant, which ranges from 1.45% to 2.45%. The current margin is 1.45%.

## Return on Capital Employed ('ROCE')

ROCE, calculated as rolling 12-month adjusted operating profit divided by the average of opening and closing Shareholders' equity, net debt and post-employment benefits for the same 12-month period, increased to 17.1% (2024: 15.5%).

## Investment Appraisal

Prior to undertaking any major investment, be it a significant capital project or an acquisition opportunity, the Board, as part of its evaluation of the investment opportunity with reference to the factors set out in Section 172(1) of the Companies Act 2006, diligently assesses the associated strategic opportunities available to the Group together with the cost, return, risk and reward of each project before deciding whether or not to proceed. Relevant financial considerations include discounted cash payback, ROCE, projected profitability and impact on margin.

Following the acquisition of Empire Linen Services Limited ('Empire') in 2024, and with the benefit of a full year's trading throughout 2025, the Board considered the extent to which the original hurdle rates, as agreed at the time of approving the acquisition, have been met. It was determined that Empire continues to trade at least in line with the Board's original expectations and that it has remained a successful acquisition for the Group.

## Taxation

The tax rate on adjusted profit before taxation was 24.2% (2024: 23.2%). The rate is below the headline corporation tax rate in the UK of 25.0% due to the combined effect of expenses not deductible for taxation, prior year over provisions and the impact of the lower tax rate of 12.5% in the Republic of Ireland.

Corporation tax paid in the year amounted to £6.6 million (2024: £2.7 million) and it is anticipated that whilst tax payable in 2026 will be higher, it will remain lower than the 2026 tax charge due to the availability of capital allowances and brought forward tax losses.

# Financial Review

<< Continued >>



## Dividend

The Board declared an interim dividend of 1.6 pence (2024: 1.3 pence) per share in September 2025. The proposed final dividend of 3.2 pence (2024: 2.7 pence) per share brings the total dividend for 2025 to 4.8 pence (2024: 4.0 pence) per share, an increase of 20.0%.

The final dividend, if approved by Shareholders, will be paid on 15 May 2026 to those Shareholders on the register at close of business on 17 April 2026. The ex-dividend date is 16 April 2026. Dividend cover, based on adjusted EPS, was 2.5 times (2024: 2.5 times).

## Cash Flow

Free cash flow in the year (calculated as net cash generated from operating activities, less net spend on textile rental items, less the capital element of leases) was £69.1 million compared to £74.6 million in 2024. The reduction compared to 2024 reflects, in the main, an £8.4 million working capital outflow, increased tax payments and increased investment in textile rental items offset by the improved trading performance.

## Investment in Textile Rental Items

Spend on textile rental items amounted to £65.8 million (2024: £63.2 million). The increase reflects the growth of the Group, both organically and through acquisition. We have long term relationships with our garment and linen suppliers and we continue to work collaboratively to ensure continuity of supply of quality products at the best price.

## Capital Investment and Acquisitions

We have continued to invest in our estate in order to expand capacity, increase water, energy and operational efficiencies and improve employee welfare facilities, spending £35.8 million in the year on property, plant and equipment. The cost increases being experienced across UK businesses continue to encourage some of our smaller, independent competitors to review their

business strategy and, as a result, we added contracts with an annualised revenue of some £4.9 million to our HORECA division during 2025, at a cost of £3.6 million. We anticipate that further opportunities will continue to arise.

## Defined Benefit Pension Scheme ('Scheme')

On an IAS 19 basis, the Scheme surplus as at 31 December 2025 was £4.9 million (2024: £3.8 million). Scheme assets reduced by £2.4 million to £130.3 million, after paying out benefits of £10.0 million during the year, whilst Scheme liabilities reduced by £3.5 million to £125.4 million. The improved position reflects higher than expected asset returns, allowances for the results of a decrease in long-term inflation expectations and for the reduction in the Scheme's PIE factors over the year offset by actual short-term inflation being higher than previously assumed and lower mortality rates.

As a result of the surplus at 31 December 2025, the estimated net notional interest credit in 2026 will be £0.3 million (2025: £0.2 million).

The Scheme continues to have a significant portion of assets invested to hedge against movements in liabilities, thereby reducing overall volatility, with the hedged target having increased to 85% in July 2025. The Scheme's asset allocation remains under constant review to ensure it aligns with the medium-term objective of a buy-out of Scheme liabilities.

The triennial actuarial valuation of the Scheme, as at 30 September 2025, is currently underway and should be completed later this year. In view of the Scheme surplus shown at the previous valuation date, we have agreed with the Trustee to cease deficit recovery contributions to the Scheme at least until the results of this valuation are finalised.

## Capital Structure

The Group's medium to long-term intention is to maintain a capital structure such that we target leverage of 1.0x – 1.5x, other than for short-term specific exceptions. Under this framework, our capital allocation policy remains unchanged and will continue to take into account the following criteria as part of an ongoing review of capital structure:



- maintaining a strong balance sheet;
- continuing capital investment to increase processing capacity and efficiency;
- appropriate accretive acquisitions;
- operating a progressive dividend policy; and
- distributing any surplus cash to Shareholders.

In August 2025, the Group completed a share buyback programme totalling £30.0 million, originally announced in March 2025 and extended in June 2025. The Group then announced a further £25.0 million share buyback programme in September 2025, which subsequently completed in January 2026. This brings the total amount returned to Shareholders through buybacks since 2022 to £90.3 million. In that same period we have established a presence in the Republic of Ireland, through the £27.1 million acquisition of Harkglade Limited, established our Johnsons Luxury Linen business, through the £5.8 million acquisition of Regency Laundry Limited and the £20.6 million acquisition of Empire Linen Services Limited, invested in the opening of a new site in Crawley and undertaken significant capital investment across many of our other sites.

Even after taking into consideration these investments and the return of funds to Shareholders, including the payment of dividends, the Group remains well funded, is highly cash generative and has significant headroom with respect to its leverage target of 1.0 to 1.5 times. Accordingly, the Board will continue to pursue investment opportunities, both organic and inorganic, and actively review its options on further share buybacks throughout 2026.

## Going Concern

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Directors concluded that there was a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2027. Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered that it was appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

## Key Performance Indicators ('KPIs')

The main KPIs used as part of the assessment of performance of the Group, and of each segment, are growth in revenue, adjusted EBITDA, adjusted operating profit and adjusted operating profit margin. Adjusted diluted earnings per share and ROCE are also used as part of the assessment of performance of the Group. Non-financial KPIs, as referred to within the Chief Executive's Operating Review, include our employee and customer survey results and customer retention statistics.

## Summary

The focus of the Group continues to be to expand our Textile Services business through targeted capital investment, to allow organic volume growth, and through acquisition.

**Ryan Govender**  
Chief Financial Officer

2 March 2026

# Sustainability Statement

**"At Johnsons, sustainability is more than a regulatory requirement. It's a leadership responsibility that shapes how we operate and create value for our customers."**

**Peter Egan**  
Chief Executive Officer



## Introduction

The sustainability reporting landscape in the UK and Republic of Ireland is evolving rapidly, bringing increased responsibilities and opportunities for the Group. The UK's Sustainability Disclosure Requirements (SDR), incorporating the International Sustainability Standards Board (ISSB) climate and sustainability standards, are expected to shape future corporate reporting for the Group, with a growing focus on consistent, useful and comparable disclosures aligned to a global baseline.

Alongside this, the UK Transition Plan Taskforce (TPT) has established a framework for credible climate transition planning. For the Group, this means demonstrating how strategy, operations and governance support the transition to a lower-carbon and more climate-resilient business model.

Looking ahead, the Group will continue to strengthen governance, build internal capability and improve data foundations to meet the evolving expectations of regulators, investors and customers, while positioning the business to respond to emerging risks and opportunities.

## Scope of Sustainability Statement

For the financial year ended 31 December 2025, the Corporate Sustainability Reporting Directive (CSRD) did not apply to the Group. For the financial year ended 31 December 2025, the Group's operations in Ireland did not meet the relevant applicability thresholds and based on the proposed changes set out in the European Union's Omnibus Package, it remains unlikely that these thresholds will be reached without a significant expansion of the Group's European operations and revenues. The Group will continue to monitor developments in EU sustainability legislation.

Notwithstanding the above, the Group has chosen to voluntarily align certain disclosures with relevant aspects of the CSRD where these are considered to represent emerging best practice and to support enhanced transparency for stakeholders.

The Sustainability Statement has been prepared primarily in accordance with the Global Reporting Initiative (GRI) Standards, which remain the Group's principal sustainability reporting framework. In addition, the structure and governance of the Sustainability Statement have been informed by the forthcoming UK Sustainability Reporting Standards (UK SRS), in anticipation of future mandatory requirements expected under the UK Sustainability Disclosure Requirements. Relevant aspects of the European Sustainability Reporting Standards (ESRS) have also been taken into account on a voluntary basis where they represent emerging best practice. For more information on sustainability reporting framework alignment, please view page 43.

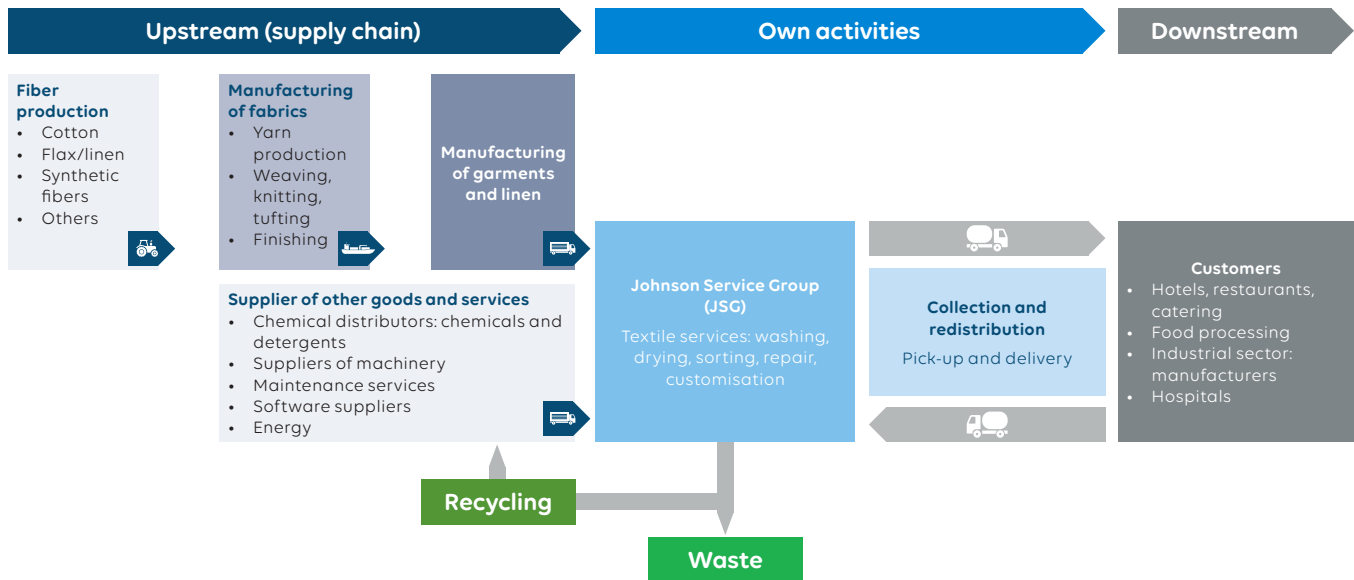
## Double Materiality Assessment

During 2025, we conducted a Double Materiality Assessment (DMA) to identify and prioritise the environmental, social and governance topics that are most relevant to our activities, value chain and stakeholders. The assessment was undertaken in line with the ESRS and applied their double materiality logic, under which a topic is considered material where, in the opinion of the Group, it represents a significant impact on people or the environment and/or a significant sustainability-related risk or opportunity that could affect the Group's financial position, performance or cash flows.



## Scope

The scope of the DMA covered JSG's own operations in the UK and Ireland, as well as key elements of its upstream and downstream value chain. This included the sourcing of fibres and chemicals, and the use and end-of-life phases of the Group's textile products.



## Methodology

The DMA was carried out in close collaboration with a specialist independent external partner and combined both top-down and bottom-up perspectives to ensure that the outcomes were strategically relevant and evidence-based.

The top-down approach drew on our business model, sector context and internal expertise to identify an initial set of impacts, risks and opportunities (IROs). Topics considered evidently material or non-material were discussed during a kick-off workshop with the management team and through initial consultations with individual managers.

The bottom-up approach involved additional internal and external consultations to support a qualitative assessment of all identified IROs. Where materiality could not be confidently assessed through stakeholder input alone, further desk research and targeted scoring were applied. In line with ESRS and European Financial Reporting Advisory Group (EFRAG) guidance, sustainability impacts were assessed based on severity or magnitude and, where relevant, likelihood, while financial risks and opportunities were assessed based on magnitude and likelihood.

Stakeholder consultations involved representatives from major business lines, HR and procurement teams, as well as key business partners. These discussions considered IROs linked to one or more sustainability topics using the same severity and likelihood logic.

## Results

The assessment identified a total of 103 relevant IROs across the Group's operations and value chain. Of these, 62 were assessed as material, comprising 31 negative impacts, four positive impacts, 17 financial risks and 10 financial opportunities. The remaining 41 IROs were assessed as non-material.

The material IROs were grouped across eight sustainability topics and 21 sub-topics. Of the topics included in the ESRS topical standards, only biodiversity and consumers and end-users were not linked to any material IROs based on the assessment results.

The DMA identified material IROs across environmental topics including climate change, pollution, water and marine resources, and resource use and circular economy; social topics relating to the Group's own workforce, workers in the value chain and affected communities; and governance topics relating to business conduct, supplier management and whistleblowing and grievance mechanisms.

For further detail on the DMA, including the full list of the material and non-material IROs identified through the DMA, please view the full disclosure document at [www.jsg/about-us/sustainability/](http://www.jsg/about-us/sustainability/).

## Use of the DMA results and forward looking priorities

The outcomes of the DMA provide an important evidence base and understanding of our operations, risk profile and long-term strategic priorities. The assessment has helped to clarify which sustainability topics are most significant and where current approaches and disclosures are well developed, as well as areas where further enhancement will be required to support evolving regulatory and stakeholder expectations.

The results will also inform the continued refinement of our sustainability strategy, governance and reporting. Looking ahead, we expect to refocus on enhancing our approach to climate transition planning, social value, workforce-related metrics and water stewardship. This will include developing more structured frameworks, improving data quality and governance, and ensuring that sustainability considerations are increasingly embedded within strategic decision-making and operational planning.

# Sustainability Statement

Continued >

## General Information

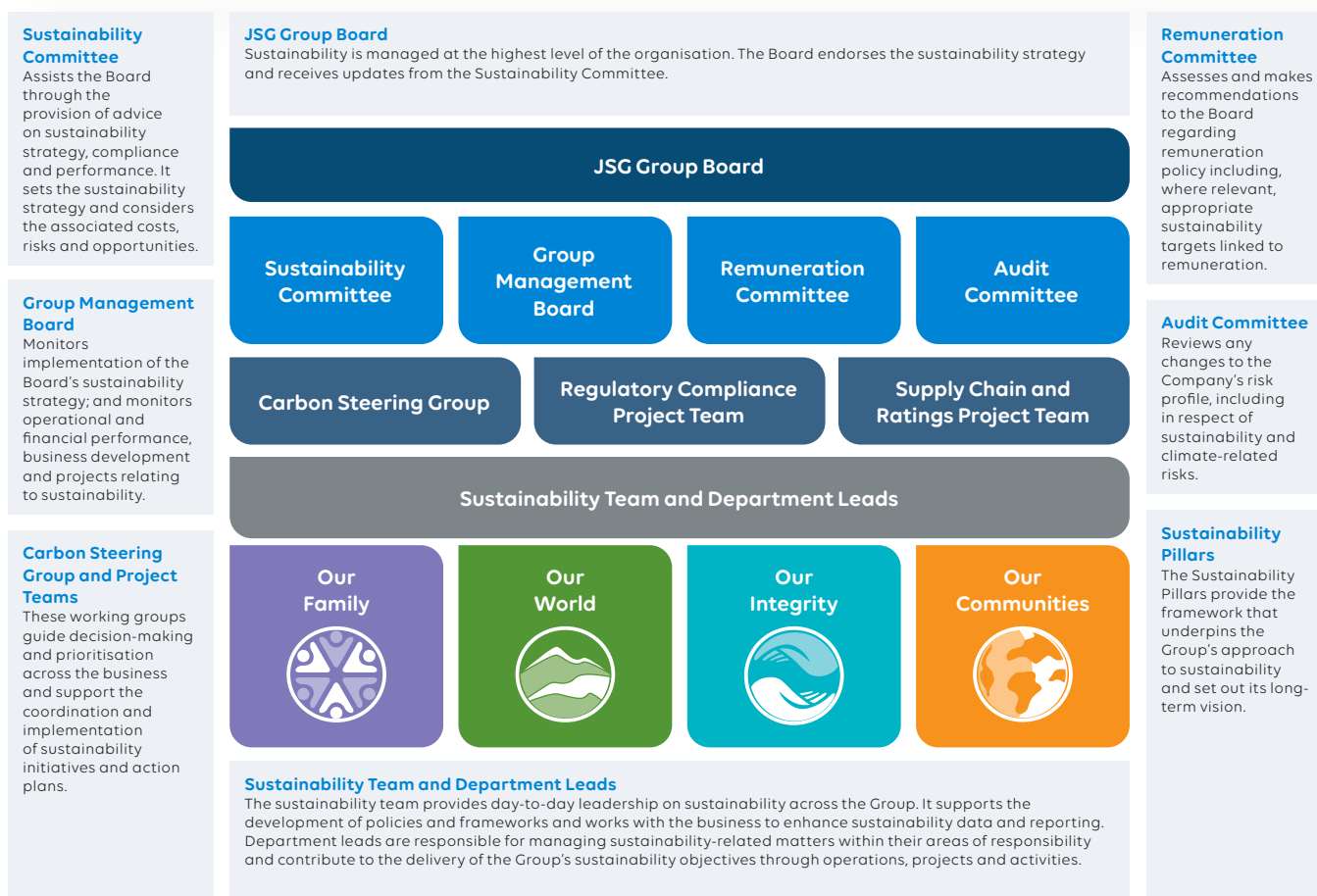
### Governance

Our approach to sustainability is underpinned by a robust governance framework, which ensures effective oversight of our strategy and its implementation, supported by policies and processes embedded throughout the Group.

In 2025, we introduced an enhanced governance structure for sustainability through the formation of a Carbon Steering Group and two project teams, further details of which are set out below.

As our approach has matured, a more structured governance framework and clearer focus on key sustainability topics has been required to support effective oversight and accountability. The Group's sustainability focus for the coming year centres on climate change and decarbonisation, preparing for emerging sustainability-related regulation, and strengthening sustainability resilience and supply chain engagement.

## Roles and responsibilities



### Policies and Additional Resources

Our sustainability governance framework is supported by relevant sustainability policies and guidance. Further information is available at [jsg.com/about-us/sustainability/](https://www.jsg.com/about-us/sustainability/).





### UN Sustainable Development Goals ('SDG') Framework

Our Sustainability Pillars align most closely with five SDGs, reflecting areas where we have the greatest impact through our operations, value chain and stakeholders.



## The Johnsons Way Sustainability Strategy

We have clear, measurable sustainability objectives aligned to our core business strategy, recognising that our long term business success and sustainability are interdependent. We track these goals with performance indicators and regularly assess our progress. The Johnsons Way provides a long term strategic approach to managing the Group's social and environmental impacts and responsibilities.

Our Family	Our World	Our Integrity	Our Communities
<p>By taking care of our Johnsons family and ensuring everyone feels that they belong, we will deliver a first-class employee experience every day.</p> 	<p>By reducing our natural resource consumption and completing the transition to a fully circular approach for our operations, we will protect and enhance our environment.</p> 	<p>By continuing to demonstrate our integrity and commitment to responsible business practices, we will position the organisation for future stability and growth.</p> 	<p>By further understanding the communities impacted by what we do, we can form better collaborative partnerships to support them as they grow and develop.</p> 
Vision 2030 Goals and Progress			
<p>An Effective ED&amp;I programme. Developing the Johnsons Futures programme to provide life-long learning and career paths.</p>	<p>Reduce Scope 1 and 2 CO<sub>2</sub>e emissions intensity by 40%. Reduce water consumption intensity by 25%. Reduce waste to landfill by 75%. Eliminate single use plastics.</p>	<p>Fully sustainable core products as the preferred offerings. Ethical Business Conduct (internal and external).</p>	<p>Increase our social value spend as a % of revenue.</p>
<p>Since 2022, mandatory ED&amp;I training has been rolled out across the Group alongside business-level ED&amp;I action plans. Employees have completed sustainability-related training, supporting the integration of sustainability into job roles. Work to develop the Johnsons Futures programme remains ongoing.</p>	<p>Since 2022, the Group has made measurable progress in reducing its environmental impact. Scope 1 and 2 CO<sub>2</sub>e emissions intensity reduced by 14%, while water consumption intensity has decreased by 20%. Since 2023, total single-use plastics purchased has reduced by 23% and 94% of waste has been diverted from landfill.</p>	<p>Internal employee and supplier Code of Conducts have been implemented. During 2025, the Group implemented supplier sustainability management through the EcoVadis platform. We also increased the availability of sustainable products, including recycled content and responsibly sourced cotton.</p>	<p>Since 2022, the Group has increased its social value contribution as a percentage of revenue by 8%, reflecting continued support for local communities through a combination of volunteering, in-kind support and financial contributions.</p>



# Sustainability Statement

Continued >

## Environmental Information



### Our World

#### 2025 HIGHLIGHTS

14%

reduction in carbon intensity compared to 2022

20%

reduction in water intensity compared to 2022

23%

reduction in single-use plastics purchased compared to 2022

94%

of waste diverted from landfill in 2025

89%

of end-of-life textiles recycled in 2025

B

in CDP Climate Disclosure

B

in CDP Water Disclosure

The environmental impacts of our activities predominantly arise from waste disposal, water and energy consumption and carbon emissions. We are placing greater emphasis on our environmental responsibilities and are committed to minimising resource use and emissions where feasible.

#### Changes to baseline

During the year, we undertook a comprehensive re-baselining of our carbon emissions and water data to ensure that our environmental reporting accurately reflects the current Group structure and aligns with recognised best practice. The baseline year remains 2022; however, the baseline data for that year was recalculated to reflect a number of acquisitions and the expansion of the Group's operating footprint in 2023 and 2024, including Johnsons Ireland and Johnsons Luxury Linen within the organisational boundary.

In accordance with the Greenhouse Gas (GHG) Protocol, which recommends re-baselining where there are material changes to organisational boundaries or emissions profiles, we recalibrated the 2022 baseline to maintain the credibility and comparability of our disclosures. The revised baseline now provides a more complete and accurate view of the Group's environmental impact across Scope 1, Scope 2 and Scope 3 emissions and incorporates additional emissions sources, including fugitive emissions, that were not previously captured.

Although water consumption data had previously been reported using the same baseline year, the 2022 water baseline was also recalculated to reflect the updated Group composition and to ensure consistency across all environmental metrics.

#### Climate Change

##### Energy consumption and carbon emissions

In 2025, we strengthened our approach to climate change and decarbonisation through the introduction of an enhanced sustainability governance framework. The Sustainability Committee established a new Carbon Steering Group to provide oversight of decarbonisation activities and to advise on strategic direction, progress and performance. Business and department leads support delivery through dedicated sub-topic project teams.

In addition to the comprehensive re-baselining work described above, we began exploring alternative emissions reduction targets, including Scope 3, and progressing the development of a climate transition plan, in alignment with the Science-Based Targets initiative (SBTi) and the goals of the Paris Agreement to limit global warming to 1.5°C. In parallel, we are transitioning to a centralised digital environmental reporting system to support consistent data collection across carbon, energy, water, plastic and waste. The system was implemented in December 2025 and is being rolled out on a phased basis across the business, including user training and process integration, during early 2026.

## GHG Emissions and Streamlined Energy and Carbon Reporting (SECR)

As mandated by UK legislation, the series of tables below present the Group's energy consumption and greenhouse gas emissions for 2022 (original and re-baselined), 2024 and 2025, prepared in accordance with UK SECR requirements and the GHG Protocol.

JSG has voluntarily included data relating to the Group's operations within the Republic of Ireland. While we are only required to disclose data for our UK-based operations, the table includes both our UK and Ireland operations for the 2025 reporting year.

Energy Consumption (kWh)					
Energy Source	2022		2024	2025	2025 Variance vs 2022 (Re-baselined)
	(Original baseline)	(Re-baselined)			
Natural Gas	356,837,711	409,940,528	399,993,359	413,367,918	1%
Gas/Fuel/Burning Oils	181,984	735,699	1,118,618	1,303,164	77%
Electricity	43,227,996	49,213,441	50,530,422	52,288,034	6%
Commercial Fleet	84,276,308	86,000,271	91,267,230	92,403,009	7%
Company Cars	2,610,185	2,653,118	1,960,276	1,912,276	(28%)
Grey Fleet	585,243	807,741	934,120	916,438	13%
<b>Total Energy Consumption (kWh)</b>	<b>487,719,427</b>	<b>549,350,798</b>	<b>545,804,025</b>	<b>562,190,840</b>	<b>2%</b>

Carbon Emissions (tCO <sub>2</sub> e)						
Scope	Emission Source	2022		2024	2025	2025 Variance vs 2022 (Re-baselined)
		(Original baseline)	(Re-baselined)			
Scope 1	Company Facilities	76,290	75,171	73,443	75,923	1%
	Company Vehicles	25,904	21,241	20,674	19,584	(8%)
Scope 2 (Location-Based)	Electricity (Buildings and EV Charging)	9,124	9,529	10,508	10,876	14%
Scope 3 (Upstream)	1 Purchased goods and services	-	82,110	25,090	87,013	6%
	2 Capital Goods	-	285	10,832	1,491	423%
	3 Fuel and Energy Related Activities	-	21,090	17,562	18,025	(15%)
	4 Upstream Transportation and Distribution	-	2,543	925	4,650	83%
	5 Waste Generated in Operations	-	3,978	678	597	(85%)
	6 Business Travel	162	396	236	451	14%
Scope 3 (Downstream)	15 Investments	-	17	-	115	576%
<b>Total Carbon Emissions (tCO<sub>2</sub>e)<sup>1</sup></b>		<b>111,480</b>	<b>216,361</b>	<b>159,948</b>	<b>218,725</b>	<b>1%</b>
<b>Total Carbon Emissions (tCO<sub>2</sub>e) (SECR)</b>		<b>111,480</b>	<b>106,337</b>	<b>104,861</b>	<b>106,834</b>	<b>&lt;1%</b>

Total Carbon Emissions by Scope (tCO <sub>2</sub> e)					
Scope	2022		2024	2025	2025 Variance vs 2022 (Re-baselined)
	(Original baseline)	(Re-baselined)			
Scope 1	102,194	96,412	94,117	95,506	(1%)
Scope 2 Location-Based	9,124	9,529	10,508	10,876	14%
Scope 2 Market-Based	-	-	18,993	21,873	-
Scope 3	162	110,419	55,323	112,342	2%

Intensity Metrics					
Metric	2022		2024	2025	2025 Variance vs 2022 (Re-baselined)
	(Original baseline)	(Re-baselined)			
Revenue (£m)	368.0	368.0	496.0	533.3	45%
tCO <sub>2</sub> e per £m	302.9	287.9	211.4	199.5	(31%)
Tonnes Processed	277,122	312,641	346,613	366,452	17%
tCO <sub>2</sub> e per tonnes processed	0.402	0.339	0.302	0.290	(14%)

**2030 Target (tCO<sub>2</sub>e per tonnes processed): 0.203**

Note 1: Tables above may not cast due to rounding.

# Sustainability Statement

Continued >

## Methodology

1. The 2030 target is a 40% reduction in Scope 1 and Scope 2 emissions intensity against the 2022 baseline.
2. The Group has adopted an operational control approach to define its emissions boundary and scope.
3. The carbon reporting year covers the period from 1 October to 30 September.
4. Weights processed and revenue data used to calculate intensity metrics have been adjusted to reflect this reporting period and may therefore differ from figures presented elsewhere in the Annual Report.
5. The data has been prepared in accordance with the UK Government's Environmental Reporting Guidelines (2019).
6. Greenhouse gas emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, using the UK Government GHG Conversion Factors for Company Reporting (2024).
7. Scope 3 emissions are calculated using a spend-based approach, with emissions calculated using UK 2022 SIC Code Emission Factors. For spend based emission factors, the spend year is 2025 and the emission factor year is 2022, therefore inflation adjustments to spend data have been applied. The most recent available World Bank Inflation Database (Annual HCPI - April 2025) is used in absence of full set of data for 2025.
8. From 2024 onwards, the Group has formalised its market-based Scope 2 disclosure in line with GHG Protocol guidance. Market-based emissions are calculated by applying supplier-specific or residual-type emission factors to electricity consumption, with renewable electricity backed by contractual arrangements reported at zero emissions where applicable.

## Performance Overview

The inclusion of both a 2022 original baseline and a 2022 re-baselined position reflects our commitment to transparent and consistent reporting. The original baseline was established prior to changes in the Group's operating footprint and no longer provided a fully representative basis for comparison. In line with the GHG Protocol, we therefore recalibrated our baseline to better reflect the Group's organisational boundary.

Presenting both baselines enables us to distinguish the impact of structural change from underlying performance trends. The re-baselined 2022 figures provide a consistent reference point for assessing progress in subsequent years.

Our 2030 target is to achieve a 40% reduction in Scope 1 and Scope 2 emissions intensity (tCO<sub>2</sub>e per tonne processed) against our 2022 re-baselined position. Based on the 2025 reporting year, emissions intensity has reduced from 0.339 tCO<sub>2</sub>e per tonne processed in 2022 (re-baselined) to 0.290 tCO<sub>2</sub>e per tonne in 2025, representing a reduction of 14%.

During the year, the Group implemented a number of operational initiatives that delivered improvements in energy efficiency and reduced fuel consumption as part of broader asset management. A key area of focus was the upgrade of plant and equipment. This included the replacement of end-of-life boilers, dryers and other energy-intensive assets as part of routine capital investment and maintenance programmes. These initiatives contributed to a 5% reduction in commercial fleet emissions and a 4% reduction in carbon emissions intensity, measured against weights processed.

Several sites also implemented process efficiency improvements, including optimisation of heat recovery systems, installation of new heat exchangers and adjustments to wash and finishing

processes to reduce energy losses. In addition, working in partnership with specialist suppliers, a number of operations introduced updated wash chemistry and process controls during the year. These changes enabled lower wash temperatures and shorter cycle times while maintaining required hygiene and quality standards.

## Energy Saving and Opportunities Scheme (ESOS)

In 2024, the Group completed its required submission to the UK Government portal in compliance with ESOS. The audits and analysis undertaken as part of the ESOS process identified a range of energy efficiency opportunities across the Group's operations.

In line with ESOS requirements, the Group published an action plan setting out its approach to managing the identified opportunities on the UK Government portal in March 2025. Progress against the action plan was updated as required in December 2025. The Group will continue to use the outputs of the ESOS process to support improvements in energy performance.

## Circular Economy and Resource Use

The Group recognises the importance of circular economy principles and responsible resource use in reducing environmental impacts and supporting long term business resilience. While this is an area of emerging focus, elements of circularity are inherent within aspects of our operating model, particularly through the ongoing use, maintenance and management of textile products across their lifecycle.

The repeated use, laundering, repair and, where appropriate, reuse of products helps to extend product life and maximise the value derived from materials in use. As the Group's sustainability approach continues to mature, greater emphasis will be placed on developing a clearer understanding of resource use and circularity across operations and the value chain. The outcomes of the Group's DMA have reinforced this as an area for further development. For more information on our Sustainable Product Content and textile resource inflows, please view page 41.

## Waste and Circularity

The Group generates waste including plastics, packaging, general waste, end-of-life textiles and other industrial materials. Robust processes are in place to ensure waste is managed in compliance with relevant regulations and in line with the waste hierarchy, prioritising prevention, reuse, recycling and recovery, with landfill used only as a last resort.

Waste management represents a more mature area of environmental performance for the Group, supported by established data collection and assurance processes. Building on this foundation, the Group has increased its focus on understanding the end of life outcomes of textile products as part of its emerging circular economy approach. Tracking end of life textiles by destination provides improved visibility over material outflows and establishes a baseline to support future circular economy initiatives.

## End-of-life textiles by destination

End-of-life destination	2024	2025	Variance vs Baseline
Reused (%)	5	6	20%
Recycled (%)	94	89	(5%)
Energy Recovery (%)	1	4	300%
Landfill (%)	-	-	-

Table above may not cast due to roundings.

## Managing our waste

Waste Disposal	2024	2025	Variance vs Baseline
Waste to landfill (%)	7	6	(14%)
Waste diverted from landfill (%)	93	94	1%
Total Waste (kg)	5,641,229	5,256,766	(7%)
Total Non-Hazardous Waste (kg)	5,446,545	5,165,886	(5%)
Total Hazardous Waste (kg)	194,684	90,880	(53%)
<b>2030 Target: Reduce waste to landfill by 75% by 2030</b>			

### Methodology

- The waste reporting year covers the period from 1 January to 31 December.
- The waste reporting baseline year is 2024.
- End-of-life textiles represent a subset of the Group's overall waste streams.

## Plastic

In 2025, aligned with its longer-term ambition to eliminate unnecessary single-use plastics by 2030, the Group set a target to reduce single-use plastics purchased by 10%.

Single-use Plastics Purchased	2023	2024	2025	% Variance vs Baseline
Total Single-use Plastic Purchased (kg)	1,137,636	1,085,731	876,562	(23%)
Tonnes Processed	316,790	348,980	367,441	16%
Intensity Metric (kg plastic purchased per tonnes processed)	3.011	3.111	2.386	(21%)
<b>2030 Target: Eliminate single-use plastics by 2030</b>				

### Methodology

- The single-use plastics purchased reporting year covers the period from 1 January to 31 December.
- The single-use plastic purchased baseline year is 2023.
- Single-use plastics are defined as: shrink film, shrink wrap, plastic bags, plastic cage tags and pallet plastic wrap. Cages, cage covers and any other hard reusable plastic are excluded.

During the reporting period, the Group achieved a 19% reduction in single-use plastics purchased compared to 2024 performance and has now delivered a cumulative 23% reduction against the 2023 baseline year. This represents measurable progress towards our 2030 ambition to eliminate unnecessary single-use plastics.

This progress was driven by a series of operational changes delivered during 2025 as part of wider investment programmes. Initiatives included the removal of plastic shrink wrap in favour of paper banding at selected HORECA sites, Workwear achieved a plastic-free despatch model for the majority of outbound garments, consolidating items into reusable hamper bags rather than individually bagged polythene, and the replacement of plastic garment labels with FSC-certified paper alternatives within the Luxury Linen business. In Ireland, investment enabled the removal of plastic wrapping from towelling products, supporting plastic-free deliveries for some customers. These actions reflect the Group's focus on eliminating unnecessary single-use plastics while maintaining product quality.

## Water

Water is a critical resource for the Group's operations and an essential component in delivering services to customers. The Group sources water from a range of sources, including the mains water network and private or leased boreholes, and discharges effluent within permitted limits through approved methods. Systems are in place across operations to monitor water abstraction, use and discharge and to ensure compliance with applicable legal requirements.

The outcomes of the Group's double materiality assessment have reinforced water stewardship as a priority area for further development. Looking ahead, the Group intends to strengthen its approach to water stewardship through the development of a more structured framework. This will include improving the consistency and quality of water data, enhancing governance and oversight, and building a clearer understanding of water related risks and dependencies across the business to support more informed decision making and future reporting.

Water Use	2022 (Original baseline)	2022 (Re-baselined)	2024	2025	2025 Variance vs 2022 (Re-baselined)
Abstracted (m <sup>3</sup> )	2,219,845	2,481,294	2,337,597	2,411,655	(3%)
Tonnes Processed	289,072	304,325	348,980	367,441	21%
Revenue (£m)	385.7	385.7	508.0	535.4	39%
Intensity Metric (m <sup>3</sup> per £m revenue)	5,755	6,433	4,603	4,504	(30%)
Intensity Metric (m <sup>3</sup> per tonnes processed)	7.679	8.153	6.698	6.563	(20%)
<b>2030 Target (m<sup>3</sup> per tonnes processed): 6.115</b>					

### Methodology

- The water reporting year covers the period from 1 January to 31 December.
- The 2022 baseline and 2030 water intensity target were set using water abstraction data, this metric is therefore used to track performance over time.

Our 2030 target is to achieve a 25% reduction in water consumption intensity (m<sup>3</sup> per tonne processed) against our 2022 re-baselined position. Based on the 2025 reporting year, water intensity has reduced from 8.153 m<sup>3</sup> per tonne processed in 2022 (re-baselined) to 6.563 in 2025, representing a reduction of 20%.

During the year, the Group implemented a number of initiatives that improved water efficiency as part of wider process optimisation and operational improvement activities, particularly within HORECA operations. These initiatives included the introduction of water-efficient laundry chemistry and process adjustments, which enabled reduced rinse volumes and improved wash efficiency. As a result, water use per cycle was reduced while maintaining required hygiene standards.

In addition, a range of site-level water saving projects were delivered during the year. These included upgrades to continuous batch washing systems, refurbishment of reverse osmosis and water softening systems and improvements to water monitoring and metering. We also updated process optimisation to reduce unnecessary water consumption, and targeted maintenance interventions to address leaks and inefficiencies. Together, these actions have contributed to improved visibility of water use and strengthened the Group's ability to manage water consumption more effectively across operations.

# Sustainability Statement

Continued >

## Social Information



### Our Family

#### 2025 HIGHLIGHTS

# 42,000

training courses completed

# 54%

of employees have over five years of tenure

# 40%

of employees are female

# 80

recognised nationalities

# 87%

of employees completed health and safety training

We recognise that our people are key to the Group's success, and we value every employee's contribution. Our goal is to be the employer of choice in our industry by delivering a first class employee experience daily. The Johnsons Family ensures that everyone feels included, valued, and has a sense of belonging. We are committed to providing equality of opportunity and reward, supporting health and wellbeing, and fostering a positive culture of open and honest communication.

#### Own Workforce

##### Gender Equity, Diversity and Inclusion

We began monitoring our diversity in 2022. All new starters complete a diversity survey as part of the onboarding process. This helps us gain a better understanding of the unique backgrounds within our workforce, allowing us to tailor our support, engagement and development efforts to address the specific needs of ethnic groups that may require additional assistance.

Further information and datasets relating to diversity are also included in the Corporate Governance section of the Annual Report, on pages 78 to 79. These pages set out the Group's mandatory Board diversity disclosures in accordance with the UK Listing Rules. The Sustainability Statement focuses on the Group's broader policies regarding and approach to equality, diversity and inclusion across the entire workforce.

Gender Equality	2023	2024	2025
Gender Diversity of Board (Female %)	43	50	33
Gender Diversity (Female %)	41	39	40
Gender Diversity of Supervisors (Female %)	40	41	42
Senior Management Positions (Female %)	27	21	25
Employees aged 50 and over (%)	23	21	24
Employees aged 34 and under (%)	26	31	28
UK Gender Pay Gap (%)	9.9	7.6	7.8

Ethnic Groups	2023	2024	2025
White (%)	47	42	47
Black, Black British, Caribbean or African (%)	5	7	7
Asian or Asian British (%)	11	13	16
Mixed or multiple ethnic groups (%)	2	3	1
Other ethnic groups (%)	4	1	3
Prefer Not to Answer (%)	31	34	26

#### Methodology

1. Data excludes Luxury Linen due to the timing of the survey delivery and acquisitions.
2. Johnsons Ireland is included in the 2025 dataset for the first time, covering gender diversity, ethnicity and age metrics.
3. 'Prefer Not to Answer' refers to respondents who either selected that option or left the field blank. The Gender Equality table excludes 'Prefer Not to Answer' and 'Other' categories.

4. Senior management is defined as Directors, General Managers and other senior managers.
5. UK Gender Pay Gap is the difference in the hourly rate of pay (mean).

Currently, 27% of our workforce represents ethnic minority groups, and 47% identify as White. In terms of senior management, 75% are White, which does not reflect the diversity of our overall workforce. To address this, we are reviewing succession planning processes and talent pipelines, including recruitment approaches, to support more inclusive outcomes over time.

Our workforce also reflects a high level of international diversity. Our diversity survey responses represent over 80 recognised nationalities. The largest nationality group is British (45%), with significant representation from employees of Irish, Polish, Indian, Nepalese, Portuguese, Pakistani, Romanian, Lithuanian, Ghanaian, Bulgarian, Nigerian and Ukrainian nationalities.

As part of our efforts to promote ED&I throughout the business and build a culture that is inclusive to all, our businesses launched ED&I action plans. We also delivered a mandatory ED&I training course in 2024, which 93% of our employees have completed. Training continued in 2025, to include new starters and employees who had not completed the training in 2024.

The Group has a policy of ensuring that individuals with disabilities, whether registered or not, are considered for employment, training, career development, and promotion based on their aptitudes and abilities. We have procedures in place to ensure this commitment is upheld across our businesses. If an employee becomes disabled during their employment with us, we make every effort to retrain them according to their abilities.

We report our UK Gender Pay Gap on an annual basis and our current and historical reports can be found on our website at [www.jsj.com/gender-pay-gap](http://www.jsj.com/gender-pay-gap). Please also see pages 113 to 114 of this report for more information.

## Health, Safety and Wellbeing

The health, safety and wellbeing of employees, visitors and others affected by the Group's operations is a priority. Health and safety is a standing agenda item at Group and subsidiary Board meetings, with a regular summary report presented to the Group Board, including statistics on accidents, incidents and near misses.

The Group has established policies, procedures and standards that are regularly reviewed to ensure compliance with legal requirements and industry best practice. Annual health and safety audits and risk assessments are conducted across operations, with findings monitored and addressed to maintain a high standard of safety performance.

## Accident Investigation and Reporting

Metric	2023	2024	2025
RIDDOR frequency rate (per 100,000 hours worked)	0.3	0.3	0.2
Accident frequency rate (per 100,000 hours worked)	5.4	4.9	4.8
Near misses reported	2,534	2,402	2,887
Number of fatalities	-	-	-

The Group maintains a structured approach to accident investigation and reporting, supported by its internal digital Health and Safety Management System, T100. Accident, incident and near-miss data is captured centrally and reviewed to identify trends, causes and opportunities for improvement.

During 2025, the Group strengthened its safety reporting framework through the introduction of a revised near-miss reporting process, rebranded as Safety Spots, and fully integrated into the T100 system. This has improved data quality and employee engagement in identifying hazards.

Targeted accident investigation training workshops were delivered across the majority of operational sites during the year, supporting more consistent investigation practices and improved learning from incidents. Training will continue into 2026 for a small number of sites where delivery was deferred due to operational constraints.

Analysis of incident data indicates that most reported injuries continue to be categorised as insignificant or minor. Cage handling remains the most common cause of accidents, alongside manual handling and struck-by incidents, and continues to be a focus area for targeted intervention and training. Governance was further strengthened through updates to Group procedures and the establishment of a Group Safety Steering Committee to support continued improvement from 2026.

## Learning and Development

Learning and development supports the Group's commitment to safety, ethical conduct and an inclusive workplace. During the reporting period, the Group continued to deliver mandatory and role specific training programmes covering areas such as health and safety, sustainability, equality, diversity and inclusion and Code of Conduct. Alongside mandatory training, learning and development activities are designed to support employees in building skills and supporting career progression.

Health and safety training remains a core focus, with mandatory and specialist programmes in place to support employees, managers and technical personnel in understanding their responsibilities and maintaining safe working practices.

## Training Performance Summary

Training Area	2023	2024	2025
Training Courses Completed	34,509	46,257	42,172
Average Training hours per employee	11.0	14.1	12.7
Sustainability training courses completed	-	16,745	3,696
Health & Safety training courses completed	27,973	21,172	26,449
% of employees completing Health & Safety training	81	78	87

### Methodology

1. Sustainability and Health & Safety Training represent a subset of the Group's overall total training.

## Employee Engagement

The Group undertakes a formal employee engagement survey on a biennial basis, delivered by an independent specialist to ensure anonymity and confidentiality. The most recent survey was conducted in December 2024 and included employees across a wider range of locations, providing a robust insight into engagement levels and employee experience across the Group.

The 2024 survey results indicated continued strong engagement, with an overall engagement score of 86%, an enablement score of 87% and an empowerment score of 91%. Areas of strength included role clarity, teamwork and manager support, while opportunities for improvement were identified in areas such as communication, recognition and career development.

Following the survey, results have been reviewed at both Group and local levels, with feedback shared through workshops and discussions in a number of locations. During non-survey years, the Group's focus is on embedding actions arising from employee feedback and maintaining ongoing dialogue with employees. Further updates on actions taken in response to engagement insights will be provided as these activities continue to develop.

# Sustainability Statement

Continued >

## Social Information



### Our Communities

#### 2025 HIGHLIGHTS

320

employee volunteers

£119,000

generated in social value

256

charities and organisations supported

1,965

employee volunteering hours delivered

£48,000

in-kind product and service donations

Supporting our communities is integral to 'The Johnsons Way', with a strong tradition of charitable activities like education, volunteering, fundraising and sponsorship. The Group recognises the need for meaningful action and we maintained this ethos in 2025.

#### Affected Communities and Social Value

##### Social Value Performance

Social Value Area	2022	2024	2025	2025 Variance vs Baseline (%)
Volunteering Value (£)	4,000	24,000	28,000	600%
In-Kind Donation Value (£)	38,000	71,000	48,000	26%
Total Donated by JSG (£)	38,000	134,000	43,000	13%
Total Social Value (£)	79,000	230,000	119,000	51%
Total Social Value as a % of Revenue	0.02%	0.05%	0.02%	8%

##### Methodology

1. Figures have been rounded to the nearest thousand (£).
2. Social value calculations are informed by the Social Value TOMs Framework for volunteering and in-kind contributions.
3. Total Social Value as a percentage of revenue is rounded to three decimal places for consistency. Variances are calculated using the underlying unrounded percentage figures.

##### Benefitting our Communities

Supporting communities affected by our operations is integral to The Johnsons Way and forms part of the Group's wider approach to social value. During 2025, the Group provided support through direct financial contributions and in-kind donations, alongside employee led community activity. This support is intended to contribute to positive outcomes for local communities and help address identified needs across our operating footprint.

In 2025, the Group provided £43,000 in financial donations and £48,000 in in-kind support. Financial donations supported a broad range of community and charitable initiatives, including health and wellbeing, youth and education, and community resilience, with funding directed to both local organisations and national charities. Larger individual contributions included community sponsorships and event support, alongside recurring local donations where the Group has long-standing community relationships.

In-kind support reflects the nature of the Group's services and included the donation or provision of textiles, garments and equipment, and service-based support such as cleaning or laundering items for charitable use. In-kind contributions were

directed to organisations supporting vulnerable groups and community services, including homelessness support, healthcare and hospice care, schools and youth groups, and humanitarian causes. This approach enables the Group to provide practical, needs led support.

## Volunteering

The Group's approach to volunteering is guided by its internal Volunteering Policy and forms part of its approach to managing and contributing to positive outcomes for affected communities and creating positive social value. Volunteering activity is delivered in partnership with Neighbourly, an established engagement platform, which connects employees with local community organisations. Neighbourly undertakes due diligence on participating community organisations, including verification of organisational status and safeguarding checks, providing assurance that volunteering activities are directed towards legitimate and appropriate causes.

In 2025, 320 employees volunteered across 80 community events, contributing a total of 1,965 volunteering hours. Based on average UK salary benchmarks, this equates to an estimated £28,000 of social value delivered to local communities. Volunteering activity supported 256 charitable and community organisations, with an estimated 18,800 people benefitting from this support.

Volunteering activities included practical support such as environmental improvement projects, foodbank assistance and refurbishment of community spaces, with several organisations highlighting that volunteer support enabled projects to be completed more quickly and to a higher standard than would otherwise have been possible. From an employee perspective, volunteering activity supports wellbeing, skills development and engagement. Post-event feedback indicates that participation contributed to increased motivation and a stronger sense of connection to local communities. Looking ahead, the Group will continue to develop its volunteering programme as part of its wider social value approach.

# Sustainability Statement

Continued >

## Governance Information



### Our Integrity

#### 2025 HIGHLIGHTS

# 70%

of cotton purchases were Better Cotton Sourced

# 95%

of key suppliers completed sustainability assessment

## Awarded EcoVadis Silver Medal

# 54%

of textile purchases derived from sustainable content

**We are committed to operating responsibly through strong ethical practices, effective governance and transparent decision making.**

**Integrity underpins how we do business across the Group and guides decision making, behaviour and accountability at all levels of the organisation. Our approach is designed to support sustainable growth, protect our reputation and maintain trust with our stakeholders.**

#### Internal Business Conduct

The Group is committed to conducting business ethically, responsibly and in compliance with all applicable laws and regulations. Our approach to internal business conduct is underpinned by a clear framework of policies and standards that set out expected behaviours for employees across the organisation.

Core to this framework is the Group's Code of Ethics and Business Conduct, which applies to all employees and addresses areas including ethical decision making, anti-bribery and corruption, conflicts of interest, data protection and responsible behaviour. Supporting policies, including whistleblowing, fraud prevention and anti-facilitation of tax evasion, provide mechanisms for raising concerns and ensuring issues are investigated and addressed appropriately.

Details of matters raised through the whistleblowing process are reported to the Audit Committee and are investigated on a proportionate basis, either by independent management or, where appropriate, by an external party under committee oversight. During the current and preceding financial years, matters raised through the whistleblowing process have primarily related to employee related grievances and were investigated and addressed in accordance with internal procedures. Future disclosures will seek to include additional metrics, such as the number of cases raised, substantiated and resolved, and average time to close.

Training and awareness programmes support the consistent application of these standards and help promote a culture of integrity, accountability and trust throughout the Group.

#### Information Security and Data Protection

The Group recognises information security and data protection as key components of effective governance and risk management. During 2025, the Group maintained a strong cyber security and data protection framework, with cyber risks monitored on an ongoing basis and 24/7 threat detection and response capabilities in place.

The Group remains Cyber Essentials certified, compliant with GDPR and subject to independent external audits. Employee cyber security awareness training and phishing simulations continue to support a culture of responsible data handling and risk awareness across the organisation.

#### External Business Conduct

##### Managing our Supply Chain

The Group is committed to responsible sourcing practices and to promoting ethical and sustainable behaviour across its supply chain. To support this, suppliers are required to meet clear standards covering labour practices, health and safety, environmental responsibility and legal compliance.

A Sustainable Purchasing Policy and Guiding Principles of Supplier Conduct are issued to new suppliers during onboarding, setting out the Group's expectations. Suppliers are required to implement anti-slavery and anti-human trafficking policies and to cascade these requirements through their own supply chains. Standard contractual terms also require compliance with the Modern Slavery Act 2015, including provisions relating to working conditions, health, safety and wellbeing, the prohibition of child and forced labour, non-discrimination, fair remuneration and working hours.

## Supplier Assessment

The Group enhanced its approach to supplier sustainability assessment through the introduction of the EcoVadis platform in 2024. EcoVadis provides an external, risk-based assessment of supplier sustainability performance across key thematic areas, including environment, labour and human rights, ethics and sustainable procurement, benchmarked against a global database of over 130,000 companies operating across more than 180 countries.

During 2025, the Group began onboarding suppliers to the EcoVadis platform, prioritising an initial cohort of 20 key suppliers representing the highest contributors to the Group's Scope 3 emissions and approximately 45% of total supply chain spend. These suppliers were invited to complete a sustainability assessment, supported by direct engagement to explain the purpose of the exercise and the Group's expectations. By the end of the reporting period, 95% of invited suppliers had received an EcoVadis rating, with no suppliers assessed as presenting low performance across the core thematic areas. Specifically, no suppliers received scores below 25 in Environment, Labour and Human Rights, Ethics or Sustainable Procurement. Under the EcoVadis methodology, scores below 25 fall into the 'insufficient' category, indicating significant gaps in sustainability practices and a higher-risk profile.

Looking ahead, the Group intends to extend the use of EcoVadis across a broader range of suppliers. Our ultimate intention is to have a full mapping of our supply base to enable us to make more informed decisions and strengthen our supplier due diligence in the long term. We also plan to introduce the EcoVadis carbon module to support improved understanding of suppliers' emissions reporting maturity and Scope 3 data over time.

## Sustainable Product Content

The Group tracks the composition and sourcing of textile materials to understand resource use and progress towards increased sustainable content across its product range. Sustainably sourced materials represent a significant proportion of textile inputs. In 2025, 54% of total textile weight was derived from sustainable content, comprising 51% sustainably sourced biological materials, primarily cotton, and 3% secondary resourced materials.

The Group is a member of the Better Cotton Initiative (BCI) and supports the improvement of cotton farming practices globally. Better Cotton is sourced through a recognised mass balance chain of custody model, under which cotton is not physically traceable to end products but farmers benefit from demand in equivalent volumes. This approach has now been implemented group wide, including Luxury Linen and Johnsons Ireland.

Better Cotton represents the largest component of our sustainable textile inputs. While 28% of our textile suppliers (by number) provided Better Cotton during the year, these suppliers account for a substantial proportion of cotton volumes. During the reporting period, Better Cotton represented approximately 70% of total cotton purchased by weight, equivalent to 51% of total textile inputs by weight.

## Textile Resource Inflows

Sustainable Content	2023	2024	2025
Total Weight of Textile Products (tonnes)	4,792	4,777	6,749
% of total weight are biological materials sustainability sourced	40	49	51
% of total weight are secondary resourced materials	1	1	3
% derived from sustainable content	41	50	54

During the year, the Group continued to progress its transition towards more sustainable textile solutions. Within the Workwear division, the rollout of processable and reusable hamper bags for industrial garments continued following successful trials, supporting the elimination of single-use packaging for these garments.

In the Republic of Ireland, unwrapped linen deliveries continued to be implemented with selected hospitality customers where operational and hygiene requirements allow. In parallel, the Group continued to work with suppliers to increase the proportion of sustainable content within its textile offerings, including the use of recycled materials and biopolymers, supported by the ongoing development of a Sustainable Content roadmap.

The increase in total textile weight in 2025 reflects expanded textile coverage (including heavier items such as towel rolls and mats) and the addition of Empire following its acquisition.

## External Validation

We participate in a number of external sustainability ratings and assessments, which provide independent benchmarks of our environmental, social and governance practices. Across the reporting period, the Group has seen consistent year on year improvements in its external ratings and scores where assessments have been updated:

External Rating	2023	2024	2025
Sustainalytics	Low Risk rating (score of 18)	Low Risk rating (score of 16.7)	Low Risk rating (score of 17.1)
CDP	Climate Change B- Water C-	Climate Change B Water B-	Climate Change B Water B
EthiFinance <sup>1</sup>	Low Exposure rating (score of 46)	Low Exposure rating (score of 49)	Low Exposure rating (score of 59)
EcoVadis	-	-	Silver

1. EthiFinance ratings correspond to the 2022, 2023 and 2024 assessment years respectively.

Following registration in 2024, the Group undertook its first EcoVadis assessment and, in June 2025, was awarded a Silver Medal. This places the Group in the top 15% of companies assessed globally and the top 4% within its industry category. EcoVadis assessments evaluate sustainability performance across four areas: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

# Sustainability Statement

Continued >

## Group Non-Financial and Sustainability Information Statement

This section of the Strategic report constitutes the Group Non-Financial and Sustainability Information statement to comply with the Companies (Strategic Report) (Climate Related Financial Disclosure) Regulations 2022.

The table below sets out the information that we disclose in line with the requirements under sections 414CA and 414CB Companies Act 2006 and where it can be found in this annual report ('AR&A'). Further disclosures, including Group policies and standards, can be found on our website at [www.jsg.com](http://www.jsg.com).

Reporting Requirement	Policies and standards which govern our approach	Relevant information necessary to understand our business and its impact
<b>JSG Employees</b>	<ul style="list-style-type: none"> <li>Various HR related policies</li> <li>Code of Ethics &amp; Business Conduct</li> <li>Group Health &amp; Safety Policy</li> <li>Group Bribery &amp; Anti-Corruption Policy</li> <li>Group Whistleblowing Policy</li> <li>Group IT &amp; Security Policy</li> <li>Anti-Facilitation of Tax Evasion Policy</li> <li>Fraud Prevention Policy</li> <li>Group Sustainability Policy</li> <li>Group Equity Diversity and Inclusion Policy</li> <li>Board Diversity Policy</li> <li>UK Gender Pay Gap Report</li> <li>Group Anti-Sexual Harassment Policy</li> <li>Share Dealing Code</li> <li>Related Party Transactions Policy</li> <li>Employee/Director Conflicts of Interest Policy</li> </ul>	<ul style="list-style-type: none"> <li>AR&amp;A Pages 16 to 17</li> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Social Matters</b>	<ul style="list-style-type: none"> <li>Code of Ethics &amp; Business Conduct</li> <li>Group Sustainable Purchasing Policy</li> <li>Group Employee Volunteering Policy</li> <li>Group Sustainability Policy</li> <li>Guiding Principles of Supplier Conduct</li> <li>Guiding Principles of Customer Conduct</li> </ul>	<ul style="list-style-type: none"> <li>AR&amp;A Pages 16 to 17</li> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>Code of Ethics &amp; Business Conduct</li> <li>Group Bribery &amp; Anti-Corruption Policy</li> <li>Group Sustainable Purchasing Policy</li> <li>Group Sustainability Policy</li> <li>Modern Slavery Statement</li> <li>Guiding Principles of Supplier Conduct</li> <li>Guiding Principles of Customer Conduct</li> </ul>	<ul style="list-style-type: none"> <li>AR&amp;A Pages 16 to 17</li> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Anti-corruption and anti-bribery matters</b>	<ul style="list-style-type: none"> <li>Various HR related policies</li> <li>Code of Ethics &amp; Business Conduct</li> <li>Group Bribery &amp; Anti-Corruption Policy</li> <li>Group Whistleblowing Policy</li> <li>Anti-Facilitation of Tax Evasion Policy</li> <li>Fraud Prevention Policy</li> <li>Share Dealing Code</li> <li>Employee/Director Conflicts of Interest Policy</li> </ul>	<ul style="list-style-type: none"> <li>AR&amp;A Pages 16 to 17</li> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Environmental Matters</b>	<ul style="list-style-type: none"> <li>Group Health &amp; Safety Policy</li> <li>Group Sustainable Purchasing Policy</li> <li>Group Sustainability Policy</li> </ul>	<ul style="list-style-type: none"> <li>AR&amp;A Pages 16 to 17</li> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Principal risks and impacts on business activity</b>	N/A	<ul style="list-style-type: none"> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Description of business model</b>	N/A	<ul style="list-style-type: none"> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>
<b>Non-financial key performance indicators</b>	N/A	<ul style="list-style-type: none"> <li>AR&amp;A Pages 28 to 49</li> <li>Fourth Annual Sustainability Report</li> </ul>

## Sustainability Reporting Framework Alignment

The table below provides a high-level overview of how the Group's Sustainability Statement aligns with key sustainability reporting frameworks. It is intended as a signposting tool and does not constitute a statement of full compliance.

Sustainability Topic	Key disclosures covered	GRI (voluntary primary framework)	UK SRS/IFRS S1 & S2 (voluntary readiness)	CSRD/ESRS (voluntary alignment)
<b>Governance and strategy</b>	Governance structure, oversight, strategy and policies	GRI 2, GRI 3	IFRS S1 – Governance, Strategy	ESRS 2 (GOV, SBM)
<b>Double materiality</b>	DMA scope, methodology, results and use	GRI 3	IFRS S1 – Identification of sustainability-related risks and opportunities	ESRS 1, ESRS 2
<b>Climate change</b>	Energy use, GHG emissions (Scopes 1-3), targets and transition planning	GRI 302, GRI 305	IFRS S2 – Climate	ESRS E1
<b>Water stewardship</b>	Water abstraction, intensity metrics and stewardship approach	GRI 303	IFRS S1 – Metrics and risk management	ESRS E3
<b>Waste and circular economy</b>	Waste metrics, landfill reduction target, circularity narrative	GRI 306, GRI 301	IFRS S1 – Metrics and initiatives	ESRS E5
<b>Own workforce</b>	Health and safety, training, engagement, diversity and inclusion	GRI 403, 404, 405	IFRS S1 – Human capital	ESRS S1
<b>Affected Communities and Social Value</b>	Community engagement, volunteering, donations and social value creation	GRI 413	IFRS S1 – Value chain social impacts and opportunities	ESRS S3
<b>Supply chain and sourcing</b>	Supplier conduct, assessments, due diligence and responsible sourcing	GRI 308, 414, 409	IFRS S1 – Value chain risks	ESRS S2, ESRS G1
<b>Business conduct and ethics</b>	Code of Conduct, whistleblowing and compliance	GRI 205, 206	IFRS S1 – Governance and controls	ESRS G1

The Sustainability Statement has been prepared primarily in accordance with the Global Reporting Initiative Standards, which remain the Group's principal sustainability reporting framework. In anticipation of future expected mandatory requirements under the UK Sustainability Disclosure Requirements, the content and structure of the Statement have also been informed by IFRS S1 and IFRS S2, which are expected to be incorporated into the UK Sustainability Reporting Standards. Relevant aspects of the European Sustainability Reporting Standards have been taken into account on a voluntary basis where they represent emerging best practice and where they align with the material issues identified through the Group's Double Materiality Assessment.

The alignment overview above is provided for signposting and transparency and does not represent a claim of full compliance with any individual framework. A detailed standards cross-reference document is maintained internally and will support future alignment with UK SRS once requirements are known and phased in.

## Sustainability Related Risk

The Board is responsible for managing risks across the Group, including sustainability risks. Climate change and energy costs are key risks, with mitigation measures such as site investments, energy efficient technologies and energy-saving initiatives in place.

As a business, climate change is critical for us and our stakeholders. We are committed to improving energy efficiency and reducing greenhouse gas emissions. However, rising energy costs and potential levies remain concerns. Failure to move towards net zero emissions could harm our brand and affect our ability to operate. Risks are identified and mitigated through the Group's risk management process as detailed on pages 50 to 56.

All operational sites follow ISO 14001 guidelines to manage environmental issues and ISO 9001 for quality management systems, with 44% production sites formally certified.

# Sustainability Statement

Continued >

## Task-force on climate-related financial disclosures (TCFD)

### Statement of Compliance with TCFD Recommendations

(Section 414CB(2A) Companies Act 2006 and LR 6.6.6R(8))

For the financial year ended 31 December 2025, the Group has included climate-related financial disclosures within this Annual Report that are consistent with the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD), except in respect of the specific areas set out below.

The Group's climate-related disclosures are set out in this TCFD section on pages 44 to 47 and are structured around the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

### Recommended Disclosures Not Fully Met

The Group has not yet fully met the following TCFD recommended disclosures:

- **Strategy (b)** – the detailed quantitative assessment of the financial impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning; and
- **Strategy (c)** – comprehensive resilience testing of the organisation's strategy under multiple climate-related scenarios.

These disclosures have not been fully included in the current reporting period as the enhanced multi-scenario modelling and associated financial quantification were not sufficiently developed at the reporting date to support robust and decision-useful disclosure.

To address this, the Group has engaged an independent specialist consultancy to undertake enhanced quantitative climate scenario modelling. The outcomes of this work are expected to be incorporated into the Annual Report for the financial year ending 31 December 2026.

The Board remains committed to achieving full alignment with the TCFD Recommendations.

## Overview of Climate-related Disclosures

In addition to the reporting alignment overview in the above, the Group continues to present climate-related disclosures with reference to the recommendations of the TCFD, which remain relevant to the UK sustainability reporting framework. We are aware UK SRS will supersede TCFD, however for this report we have prepared disclosures consistent with TCFD.

The below scenarios were developed using resources including the UK Climate Change Committee's "The Adaptation Committee's Independent Assessment of UK Climate Risk (2021)". A 1.5°C temperature rise is expected by the mid 2030s regardless of any mitigation (IPCC 2023 Synthesis Report). It is expected this will lead to increasing extreme weather including precipitation and flooding. 2035 represents a realistic and reasonable limit for the Group's long term risk scenario planning and so a temperature increase of 1.5°C by 2035 was considered for all scenarios below:

Risk Category	Risk Description	Potential Impact	Response/Resilience/Opportunity
<b>Acute Physical Risk: Flooding &amp; Disruptive weather events</b>	17 JSG sites are potentially at an increased risk of flooding from coastal, fluvial, or precipitation resulting in damage to site or emergency relocation.	Damage to site, emergency relocation, disruption to operations, increased insurance cost.	We intend to implement processes and procedures to ensure that flood risk assessment and extreme weather event analysis is incorporated into all the following processes: <ul style="list-style-type: none"> <li>• Building lease renewals and new site plans</li> <li>• Mergers and Acquisition activity</li> <li>• Annual Facilities Risk Assessments</li> </ul>
<b>Chronic Physical Risk: Sea Level Rise</b>	Sea level rise projected between 0.14-0.18m by 2040, affecting JSG sites below 0.1m above sea level.	Long-term risk to site integrity, potential need for relocation, operational disruptions, and increased cooling requirements.	None of JSG's UK sites would be impacted directly from the sea level rises, however, we are still to complete the analysis for the acquired sites in the Republic of Ireland and Tottenham (UK). We intend to ensure that relevant processes and procedures are in place across relevant business activities which include sea level rise risk assessment and extreme weather event analysis, and that these are incorporated into our risk management approach.
<b>Chronic Physical Risk: Temperature Rise</b>	Rising temperatures expected to increase energy consumption by 10%, mostly for cooling requirements, over the next 10 years.	Increased operational costs due to higher energy demand, and requirements to upgrade cooling equipment.	The financial cost has not yet been fully assessed however we anticipate this could be material if it were to be implemented across our entire estate. We intend to continue conducting site energy efficiency assessments and planning any strategic equipment upgrades.
<b>Opportunity: Renewable Energy Supply</b>	Opportunity: Decentralised, low carbon energy supply: Investment in plant equipment and transitioning to renewable energy supply such as Power Purchase Agreement (PPAs).	Opportunity: Reduction in Scope 1 and 2 emissions, lower long term energy costs, future proofing against rising energy costs and carbon taxes.	The Group recognises the opportunity for the business to continue to promote our services as a commercially viable alternative to existing and prospective customers who will be faced with similar energy and carbon emissions concerns.

# Sustainability Statement

Continued >

## TCFD Recommended Disclosures

### Governance

#### (a) Board oversight of climate-related risks and opportunities

The PLC Board retains ultimate responsibility for oversight of climate-related risks and opportunities. Oversight is delegated to the Sustainability Committee, chaired by the Group CEO, which reports formally to the Board on a half yearly basis. Climate-related matters are considered within principal risk discussions, strategic planning sessions and capital allocation decisions.

#### (b) Management's role in assessing and managing climate-related risks and opportunities

Management is responsible for identifying, assessing and managing climate-related risks through the Group's enterprise risk management framework. The Head of Sustainability coordinates climate risk identification across operational sites, working with Facilities, Procurement and Finance teams. Climate-related risks are reviewed through annual site risk assessments and escalated to the Sustainability Committee where material. Progress against climate-related targets is monitored monthly by management and reported to the Board at each scheduled meeting.

### Strategy

#### (a) Climate-related risks and opportunities over short, medium and long term

The Group considers climate-related risks and opportunities across three time horizons:

- **Short term (1–5 years):** energy price volatility, regulatory change, carbon taxation and insurance cost impacts.
- **Medium term (5–10 years):** increased frequency and severity of extreme weather events affecting operational resilience.
- **Long term (to 2050):** structural transition to a low-carbon economy, decarbonisation requirements and escalating physical climate risks including sea level rise.

Physical risks identified include flooding, sea level rise and temperature increase. Transition risks include regulatory change, carbon pricing and energy market volatility. Opportunities include renewable energy procurement, energy efficiency investments and enhanced commercial positioning with customers facing similar decarbonisation pressures.

#### (b) Impact on business, strategy and financial planning

Climate-related risks and opportunities are incorporated into strategic planning and capital allocation decisions. Energy cost projections influence procurement strategy and investment in plant and equipment. Investment in renewable energy supply and energy-efficient technologies forms part of the Group's medium-term capital programme. While qualitative impacts on operations and cost structures are assessed, enhanced quantitative modelling of potential balance sheet and income statement impacts is currently in development, as described in the Compliance Statement above.

#### (c) Resilience of strategy under different climate-related scenarios

During the reporting period, the Group undertook qualitative analysis under a 1.5°C pathway to 2035, focusing on near- and medium-term physical risk exposure. Enhanced modelling across three temperature pathways (below 2°C, 2–3°C and business-as-usual) and across defined time horizons (short-, medium- and long-term to 2050) is currently being undertaken by an external consultancy. Full quantitative resilience disclosure will be provided in the FY2026 Annual Report.

### Risk Management

#### (a) Processes for identifying and assessing climate-related risks

Climate-related risks are identified through:

- Annual site-level risk assessments;
- Facilities risk reviews;
- Integration of climate considerations into lease renewals and acquisition due diligence; and
- Strategic risk workshops.

Physical exposure is assessed using geographic risk indicators and external climate data sources. Risks are evaluated using the Group's enterprise risk scoring methodology, considering likelihood, operational disruption and financial impact.

#### (b) Processes for managing climate-related risks

Mitigation measures include:

- Incorporation of flood and extreme weather analysis into lease and M&A decisions;
- Energy efficiency upgrades and plant modernisation;
- Renewable energy procurement through Power Purchase Agreements (PPAs); and
- Ongoing monitoring of regulatory developments.

Identified risks are assigned to accountable management leads and reviewed by the Sustainability Committee.

**(c) Integration into overall risk management**

Climate-related risks are incorporated into the Group's enterprise risk register and assessed alongside other principal risks. Where material, these risks are reported to the Board and considered within principal risk disclosures and the Group's viability assessment. Climate-related risks are captured within the Principal Risks and Uncertainties disclosed within the Strategic Report on page 56.

**Metrics and Targets****(a) Metrics used**

The Group monitors Scope 1 and Scope 2 greenhouse gas emissions, energy consumption, and progress against its Vision 2030 targets.

**(b) Scope 1 and Scope 2 emissions**

Scope 1, Scope 2 and Scope 3 emissions are disclosed within the Sustainability section on page 33.

**(c) Targets and performance**

The Group has established Vision 2030 targets to reduce greenhouse gas emissions and transition plans towards renewable energy supply. Performance against these targets is reviewed monthly by management and quarterly by the Board. Performance metrics are disclosed in the Sustainability section on pages 32 to 35.

**Future Enhancements**

As noted in the TCFD Compliance Statement above, further work is required to enhance the quantitative financial assessment and multi-scenario resilience analysis. While we have made significant strides in aligning our reporting with the recommendations of TCFD, we recognise that the complexity of climate science and its economic implications requires a continuous evolution of our analytical capabilities.

To ensure our strategy remains resilient under a range of potential futures, we have engaged a leading specialist third-party consultancy to enhance our Climate Scenario Analysis. This strategic partnership marks a transition from a broad assessment to a more granular, data-driven quantitative approach. By leveraging external expertise and sophisticated climate modelling tools, we aim to eliminate blind spots in our current framework and ensure our disclosures reflect the latest scientific and economic consensus.

In the coming financial year, this consultancy will lead a comprehensive deep-dive assessment focused on three core areas:

- **Three Distinct Pathways:** We will test our business model against three rigorous climate scenarios: a below 2°C (Proactive), a 2°C-3°C scenario (Reactive), and a 'business-as-usual' scenario (Inactive).
- **Defined Time Horizons:** Recognising that climate impacts manifest over decades, the analysis will evaluate risks and opportunities across short-term (1-5 years), medium-term (5-10 years), and long-term (up to 2050) horizons, aligning with our strategic planning and capital expenditure cycles.
- **Operational and Financial Quantification:** The primary objective of this engagement is to move beyond high-level risk identification. We will conduct a forensic examination of potential impacts on our physical assets, supply chain stability, and market demand. This will result in a more precise quantification of potential financial impacts on our balance sheet and income statement, including possible shifts in operational expenditure.

The insights gained from this enhanced analysis will be fundamental to our strategic decision-making. They will inform our Risk Management Framework, capital allocation priorities, and our ongoing decarbonisation roadmap. We look forward to sharing the full results of this enhanced modelling in our next Annual Report, providing our stakeholders with a sophisticated and transparent view of how JSG is positioned to thrive in an uncertain climate future.

# Sustainability Statement

Continued >

## Baseline years note

Where relevant, baseline data has been recalculated to reflect changes in Group structure and organisational boundaries. Baseline years remain unchanged unless otherwise stated. For the purpose of Sustainability Reporting, our baseline years are as follows:

Data	Baseline Reporting Year	Recent acquisitions not included in baseline year
People	2021	Regency, Celtic Linen, Empire
Safety	2022	Regency, Celtic Linen, Empire
Training	2023	Regency, Celtic Linen, Empire
Engagement	2021	Regency, Celtic Linen, Empire
Equity, Diversity and Inclusion	2022	Regency, Celtic Linen, Empire
Water	2022	-
Waste	2024	-
Plastics	2023	-
Energy and Carbon Scope 1,2	2022 <sup>1</sup>	-
Scope 3 Emissions	2022 <sup>1</sup>	-
Sustainable Textile Content	2021	Regency, Celtic Linen, Empire
Supply Chain	2022	Regency, Celtic Linen, Empire
Social Value	2021	Regency, Celtic Linen, Empire

1. Note: Calculation: 1 October 2021 to 30 September 2022

# Jacobs 2025 Assurance Statement



## Independent Assurance Summary 2025

Jacobs U.K. Limited ('Jacobs') has conducted assurance of selected sustainability data from Johnson Service Group PLC's ('JSG') annual report and accounts for the financial year ended 31 December 2025.

The assurance was undertaken in accordance with two standards; limited assurance was provided using the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements 3000 (ISAE 3000 (Revised)), and moderate assurance was provided using AccountAbility's AA1000 Assurance Standard (AA1000AS v3).

The Jacobs assurance team has identified no material concerns with the select baseline and 2025 sustainability performance data. In addition, JSG has demonstrated adherence to the AA1000 Accountability Principles (2018) of Inclusivity, Materiality, Responsiveness, and Impact.

The assurance statements detail the key findings and conclusions, scope and methodology, and can be found on JSG's website.

Jacobs U.K. Limited  
London

2 March 2026



# Principal Risks and Uncertainties

**“We believe that effective risk management is critical to the achievement of our strategic objectives and the long-term sustainable growth of our business. The Board continues to take a proactive approach to recognising and mitigating risk with the aim of protecting its employees and customers and safeguarding the interests of the Group and its stakeholders.”**

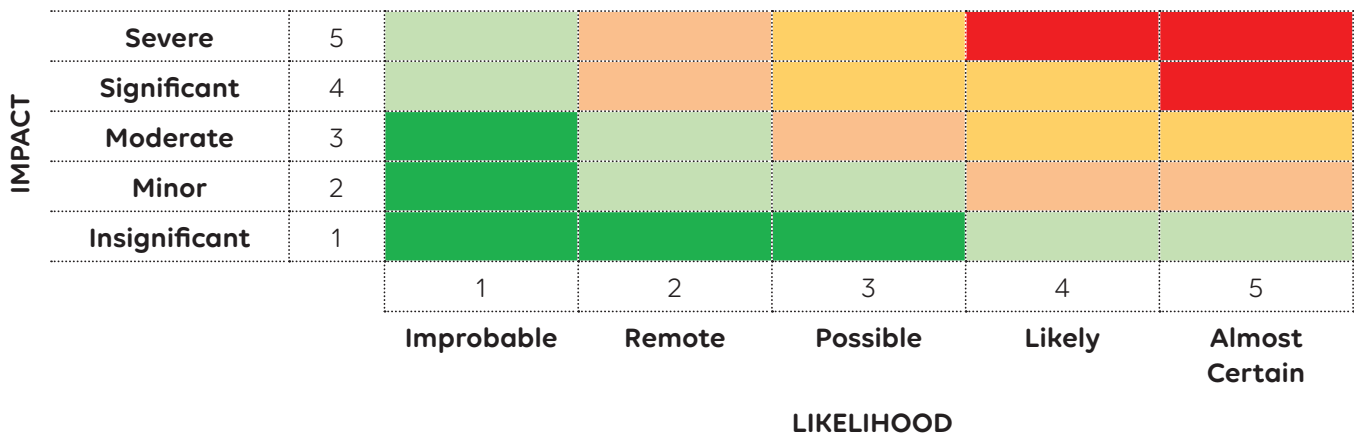
## Our approach to Risk Management

The Board takes a proactive approach to risk management, aimed at protecting and safeguarding the interests of the Company and its stakeholders in a constantly changing environment. The Board has overall accountability for ensuring that risk is effectively managed across the Group and, on behalf of the Board, the Audit Committee coordinates and reviews the effectiveness of the Group's risk management process.

Risks are reviewed on an ongoing basis and are measured against a defined set of likelihood and impact criteria. This is captured in consistent reporting formats enabling the Audit Committee to review and consolidate risk information and summarise the principal risks and uncertainties facing the Group. Wherever possible, action is taken to mitigate, to an acceptable level, the potential impact of identified principal risks and uncertainties.

Risk Rating	Risk Level	Action
● 20+	Very High Risk	Stop
● 12 to 16	High Risk	Urgent Action
● 8 to 10	Medium Risk	Action
● 4 to 6	Low Risk	Monitor
● 1 to 3	Very Low Risk	No Action

The Board formally reviews the most significant risks facing the Group twice a year, or more frequently should new matters arise. Throughout 2025, and other than as described below, the overall risk environment remained largely unchanged from that reported within the Group's 2024 Annual Report.



## Risk Appetite

The Board interprets appetite for risk as the level of risk that the Group is willing to take in order to meet its strategic goals. The Board communicates its approach to, and appetite for, risk to the business through the strategy planning process and the internal risk governance and control frameworks. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk assessment and mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit which has greatly contributed to the success of the Group is not inhibited. Both the Board and the Audit Committee remain satisfied that the Group's internal risk control framework continues to provide the necessary element of flexibility without compromising the integrity of risk management and internal control systems.

## Emerging Risks

The Board has established processes for identifying emerging risks, and horizon scanning for risks that may arise over the medium to long term. Emerging and potential changes to the Group's risk profile are identified through the Group's risk governance frameworks and processes, and through direct feedback from management, including changing operating conditions, market and consumer trends.

## Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Group are set out below, together with details on how the Board takes action to mitigate each risk. These risks and uncertainties do not comprise all of the risks that the Group may face and are not necessarily listed in any order of priority. The Group faces a number of operational risks on an ongoing basis, such as litigation and financial risks. Additional risks and uncertainties not presently known to the Board, or which are considered to be remote or are deemed to be less material at the date of this Annual Report, may also have an adverse effect on the Group. For each principal risk we have set out the risk rating that has been attributed to each risk. Risk ratings are shown as 'net' i.e. the residual risk rating taking account of the controls and mitigation in place.

In accordance with the provisions of the Financial Reporting Council's 2024 UK Corporate Governance Code (the 'Code'), the Board has taken into consideration the principal risks and uncertainties in the context of determining whether to adopt the going concern basis of preparation and when assessing the future prospects of the Group.

# Principal Risks and Uncertainties

Continued >

## Key



Risk	Mitigation
<b>ECONOMIC AND POLITICAL CONDITIONS</b> <span style="float: right;">Trend: →</span> <b>Risk Rating: High</b>	
<p>Our business could be susceptible to adverse changes in, inter alia, economic conditions, employment levels and customer spending habits, all of which could impact our profitability and cash flow.</p> <p>Current macro-economic conditions could negatively impact consumer spending and hence demand for our services, particularly in HORECA.</p> <p>Geopolitical tensions, such as those in the Middle East and the ongoing Russia-Ukraine conflict or the potential for US imposed tariffs, could have an impact on the price, or availability, of inputs (e.g. energy) and have heightened threats to national security.</p>	<p>Given the diversity of our customer base and the various industries which we serve, it is generally possible to contain the impact of these adverse conditions. Each business continually reviews its routes to market, changes in customer demands and expectations and cost base so that it can react appropriately to the impact of the wider economy.</p> <p>Any adverse impact on cash flow could be mitigated in the short term by controls over capital expenditure and other discretionary spend.</p> <p>The Group has long standing relationships with its key suppliers and aims to develop a strategic partnership approach. These relationships mitigate, to a certain extent, the risk of a supplier not being able to supply us. In the event that a supply was rationed, for example energy blackouts at certain times, we would seek to adjust our shift and work patterns accordingly.</p> <p>As further detailed below within 'Cost Inflation', and in order to provide protection from pricing volatility, the Group proactively forward purchases certain of its energy requirements.</p>
<b>COST INFLATION</b> <span style="float: right;">Trend: →</span> <b>Risk Rating: High</b>	
<p>Our objective is always to deliver the right level of service in the most efficient way. An increase in the cost of labour, together with associated taxation increases, or supplies, for example, energy, could constitute a risk to our ability to do this.</p>	<p>We seek to manage the impact of cost inflation by continuing to drive greater efficiencies through supplier rationalisation, labour scheduling and productivity improvements, the latter of which is evidenced by our ongoing investment in state of the art, energy efficient machinery.</p> <p>Cost indexation in certain of our contracts also gives us the contractual right to review pricing with our customers.</p> <p>Along with many other businesses, we are seeing significant inflationary pressures on some of our costs, particularly in respect of labour, however, our existing scale and focus on operational excellence means we are well placed to address these challenges proactively without compromising our market share opportunity. Furthermore, we are protected to a large extent from the current volatility in prices with, at the time of writing, some 90% of our 2026 anticipated gas requirement and some 85% of our 2026 anticipated power requirement at fixed prices, with reducing amounts fixed into 2027 and beyond. We are proactively monitoring the market with the aim of entering into further fixed arrangements when appropriate and have also continued to secure and implement price increases across our customer base.</p>

Risk	Mitigation
<p><b>FAILURE OF STRATEGY</b> Risk Rating: High</p> <p>Our current business model sets out our intentions to expand the Group by actively pursuing strategic acquisition opportunities within the textile services market. Failure to identify suitable targets, or failure to successfully integrate them, would adversely impact our growth plans and potentially lead to lower investor confidence.</p>	<p>Trend: →</p> <p>There is considerable knowledge and expertise within the Group with regard to acquisitions. An experienced acquisition team, together with external advisors where appropriate, is involved in all acquisition activity and we have a proven track record of successfully integrating businesses into the wider Group.</p> <p>Whilst the main challenge, particularly given the current macroeconomic environment, is in identifying suitable targets and determining an appropriate level of consideration on acceptable terms, our knowledge of and relationships with other market participants leaves us well positioned to take advantage of opportunities.</p>
<p><b>RECRUITMENT, RETENTION AND MOTIVATION OF EMPLOYEES</b> Risk Rating: High</p> <p>As a service orientated Group, attracting, retaining and motivating the best people with the right skills, at all levels of the organisation, is key to the long-term success of the Group.</p> <p>Short term disruption could occur if a key member of our team was unavailable at short notice, either on a temporary or permanent basis. The current economic conditions may increase the risk of attrition in critical senior management positions.</p>	<p>Trend: →</p> <p>The Group aims to mitigate this risk by targeted resource management and has established training, development, performance management and reward programmes to attract, retain, develop and motivate our people.</p> <p>The Group also undertakes employee engagement reviews, led by an external consultant, and operates a number of well-established initiatives in response to our people's needs.</p> <p>The Group regularly reviews the adequacy and strength of its management teams to ensure that appropriate experience and training is given such that there is not an over reliance on any one individual.</p> <p>Furthermore, the Group has continued to develop succession planning as part of the development programmes for our people. Succession Planning is also now a regular agenda item at Board meetings.</p>
<p><b>LOSS OF A PROCESSING FACILITY</b> Risk Rating: High</p> <p>The loss of a key processing facility could result in significant disruption to our business.</p>	<p>Trend: →</p> <p>A wide geographic spread of processing facilities mitigates, to an extent, the effect of a temporary loss of any single facility as our estate provides us the ability to relocate the processing of work. Detailed business continuity plans are in place for the processing to be relocated quickly and efficiently, as demonstrated in June 2025 following a fire at our small industrial workwear processing unit in Bristol.</p> <p>Furthermore, insurance cover is in place such that the increased cost of working following a loss of processing capacity may, in some circumstances, be recovered.</p>
<p><b>COMPETITION AND DISRUPTION</b> Risk Rating: High</p> <p>We operate in a highly competitive environment. Aggressive pricing from our competitors could cause a reduction in our revenues and margins.</p>	<p>Trend: ↑</p> <p>We aim to mitigate this risk by continuing to promote our differentiated propositions and focusing on our points of strength, such as transparency of our pricing, flexibility in our cost base, quality and value of service and innovation.</p> <p>Our diversified customer base and non-reliance on any one particular customer mitigates this risk to an extent.</p>

# Principal Risks and Uncertainties

Continued >

Risk	Mitigation
<p><b>INFORMATION TECHNOLOGY FAILURES AND CYBER SECURITY</b> <span style="float: right;">Trend: </span></p> <p><b>Risk Rating: High</b></p>	
<p>The digital world presents many risks for a business including, but not limited to, technology failures, loss of confidential data, data privacy breaches and damage to brand reputation through, for example, the increased threat of cyber-attacks and the widespread use and instantaneous nature of social media.</p> <p>Disruption caused by the failure of key software applications, security controls or underlying infrastructure, or disruption caused by cyber attacks, could impact day-to-day operations and management decision making or result in regulatory fines, other sanctions and/or third-party claims.</p> <p>A combination of increased geopolitical tensions, economic instability and accessibility of sophisticated artificial intelligence ('AI') enabled tools and techniques have contributed to a significant increase in the risk of phishing and malware attacks, including ransomware, across all industries.</p>	<p>We seek to assess and manage the effectiveness of our security infrastructure and our ability to effectively defend against current and future cyber risks by using analysis tools and experienced professionals to evaluate and mitigate potential impacts. We are currently working alongside external consultants to review and, where appropriate, strengthen our security infrastructure. Externally facilitated cyber awareness training has been provided to senior management and similar training is being rolled out further across the Group. Furthermore, we continually increase our employees' awareness of phishing and malware attacks through the circulation of regular educational materials and simulation training.</p> <p>We also have in place appropriate and tested crisis management procedures to handle issues in the event of our defences being breached. This is supported by using industry standard tooling, experienced professionals and partners and regular compliance monitoring to evaluate and mitigate potential impacts.</p> <p>We are focused on the need to maximise the effectiveness and security of our information systems and technology as a business enabler and to reduce both cost and exposure as a result. As such, we continue to invest in technology and specialist resources in order to further strengthen our platforms, controls and defences.</p>
<p><b>PANDEMIC OR OTHER NATIONAL CRISIS</b> <span style="float: right;">Trend: </span></p> <p><b>Risk Rating: Medium</b></p>	
<p>The Group's operations were significantly disrupted by the global COVID-19 pandemic and associated containment measures. The Board is cognisant that a future significant unexpected event, such as a pandemic or other national crisis, could cause further business risk and have a material impact on the Group.</p>	<p>Detailed business continuity plans are in place and, in response to COVID-19, the Group demonstrated its ability to continue trading throughout the pandemic through the implementation of action plans to protect the liquidity of the Group, reduce the cost base and protect the health, safety and wellbeing of our employees.</p> <p>The Board will continue to keep the potential for a significant unexpected event under review as part of its overall assessment of risk.</p>
<p><b>HEALTH AND SAFETY</b> <span style="float: right;">Trend: </span></p> <p><b>Risk Rating: Medium</b></p>	
<p>Health and safety in the workplace is an extremely important consideration for an employer. Legislation is complex and failure to ensure that our employees remain safe at work may lead to serious business interruption and could result in criminal and civil prosecution, increased costs and potential damage to our reputation.</p>	<p>The Group has policies, procedures and standards in place, which are continuously updated, to ensure compliance with legal obligations and industry standards. Regular health and safety audits and risk assessments are undertaken across the Group. Regular training is provided to our people to ensure they are clear on their role and accountabilities with regards to health, safety and wellbeing practices. Prompt incident reporting procedures are maintained and all employees are encouraged to report 'near misses' in order that additional safety procedures are implemented where applicable.</p> <p>All Board and management meetings throughout the Group feature a health and safety update as an agenda item.</p>

Risk	Mitigation
<p><b>COMPLIANCE AND FRAUD</b> <span style="float: right;">Trend: →</span></p> <p><b>Risk Rating: Medium</b></p>	
<p>Ineffective management of compliance with increasingly complex laws and regulations, or evidence of fraud, bribery and corruption, anti-competitive behaviour or other serious misconduct, could have an adverse effect on the Group's reputation and could result in an adverse impact on the Group's performance and/or reputation if significant financial penalties are levied or a criminal action is brought against the Company or its Directors.</p> <p>Operating across more than one jurisdiction elevates this risk due to non-standard laws and regulations applying to different territories.</p>	<p>The Group's zero tolerance based Code of Ethics (the 'Code of Ethics') governs all aspects of our relationships with our stakeholders and, in conjunction with our dedicated Whistleblowing Hotline, is aimed at promoting a strong culture of integrity throughout the Group. All alleged breaches of the Code of Ethics, including any allegations of fraud, are investigated and action taken where appropriate.</p> <p>The Group's procedures include regular operating reviews, underpinned by a continual focus on ensuring the effectiveness of internal controls. The Group undertakes a robust risk management assessment that helps properly identify major risks and ensures the internal control framework remains effective through regular monitoring, testing and review. Emerging regulatory and compliance risks are included in this process to enable visibility and planning to address them.</p> <p>Regulation and compliance risk is also considered as part of our annual business planning process.</p> <p>Whilst operating across more than one jurisdiction does elevate this risk, this is mitigated through the knowledge and experience of local management and, where appropriate, through the use of professional advisors.</p>
<p><b>CUSTOMER SALES AND RETENTION</b> <span style="float: right;">Trend: →</span></p> <p><b>Risk Rating: Medium</b></p>	
<p>For our businesses to grow organically, we are reliant on securing and retaining a diverse range of customers. A reliance on any one particular customer or group of customers may present a risk to the future cash flows of the Group should they not be retained. Similarly, increased competition could hinder the Group in securing new, or retaining existing, customers.</p> <p>Adverse economic conditions may lead to an increased number of our customers and clients being unable to pay for existing or additional products and services or, in more extreme circumstances, an increase in business failures and insolvencies.</p>	<p>We have strategies which strengthen our long-term relationships with our customers based on quality, value and innovation. Regular customer feedback surveys are undertaken across the Group and, where applicable, appropriate action taken.</p> <p>Our business model is structured so that we are not reliant on one particular customer or group of customers.</p> <p>The Group has limited concentration of credit risk with regard to trade receivables given the diverse and unrelated nature of the Group's customer base.</p>

# Principal Risks and Uncertainties

Continued >

Risk	Mitigation
<p><b>CLIMATE CHANGE &amp; ENERGY COSTS</b> <span style="float: right;">Trend: →</span></p> <p><b>Risk Rating: Medium</b></p>	
<p>Climate change is increasingly becoming more significant and we foresee that, over time, it may have a greater impact on the Group's operations. For example, unpredictable weather patterns brought about by climate change are leading to increasingly more intense storms and flash flooding.</p> <p>The industry we operate in is, by its very nature, energy intensive. Climate change is important to us as a business and to our stakeholders and we are committed to energy efficiency improvement and reducing our greenhouse gas emissions however, there remains the potential for us to see increases in both the cost of energy as well as the potential introduction of associated levies or taxation.</p> <p>Failure to appropriately demonstrate that as a business we are committed and moving towards net zero carbon emissions could negatively impact our brand and also impact our ability to operate and/or remain relevant to our customers and consumers.</p> <p>Failure to remain up to date or comply with climate change disclosure requirements could lead to material financial, reputational or regulatory risks to the Group.</p>	<p>Detailed business continuity plans are in place for the processing of work to be relocated quickly and efficiently. Furthermore, material damage and business interruption insurance cover is in place such that damage to property and the increased cost of working following a loss of processing capacity may, in some circumstances, be recovered.</p> <p>The Group seeks to minimise volatility and manage price risk through hedging and forward buying arrangements for its diesel, electricity and gas requirements.</p> <p>Whilst we are unable to eradicate the risk of energy levies and/or taxes being introduced, we seek to mitigate such risk by continually investing in our sites and installing the latest technologically efficient machinery, for example, water and heat recovery systems.</p> <p>The launch of our refreshed Sustainability Strategy and Vision 2030 targets in 2022 demonstrates the commitments we are making in this area. These commitments are further supported by sustainability targets having been incorporated into Executive and senior management remuneration targets since 2022.</p> <p>We have a Sustainability Committee to oversee our environmental commitments. The role of the Committee is to lend support, to monitor progress and provide guidance on our priority areas, ensuring that our targets are ambitious, realistic, and in the long-term interests of the Group, our stakeholders and the environment.</p> <p>The Group already complies with SECR reporting requirements and has improved and increased its TCFD reporting year on year. In terms of Scope 3 reporting, we are working alongside third party consultants in order to further understand and develop our approach and methodology. Further details in respect of SECR, TCFD and Scope 3 emissions are set out within our Sustainability report.</p>



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# Corporate Governance

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# Directors and Officers



## Jock Lennox

Non-Executive Chair

*Key Committee Memberships: Nomination Committee Chair; Member of the Remuneration Committee*

### Skills & Experience

Jock was appointed as Non-Executive Chair in May 2021. Jock, a Chartered Accountant with extensive experience across a range of sectors, spent 30 years with Ernst & Young LLP ('EY'), holding a number of leadership positions both in the UK and globally, including 20 years as a partner. Since leaving EY in 2009, he has developed an active board career and is currently the Chairman of Clarion Housing Group the UK's largest not-for-profit housing association. Jock was, most recently, Senior Independent Director and Audit Committee Chair of Barratt Redrow plc until November 2025 and was, previously, Chair of Enquest PLC and Hill & Smith Holdings PLC, having also previously served on the boards of Dixons Carphone PLC, Oxford Instruments PLC and A&J Mucklow Group PLC.



## Peter Egan

Chief Executive Officer

*Committee Memberships: Disclosure Committee Chair; Sustainability Committee Chair*

### Skills & Experience

Peter was appointed as Chief Executive Officer on 1 January 2019 having previously held the role of Chief Operating Officer since 1 April 2018. He joined the Group in 1998 and has almost 30 years' experience in the Textile Services industry. Prior to his appointment to the Board, Peter was the Managing Director of Johnsons Workwear, the Group's workwear rental business, having also previously held a number of senior roles within that business. Peter is also a Board member of the European Textile Services Association.



## Ryan Govender

Chief Financial Officer

(Appointed 1 October 2025)

*Committee Memberships: Member of the Disclosure Committee; Member of the Sustainability Committee*

### Skills & Experience

Ryan was appointed as Chief Financial Officer and joined the Board of Johnson Service Group PLC on 1 October 2025. Ryan is an experienced CFO and brings extensive, listed, corporate finance and commercial expertise to his role at JSG, having worked for over 20 years in senior finance roles across global FMCG businesses, particularly in the food sector. Previously, Ryan was CFO and Europe MD at Treatt Plc, a natural extracts and ingredients manufacturer with operations in the UK, the USA and China. Prior to his role at Treatt Plc, Ryan held several roles with Associated British Foods ('ABF'), the international food, ingredient and retail group, most recently as CFO of SPI Pharma. Before that, Ryan held senior finance and management roles within other ABF businesses, including Speedibake, Germains Seed Technology, Illovo Sugar, and at ABF plc. Ryan qualified as a Chartered Accountant at PwC in South Africa.



## Chris Girling

Senior Independent Non-Executive Director

*Key Committee Memberships: Audit Committee Chair; Member of the Remuneration Committee; Member of the Nomination Committee*

### Skills & Experience

Chris joined the Board as a Non-Executive Director on 29 August 2018. A Chartered Accountant by training, he has a background in a variety of sectors, including support services, distribution, construction and defence. Since retiring from full time executive roles in 2007, where he spent the last 16 years as Group Finance Director for two FTSE 250 support services companies, Chris has pursued a non-executive career. In January 2024, after a 16 year term, Chris stepped down as Chair of Trustees for the Slaughter and May Pension Fund. Chris was previously a Non-Executive Director and Chair of the Audit Committee of South East Water Limited, before stepping down, after 8 years, in January 2023. Chris also served as the Senior Independent Non-Executive Director and Chair of the Audit Committee of Workspace Group PLC, prior to stepping down from the Workspace Group PLC Board in January 2022.



## Nicola Keach

Independent Non-Executive Director

*Key Committee Memberships: Member of the Audit Committee; Member of the Remuneration Committee; Member of the Nomination Committee*

### Skills & Experience

Nicola joined the Board as a Non-Executive Director on 1 June 2022. She has extensive experience across a range of sectors, having worked within a number of B2B service organisations of scale. Most recently, Nicola served as Chief Executive Officer of Tivoli Group, one of the largest providers of Grounds Maintenance in the UK, having joined the company in November 2021 with a remit to grow the business both organically and through aggressive acquisition. In November 2024, Nicola led a successful exit for Tivoli's private equity owners through Tivoli's acquisition by Nurture Group. Prior to joining Tivoli, Nicola spent nearly a decade at utilities company ENGIE, latterly as Chief Executive Officer for the UK and Ireland. Nicola's early career was with Serco, the FTSE 250 provider of public services, where she quickly progressed to hold a number of leadership roles, including National Operations Director for Healthcare and Business Development Director for Healthcare.



## Christopher Clarkson

General Counsel & Company Secretary

### Skills & Experience

Chris was appointed General Counsel & Company Secretary on 5 September 2022. Chris started his career at the international law firm DLA Piper UK LLP where he qualified as a Solicitor in 2008. He joined Brammer plc (now Rubix), the pan-European industrial distributor, in 2011 and was appointed Head of Legal there in 2017.



## Kirsty Homer

Independent Non-Executive Director

*Key Committee Memberships: Remuneration Committee Chair; Member of the Audit Committee; Member of the Nomination Committee*

### Skills & Experience

Kirsty joined the Board as a Non-Executive Director on 1 August 2023 and was appointed as the Company's Remuneration Committee Chair and designated Non-Executive Director for Workforce Engagement with effect from 1 November 2024. Kirsty is a highly experienced HR practitioner who is, currently, Group People Director for Blue Coast Capital and Chief People Officer for River Island, the British based, multi-channel, fashion brand and retailer. In February 2024 Kirsty was appointed as a Non-Executive Director of The King's Trust Trading Limited, the commercial and events arm of The King's Trust. Previously, Kirsty served as Group HR Director for the Howden Joinery Group Plc group of companies ("Howdens"). Prior to her role at Howdens, Kirsty served as Global People & Governance Director for the Mothercare Plc group of companies during its turnaround phase and restructure, helping to transform the business into a successful global franchisor. Kirsty has also held senior HR roles at Waitrose and John Lewis before being appointed Personnel Director there in 2013.



## Yvonne Monaghan

Former Chief Financial Officer  
(Resigned 1 October 2025)

### Skills & Experience

Yvonne has significant experience in the Textile Services industry having joined the Group as Group Management Accountant in 1984 after qualifying as a Chartered Accountant with Deloitte Haskins and Sells. She was appointed as Company Secretary and Group Financial Controller in 1985 and joined the Board as Chief Financial Officer on 31 August 2007. Yvonne is also the Senior Independent Non-Executive Director and Chair of the Audit Committee of The Pebble Group PLC and, prior to stepping down from their Board in September 2020, was also the Senior Independent Non-Executive Director and Chair of the Audit Committee of NWF Group PLC. On 1 October 2025 Yvonne stepped down from the Board as Chief Financial Officer and resigned as an Executive Director of the Company. Yvonne then remained employed by the Company until 28 February 2026 (the "End Date") to, initially, complete a handover process with her successor as Chief Financial Officer, Ryan Govender, and, thereafter, to be available to support the Company. Yvonne then ended such employment with the Company and retired on the End Date.

# Directors' Report



The Directors present their Annual Report and the audited Consolidated and Company Financial Statements for the year ended 31 December 2025.

This Report includes information required by the Companies Act 2006 ('Companies Act') and the UK Financial Conduct Authority's ('FCA') UK Listing Rules ('UKLR') and forms part of the management report as required by Rule 4 of the FCA's Disclosure Guidance and Transparency Rules ('DTR'). Additional information which is incorporated by reference into this Directors' Report can be located by reference to the table below. As permitted by the Companies Act, the Directors' Report includes the disclosures in the Strategic Report on:

Subject Matter	Location in Annual Report (page)
Indication of likely future developments in the business of the Company	6 to 56
Viability statement	15
Climate change emission reporting	32 to 35
Employee engagement	36 to 37
Directors who held office during the year	60 to 61
Stakeholder engagement	16 to 17
Financial risk management	88 to 89

The Strategic Report can be found on pages 6 to 56 and includes details of important events and the Company's business model and strategy. In addition, the Corporate Governance Report on pages 70 to 83, the report on Sustainability on pages 28 to 49 (including with regard to information about the employment of disabled persons, employee involvement and share schemes), and the Directors' Responsibilities Statement on page 69 are also incorporated into this Directors' Report by reference.

## Principal Activities and Business Overview

Johnson Service Group PLC (the 'Company') is incorporated and domiciled in the UK, its registered number is 523335 and the address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH. The Company is a public limited company and has all of its ordinary shares admitted to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority (FCA) and to trading on London Stock Exchange plc's Main Market for listed securities.

The Principal Activities and Business Overview of the Group are set out within the Strategic Review.

The Company has no branches outside of the United Kingdom. The Group's activities in the Republic of Ireland are conducted through subsidiaries incorporated and registered in that jurisdiction. Details of subsidiary companies are provided on pages 188 to 189.

## Results and Dividends

The Group's retained profit after taxation for the year from all operations amounted to £37.1 million (2024: £35.6 million).

The dividend comprises an interim dividend of 1.6 pence (2024: 1.3 pence) per Ordinary share and a proposed final dividend of 3.2 pence (2024: 2.7 pence) per Ordinary share which will, if approved by Shareholders at the AGM, be paid on 15 May 2026 to shareholders on the register at the close of business on 17 April 2026. This total dividend of 4.8 pence per Ordinary share, subject to the approval of Shareholders, will amount to a dividend distribution for the year, based on the number of shares in issue as at the date of this Report, of £18.4 million (2024: £16.5 million).

Details of the results for the year are shown on the Consolidated Income Statement on page 127 and the business segment information is given on page 144.

Generally, the trustee of the employee benefit trust, The Johnson Service Group PLC Employee Share Trust (EST), which operates in connection with the Company's share incentive plans, waives its right to receive dividends on any shares held by it. Further details of the EST can be found on page 173. The value of the dividends payable during the year ended 31 December 2025 that were waived by the EST was £118 (2024: £289).

## Share Capital

The Company has a single share class which is divided into ordinary shares of 10 pence each. At the date of this Report, 377,792,229 ordinary shares of 10 pence each have been issued, all of which are fully paid up or credited as fully paid. All of the ordinary shares are admitted to the Equity Shares (Commercial Companies) category of the FCA's Official List and to trading on London Stock Exchange plc's Main Market and may be traded through the CREST system. The currency of the ordinary shares is British pounds sterling. As at the date of this Report, the Company held no ordinary shares in treasury.

The rights attaching to the ordinary shares are uniform in all respects and they form a single class for all purposes, including with respect to attendance and speaking and general meetings of the Company, appointing proxies and exercising voting rights and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. As noted above, a waiver of dividend exists in respect of the shares held by the EST as of 31 December 2025 and with respect to future dividends. Details of the shares purchased by the EST during the year are outlined in note 32 to the Consolidated Financial Statements.

On a show of hands, every Shareholder who is present in person or by proxy shall have one vote and, on a poll, every Shareholder present in person or by proxy shall have one vote per ordinary share provided that all sums due in respect of such share are fully paid. The total number of voting rights attaching to the issued ordinary share capital at the date of this Report is 377,792,229.

As the shares rank equally, none of them carry any special rights with regards to control of the Company. Such equal rights apply to shares acquired through any of the Company's employee share schemes and those shares so acquired carry no lesser or greater rights than shares acquired in the Company in any other way. Accordingly, provided that all sums due in respect of such share are fully paid, there are no restrictions on voting rights attaching to any shares, whether relating to the level of shareholding or otherwise.

There are no specific restrictions on the transfer of securities in the Company, other than as contained in the Articles of Association, this paragraph and certain laws or regulations, such as those related to insider dealing or market abuse, which may be imposed from time to time. The Directors and certain employees are required to obtain approval prior to dealing in the Company's securities. In addition, LTIP awards granted to Directors in 2019 and thereafter are subject to a two-year post-vesting holding period. During such holding period the recipient may not normally dispose of any of the shares resulting from the exercise of their LTIP award other than in certain limited circumstances as set out in the LTIP scheme rules.

Changes in the Company's share capital during 2025, including the total issued share capital at the end of the year, details of purchases and transfers by the EST during the year, together with details of outstanding share options granted over unissued capital, are set out in notes 29, 30 and 32 to the Consolidated Financial Statements. Details relating to the Company's share buyback programmes in 2025 are set out below (Purchase of own Shares).

## Shareholders Authority for the Allotment of Shares

Resolutions are sought at each AGM to permit the Company to allot, subject to shareholder approval, new shares under specific circumstances. They are a function of addressing funding or share scheme needs and not a tool for employing anti-takeover measures. Further details are given in the 2026 Notice of Annual General Meeting.

## Shareholders' Authority for the Purchase by the Company of its own Shares

At the 2025 Annual General Meeting, Shareholders authorised the Company to make market purchases of up to a maximum aggregate of 41,498,320 Ordinary shares, which represented approximately 10% of the Company's issued Ordinary share capital on the latest practicable date prior to publication of the 2025 Notice of Annual General Meeting. The minimum price allowed for such purchases is 10 pence and the maximum is 105% of the average of the middle market quotation of such shares for the five business days immediately preceding the day of purchase. Except for amending the maximum number of shares subject to the authority, the Directors intend to seek renewal of this authority, which is due to expire at the conclusion of the 2026 Annual General Meeting. Further details are given in the 2026 Notice of Annual General Meeting.

## Purchase of own Shares

On 5 March 2025, the Company announced the commencement of a share buyback programme with an aggregate market value equivalent of up to £15.0 million (excluding expenses) ('March 2025 Share Buyback Programme'). Consistent with the Company's capital allocation policy, the purpose of the March 2025 Share Buyback Programme was to reduce the Company's share capital. Pursuant to the March 2025 Share Buyback Programme, the Company entered into a non-discretionary instruction with Investec Bank plc to purchase up to £15.0 million (excluding expenses) of the Company's Ordinary shares of 10 pence each and to make trading decisions under the March 2025 Share Buyback Programme independently of the Company in accordance with certain pre-set parameters. On 4 June 2025, the Company announced that it had extended the March 2025 Share Buyback Programme by a further £15.0 million (excluding expenses), making £30.0 million in total (the 'March 2025 Share Buyback Programme Extension').

The March 2025 Share Buyback Programme (as extended pursuant to the March 2025 Share Buyback Programme Extension) commenced on 5 March 2025 and ended on 28 August 2025 and, pursuant to which, during the year ended 31 December 2025, the Company bought back through market purchases on the London Stock Exchange 21,074,153 Ordinary shares with a nominal value of 10 pence each, representing 5.1 per cent of the shares in issue prior to the commencement of the March 2025 Share Buyback Programme. The total consideration paid, in connection with the March 2025 Share Buyback Programme (as extended pursuant to the March 2025 Share Buyback Programme Extension), including expenses, was £30.1 million, all of which was expended during the financial year ended 31 December 2025. All of the Ordinary shares bought back pursuant to the March 2025 Share Buyback Programme were cancelled.

On 2 September 2025, the Company announced the commencement of another share buyback programme, with an aggregate market value equivalent of up to £25.0 million (excluding expenses) ('September 2025 Share Buyback Programme'). Consistent with the Company's capital allocation policy, the purpose of the September 2025 Share Buyback Programme was to reduce the Company's share capital.

Pursuant to the September 2025 Share Buyback Programme, the Company entered into a non-discretionary instruction with Investec Bank plc to purchase up to £25.0 million (excluding expenses) of the Company's Ordinary shares of 10 pence each and to make trading decisions under the September 2025 Share Buyback Programme independently of the Company in accordance with certain pre-set parameters. The September 2025 Share Buyback Programme commenced on 2 September 2025 and ended on 7 January 2026. During the year ended 31 December 2025, pursuant to the September 2025 Share Buyback Programme, the Company bought back through market purchases on the London Stock Exchange 17,219,208 Ordinary shares with a nominal value of 10 pence each, representing 4.4 per cent of the shares in issue prior to the commencement of the September 2025 Share Buyback Programme. The total

# Directors' Report

Continued >

consideration paid, in connection with the September 2025 Share Buyback Programme, including expenses, was £25.1 million of which £24.5 million was expended during the financial year ended 31 December 2025. All of the Ordinary shares bought back pursuant to the September 2025 Share Buyback Programme were cancelled.

## Substantial Shareholdings

The Company has received notifications of interests in its ordinary share capital pursuant to Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules ("DTR 5"). The table below sets out the details contained in the most recent notification received from each holder pursuant to DTR 5.1, together with the date of that notification. The percentages shown reflect the position as stated by the relevant holder in the applicable notification.

Under DTR 5.1, a holder is required to notify the Company when its holding of voting rights reaches, exceeds or falls below specified notifiable thresholds (as defined in DTR 5.1). No further notification is required unless and until a subsequent threshold is crossed. Accordingly, the interests disclosed below may have changed since the date of the relevant notification.

The table includes those holders who, based on the most recent notifications received under DTR 5.1 and the Company's analysis of its share register as at 31 December 2025, are considered to hold 3 per cent or more of the voting rights attaching to the Company's issued share capital. Where a holder has previously notified the Company, pursuant to DTR 5.1, of an interest of 3 per cent or more but the Company's share register analysis indicates that such holding has subsequently fallen below 3 per cent that holder is not included in the table below.

Notifications received by the Company pursuant to DTR 5.1 are announced via a Regulatory Information Service and are available on the Company's website at [www.jsjg.com](http://www.jsjg.com).

Shareholder	Number of ordinary shares <sup>1</sup>	% of issued share capital <sup>2</sup>	Date of last notification
Tweedy Browne Company LLC	41,910,380	11.01	17/12/2025
Primestone Capital LLP	43,356,269	10.95	10/09/2025
Artemis Investment Management LLP	33,269,108	8.73	10/12/2025
FIL Limited	26,884,767	6.58	05/06/2025
Aberdeen Group plc	Below 5%	Below 5	30/12/2025
BlackRock Inc	20,428,719	4.92	04/12/2024
Moneta Asset Management SAS	16,744,600	4.14	21/07/2025

Note 1: Represents the number of voting rights last notified to the Company by the respective holder in accordance with DTR 5.1.

Note 2: Based on the total shares held in the Company as at the notification date.

In the period from 31 December 2025 up to and including 2 March 2026, being the latest date practicable before publication of this Report, the Company has received the following notifications, pursuant to DTR 5.1:

- On the 12 January 2026, the Company received notification from Moneta Asset Management SAS that the number of ordinary shares they hold at the date of notification is 14,931,083 shares, being 3.95% of the issued share capital at the time of notification.
- On the 12 February 2026, the Company received notification from Primestone Capital LLP that the number of ordinary shares they hold at the date of notification is 37,733,221 shares, being 9.99% of the issued share capital at the time of notification.

## Employee Share Trust

The Johnson Service Group PLC Employee Share Trust (EST) was established on 20 May 1997 in connection with the Company's share incentive plans. Details of employee equity incentive plans are set out in the Directors' Remuneration Report on pages 94 to 115. As at 31 December 2025, the trustees of the EST held 2,947 (2024: 9,024) shares of the Company.

## Awards Under Employee Share Schemes

Details of awards made during the year and held by executive directors as at 31 December 2025 are disclosed in the Directors' Remuneration Report on pages 108 to 110. Details of employee equity incentive plans and grants made during the year ended 31 December 2025, and extant awards held by employees, are disclosed in the consolidated financial statements in note 30.

## Significant agreements

The Company is not a party to significant agreements which take effect, alter or terminate upon a change of control following a takeover bid apart from a number of credit facilities with its existing lenders. The total amount owing under such credit facilities as of 31 December 2025 is shown in note 22 to the Consolidated Financial Statements. These agreements contain clauses such that, in the event of a change of control, the Company and its lenders shall enter into negotiations for no more than 30 days from the date of change of control of the Company and if no agreement is reached by the end of such 30 days, then five days later the total outstanding borrowings shall become immediately due and payable.

The rules of the Company's incentive plans contain clauses relating to a change of control resulting from a takeover and, in such an event, awards would vest early. The proportion of the awards which would vest would be determined by the Remuneration Committee taking into account, among other factors, the extent to which any applicable performance targets have been satisfied at that time and the proportion of the normal vesting period that has elapsed. Details of employee equity incentive plans and grants made during the year ended 31 December 2025, and extant awards held by employees, are disclosed in the Consolidated Financial Statements in note 30.

The Company is not aware of any other agreements with change of control provisions that are considered to be significant in terms of their potential impact to the business. There are no significant agreements or contracts in place with any Group Company and a Director of the Company or a major shareholder.

## Acquisitions and Discontinued Operations

Details of acquisitions and discontinued operations during the current and preceding year are given in notes 34 and 35 to the Consolidated Financial Statements.

## Post-balance Sheet Events

There were no events occurring after the balance sheet date that require disclosing in accordance with paragraph 72A of Schedule 1 of the Large and Medium Sized Companies and Groups Regulations.

## Directors

The names of the members of the Board and their biographical details are set out on pages 60 to 61. With the exception of (i) Yvonne Monaghan, who stepped down as CFO of the Company and retired from the Board on 1 October 2025; and (ii) Ryan Govender, who was appointed as CFO of the Company and to the Board on 1 October 2025, they all held office throughout the year and up to the date of approving this Report.

The appointment and replacement of Directors of the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. Directors can be appointed by ordinary resolution at a general meeting or by the Board. If a Director is appointed by the Board, such Director will hold office until the next AGM and shall then be eligible for election at that meeting. All Directors who wish to continue to serve are subject to annual election by shareholders at the AGM in line with the provisions of the UK Corporate Governance Code.

The Directors are responsible for the strategic management of the Company and their powers to do so are determined by the provisions of the Companies Act, related legislation and the Company's Articles of Association.

## Directors' Interests

### Share Capital

The terms of the Directors' service agreements or letters of appointment and the interests of the Directors who held office during the financial year ended 31 December 2025, together with the interests of their close family, in the shares and share awards of the Company at the commencement or, if later, date of appointment, and close of the financial year, in respect of which transactions are notifiable to the Company and the FCA under Article 19 of the UK Market Abuse Regulation, are disclosed in the Directors' Remuneration Report.

Details of the Company's interest in its own shares are disclosed in note 32 to the Consolidated Financial Statements.

### Contracts

Other than the Directors' service agreements or letters of appointment, none of the Directors of the Company had a personal interest in any business transactions of the Company or its subsidiaries.

### Conflicts of Interest

Under the Companies Act and the provisions of the Company's Articles of Association, the Board is required to consider potential conflicts of interest. The Company has established formal procedures and policies for the disclosure and review of any conflicts, or potential conflicts, of interest, which the Directors may have and for the authorisation of such conflict matters by the Board. To this end, the Board considers and, if appropriate, authorises any conflicts, or potential conflicts, of interest as they arise. New Directors are required to declare any conflicts, or potential conflicts, of interest to the Board following his or her appointment. The Board believes that the procedures

established to deal with conflicts of interests are operating effectively.

## Directors' Indemnity

In accordance with the Articles of Association and to the extent permitted by law, the Directors are granted an indemnity from the Company in respect of certain liabilities incurred in connection with their office. In respect of those matters for which the Directors may not be indemnified, the Company maintained a directors' and officers' liability third party insurance policy throughout the financial year and up to the date of approval of these financial statements. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently. No claim was made under this provision during the year.

## Articles of Association

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors and the conduct of the Board and general meetings. Copies are available upon request from the Company Secretary and are available at the Company's AGM. Subject to certain limited exceptions, the Company's Articles of Association may only be amended by Special Resolution at a general meeting of the Shareholders.

## Charitable Donations

Details of charitable donations during the current and preceding financial year are set out within the report on Sustainability.

## Political Donations

It is the Company's policy not to make political donations. The Directors confirm that no donations for political purposes were made during the year (2024: £nil).

## Independent Auditor

The external auditor to the Company, Grant Thornton UK LLP, has indicated its willingness to continue in office. In accordance with the recommendation of the Audit Committee, as disclosed on page 88, and as required by Section 489 of the Companies Act, a resolution to reappoint Grant Thornton UK LLP as the external auditor to the Company will be proposed at the Annual General Meeting.

## Statement of Disclosure of Information to Auditors

The Directors' Responsibilities Statement (including the Directors' statement of disclosure of information to auditors) is on page 60 and is incorporated into this Directors' Report by reference.

## Our People

Information about the Group's employees, employment of disabled persons policies and employment practices is contained within the report on Sustainability on pages 36 to 37. With regard to existing team members and those who may become disabled, the Group's policy is to examine ways and means to provide continuing employment under the existing terms and conditions and to provide training and career development, including promotion, where appropriate. When considering recruitment, training, career development, promotion or any other aspect of employment, we strive to ensure that no colleague or job applicant is discriminated against, either directly or indirectly, on the grounds of disability.

# Directors' Report

Continued >

Information on the employee share schemes is in the Directors' Remuneration Report on pages 108 to 110. The steps by the Company taken to inform, engage and consult with employees is outlined in page 37 and in the Section 172 statement on page 17.

## Statement on Engagement with Stakeholders

The success of our strategy is reliant on the support and commitment of all our stakeholders. Their interests are important to us and we are committed to maintaining strong, positive relationships with them, built on a foundation of mutual respect, trust and understanding. The Group's culture, values and behaviours support open and honest engagement with its stakeholders. High standards of ethical behaviour and probity are maintained in all the Company's business dealings. The table on page 16 and the section 172(1) statement on page 17 provide a high-level overview of how we engage with our stakeholders. For further information on how the Company fosters business relationships and how the directors have had regard to stakeholders' interests in their principal decision-making processes, see pages 74 to 75.

## Policy on Payment to Suppliers

### Prompt Payment Code

The Company and its subsidiaries fully support the standards set out within the Prompt Payment Code ('PPC') in respect of all suppliers. The PPC sets standards for payment practices and best practice and is administered by the Chartered Institute of Credit Management. The main features of the PPC are that payment terms are agreed at the outset of a transaction and are adhered to; that there is a clear and consistent policy that bills will be paid in accordance with the contract; and that there are no alterations to payment terms without prior agreement.

### Payment Practice Reporting

Regulations made under Section 3 of the Small Business, Enterprise and Employment Act 2015 introduced a requirement on the UK's largest companies to report on a half-yearly basis their payment practices, policies and performance. The requirement to report is based upon a company having annual revenue of £36.0 million or more; the Parent Company has revenue of £nil hence the Group has reported under its main trading subsidiary, Johnsons Textile Services Limited.

Johnsons Textile Services Limited was required to publish supplier payment information for the six months ended 30 June 2025 and for the six months ended 31 December 2025. The average time taken to pay invoices in each of those periods was 55 days and 49 days, respectively. The comparative figures for 2024 were 54 days and 52 days, respectively. Johnsons Textile Services Limited trades through a number of brands, each of which have varying payment terms with their suppliers, however, such terms typically range from 14 days through to 60 days.

Further information was published through an online service provided by the Government and can be viewed by visiting <https://check-payment-practices.service.gov.uk/company/00464645/reports>.

### Dispute Resolution Process

We seek to resolve any issues in the first instance between the most relevant representatives of our Company and the supplier. If the matter cannot be resolved, it may then be escalated to senior members of both the supplier and ourselves. We are very proud to have built up longstanding relationships with a significant proportion of our suppliers and will always endeavour to work in a collaborative manner with them in order to resolve any disputes that may arise. Once resolved, we would aim to pay the supplier within the agreed contractual terms between us

or, if the contractual due date has passed, at the next available opportunity.

## Streamlined Energy and Carbon Reporting (SECR)

The Group is required to report, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, its energy use and carbon emissions for the financial year ended 31 December 2025. As allowed by the legislation, and in order to allow for sufficient time to compile the data and complete the reporting, the annual period used to calculate energy use and emissions was set as the 12 months ending 30 September 2025.

Relevant disclosures are provided on pages 32 to 35.

## Energy Use and Greenhouse Gas emissions ('GHG')

Information about the Group's energy use, GHGs and methodologies used for the calculations are given in the report on Sustainability pages 32 to 35.

## Task Force on Climate-Related Financial Disclosures ('TCFD')

The climate-related financial disclosures consistent with TCFD recommendations are in the report on Sustainability on pages 44 to 47.

## Financial Risk Management

The Directors acknowledge that the Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out centrally under policies approved by the Board. Further details are set out within the Audit Committee Report on pages 88 to 89.

## Half Yearly Reporting

The Company no longer publishes half yearly reports for individual circulation to Shareholders. Information that would normally be included in a half yearly report is made available on the Company's website at [www.jsg.com](http://www.jsg.com).

## Annual Report & Accounts and compliance with UK Listing Rule ('UKLR') 6.6.4R

The Annual Report & Accounts is comprised of the following sections: Strategic Report (pages 6 to 56); Corporate Governance (including the Directors' Report and Directors' Remuneration Report) (pages 60 to 115); Group Financial Statements (pages 118 to 175); Company Financial Statements (pages 178 to 189); and Shareholder Information (including Notice of AGM) (pages 191 to 204). The Strategic Report on pages 6 to 56 provides an overview of the development and performance of the Company's business and its position at the end of the financial year ended 31 December 2025. The Strategic Report also outlines any important events since the end of the financial year and also likely future developments in the business of the Company and Group.

For the purposes of compliance with DTR 4.1.5 R (2) and DTR 4.1.8 R, the required content of the management report can be found in the Strategic Report and the Corporate Governance section of this Report (including this Directors' Report), incorporated by reference.

For the purposes of UKLR 6.6.4 R, the information required to be disclosed by UKLR 6.6.1 R can be found in the table below.

1.	Amount of interest capitalised	Not applicable
2.	Any information required by UKLR 6.2.23R	Not applicable
3.	Details of long-term incentive schemes	Directors' Remuneration Report (pages 94 to 115)
4.	Details of any director's waiver of, or agreement to waive, any emoluments or future emoluments	Not applicable
5.	Details of any non-preemptive allotments for cash of equity securities	Note 32 of the Consolidated Financial Statements
6.	Information required by (5) above for any unlisted major subsidiary undertaking of the Company	Not applicable
7.	Where the company is a subsidiary undertaking, details of a parent undertaking's participation in any placing made during the period under review	Not applicable
8.	Details of any contract of significance of the Company or a subsidiary in which a director is or was materially interested or to which a controlling shareholder was a party	Directors' Report (Directors' Interests) (page 65)
9.	Details of any contract for the provision of services to the company or subsidiaries by a controlling shareholder	Not applicable
10.	Details of any arrangement where a shareholder has waived or agreed to waive any current or future dividends	Directors' Report (Results and Dividends) (page 62)
11.	Agreements with controlling shareholders	Not applicable

## Corporate Governance Statement

In compliance with the FCA's Disclosure Guidance and Transparency Rules (DTR) 7.2.1, the disclosures required by the DTR are set out in this Directors' Report on pages 62 to 68, the Strategic Report on pages 6 to 56, and in the Corporate Governance Report on pages 70 to 83 which are deemed to be incorporated into this section of the Directors' Report by reference.

## 2026 Annual General Meeting

The Directors intend that the 2026 Annual General Meeting (the 'Meeting' or the 'AGM') of Johnson Service Group PLC (the 'Company') will be held at the DoubleTree by Hilton Hotel & Spa Chester, Warrington Road, Hoole, Chester, CH2 3PD on Thursday 7 May 2026 at 11:00am.

As we did last year, and in order to reduce the Company's environmental impact, our intention is to once again remove paper from the voting process as far as possible. As a result, Shareholders will not receive a hard copy form of proxy for the AGM but will instead be able to register their vote electronically.

An explanation of the resolutions to be proposed at the Meeting, together with details on electronic voting, is included in the Notice of Annual General Meeting accompanying this Annual Report.

## Going Concern

### Background and Summary

After careful assessment, the Directors have adopted the going concern basis in preparing these financial statements. The process and key judgments in coming to this conclusion are set out below. The going concern status of the Company is intrinsically linked to that of the Group.

The Group's business activities, together with details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities, are described in the Operating and Financial Reviews.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review, Chair's Statement and Chief Executive's Operating Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, note 27 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.

# Directors' Report

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## Going Concern Assessment

### Cash Flows, Covenants and Stress Testing

For the purposes of the going concern assessment, the Directors have prepared monthly cash flow projections for the period to 30 June 2027 (the assessment period). The Directors consider this to be a reasonable period for the going concern assessment as it enables us to consider the potential impact of macroeconomic and geopolitical factors over an extended period. The cash flow projections show that the Group has significant headroom against its committed facilities and can meet its financial covenant obligations.

The Group has also performed a reverse stress test against the base monthly cash flow projections referred to above in order to determine the performance level that would result in a reduction in headroom against its committed facilities to nil or a breach of its covenants. Headroom on the Group's committed facilities would reduce to nil in the event that adjusted operating profit reduced to approximately 75% of 2025 levels. The Directors do not consider this scenario to be plausible.

As a further stress test, the Group considered the impact of increasing interest rates. The Directors do not consider the magnitude of the increase in interest rates that would be required in order for a covenant to be breached to be plausible.

The Group has also considered the impact of a more modest increase in interest rates alongside the reduction required in adjusted operating profit to cause a breach in the interest cover covenant. Again, the Directors do not consider such a scenario to be plausible.

Each of the stress tests assume no mitigating actions are taken. Mitigating actions available to the Group, should they be required, include reductions in discretionary expenditure, particularly that of a capital nature, and ceasing dividend payments.

### Liquidity

The Group has access to a committed Revolving Credit Facility of £135.0 million (the 'Facility') which matures in August 2027. Whilst the existing facility provides sufficient liquidity for current commitments, we have commenced discussions with our existing lenders to refinance the facility, having regard to the future deployment of capital and our target leverage of 1.0 to 1.5 times, and to extend its tenure.

## Going Concern Statement

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2027. Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

## Viability Statement

A statement on the future prospects of the Group is included within the Strategic Review.

By order of the Board

### Christopher Clarkson

Company Secretary

2 March 2026

### Johnson Service Group PLC

Registered in England and Wales No.523335

# Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Strategic Report, Directors' Report, the Directors' Remuneration 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 to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. 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 Group and the Parent Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- for the Group financial statements state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- for the Parent Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and enable them to ensure that the financial statements and Director's Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent 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 Group's website. Legislation in the United Kingdom governing

the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors consider that the Annual Report and the financial statements, taken as a whole, provides the information necessary to assess the Group and the Parent Company's performance, business model and strategy and is fair, balanced and understandable.

To the best of our knowledge:

- the Group financial statements, prepared in accordance with UK-adopted international accounting standards, and the Parent Company financial statements, prepared in accordance with UK accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Parent Company and the undertakings included in the consolidation, taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Parent Company and the undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group and the Parent Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and the Parent Company's auditor is aware of that information.

On behalf of the Board

**Peter Egan**  
Chief Executive Officer

2 March 2026

**Ryan Govender**  
Chief Financial Officer

2 March 2026

# Corporate Governance Report

**“We are committed to high standards of corporate governance which we consider are critical to business integrity and to maintaining investors’ trust in us. We expect all our directors, employees and suppliers to act with honesty, integrity and fairness. Our business principles set out the standards we set ourselves to ensure we operate lawfully, with integrity and with respect for others.”**

## Legislative Overview

As a company having the whole of its ordinary shares admitted to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc’s Main Market for listed securities, the Company is required to adopt and report the extent of its compliance with the Financial Reporting Council’s 2024 UK Corporate Governance Code (the ‘Code’).

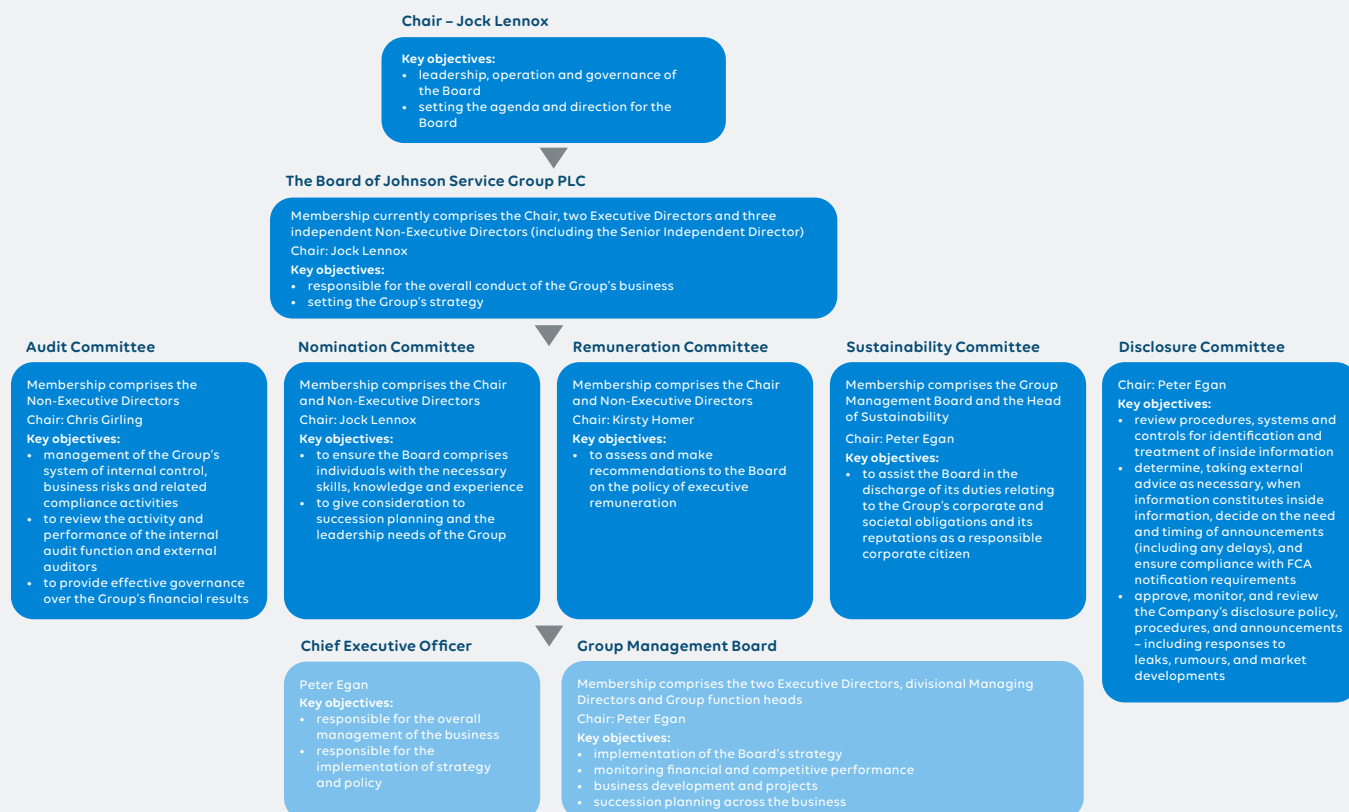
The Code, which can be found on the Financial Reporting Council’s website at [www.frc.org.uk](http://www.frc.org.uk), is the product of extensive consultation and places emphasis on businesses establishing a corporate culture that is aligned with the company purpose and business strategy and which promotes integrity and values diversity. The Code is divided into five sections, as follows:

- 1) Board Leadership and Company Purpose
- 2) Division of Responsibilities
- 3) Composition, Succession and Evaluation
- 4) Audit, Risk and Internal Control
- 5) Remuneration

Each of the above sections contain an overriding set of ‘Principles’ supported by more detailed ‘Provisions’.

This Corporate Governance Report describes how the Company has applied the Principles and complied with the relevant Provisions as set out in the Code that were in force for the year under review. To the extent necessary, certain information is incorporated into this Report by reference.

## Our Governance Structure



## Compliance with the Code

The Company has applied the Principles and complied with the Provisions of the Code that were in force throughout the year ended 31 December 2025, other than in relation to the following:

Provision	Explanation
36	<p><b>Post-employment shareholding requirement</b></p> <p>As at 31 December 2025, although the Company has, for LTIPs granted in 2019 and thereafter, had in place a two-year post-vesting holding period for LTIPs granted to Executive Directors it had not introduced a formal post-employment shareholding requirement for the Executive Directors.</p> <p>However, as part of the Company's updated Directors' Remuneration Policy, the Company is introducing a post-employment shareholding requirement for Executive Directors. Upon stepping down from the Board, Executive Directors will be required to maintain a shareholding equivalent to:</p> <ul style="list-style-type: none"> <li>• 100 per cent of their in-employment requirement for the first year (or the shareholding upon stepping down if lower); and</li> <li>• 50 per cent of their in-employment requirement for the second year (or 50 per cent of the shareholding upon stepping down if lower).</li> </ul> <p>This is in addition to the two-year post-vesting holding period that has already been implemented. Further details relating to the Company's Directors' Remuneration Policy can be found on pages 98 to 105.</p>
39	<p><b>Pensions</b></p> <p>As at 31 December 2025, the Company had not yet fully aligned the employer pension contribution rate for all Executive Directors with the employer pension contribution rate available to the majority of the Group's wider UK workforce. However, this alignment was achieved with effect from 1 January 2026.</p> <ul style="list-style-type: none"> <li>• Throughout the financial year ended 31 December 2025, the CEO's entitlement was capped at the cash value of his 2019 entitlement such that, for 2025, this equated to an employer contribution rate of 8.6 per cent of the CEO's salary (2024: 8.8 per cent). With effect from 1 January 2026, the CEO's employer's pension contribution was reduced to 6% of salary in line with the rate available to the majority of the Group's wider UK workforce (approximately 6% of salary).</li> <li>• Upon his appointment as CFO, on 1 October 2025, the applicable employer pension contribution rate for Ryan Govender was 6% of salary, being immediately in line with the rate available to the majority of the Group's wider UK workforce (approximately 6% of salary).</li> <li>• The employer pension contribution rate for the former CFO, Yvonne Monaghan, reduced to 15 per cent of base salary with effect from 1 January 2023; then reduced to 12 per cent of base salary with effect from 1 January 2024; and then reduced to 9 per cent of base salary with effect from 1 January 2025.</li> <li>• For all new executive appointments to the Board, the employer pension contribution rate will be aligned with that available to the majority of the Group's wider UK workforce (currently 6 per cent).</li> </ul>

## Section 1: Board Leadership & Company Purpose

### Principles

- A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.
- The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.
- Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.
- In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.
- The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

## Overview of the Board

The Board comprises the Non-Executive Chair, two Executive Directors and as at 31 December 2025 three Independent Non-Executive Directors and has overall responsibility for the performance and long-term sustainable success of the Group. Operating in an effective and entrepreneurial spirit, the Board is responsible for health and safety, leadership, agreeing the strategic direction of the Group, sustainability, promoting high standards of internal control, risk management and corporate governance, setting the budget, overseeing performance and discharging certain legal responsibilities. The Board also plays a key role in developing and monitoring our culture, our values, our brand and our reputation.

The Board has spent time in the business both collectively and as individuals, exploring specific business areas through presentations, meetings and dialogue with colleagues and our stakeholders. Throughout the year, the Board, supported by its Committees, has covered a broad range of topics to ensure that we continually review and challenge matters of importance to our stakeholders.

Further details on the Group's mission, vision, values, targets and culture, together with information on our strategy and business model, are set out within the Strategic Report on pages 6 to 56.

## Specific Responsibilities of the Board

The Board, in addition to routine consideration of both financial and operational matters, determines the strategic direction of the Group. The Board has a formal schedule of matters specifically reserved for its decision which can only be amended by the Board itself.

The specific responsibilities reserved for the Board include:

- development and approval of the Group's long-term objectives, overall strategy, mission, vision, values and targets;

# Corporate Governance Report

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- health and safety matters;
- sustainability matters;
- approval of the annual budget;
- monitoring of operational and financial performance against plans and budgets;
- approval of major acquisitions, disposals and capital expenditure;
- approval of any changes to the capital structure of the Group;
- design and approval of dividend policy;
- approval of appointments to the Board and of the Company Secretary;
- consideration of succession planning for key members of the management team; and
- determining the terms of reference for the Board committees.

## Roles in the Boardroom

<p><b>Non-Executive Chair</b></p> <p><b>Jock Lennox</b> Leads the Board and ensures its overall effectiveness in discharging its duties</p> <ul style="list-style-type: none"> <li>• shapes the culture in the boardroom and promotes openness, challenge and debate</li> <li>• sets the agenda for Board meetings, focusing on strategy, performance, value creation, risk management, culture, stakeholders and accountability</li> <li>• chairs meetings ensuring there is timely information flow before meetings and adequate time for discussion and debate</li> <li>• fosters relationships based on trust, mutual respect and open communication inside and outside the boardroom</li> <li>• leads relations with major shareholders in order to understand their views on governance and performance against strategy</li> </ul>	<p><b>Senior Independent Non-Executive Director</b></p> <p><b>Chris Girling</b> Provides a sounding board for the Chair and serves as an intermediary for other directors and shareholders</p> <ul style="list-style-type: none"> <li>• provides the Chair with support in the delivery of objectives, where necessary</li> <li>• works closely with the Nomination Committee, leads the process for the evaluation of the Chair and ensures orderly succession of the Chair's role</li> <li>• acts as an alternative contact for shareholders, providing a means of raising concerns other than with the Chair or senior management</li> </ul>
<p><b>Independent Non-Executive Directors</b></p> <p><b>Chris Girling</b> <b>Nicola Keach</b> <b>Kirsty Homer</b></p> <p>Ensure that no individual or small group of individuals can dominate the Board's decision making</p> <ul style="list-style-type: none"> <li>• independent non-executive directors meeting the independence criteria set out in the Code (excluding the chair), currently comprise 50% of Board membership</li> <li>• provide constructive challenge, give strategic guidance, offer specialist advice and hold executive management to account</li> </ul>	<p><b>Executive Directors</b></p> <p><b>Peter Egan (CEO)</b> <b>Ryan Govender (CFO) (Appointed 1 October 2025)</b> <b>Yvonne Monaghan (Former CFO) (Resigned 1 October 2025)</b></p> <p>Lead the implementation of the Group's strategy set by the Board</p> <ul style="list-style-type: none"> <li>• the Group CEO is responsible for delivering the strategy and the overall management of the Group</li> <li>• the Group CEO leads the Group Management Board and ensures its effectiveness in managing the overall operations and resources of the Group</li> <li>• the executive directors provide information and presentations to the Board and participate in Board discussions regarding Group management, financial and operational matters</li> </ul>
<p><b>Designated Non-Executive Director for Workforce Engagement</b></p> <p><b>Kirsty Homer</b></p> <p>Provides an effective engagement mechanism for the Board to understand the views of the workforce</p> <ul style="list-style-type: none"> <li>• brings the views and experiences of the workforce into the boardroom</li> <li>• enables the Board to consider the views of the workforce in its discussions and decision making</li> </ul>	<p><b>Company Secretary</b></p> <p><b>Christopher Clarkson</b></p> <p>Supports the Chair and ensures directors have access to the information they need to perform their roles</p> <ul style="list-style-type: none"> <li>• provides a channel for Board and committee communications and provides a link between the Board and management</li> <li>• advises the Board on corporate governance matters and supports the Board in applying the Code and complying with other statutory and regulatory requirements</li> </ul>

## Key Board Activities in the Year

Key activities of the Board during 2025 included, inter alia:

- ongoing monitoring of the Group's Health and Safety performance;
- regular review, and formal approval in February and August, of the Group's risk assessment processes and principal risks and uncertainties;
- the review and approval of the half year and full year financial statements;
- the review and approval of major capital and investment projects;
- succession planning, including consideration and approval of the appointment of Ryan Govender as the Chief Financial Officer in succession to Yvonne Monaghan;
- consideration and approval of banking facility upsize from £120.0m to £135.0m;
- consideration and approval of the change of the Company's listing venue from AIM to the Equity Shares (Commercial Companies) Category of the Official List of the Financial

Conduct Authority and to trading on London Stock Exchange plc's Main Market for listed securities;

- consideration and approval of the launch of a £30.0 million (excluding expenses) share buyback programme in March and, subsequently, the launch of a further £25.0 million (excluding expenses) share buyback programme in September;
- consideration and recommendation of a final dividend, for the financial year ended 31 December 2024, of 2.7 pence per Ordinary Share, paid in May 2025;
- consideration and approval of an interim dividend of 1.6 pence per Ordinary share, paid in November 2025; and
- consideration and approval of the 2026 – 2028 Budget.

### Insight into the Boardroom

The following is a summary of some of the significant matters considered by the Board at certain of its meetings throughout the year:

January	February/March	April/May
<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business updates)</li> <li>M&amp;A and strategy update</li> <li>Financial performance</li> <li>Sustainability performance update</li> <li>Insurance programme review</li> <li>Board Improvement Plan – Status Update</li> <li>Corporate Governance Code Compliance Review</li> <li>Investment Appraisals</li> <li>Empire Linen – Accession to Bank Facilities</li> <li>Approval of Modern Slavery Statement</li> <li>Approval of Whistleblowing Policy</li> <li>Approval of Group Anti-Sexual Harassment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business updates)</li> <li>M&amp;A update</li> <li>Sustainability matters (incl. FY24 performance and FY25 targets; FY24 Annual Report disclosures (incl. Scope 3 and TCFD Reporting); CSRD and decarbonisation)</li> <li>Employee engagement</li> <li>Financial performance (incl. FY24 results) and appointment of sub-committee re: FY24 final results</li> <li>Going concern and viability assessment</li> <li>Listing venue</li> <li>Share buyback</li> <li>CFO Succession</li> <li>Investor analysis</li> <li>Biannual major risk assessment</li> <li>Draft final results announcement</li> <li>Draft Annual Report and Accounts</li> <li>Draft Investor Presentation</li> <li>Draft AGM Notice</li> </ul>	<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business updates)</li> <li>Board Training (Legal &amp; NOMAD update)</li> <li>Listing venue</li> <li>M&amp;A and strategy update</li> <li>Employee engagement</li> <li>Financial performance</li> <li>Investor feedback and analysis re: FY24 results</li> <li>Provisional AGM Voting</li> <li>Institutional Feedback</li> <li>AGM</li> </ul>
June	July/August/September	October
<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business Updates)</li> <li>Listing venue</li> <li>Share buyback</li> <li>M&amp;A update</li> <li>IT Strategy and Cyber Security</li> <li>Investment Appraisal</li> <li>Bank Facility limit extension</li> <li>Employee engagement</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business updates)</li> <li>Transition to Main Market (incl. Prospectus and transaction documents)</li> <li>M&amp;A and strategy update</li> <li>Sustainability update and Sustainability Report</li> <li>Employee Engagement</li> <li>Financial performance (incl. FY25 interim results and interim dividend) and appointment of sub-committee re: FY25 interim results</li> <li>Share buyback</li> <li>Investor analysis</li> <li>Biannual major risk assessment</li> <li>Draft interim results announcement</li> <li>Going concern assessment</li> </ul>	<ul style="list-style-type: none"> <li>Minutes/matters arising</li> <li>Financial performance</li> <li>Health &amp; Safety and Environmental matters</li> <li>CEO's trading and operational review (incl. Business updates)</li> <li>Succession planning</li> <li>Capex approvals</li> <li>M&amp;A update</li> <li>Strategy update</li> <li>Board Performance Review Investor analysis</li> </ul>

# Corporate Governance Report

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## November/December

- Minutes/matters arising
- Health & Safety and Environmental matters
- CEO's trading and operational review (incl. Business updates)
- M&A update
- Strategy
- IT & Cyber Security update
- Sustainability update
- Employee engagement
- Financial performance
- Share buyback
- Consideration and approval of 2026-2028 Budget
- Investor analysis
- Annual review and approval of updates to Governance Policies
- Approval of Tax Strategy
- Review and approval of Committee Terms of Reference
- Review of NED fees

## Consideration of Stakeholder Interests

The examples below give an insight into how the Board had regard for the interests of its stakeholders in certain of its principal decision-making processes during the year:

**Principal Decision:** Sustainability and Climate Change  
**Stakeholders:** Employees, Customers, Suppliers, Communities, Shareholders

The Board recognises the seriousness of the implications of climate change and sustainability matters for the Group, its stakeholders and the planet, and has taken the decision to make this a central part of the Board's deliberations and oversight. During the year, the Board approved for publication the Group's fourth Sustainability report. The Board firmly believes that embedding a best-in-class sustainability programme throughout our operations will help position us as a leader in responding to the challenges faced by the textile services industry and prove to be a differentiator for our customers.

**Principal Decision:** Change of Listing venue from AIM to Main Market  
**Stakeholders:** Employees, Customers, Suppliers, Communities, Shareholders

On 4 March 2025, the Board announced that it was considering a move to the Main Market following engagement with the Company's largest Shareholders (the "Consultation"). On balance, the Consultation clearly showed support for JSG to proceed to a Main Market listing from the majority of those Shareholders consulted. In addition to the Consultation, and being cognisant that AIM had served the Company well over recent years, the Board considered, in detail, the rationale for a move-up from AIM to the Main Market, including: access to deeper pools of capital and a broader range of investors, including more international funds, to support the Group's growth ambitions; a move-up to Main Market typically increasing liquidity in trading of the Company's shares; the Main Market being considered a higher profile trading venue; and as AIM was, and is, always intended to be a growth market and, given the market capitalisation of the Company, a move-up to the Main Market being the natural progression. The Board also discussed that, following admission to the Main Market, it was anticipated that the Company's Ordinary Shares would meet the market capitalisation and liquidity thresholds to be considered for inclusion in FTSE indices at FTSE's September 2025 quarterly review. Following due and careful consideration, and with reference to the factors set out in Section 172(1) of the Companies Act 2006, the Board concluded that the proposed move to a Main Market listing would promote the success of the Company for the benefit of its members as a whole. Accordingly, on 4 June 2025, the Company announced its intention to move from trading on AIM to a Main Market listing and, following this, on 1 August 2025, the Company's ordinary shares were simultaneously admitted to trading on the Main Market and cancelled from trading on AIM.

**Principal Decision:** Interim Dividend  
**Stakeholders:** Shareholders

In September 2025, and in line with the Company's progressive dividend policy, the Board approved an interim dividend of 1.6 pence per Ordinary share which was paid on 4 November 2025. In reaching this decision, the Board carefully considered a number of factors including the available profit, the importance of a dividend to the Company's shareholders and the Board's intention to maintain dividend cover of 2.5 times and in line with the Company's capital allocation policy.

**Principal Decision:** Share Buyback  
**Stakeholders:** Shareholders

The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding growth whilst also maintaining a strong balance sheet. Against this backdrop, in March 2025, the Company announced the launch of a share buyback programme of the Company's Ordinary shares for up to a maximum aggregate consideration of, initially, £15.0 million (excluding expenses) and then, subsequently, in June 2025, extending this by a further £15.0 million (excluding expenses). In September 2025, following the conclusion of the £30.0 million (excluding expenses) share buyback programme, the Company announced launch of a further £25.0 million (excluding expenses) share buyback programme. In reaching its decision, the Board considered ongoing capital expenditure at current levels to fund organic growth, payment of dividends and acquisitions within the M&A pipeline. After taking account of these factors, the Group had significant headroom under its committed facilities and target leverage. Accordingly, the Board concluded that the share buyback programme is prudent, reflects the cash generative ability of the Group, maintains a strong balance sheet consistent with its capital allocation policy and would therefore promote the success of the Company for the benefit of its members as a whole.

**Principal Decision:****Increase of Bank Facility****Stakeholders:**Employees, Customers, Suppliers,  
Communities, Shareholders

As previously disclosed, an £85.0 million bank facility was entered into for an initial three-year term on 8 August 2022. The terms of the facility provide an option to extend the term for up to a further two years and an option to increase the facility by up to a further £50.0 million, both with bank consent. At the request of the Company, the term of the bank facility has since been extended twice such that the new facility end date is 8 August 2027. In addition, the bank facility was upsized, with effect from 18 October 2023, by £35.0 million to £120.0 million and then, with effect from 14 July 2025, by a further £15.0 million to £135.0 million. In making its decision to seek bank consent for these facility increases, the Board considered the requirement for stable sources of finance in order for the Company to effectively operate all facets of its operations, including the pursuit of the Company's sustainability agenda and the pursuit of acquisition opportunities.

**Board Committees**

The Committees of the Board which met during 2025 are:

- the Audit Committee;
- the Nomination Committee; and
- the Remuneration Committee.

Each Committee has written terms of reference, which are available on the Group's website. Separate reports for each of these Committees are included in this Annual Report.

Linked to the launch of our refreshed sustainability strategy an additional Committee of the Board, the Sustainability Committee, was established in 2022. The Sustainability Committee's membership is comprised of the Group's Management Board (which includes the Company's Executive Directors) plus the Group's Head of Sustainability and is chaired by the Chief Executive Officer. Whilst not members of the Sustainability Committee, the Non-Executive Chair of the Company and the Independent Non-Executive Directors of the Company are also entitled to attend meetings of the Sustainability Committee. The Sustainability Committee's purpose is to assist the Board in the discharge of its duties relating to the Group's corporate and societal obligations and its reputation as a responsible corporate citizen. Specific responsibilities delegated to the Sustainability Committee include, inter alia:

1. Review and recommend changes, as appropriate, to the Group's sustainability strategy.
2. Assess the impact of the Group's activities on its communities, people and the environment.
3. Determine appropriate targets that will further improve the sustainability of the Group.
4. Ensure the sustainability policy is fully understood and implemented by the Group's business operations.
5. Ensure the Group's programme on achieving sustainability targets is regularly reported to the Board.
6. Review statements and reports to be published by the Group on sustainability.

Further details relating to the work of the Sustainability Committee during 2025 can be found on pages 28 to 49.

**Group Management Board**

The Group Management Board is chaired by the Chief Executive Officer. Topics covered by the Group Management Board include:

- health and safety;
- sustainability;
- an update by the Chief Executive Officer on the business and business environment;
- divisional Managing Director updates;
- Group function heads' updates;
- procurement;
- substantial business developments and projects;
- employee welfare and engagement matters;
- talent and succession planning;
- competitor analysis; and
- strategy.

Annually, the Group Management Board conducts a strategic review to identify key issues, plans and objectives to be presented to the Board. The agreed strategy is then used as a basis for developing the upcoming financial budget and operating plans.

**Investor Relations**

We are committed to communicating our strategy and activities clearly to our Shareholders in order to ensure that they receive a balanced and complete view of our performance. The Board considers that the Preliminary Announcement, the Annual Report, including the Chief Executive's Operating Review and the Financial Review which are contained therein, the Interim Report and trading update statements made during the year present a balanced and clear assessment of the Group's position and prospects.

Furthermore, we undertake an extensive investor relations programme in order to maintain an active dialogue with our investors. The programme includes:

- formal presentations of full year and half-year results;
- briefing meetings with major institutional Shareholders after the half-year results, preliminary statement and at the time of any other significant market update, to ensure that the investor community receives a balanced and complete view of our performance and the issues we face;
- hosting institutional investor and sell-side analysts' site visits (e.g. in June 2025 at the Group's new laundry facility in Crawley);
- regular meetings between institutional investors and analysts and the Chief Executive Officer and the Chief Financial Officer to discuss business performance;
- hosting investor and analyst sessions at which senior management from relevant businesses deliver presentations which provide an overview of each of the individual businesses and operations;
- engagement with potential investors through roadshow meetings; and
- attendance by senior executives across the business at relevant meetings throughout the year.

# Corporate Governance Report

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Feedback is provided to the Board on any issues raised at these meetings. External brokers' reports are circulated to the Directors. The Shareholders' views of the investor meetings following the interim and final results are obtained by the Group's broker and circulated to the Board.

During 2025, Jock Lennox met with a number of major Shareholders to support the Board's ongoing understanding of investor perspectives and to facilitate engagement outside the Company's investor relations programme. In addition, Jock also led a structured consultation with major Shareholders in advance of the proposed transition from AIM to the Main Market. This process reflected the Board's commitment to effective Shareholder engagement and ensured that Shareholder views were carefully considered and informed the Board's decision to proceed with the transition to the Main Market.

Jock will continue to offer meetings with major Shareholders during 2026, and the Committee Chairs remain available to engage with Shareholders on matters within their respective areas of responsibility.

In addition to the investor relations programme, the Annual General Meeting ('AGM'), which is normally attended by all Directors, provides the Board with the opportunity to communicate with private and institutional investors and we encourage their participation at the meeting. Shareholders attending the AGM have the opportunity to meet and question the Board to discuss appropriate topics either during the meeting or with the Directors after the formal proceedings have ended. Such dialogue provides the Board with valuable feedback and helps them to understand the views of shareholders.

We also have a section of our website which is dedicated to shareholders and analysts ([www.jsjg.com/investor-relations/](http://www.jsjg.com/investor-relations/)) which includes all of our financial results presentations since 2010. In addition, with effect from the publication of the 2024 interim results in September 2024, a recording of the sell-side analyst presentation is also published on the investor relations section of the Company's website shortly following each relevant meeting.

## Culture, Workforce Policies, Whistleblowing & Workforce Engagement

### Our Culture & Workforce Policies

Our corporate culture defines who we are, what we stand for and how we do business. Our strong reputation has been built on the solid foundation of an ethical culture, underpinned by a well-defined and effective system of governance. The Board defines the purpose of the Group, identifies the values that guide it and remains committed to upholding the highest ethical standards, operating on the principle that the tone at the top sets the standard for the rest of the business.

Our employees are central to our business. We strive to create an inspiring working environment where everyone is engaged and motivated and we want our employees to use their skills, combined with our support, to deliver a great service to our customers. Our people strategy is summed up by our ambition to be a brilliant place to work – that means making Johnson Service Group PLC a place where our people feel engaged and inspired to be at their best.

The employment policies of the Group embody the principles of equal opportunity and are tailored to meet the needs of its different businesses and the locations in which they operate. The Group has a written code on business ethics (the 'Code of Ethics') which sets out guidelines for all employees to enable the Group to meet the highest standards of conduct in business dealings, including those with overseas suppliers.

Further details of our culture and employment policies are set out within the report on Sustainability.

### Whistleblowing

The Code also provides for companies to create an environment in which the workforce feels it is safe to raise concerns; the Board wholly agrees that creating such an environment is a core part of an ethical and supportive business culture. Appropriate whistleblowing and anti-bribery and corruption policies are therefore in place and employees are encouraged to raise concerns about any wrongdoing or malpractice without fear of victimisation, discrimination, disadvantage or dismissal. These policies are reviewed and, where relevant, updated on a regular basis. The Board conducted its most recent annual review and approval of these policies in November 2025.

Further details are set out within our Audit Committee Report.

### Workforce Engagement

Kirsty Homer is the Non-Executive Director responsible for Workforce Engagement. Whilst the Board is aware of the three methods of engagement specified in the Code, it is conscious that the methods specified are not the only ways of engaging with the workforce and that engagement through a range of both formal and informal channels may be more appropriate. Such additional or alternative channels may include, but not be limited to:

- meeting groups of elected workforce representatives;
- meeting future leaders without senior management present;
- visiting regional sites;
- inviting colleagues from different business functions to board meetings; and
- surveys.

Further details, including how the Group engages with the workforce, are set out within the report on Sustainability.

## Section 2: Division of Responsibilities

### Principles

- F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgment throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.
- G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.
- H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.
- I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

## Composition of the Board

As at 31 December 2025, the Board consisted of the Non-Executive Chair (the 'Chair'), three Independent Non-Executive Directors and two Executive Directors. Yvonne Monaghan stepped down as Chief Financial Officer and retired from the Board on 1 October 2025. Yvonne was succeeded by Ryan Govender, who was appointed to the Board as Chief Financial Officer on 1 October 2025.

Taking into account the provisions of the Code, the Board has determined that, during the year under review, none of the Non-Executive Directors had any relationship or circumstance which would affect their performance, and the Board considers all of the Non-Executive Directors to be independent in character and judgement. There is an effective policy procedure in place to deal with conflicts of interest, which are dealt with by the Board as and when they arise. Conflicts of interest are a standing item on the Board agenda, in addition to being subject to an annual review process.

Biographies of the Directors of the Company are shown on pages 60 to 61. With the exception of (i) Yvonne Monaghan, who stepped down as an Executive Director of the Company and retired from the Board on 1 October 2025; and (ii) Ryan Govender, who was appointed as an Executive Director of the Company and to the Board on 1 October 2025, they all held office throughout the year and up to the date of approving this Report.

		Date first appointed to the Board	Date first elected to the Board	Tenure since appointment (as at 31 December 2025)
<b>Non-Executive Directors</b>				
Jock Lennox	Non-Executive Chair	5 January 2021	5 May 2021	5 years
Chris Girling	Senior Independent Non-Executive Director	29 August 2018	8 May 2019	7 years 4 months
Nicola Keach	Independent Non-Executive Director	1 June 2022	4 May 2023	3 years 7 months
Kirsty Homer	Independent Non-Executive Director	1 August 2023	1 May 2024	2 years 5 months
<b>Executive Directors</b>				
Peter Egan	Chief Executive Officer	1 April 2018	3 May 2018	7 years 9 months
Ryan Govender	Chief Financial Officer	1 October 2025	–	3 months
<b>Former Executive Directors</b>				
Yvonne Monaghan <sup>1</sup>	Former Chief Financial Officer	31 August 2007	17 June 2008	18 years 1 month <sup>2</sup>

Note 1: On 1 October 2025 Yvonne Monaghan stepped down as Chief Financial Officer of the Company and retired from the Board.

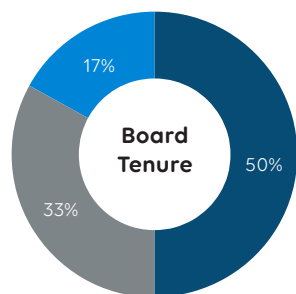
Note 2: Tenure since appointment stated as at 1 October 2025, being the date on which Yvonne Monaghan retired from the Board.

# Corporate Governance Report

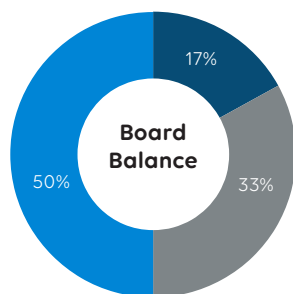
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## Tenure, Balance & Diversity

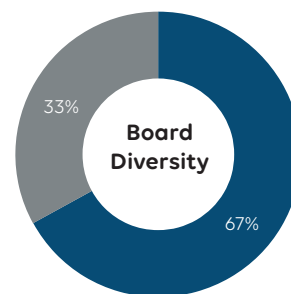
The charts below depict the tenure, balance and diversity of the Board as at the date of this report:



● > 5 years ● 1-5 years ● < 1 year



● Chair ● Executive Directors  
● Independent Non-Executive Directors



● Male ● Female

As referenced within Provision 23 of the Code, as at 31 December 2025, the Group Management Board, whose membership comprises the Executive Directors, divisional Managing Directors and certain Group function heads, is comprised of eight males and three females, a proportionate ratio of 73% to 27%.

The Board is committed to ensuring that recruitment into the Group is undertaken based on merit, regardless of age, disability, marital or civil partner status, pregnancy and maternity, race, colour, nationality, ethnic or national origin, religion or belief, gender or sexual orientation. The Board places significant emphasis on ensuring that greater diversity, in its broadest sense, is brought into the workforce, to enhance the quality of debate and decision making through differing views and backgrounds.

For the purposes of the UK Listing Rules, gender identity and ethnic background of the Board, as at the reference date of 31 December 2025, are reported in the tables below. This information has been collated by questionnaire from each Board member or senior manager.

### Gender identity (as at 31 December 2025)

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management <sup>1</sup>	Percentage of executive management <sup>1</sup>
Men	4	67	4	8	73
Women	2	33	–	3	27
Not specified	–	–	–	–	–

Note 1: Under the UK Listing Rules, executive management is defined as the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff. For JSG, this senior executive cohort is known as the Group Management Board.

### Ethnic identity (as at 31 December 2025)

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management <sup>1</sup>	Percentage of executive management <sup>1</sup>
White British or other White	5	83	3	10	91
Mixed/Multiple Ethnic Group	–	–	–	–	–
Asian/Asian British	1	17	1	1	9
Black/African/Caribbean/Black British	–	–	–	–	–
Other Ethnic Group	–	–	–	–	–
Not specified	–	–	–	–	–

Note 1: Under the UK Listing Rules, executive management is defined as the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff. For JSG, this senior executive cohort is known as the Group Management Board.

As explained further in the Nomination Committee Report on pages 91 to 93, following the Company's uplisting, in August 2025, from AIM to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's Main Market for listed securities, the Board has continued to monitor and have regard to governance developments and requirements relating to Board composition and diversity. In particular, the Board is mindful of the targets set out in the FCA's UK Listing Rules – namely that at least 40% of the Board should be women; at least one of the senior Board positions (Chair, Chief Executive, Chief Financial Officer or Senior Independent Director) should be held by a woman; and that at least one Board member should be from an ethnic minority background – as well as the objectives of the Parker Review and the FTSE Women Leaders Review for FTSE 350 companies.

The Board notes that from 1 January 2025 until the retirement of Yvonne Monaghan as Chief Financial Officer on 1 October 2025, the Company met the gender diversity targets under the UK Listing Rules and the FTSE Women Leaders Review, and had maintained female representation in a senior Board position since 2007. As at 31 December 2025, the Board comprised 33% women and 67% men, with 17% of the Board identifying as being from a minority ethnic background. Accordingly, at that date, the Company met the UK Listing Rules and Parker Review target relating to ethnic diversity but did not meet the 40% gender representation target or the requirement for a woman to hold one of the specified senior Board positions.

As previously disclosed, and in line with the Board's diversity policy adopted in November 2025, the Board remains fully supportive of the diversity targets set out in the UK Listing Rules, the FTSE Women Leaders Review and the Parker Review. The Board will continue to promote diversity of gender, ethnicity, background and experience through its succession planning, taking account of the relevant targets as vacancies arise and making appointments on merit against objective criteria. The Board recognises the competitive market for diverse talent but remains committed to achieving alignment with the applicable targets over time.

In this regard, the Board is pleased to announce that, as part of its succession planning, Lysanne Gray will join the Board as an Independent Non-Executive Director with effect from 1 June 2026 and will succeed Chris Girling as Audit Committee Chair following the announcement of the Group's interim results for the six month period ended 30 June 2026. In addition, Nicola Keach, who has served as an Independent Non-Executive Director of the Company since June 2022, will succeed Chris Girling as Senior Independent Director with effect from 1 June 2026. As a result of these appointments, and assuming no further changes to Board composition, the Company will, in addition to its current alignment with the UK Listing Rules and Parker Review target relating to minority ethnic representation, also achieve alignment with the gender diversity targets set out in the UK Listing Rules and the FTSE Women Leaders Review – namely that at least 40% of the Board will be women and that at least one of the specified senior Board positions will be held by a woman.

## Division of Responsibility of Chair and Chief Executive Officer

The Code requires that there is a clear division of responsibility between the Chair and the Chief Executive Officer, each of which has clearly defined roles. The Chair should be responsible for the effective running of the Board whilst the Chief Executive Officer is responsible for operating the business and implementing the Board's strategies and policies.

The role of the Chair is set out in writing and agreed by the Board. The Chair is responsible for:

- the effective leadership, operation and governance of the Board;
- ensuring the effectiveness of the Board;
- setting the agenda, style and tone of Board discussions;
- ensuring the directors receive accurate, timely and clear information; and
- maintaining a close working relationship with the Chief Executive Officer.

The role of the Chief Executive Officer is set out in writing and agreed by the Board. The Chief Executive Officer is responsible for:

- management of the Group's business;
- implementation of the Group's strategy and policies;
- maintaining a close working relationship with the Chair;
- chairing the Group Management Board meetings; and
- chairing the Sustainability Committee.

## Board Meetings and Attendance

There were eight scheduled Board meetings during 2025 and, additionally, a further five unscheduled meetings in relation to, inter alia, M&A activity, capital investment projects and other corporate activity, including in relation to the Group's successful transition from AIM to the Equity Shares (Commercial Companies) Category of the official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's Main Market for Listed Securities.

On the rare occasion that a Director is unavoidably unable to attend a meeting, they would generally hold a briefing with the Chair prior to the meeting so that their comments and input can be taken into account at the meeting. The Chair would provide an update to them after the meeting.

Individual attendance at the meetings, including Audit Committee, Nomination Committee and Remuneration Committee attendance, is set out in the table below. Where n/a appears in the table, the individual is not a Committee member but may attend the meeting at the invitation of the relevant Committee Chair. By way of example, the Chair, Chief Executive Officer and Chief Financial Officer were each invited to attend, and did so attend, each meeting of the Audit Committee.

# Corporate Governance Report

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	Board (Scheduled)	Board (Unscheduled)	Audit Committee	Nomination Committee (Scheduled)	Nomination Committee (Unscheduled)	Remuneration Committee (Scheduled)	Remuneration Committee (Unscheduled)
<b>Maximum Number of Meetings</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>5</b>
Jock Lennox	8/8	5/5	n/a	3/3	4/4	3/3	5/5
Chris Girling	8/8	5/5	4/4	3/3	4/4	3/3	5/5
Nicola Keach	8/8	5/5	4/4	3/3	4/4	3/3	5/5
Kirsty Homer	8/8	5/5	4/4	3/3	4/4	3/3	5/5
Peter Egan	8/8	5/5	n/a	n/a	n/a	n/a	n/a
Ryan Govender <sup>1</sup>	2/2	2/2	n/a	n/a	n/a	n/a	n/a
Yvonne Monaghan <sup>2</sup>	6/6	3/3	n/a	n/a	n/a	n/a	n/a

Note 1: Ryan Govender was appointed as Chief Financial officer and to the Board with effect from 1 October 2025. For the period 1 October to 31 December 2025, Ryan Govender was present at all Board meetings that he was eligible to attend.

Note 2: Yvonne Monaghan stepped down as Chief Financial Officer and retired from the Board with effect from 1 October 2025. For the period 1 January 2025 to 1 October 2025, Yvonne Monaghan was present at all Board meetings that she was eligible to attend.

In addition to the meetings set out above, the Chair and the Independent Non-Executive Directors have met during the year without the Executive Directors being present.

## External Executive Search Consultants

Appointments to the Board involve a rigorous selection process, led by the Nomination Committee, and external independent executive search consultants are usually engaged. Further information is set out within the Nomination Committee Report.

## Induction, Training and Knowledge

Appropriate training is available to Directors upon appointment and as required on an ongoing basis. Furthermore, on appointment, Directors participate in a customised induction programme to familiarise them with the Group.

The Directors have access to the advice and services of the Company Secretary and it is acknowledged that individual Directors may wish to seek independent professional advice in connection with their responsibilities and duties. The Company will meet reasonable expenses incurred in this regard, although no Director felt it necessary to seek such advice in the year ended 31 December 2025.

## Supply of Information

To assist the Board in performing its responsibilities, information, appropriate in quality and timeliness, is received in an agreed format for each scheduled Board meeting.

At the invitation of the Board, other members of the management team attend Board meetings to present on matters relating to their areas of responsibility, including regulatory compliance, investor relations, sustainability, risk management and internal control and information technology and cyber security. The directors and management of operating companies are also supported by the central function, which includes finance, legal and sustainability.

## Service Agreements

The service agreements of the Executive Directors and copies of the letters of appointment of the Chair and the Independent Non-Executive Directors are available for inspection during business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Company and will be available for inspection for fifteen minutes prior to, and during, the Annual General Meeting.

## External Appointments

The Board supports Executive Directors having a non-executive directorship as part of their continuing development provided they have sufficient time to balance their commitments to the Group with any external role. Such positions must receive prior Board approval. In accordance with the Code, full-time executive directors would not ordinarily take on more than one non-executive directorship in a FTSE 100 company.

The role of an Independent Non-Executive Director requires a time commitment in the order of 20 days per year plus additional time as necessary to properly discharge their duties. There is no restriction on outside appointments provided that they do not prevent the Directors from discharging their responsibilities to the Company effectively. Prior to appointment, each prospective Non-Executive Director must confirm that they will have sufficient time available to be able to discharge their responsibilities to the Company effectively and that they have no conflicts of interest.

The Board remains confident that individual members continue to devote sufficient time to undertake their responsibilities effectively. The commitments of each Executive Director are set out on pages 60 to 61.

## Section 3: Composition, Succession & Evaluation

### Principles

- J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.
- K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.
- L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

## Nomination Committee

The role of the Nomination Committee is to, inter alia, monitor the performance, appropriateness and future succession of the Company's executive and Board talent in order to ensure that the Board comprises individuals with the right blend of diversity, skills, knowledge and experience to maintain a high degree of effectiveness in discharging its responsibilities. Appointments to the Board are recommended, as appropriate, by the Nomination Committee. Board appointments are subject to approval by the Board as a whole. Further details are outlined in the Nomination Committee Report, on pages 91 to 93.

## Performance Evaluation

Each year, the Independent Non-Executive Directors conduct a performance evaluation of the Chair, after taking into account the views of the Executive Directors. The Chair also conducts an appraisal of each member of the Board, Board composition and the format and effectiveness of the Board meetings. In addition, the Remuneration Committee regularly reviews the performance of each Executive Director.

Following the formal, independent, externally facilitated, evaluation of the Board and its Committees conducted in the final quarter of 2024, the results of which were subsequently reported in the Company's annual report for the financial year ended 31 December 2024, the Board conducted an anonymous Board performance review within the Company during the year which covered, inter alia:

- performance of the Board (including consideration of how the Board works together as a unit);
- processes which underpin the Board's effectiveness (including consideration of the balance of skills, experience, independence, diversity and knowledge of the persons on the Board);
- performance of the Audit, Nomination and Remuneration Committees; and
- individual performance (giving consideration to whether each Director continues to contribute effectively and show commitment).

The performance review also sought Director views on key focus topics for the Board during 2025. In addition to regular discussions that the Chair held with each Director throughout the year, as part of the Board performance review process, the Chair held individual discussions with each Director to discuss the aggregated, anonymised, feedback in relation to the Board performance review exercise. The results of those discussions were summarised by the Chair and considered by the Board.

Overall, the feedback from Board members was positive, indicating that the Board feels engaged and motivated, with a belief that the Company can continue to be ambitious and a leader in its markets. Accordingly, to maintain this, the Board believes that it is important to consider the time and depth given to the strategic and succession agendas as the Company continues on its growth trajectory.

As a result of the above reviews and evaluations, it is considered that the performance of each Director (and, collectively, the Board and its Committees) continues to be effective, that each Director demonstrates sufficient commitment to their role and that the contribution of each Director continues to be important to the Company's long-term sustainable success.

## Re-election of Directors

Each year, all Directors will retire and offer themselves for re-election, if they wish to continue serving and are considered by the Board to be eligible. Accordingly, each current member of the Board, as at the date of this Report, will be proposed for

re-election (or, for Ryan Govender, election) at this year's Annual General Meeting of the Company.

Biographical details of all the Directors are set out on pages 60 to 61 and are also available for viewing on the Company's website ([www.jsg.com](http://www.jsg.com)).

## Section 4: Audit, Risk & Internal Control

### Principles

- M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.
- N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.
- O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

## Audit Committee

The Board has established an Audit Committee, comprising the independent Non-Executive Directors, which is responsible for:

- ensuring that formal and transparent policies and procedures are in place to protect the interests of Shareholders in relation to financial reporting, internal control and risk management;
- monitoring the financial reporting process and the integrity of the annual and interim financial statements;
- determining whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and whether they provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy;
- considering, and ultimately approving for publication, any formal announcements relating to the Company's financial performance;
- reviewing and challenging, as necessary, the judgments and actions of management in relation to the financial statements;
- monitoring, reviewing and concluding upon the system of internal control;
- ensuring the maintenance of a control environment and the appropriate management of risk;
- recommendation of appointment of, and liaison with, the external auditor;
- reviewing and setting the terms of engagement and the remuneration of the external auditor;
- annual review and monitoring of the external auditor's independence and objectivity and the effectiveness of the audit process;
- development and implementation of policy on the engagement of the external auditor to supply non-audit services;
- reviewing the Group's systems and controls for the prevention and detection of fraud or bribery; and

# Corporate Governance Report

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- reviewing arrangements under which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ensuring that arrangements are in place for the proportionate and independent investigation and appropriate follow-up action.

The Audit Committee reports to the Board on how it has discharged its responsibilities. Further details are outlined in the Audit Committee Report, on pages 84 to 90.

## Robust Risk Assessment

Throughout the year, and as described further within the Audit Committee Report, the Board has carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten its business model, future position, performance, solvency or liquidity. Details of the principal risks and uncertainties facing the Group, together with how the risks and uncertainties are being managed or mitigated, are set out on pages 50 to 56.

## Internal Assurance

The Group does not currently have a standalone, independent, internal audit function. Instead, internal assurance activities are undertaken, in the main, by a nominated resource within the Group Finance function. Other members of the Group Finance function may, on occasion, also perform internal assurance activities. Internal assurance activities are overseen by the Director of Group Finance, who reports functionally to the Audit Committee and operationally to the Chief Financial Officer. The Director of Group Finance, and the Group Finance function, are independent of the business operations.

At its meeting in February, the Audit Committee will consider, and approve, the annual internal assurance plan for the coming year. Thereafter, the Audit Committee will receive regular updates at each of its meetings on progress against the plan and details of findings, together with management actions taken to address recommendations, from the Director of Group Finance.

Whilst the Group does not have a standalone, independent, internal audit function, both the Board and the Audit Committee are satisfied that the current arrangements in place are appropriate to monitor, and provide assurance over, the adequacy and effectiveness of internal control and risk management processes across the Group's operations. Furthermore, they are satisfied that internal assurance activities are undertaken with the necessary objectivity and competency and that those individuals performing the internal assurance activities are free from management influence or other restrictions.

## Internal Control

The Board, with advice from the Audit Committee, is satisfied that an effective system of internal controls and risk management processes are in place which enable the Company to identify, evaluate and manage key risks. These processes have been in place since the start of the financial year and up to the date of approval of the financial statements. Further details of risk management frameworks and how the Audit Committee has reviewed the effectiveness of the system of internal control are described further within the Audit Committee Report.

The Audit Committee and Board is cognisant of the coming into force, with effect from 1 January 2026, of Provision 29 of the Financial Reporting Council's 2024 UK Corporate Governance Code and looks forward to reporting against the relevant requirements, regarding, inter alia, the monitoring and review of the Company's risk management and internal control framework and the effectiveness of material controls, in the Company's annual report and accounts for the financial year ending 31 December 2026. Significant preparatory work has already been undertaken in this regard.

## Going Concern

The Board considered the going concern review performed by management, in particular, the appropriateness of key judgments, assumptions and estimates underlying the financial forecasts that underpin the review, together with a review of the level of forecast available headroom against the Group's committed borrowing facilities and compliance with key financial covenants.

Further details of the going concern assessment are provided on pages 67 to 68.

## Future Prospects

The Board has assessed the future prospects of the Group in accordance with Provision 31 of the Code. Based on the results of this analysis, and having considered the nature and extent of the Company's principal risks and uncertainties, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the 36-month period of its assessment, such 36-month period commencing from the balance sheet date. Details of the assessment performed by the Board, including an assessment of those risks most likely to impact the Group's future prospects, are set out on pages 50 to 56.

## Section 5: Remuneration

### Principles

- P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy.
- Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.
- R. Directors should exercise independent judgment and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

## Remuneration Committee

In line with the authority delegated by the Board, the Committee sets the Company's Remuneration Policy and is responsible for determining remuneration terms and conditions of employment for the Chair of the Board, the Executive Directors and those members of the Group Management Board whom are not Executive Directors.

The Committee:

- ensures that the Executive Directors are appropriately incentivised to enhance the Group's performance and rewarded for their contribution to the success of the business by designing, monitoring and assessing incentive arrangements, including setting stretching targets and assessing performance and outcomes against them;
- reviews the remuneration arrangements for other senior executives within the Group, namely those members of the Group Management Board who are not Executive Directors;

- in undertaking its responsibilities above, reviews and monitors the remuneration and related policies and culture applying to the wider workforce, taking these into account when considering, developing and setting remuneration policies and packages for Executive Directors and the Group Management Board; and
- maintains an active dialogue with Shareholders, ensuring their views and those of their advisors are sought and considered when setting executive remuneration.

The Committee regularly reports to the Board on how it has discharged its responsibilities.

Further details of the Remuneration Committee's responsibilities and the Group's Remuneration Policy, together with details of how the policy has been applied in 2025 and how it is expected to be applied in 2026, are outlined in the Directors' Remuneration Report, on pages 94 to 115.

## **Corporate Governance Report Approval**

The Corporate Governance Report incorporates the Audit Committee Report, Nomination Committee Report and Directors' Remuneration Report, as well as the report on Sustainability.

The Corporate Governance Report was approved by the Board on 2 March 2026.

By order of the Board.

**Christopher Clarkson**  
Company Secretary

2 March 2026

# Audit Committee Report

## Letter from Chris Girling, Chair of the Audit Committee

### Dear Shareholder.

On behalf of the Board, I am pleased to present the Audit Committee's Report for the financial year ended 31 December 2025.

#### The Year in Review

The Audit Committee continued to fulfil its duties throughout the year, maintaining oversight of the integrity of the Company's financial reporting, key accounting judgments and related disclosures, and the robustness of the Group's risk management and internal control systems and framework. In discharging its duties, the Committee works to a structured agenda closely linked to the events in the Company's reporting cycle.

I am pleased to report that the Group's risk and financial management structures have operated effectively during the year under review. The continued support, constructive engagement and level of responsiveness of my Committee colleagues and management have enabled the Committee to fulfil its role in providing effective scrutiny and challenge. In this regard, I would like to thank colleagues across the Group who assisted the Committee during the year for their support.

As in previous years, the Committee's primary focus was on the integrity of the Group's financial reporting activities. In considering the financial statements for 2025, the Committee concentrated on the key accounting judgments and disclosures relating to the financial statements, with careful consideration given to the Group's viability disclosures and its ability to continue as a going concern, with particular scrutiny being given to the reports prepared and assumptions used by management to support those statements. The Committee concluded that the Company had adopted an appropriate approach in all significant areas.

As was the case last year, certain of the Group's non-financial sustainability related data in the 2025 Annual Report and Accounts has received limited third-party assurance from an independent third party. The independent assurance statement can be found on page 49.

At the request of the Board, the Committee also considered the Group's Principal Risks and Uncertainties disclosures for the financial year ended 31 December 2025. The Committee is satisfied that the statements made by executive management on pages 50 to 56 of this Annual Report are appropriate based on what is currently known to management as at the date of this Report.

In the pages that follow, we have sought to provide shareholders and other stakeholders with details of the work that was undertaken by the Committee during the year. This has enabled the Committee to provide assurance to the Board on the effectiveness of the internal controls framework and the integrity of the Group's 2025 Annual Report and financial statements.

#### Evaluation of the Competence and Effectiveness of the Committee

Each year, as part of an overall review of the Board and its Committees, the Audit Committee critically reviews its own performance and considers where improvements can be made. In so doing it considers, amongst other things, those matters discussed by the Audit Committee, such as:

- composition, structure and activities;
- how well the Committee oversees the financial reporting process;
- its review of the work of the external auditor;
- the effectiveness of the process for raising concerns;
- its monitoring of the management of risk;
- how well it understands and evaluates the effectiveness and conclusions of internal control and the adequacy of the related disclosures;
- whether the Committee's terms of reference are appropriate for the particular circumstances of the Company and comply with prevailing legislation and best practice;
- whether the number and length of time of Committee meetings are sufficient to meet the role and responsibilities of the Committee and coincide with key dates within the financial reporting and audit cycle; and
- identification of additional training needs for Committee members.

Overall, the performance of the Committee continued to be rated highly and the Committee was considered to have discharged its duties effectively. By virtue of my former executive and non-executive roles (full details of which are set out on page 61), together with the results of the above evaluation, the Board considers that I have recent and relevant financial experience. The Board further concluded that the Committee, as a whole, has sufficient competence relative to the sector in which the Company operates.

#### The Year Ahead

The Audit Committee plays a central role in supporting the Board in safeguarding the integrity of the Group's financial statements and overseeing the effectiveness of the Group's internal financial controls and risk management systems. The Committee remains focused on ensuring that the Group's internal control framework continues to operate effectively and evolves appropriately in response to the changing environment in which the Group operates.

This responsibility will assume additional significance in 2026 in light of the requirements of Provision 29 of the Financial Reporting Council's 2024 UK Corporate Governance Code, particularly in relation to the monitoring and review of the Company's risk management and internal control framework and the effectiveness of material controls. The Committee's composition, experience and commitment position it well to meet these enhanced expectations and to discharge its responsibilities effectively in the year ahead.

I look forward to welcoming Lysanne Gray to the Board and to working closely with her to ensure a smooth and orderly transition ahead of her succeeding me as Chair of the Audit Committee following the announcement of the Company's interim results for the six months ending 30 June 2026.

I hope that you find this report informative and can continue to take assurance from the work undertaken by the Committee this year. We seek to respond to shareholders' expectations in our reporting and, as always, welcome any feedback from shareholders or other stakeholders.

**Chris Girling**

Chair, Audit Committee

2 March 2026

## Responsibilities of the Audit Committee

The Board has established an Audit Committee (the 'Committee'), comprising the Independent Non-Executive Directors, to which it has delegated day to day responsibility for, inter alia, the following:

- ensuring that formal and transparent policies and procedures are in place to protect the interests of Shareholders in relation to financial reporting, internal control and risk management;
- monitoring the financial reporting process and the integrity of the annual and interim financial statements;
- determining whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and whether they provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy;
- considering, and ultimately approving for publication, any formal announcements relating to the Company's financial performance;
- reviewing and challenging, as necessary, the judgments and actions of management in relation to the financial statements;
- monitoring, reviewing and concluding upon the Company's risk management and internal control framework;
- monitoring and reviewing the effectiveness of the Company's internal assurance arrangements;
- ensuring the maintenance of a control environment and the appropriate management of risk;
- recommending the appointment of, and ongoing liaison with, the external auditor;
- reviewing and setting the terms of engagement and the remuneration of the external auditor;
- annual review and monitoring of the external auditor's independence and objectivity and the effectiveness of the audit process;
- development and implementation of policy on the engagement of the external auditor to supply non-audit services;
- reviewing the Group's systems and controls for the prevention and detection of fraud or bribery; and
- reviewing arrangements under which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ensuring that arrangements are in place for the proportionate and independent investigation and appropriate follow-up action.

The Committee regularly reports to the Board on how it has discharged its responsibilities. The full terms of reference of the Committee are available on the Company's website, or on request to the Company Secretary.

Members of the Committee have continued to take an active role including spending time with the operations teams and also participating in key discussions on areas of financial judgment. These actions have allowed the Committee to have an even greater input and to develop greater awareness of the day-to-day challenges that the business faces and the potential consequences of such challenges.

This report sets out how the Committee has discharged its responsibilities and describes the work of the Committee, including in respect of meeting the relevant requirements of the FRC's Audit Committee Minimum Standard.

## Composition of the Committee

The Committee meets at least four times per year and also meets in private with the external auditor.

In accordance with Provision 24 of the Code, the Company should establish a Committee of at least three independent non-executive directors. Membership of the Committee at each of its meetings during the year is shown below and is, therefore, in accordance with the Code:

	February	August (1) <sup>1</sup>	August (2) <sup>1</sup>	November
Chris Girling (Committee Chair)	✓	✓	✓	✓
Kirsty Homer	✓	✓	✓	✓
Nicola Keach	✓	✓	✓	✓

Note 1: There were two separate meetings of the Audit Committee held in August 2025.

## What the Committee did in 2025

In 2025, the Committee discharged its responsibilities by:

- reviewing the Group's draft financial statements (for the year ended 31 December 2024), preliminary announcement (for the year ended 31 December 2024) and interim results statement (for the six-month period ended 30 June 2025) prior to Board approval and reviewing the external auditor's reports thereon;
- reviewing and considering the significant matters in relation to the financial statements, as further detailed on page 86;
- reviewing the plan of the external auditor for the audit of the Consolidated and Company Financial Statements, confirmations of the auditor's independence and proposed audit fee and approving terms of engagement for the audit;
- considering and agreeing the annual internal audit plan together with any findings and recommendations arising thereon;
- considering, and approving, the annual internal assurance plan for 2025 and then monitoring the progress and effectiveness of performance against the plan, including the consideration of findings, at each of its subsequent meetings;
- considering the review of material business risks, including reviewing internal control processes, material controls, and the framework used to identify and monitor principal risks and uncertainties;
- reviewing the Executive and Non-Executive Directors' expenses;
- monitoring the reporting, and follow up of items reported, on the employee whistleblowing hotline established in line with the Code of Ethics;
- reviewing the Committee's composition and confirming that there is sufficient expertise and resource for it to fulfil its responsibilities effectively;
- reviewing and assessing the performance, effectiveness and independence of Grant Thornton UK LLP ('Grant Thornton') as external auditor;
- recommending that the Board propose to Shareholders the reappointment of Grant Thornton as external auditor until the conclusion of the AGM in 2026;

# Audit Committee Report

Continued >

- considered the preparation for, and the ongoing workstreams in respect of, the reforms of the UK Corporate Governance Code; and
- approving the appointment of Jacobs U.K. Limited ('Jacobs') as independent limited assurance provider in respect of certain of the Group's non-financial sustainability related data in the 2025 Annual Report and Accounts.

## Fair, Balanced and Understandable

At the request of the Board, the Committee has considered whether, in its opinion, the 2025 Annual Report and Accounts are fair, balanced and understandable, and whether they provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

The Committee received a full draft of the report. Feedback was provided by the Committee, highlighting the areas it was felt would benefit from further clarity. The draft report was then amended to incorporate this feedback ahead of final approval.

When forming its opinion, the Committee reflected on the information it had received and its discussions throughout the year. Following its review, the Committee was of the opinion that the 2025 Annual Report and Accounts were fair, balanced and understandable on the basis that:

- the description of the business agrees with our own understanding;
- the risks reflect the issues that concern us;
- appropriate weight has been given to the 'good and bad' news;
- the discussion of performance properly reflects the 'story' of the year; and
- there is a clear and well-articulated link between all areas of disclosure.

## Significant Matters Considered in Relation to the Financial Statements

The Committee has assessed whether suitable accounting policies have been adopted and whether management has made appropriate judgments and estimates. Throughout the year, the Group Finance team has worked to ensure that the business is transparent and provides the required level of disclosure regarding significant issues considered by the Committee in relation to the financial statements, as well as how these issues were addressed, while being mindful of matters that may be business-sensitive.

This section outlines the main areas of judgment that have been considered by the Committee to ensure that appropriate rigour has been applied. Accounting policies can be found in the Statement of Significant Accounting Policies.

### Impairment

As part of the year end process, management assessed whether goodwill (in respect of the Group) and investments (in respect of the Company) had suffered any impairment, in accordance with the accounting policy stated within this Annual Report.

The Committee reviewed and challenged management's overall impairment testing of goodwill and investments. The Committee considered the appropriateness of key assumptions and methodologies for both value in use models and fair value measurements. This included challenging projected cash flows, growth rates and discount rates. The Committee concluded that the methodology and assumptions used by management were reasonable.

### Post-employment Benefits

The valuation of all post-employment benefits is based on statistical and actuarial calculations, using various assumptions including discount rates, inflation, life expectancy of scheme members and cash commutations. The Committee reviewed the actuarial assumptions underpinning the valuation and were satisfied that all assumptions are within ranges considered generally acceptable given the size, demographic and duration of the Group schemes.

### Accounting for Complex Customer Arrangements

As in previous years, the Group offers rebates to certain customers based on agreed fixed rates relating to the volume of services provided and goods purchased. The Committee does not consider the Group's rebates to be highly complex as: they are predominantly volume related; there are generally written agreements in place; and historical estimates of rebates have been seen to be accurate. However, following FRC guidance this has been highlighted as an area of focus. The Committee has discussed any judgments made in accruing customer rebates with management and the auditor. The Committee is satisfied that the amounts accrued are appropriate.

### Going Concern Assessment

The Committee reviewed in detail the going concern assessment prepared by management, which comprised monthly cash flow projections for the period to 30 June 2027 (the assessment period), reflecting an initial set of assumptions around financial projections and trading performance. Detailed explanations had been provided by management with regard to the assumptions used in the cash flow projections. The Committee carefully studied the assumptions and considered that they were sensible and appropriate to the circumstances.

The Committee also considered the stress tests that had been performed by management, which reflected subdued trading conditions and which were designed to stress test liquidity and covenant compliance. Again, the Committee carefully studied the assumptions used in the stress tests and considered that they were sensible and appropriate to the circumstances.

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Committee concluded that there was a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2027. Accordingly, and having reassessed the principal risks and uncertainties, the Committee considered, and reported to the Board as such, that it was appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

### Alternative Performance Measures (APMs)

Throughout the Annual Report and financial statements, we refer to a number of APMs. APMs are used by the Group to provide further clarity and transparency of the Group's financial performance. The APMs are used internally by management to monitor business performance, budgeting and forecasting, and for determining Directors' remuneration and that of other management throughout the business. The Committee is aware that the APMs are non-IFRS measures and should not be regarded as a complete picture of the Group's performance.

APMs used by the Group are as follows:

- adjusted operating profit or loss, which refers to continuing operating profit or loss before amortisation of intangible assets (excluding software amortisation) and exceptional items;
- adjusted profit or loss before taxation, which refers to adjusted operating profit or loss less total finance cost;

- adjusted EBITDA, which refers to adjusted operating profit or loss plus the depreciation charge for property, plant and equipment, textile rental items and right of use assets plus software amortisation;
- adjusted earnings per share, which refers to earnings per share calculated based on adjusted profit or loss after taxation; and
- net debt excluding IFRS 16 liabilities.

The Committee considers that the APMs, all of which exclude the effects of non-recurring items or non-operating events, provide useful information for stakeholders on the underlying trends and performance of the Group. Furthermore, the Committee is content that where APMs are stated, they are presented with equal prominence to the statutory figures. The Committee also considered the accounting policy in respect of APMs and noted that it referred to a number of limitations of APMs as well as providing clear signposts to where APMs are reconciled to statutory performance measures within the Annual Report and financial statements.

## Assessment of External Auditor Effectiveness

The Committee annually reviews the performance of the external auditor. In forming its conclusion as to the performance of the external auditor, the Committee reviews amongst other matters:

- feedback on the effectiveness and performance of the external audit;
- the external auditor's fulfilment of the agreed audit plan in respect of 2025;
- reports highlighting the material issues, critical accounting judgments and key sources of estimation uncertainty that arose during the conduct of the audit;
- the external auditor's objectivity and independence during the process, including its own representation about its internal independence processes; and
- the challenges raised by the external auditor during the audit.

The Committee concluded that the audit process as a whole had been conducted robustly, the external audit team selected to undertake the audit had done so thoroughly and professionally, and the external auditor had applied sufficient experience and understanding of the Company's industry, consulted with experts as necessary, and is of sufficient size to conduct a national audit.

The performance of Grant Thornton UK LLP as external auditor to the Company in respect of the year ending 31 December 2025 was, therefore, considered to be effective. In addition, the Committee was satisfied that management had provided the external auditor with appropriate access to its operations and personnel, systems, records and supporting information, whilst acting professionally and with appropriate challenge, enabling the audit to be conducted effectively.

## Assessment of External Auditor Independence

The Company has adopted a policy on the independence of the auditor which is consistent with the ethical standard published by the Financial Reporting Council.

### Independence Safeguards

The external auditor is required to adhere to a rotation policy whereby the audit engagement partner is rotated after five years. Grant Thornton were appointed in March 2021, five years ago with Michael Frankish being the Senior Audit Partner for the financial years ended 31 December 2021, 31 December 2022 and

31 December 2023. Jonathan Maile replaced Michael Frankish as Senior Statutory Auditor for the audit process for the financial year ended 31 December 2024 and was the Senior Statutory Audit Partner for the year under review.

Ethical Standards and ISA (UK) 260 require the external auditor to report to the Committee, on a timely basis, all significant facts and matters that may bear upon their integrity, objectivity and independence. During the year, the external auditor drew a number of matters to the attention of the Committee in relation to independence and were able to confirm that sufficient safeguards were in place and that there were no significant facts or matters that impacted their independence as external auditor.

Furthermore, Grant Thornton confirmed that it had complied with the Financial Reporting Council's Ethical Standard and that as a firm, and each covered person, that it was independent and able to express an objective opinion on the financial statements of the Group and Company.

### Non-Audit Services

A key issue for the Committee that may impair auditor independence, and the auditor's objective opinion on the financial statements, is the engagement of the external auditor for the provision of non-audit services. In response to the Financial Reporting Council's Revised Ethical Standard 2019 (the '2019 Ethical Standard'), non-audit services should be provided by a professional services firm other than the Company's appointed external auditor. The 2019 Ethical Standard provides that fees payable to the external auditor in respect of non-audit related services should be no more than 70% of the average audit fees over the previous three years. The 2019 Ethical Standard includes a 'whitelist' of permitted non-audit related services.

### Fees Payable to the Auditor

Fees payable (including expenses) to Grant Thornton in 2025 in respect of audit related services amounted to £590,000 (2024: £590,000).

Fees payable (including expenses) to Grant Thornton in 2025 in respect of non-audit related services amounted to £15,000 (2024: £15,000). The non-audit related procedures were in relation to the performance of agreed upon procedures in respect of informally reviewing, but not auditing, the Group's Consolidated Interim Financial Statements. In addition, during 2025, Grant Thornton UK Advisory & Tax LLP were engaged to provide certain non-audit services to the Company as permitted under the 2019 Ethical Standard. These services were provided in Grant Thornton UK Advisory & Tax LLP's capacity as Reporting Accountant to the Company in connection with the Company's transition from AIM to the Equity Shares (Commercial Companies) category of the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's Main Market for listed securities. Fees payable (including expenses) to Grant Thornton UK Advisory & Tax LLP in respect of such non-audited related services amounted to £310,000 (2024: Enil).

### Independence Assessment by the Committee

In assessing and concluding upon the independence and objectivity of the external auditor, the Committee takes into account the assurances and information provided by the external auditor at the planning stage of the audit, including a written disclosure of the relationships that could have an impact on the external auditor's independence and objectivity and the safeguards put in place to address such threats. As part of this process, the Committee receives a statement from the external auditor advising that all covered partners and staff annually confirm their compliance with Grant Thornton's ethics and independence policies and procedures including, in particular, that they have no prohibited shareholdings and their ethics and independence policies are fully consistent with the requirements of the 2019 Ethical Standard.

# Audit Committee Report

Continued >

In addition, the Committee meets with the external auditor during the year without the presence of management and I, as Audit Committee Chair, have had regular contact with the audit engagement partner. The Committee also has authority to take independent advice, as it determines necessary, in order to resolve issues on auditor independence. No such advice was required during the year.

Accordingly, the Committee has concluded that Grant Thornton was independent of the Group.

## Statutory Audit Tender Process

In accordance with its terms of reference and regulatory requirements, the Audit Committee is required to ensure that the external audit services contract is put out to tender at least once every ten years. The Committee is responsible for the selection and appointment of the external auditor. It initiates and conducts any competitive tender process undertaken by the Company for the provision of external audit services and considers and makes recommendations to the Board, to be put to shareholders for approval at the Company's AGM. The Committee confirms that for the year under review, the Company complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order 2014').

The last competitive tender process for the Company's statutory audit was completed in 2020, following which Grant Thornton UK LLP was appointed as external auditor with effect from and including the financial year ended 31 December 2021.

The Audit Committee keeps under review the timing of the next tender process in line with the CMA Order 2014, the 2019 Ethical Standard, and the UK Corporate Governance Code. Each year the Audit Committee assesses the effectiveness of the external auditor and, as at the date of this report, subject to the Audit Committee continuing to believe that the audit is effective, the Audit Committee's present intention would be to continue with Grant Thornton UK LLP as external auditor up to and including the audit for the year ending 31 December 2030.

Assuming this is the case then our current expectation would be to run a tender process during the calendar year ended 31 December 2030 in order to select a new auditor for the year ending 31 December 2031. When considering the appropriate time to conduct the audit tender, the Audit Committee takes into account the benefit of an incumbent firm with deep knowledge of the Group's operations, the independence and objectivity of the appointed auditor and audit partner and the results of the audit effectiveness assessment. The Audit Committee currently believes that this approach is in the best interests of the shareholders of Johnson Service Group PLC.

## Reappointment of the External Auditor

The Committee has recommended to the Board to propose to Shareholders the reappointment of Grant Thornton as auditor until the conclusion of the AGM in 2027. Full details are set out in the Notice of Annual General Meeting on pages 192 to 202. There are no contractual restrictions over choice of auditor.

## Internal Assurance

The Group does not currently have a standalone, independent, internal audit function. Instead, internal assurance activities are undertaken, in the main, by a nominated resource within the Group Finance function. Other members of the Group Finance function and other functions (e.g. Health & Safety, IT Security) may, on occasion, also perform internal assurance activities. Internal assurance activities are overseen by the Director of Group Finance, who reports functionally to the Audit Committee

and operationally to the Chief Financial Officer. The Director of Group Finance, and the Group Finance function, are independent of the business operations.

At its meeting in February, the Audit Committee will consider, and approve, the annual internal assurance plan for the coming year. Thereafter, the Audit Committee will receive regular updates at each of its meetings on progress against the plan and details of findings, together with management actions taken to address recommendations, from the Director of Group Finance.

Whilst the Group does not have a standalone, independent, internal audit function, both the Board and the Audit Committee are satisfied that the current arrangements in place are appropriate to monitor, and provide assurance over, the adequacy and effectiveness of internal control and risk management processes across the Group's operations. Furthermore, they are satisfied that internal assurance activities are undertaken with the necessary objectivity and competency and that those individuals performing the internal assurance activities are free from management influence or other restrictions.

## Internal Control and Risk Management

Whilst day to day responsibility has been delegated to the Committee, the Board is ultimately responsible for the overall risk management and internal control system and framework for the Group and for reviewing its effectiveness. The Board's agenda includes a bi-annual consideration, or more frequently if appropriate, of risk and control and it receives reports thereon from the Audit Committee.

The Committee carries out a review, at least annually, covering all material controls, including financial, operational and compliance controls, and the risk management systems and framework. The Committee also receives regular reports from the Director of Group Finance in respect of progress against the annual internal assurance plan and, where necessary, recommendations for improvement are considered and agreed. This process has been regularly reviewed by the Board.

The main features of the internal control framework are detailed below.

### 1. Financial Reporting

There is a detailed budgeting and forecasting process with the annual budget and forecast both challenged, stress tested and, ultimately, approved by the Board. Monthly financial results, together with updated forecasts as appropriate, are reported against the corresponding figures for the budget and the previous year with corrective and/or investigative action initiated by the Board as appropriate.

### 2. Treasury Management

The Group's treasury activities are operated within Board approved guidelines. Facilities are approved by the Board and all transactions are controlled and monitored. Monthly summaries of treasury management activities are prepared for the Board. Speculative transactions are not undertaken.

### 3. Risk Management

There is an on-going process for identifying, evaluating and managing the Group's Principal Risks and Uncertainties that has been in place throughout the financial year and up to the date of approval of the financial statements. The identification of business risks is carried out in conjunction with operating management and reviewed by the Committee and the Board. The Board regularly assesses the financial implications and effectiveness of the control process in place to mitigate or eliminate these risks. The Group has insurance cover where it is considered appropriate and cost effective.

#### 4. Financial Control

Each business maintains financial controls and procedures appropriate to its own operating environment. The Group has a centralised finance function, independent to the operating businesses and which can second additional resources from around the Group, which reviews the systems and procedures within each business and reports regularly to the Committee. A review of control procedures is undertaken in respect of all new acquisitions and action taken where necessary to bring the controls up to the level required by the Group. The Group has clearly defined guidelines for the review and approval of capital expenditure projects. These include annual budgets and designated levels of authority.

The system of internal control is designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements of the Group's on-going processes for the provision of an effective internal control and risk management framework, in place throughout the year and at the date of this Report, include:

- regular Board meetings to consider matters reserved for Directors' consideration;
- regular management reporting, providing a balanced assessment of key risks and controls;
- an annual Board review of corporate strategy, including a review of material business risks and uncertainties;
- established organisational structure with clearly defined lines of responsibility and levels of authority;
- a centralised Group finance function which is independent to the operating businesses and which implements, overseen by the Director of Group Finance, the annual internal assurance plan and provides independent assurance to management, the Committee and the Board on the effectiveness of the Company's risk management and internal control framework and material controls;
- documented policies and procedures;
- regular review by the Board of financial budgets, forecasts and covenants with performance reported to the Board monthly; and
- a detailed investment process for major projects, including capital investment coupled with a post investment appraisal analysis.

In reviewing the effectiveness of the system of internal control the Committee has:

- received six-monthly reports, compiled by the Director of Group Finance following discussion with key senior managers, that set out the key risks facing the Group and indicate whether controls and risk management processes in each business unit have operated satisfactorily. These reports are reviewed in detail, challenged where appropriate and approved by the Committee for use in the Annual Report;
- regularly reviewed the financial and accounting controls;
- reviewed the internal assurance reports; and
- monitored management's responsiveness to the findings and recommendations arising from the above.

No significant failings or weaknesses were identified.

In respect of Group financial reporting, the finance department is responsible for preparing the Group financial statements using a well-established consolidation process and ensuring that accounting policies are in accordance with International Financial Reporting Standards. There is a detailed budgeting process with an annual budget both challenged, stress-tested and approved by the Board. Monthly results are reported against the corresponding figures for the budget and the previous year with corrective action initiated by the Board as appropriate. All financial information published by the Group is subject to approval by the Committee.

The Group's treasury activities are operated within Board approved guidelines. Facilities are approved by the Board and all transactions are controlled and monitored. Monthly summaries of treasury management activities are prepared for the Board. Speculative transactions are not undertaken.

There have been no changes in the Company's internal control over financial reporting during the year under review that have materially affected, or are reasonably likely to materially affect, the Company's control over financial reporting.

The Audit Committee and Board is cognisant of the coming into force, with effect from 1 January 2026, of Provision 29 of the Financial Reporting Council's 2024 UK Corporate Governance Code and looks forward to reporting against the relevant requirements, regarding, inter alia, the monitoring and review of the Company's risk management and internal control framework and the effectiveness of material controls, in the Company's annual report and accounts for the financial year ending 31 December 2026. Significant preparatory work has already been undertaken in this regard.

#### Bribery Act 2010 (the 'Act')

The Group is committed to conducting its business with the highest degree of integrity. This commitment includes a zero-tolerance approach towards all forms of bribery, corruption, fraud and theft. The Group has in place an appropriate policy, which sets out how employees must act to ensure that our zero-tolerance approach to bribery and corruption is upheld, and regularly re-enforces its Code of Ethics. In addition, our employee Code of Conduct (the 'Code of Conduct') sets out the requirements and guidelines on expected behaviours for all employees to act with honesty, integrity and fairness to others to ensure the Group meets the highest standards of conduct in business dealings. The Code of Conduct, which encompasses a high-level overview of each of the Group's more detailed policies, including the Code of Ethics, is available on our internal intranet system and hard copies can be obtained from our Human Resources teams.

On joining the Group, whether by way of acquisition or otherwise, all employees will be made aware of these standards and procedures. Senior employees are also required to sign an annual statement of compliance with the Code of Ethics. Appropriate Board approved procedures are in place to prevent employees and other associated persons committing offences under the Act. Engaging in fraud, bribery or corruption is unlawful and any employee, director or officer found to have breached the Code of Conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of the Code of Conduct by third parties may result in immediate termination for breach of all contracts with the Group. These procedures are subject to regular monitoring and review.

# Audit Committee Report

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## Modern Slavery Act

We are committed to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains or in any part of our business. To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, all Directors have been briefed on the subject and we have provided training to relevant employees. The Company's modern slavery compliance statement, pursuant to section 54(1) of the Modern Slavery Act 2015, for the financial year ended 31 December 2025 was approved by the Board in January 2026. Further details can be found on page 41.

## Whistleblowing

The Group is committed to a culture of openness, honesty and accountability and believes that it is fundamental that any concerns our employees have can be raised in confidence and without fear of victimisation. To this end, the Group has in place a whistleblowing policy which encourages employees to report any malpractice, illegalities, wrongdoing or matters of similar concern (together 'ethical wrongdoing') by other employees, former employees, contractors, suppliers or advisors. Examples of ethical wrongdoing include bribery, corruption, fraud, dishonesty and illegal practices which may endanger employees or other parties.

Any matters raised through the whistleblowing process are reported to the Committee. Where such matters are raised a proportionate investigation is undertaken either by independent management or an appropriate external party under the direction and guidance of the Committee.

During the current and preceding financial years, a number of matters were raised via the whistleblowing process. These mostly related to employee related grievances and were escalated to the relevant manager or other investigating officer for investigation. One matter reported last year has been successfully closed during the year under review which, following internal investigation, resulted in an employee being dismissed for gross misconduct due to a violation of Group IT policy. In the year under review a total of three matters were raised via the Group's whistleblowing process. One of these matters, concerning various alleged grievances, was investigated by HR and resulted in no action being taken. The two other matters reported during the year under review (one relating to alleged theft of waste material from one of the Group's processing facilities and the other relating to alleged misuse of a Company vehicle) were investigated, with both investigations concluding in January 2026. The first investigation found no evidence of impropriety, confirming that the waste material had been collected by a registered waste carrier. In the second matter, while a vehicle was used otherwise than in accordance with Group policy, no further action was considered necessary in light of the circumstances.

### Chris Girling

Chair, Audit Committee

2 March 2026

# Nomination Committee Report

## Dear Shareholder.

On behalf of the Board, I am pleased to present the Nomination Committee's Report for the financial year ended 31 December 2025.

## Objectives

The key objective of the Nomination Committee (the 'Committee') is to monitor the performance, appropriateness and future succession of the Company's executive and Board talent in order to ensure that the Board comprises individuals with the right blend of skills, knowledge, experience and diversity to maintain a high degree of effectiveness in discharging its responsibilities. Appointments to the Board are recommended, as appropriate, by the Committee. Board appointments are subject to approval by the Board as a whole.

## Composition

The Committee has been chaired by myself with remaining membership, for the financial year ended 31 December 2025, comprised of the Company's three other Independent Non-Executive Directors. As at the date on which this Report was approved by the Directors of the Company, the Committee membership is comprised of myself, as chair, and the three other Independent Non-Executive Directors of the Company. Membership of the Committee is therefore in compliance with Provision 17 of the Financial Reporting Council's UK Corporate Governance Code 2024 (the 'Code'). Further details relating to the membership and composition of the Committee can be found in the Corporate Governance Report on pages 70 to 83.

## Roles and Responsibilities

The principal responsibilities of the Committee are:

- reviewing the structure, size and composition of the Board and its committees;
- identifying and nominating candidates to fill Board vacancies;
- keeping up to date and fully aware of the strategic and commercial changes affecting the Group and the markets in which it operates;
- keeping under review the leadership needs of the business with a view to ensuring the continued ability to compete effectively in the marketplace;
- assessing the roles of the existing Directors in office to ensure that there continues to be a balanced board in terms of skills, knowledge, experience and diversity;
- considering the continuing service of a Director; and
- providing recommendations for reappointment of Directors retiring by rotation.

The Committee reports to the Board on how it has discharged its responsibilities. The full terms of reference of the Committee are available on the Company's website, or on request to the Company Secretary.

The Committee undertakes its responsibilities proactively, recognising it is important to plan Board succession well in advance, and to ensure that the Company's Board and executive leadership skills are fully aligned to the Company's long-term strategy. The Committee therefore takes care to ensure that there is a continuous pipeline of high-performing and executive talent beneath Board level.

Further information relating to Board composition, succession and evaluation can be found in the Corporate Governance Report on pages 77 to 81.

## What the Committee did

The main focus of the Committee's work during 2025 and up to the date of this report included:

- following initiation of a review process in October 2025, reviewing the performance of the Executive Directors and concluding that their performance continues to be effective and that each demonstrates sufficient commitment to their role (further details of the Board Performance Review can be found in the Corporate Governance Report on page 81);
- recommending to the Board the appointment, with effect from 1 October 2025, of Ryan Govender as Chief Financial Officer and Board member, in succession to Yvonne Monaghan;
- launching a recruitment process to facilitate the appointment of an additional Independent Non-Executive Director to succeed Chris Girling as Audit Committee Chair;
- recommending to the Board the appointment, with effect from 1 June 2026, of Lysanne Gray as an Independent Non-Executive Director and as successor to Chris Girling as Audit Committee Chair;
- recommending to the Board the appointment, with effect from 1 June 2026, of Nicola Keach as Senior Independent Director in succession to Chris Girling;
- reviewing the independence of each Non-Executive Director, including each Non-Executive Director's actual, potential or perceived conflicts of interest and concluding that each Non-Executive Director was independent in character and judgment and that there were no circumstances that were likely to affect their judgment;
- considering the structure and composition of the Board and, in particular, succession planning for both Executive and Non-Executive roles as well as key management roles within the Group;
- reviewing the Committee's terms of reference and conducting the annual review of the Committee's performance;
- recommending each Director for re-election (or, for Ryan Govender, election) at the Annual General Meeting; and
- reviewing, approving and recommending that the Board adopt a documented Board diversity policy.

# Nomination Committee Report

Continued >

## Appointment of New Directors

During the year, the Committee undertook recruitment processes to facilitate the appointment of both an Executive Director, to succeed Yvonne Monaghan as Chief Financial Officer (the 'CFO Search'), and an additional Independent Non-Executive Director to succeed Chris Girling as Audit Committee Chair (the 'NED Search').

The selection process was led by me and assisted by the Group Chief Executive Officer and the Independent Non-Executive Directors. The Committee used the services of two executive search firms to identify suitable candidates: MWM Consulting (MWM), for the CFO Search and Russell Reynolds (RR), for the NED Search. MWM were previously used by the Company for the recruitment of an Independent Non-Executive Director. Both MWM and RR were considered to be independent of, and to have no other links with, the Company or its Directors in connection with their respective search assignments.

Position specifications were prepared, discussed and agreed for both appointments in conjunction with input from the Executive Directors and the Committee, setting out the desired attributes, experience and personal style for the successful candidates. Potential candidates were also required to demonstrate that they had sufficient time available to devote to the role.

In executing the search strategy for the CFO Search and the NED Search, and to ensure a diverse range of candidates, wide pools of potential candidates were identified. From this, long-lists were compiled and, following further review, a number of individuals were profiled and considered by the Company. Short-lists were then drawn up and candidates were interviewed by me and another Committee member before progressing to the second stage of interviews with the Chief Executive Officer. Candidates who were considered to best match the role requirements were then put forward to meet with the Senior Independent Director and other members of the Board.

After detailed discussions and careful consideration, the Nomination Committee concluded and recommended to the Board that:

- Ryan Govender be appointed to the Board and as Chief Financial Officer of the Company with effect from 1 October 2025 in succession to Yvonne Monaghan; and
- Lysanne Gray be appointed to the Board of the Company as an Independent Non-Executive Director with effect from 1 June 2026 and succeed Chris Girling as Audit Committee Chair following the announcement of the Company's interim results for the 6 months ending 30 June 2026.

## Diversity Policy

Our policy remains to make appointments based on merit and to identify the most suitable candidate to join the Board having regard to the individual's skills, experience and knowledge. When considering succession plans the Board remains cognisant of the need to ensure that there is a diverse range of individuals who are included in the plan. The business as a whole continues to promote diversity and inclusion from within, particularly in respect of supporting female employees to progress up the career ladder. In furtherance of the Group's sustainability agenda, in November 2022, the Board approved for adoption a new Group wide Equality, Diversity & Inclusion (ED&I) policy for publication internally and externally. This policy is intended as the overarching statement for the whole Group across this topic and will apply to all employees, contractors and agency staff across the Group. Further details can be found on pages 36 and 37. In addition, in November 2025, following the Company's admission, in August 2025, to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's Main Market for listed securities, and upon the Nomination Committee's recommendation, the Board adopted a Board diversity policy.

We are proud to have a diverse workforce and, as explained further on pages 36 to 37, we are committed to promoting Equity, Diversity & Inclusion throughout the business to build a culture that is inclusive to all, actively values difference, ensures everyone is treated fairly and is free from unlawful discrimination. Accordingly, the aim of our policy is to ensure that diversity in its broadest sense, including gender, ethnicity, age, sexuality, social class, education, experience, ways of thinking and more, is reflected throughout the business including within the composition of the Board, to provide the range of perspectives, insights and challenge needed to support good decision making.

The Board notes that from 1 January 2025 until the retirement of Yvonne Monaghan as Chief Financial Officer on 1 October 2025, the Company met the gender diversity targets under the UK Listing Rules and the FTSE Women Leaders Review, and had maintained female representation in a senior Board position since 2007. As at 31 December 2025, the Board comprised 33% women and 67% men, with 17% of the Board identifying as being from a minority ethnic background. Accordingly, at that date, the Company met the UK Listing Rules and Parker Review target relating to ethnic diversity but did not meet the 40% gender representation target or the requirement for a woman to hold one of the specified senior Board positions.

As previously disclosed, and in line with the Board's diversity policy adopted in November 2025, the Board remains fully supportive of the diversity targets set out in the UK Listing Rules, the FTSE Women Leaders Review and the Parker Review. The Board will continue to promote diversity of gender, ethnicity, background and experience through its succession planning, taking account of the relevant targets as vacancies arise and making appointments on merit against objective criteria. The Board recognises the competitive market for diverse talent but remains committed to achieving alignment with the applicable targets over time.

In this regard, the Board is pleased to announce that, as part of its succession planning, Lysanne Gray will join the Board as an Independent Non-Executive Director with effect from 1 June 2026 and will succeed Chris Girling as Audit Committee Chair following the announcement of the Group's interim results for the six month period ended 30 June 2026. In addition, Nicola Keach, who has served as an Independent Non-Executive Director of the Company since June 2022, will succeed Chris Girling as Senior Independent Director with effect from 1 June 2026. As a result of these appointments, and assuming no further changes to Board composition, the Company will, in addition to its current alignment with the UK Listing Rules and Parker Review target relating to minority ethnic representation, also achieve alignment with the gender diversity targets set out in the UK Listing Rules and the FTSE Women Leaders Review — namely that at least 40% of the Board will be women and that at least one of the specified senior Board positions will be held by a woman.

The Board, together with the Nomination Committee, will:

- continue to aim to ensure appropriate balance in all aspects of diversity in its broadest sense, including gender, ethnicity, age, sexuality, social class, education, experience, ways of thinking and more, at Board and Senior Management level, without the need for quotas;
- seek to ensure that Board candidates bring the right skills, knowledge and experience to complement the existing balance of the Board, taking into account the diversity benefits the candidate can bring to the Board's composition;
- only work with executive search consultants that have adopted a voluntary code of conduct addressing diversity;
- take into account any regulatory requirements and best practice guidance when reviewing the balance and composition of, and succession plans for, the Board and Senior Management, whilst having regard to the individual skill sets and the general and sector-specific knowledge needed to drive corporate performance; and
- remain fully aware of the need to ensure that the business recruits and maintains a diverse workforce.

**Jock Lennox**

Chair, Nomination Committee

2 March 2026

# Directors' Remuneration Report

Letter from Kirsty Homer, Chair of the Remuneration Committee

## Dear Shareholder.

On behalf of the Board, I am pleased to present our 2025 Directors' Remuneration Report. This is our first Directors' Remuneration Report since the Company's transition from AIM to the Main Market of the London Stock Exchange in August 2025. The report includes our new Directors' Remuneration Policy ("Policy"), which will be put forward for binding shareholder approval at the 2026 AGM. It also includes the Annual Report on Remuneration, describing how the current Policy was put into practice during 2025 and how the proposed new Policy will be implemented in 2026.

## Performance for 2025

The Group has delivered a strong performance for the financial year ended 31 December 2025. Total revenue for the year to 31 December 2025 increased by 4.3% to £535.4 million (2024: £513.4 million). This increase delivered an adjusted profit before taxation of £64.5 million (2024: £54.8 million). Further details on our performance in 2025 can be found in the Strategic Report on pages 6 to 56.

## Board Changes During the Year

Further to the announcements made on 24 March 2025 and 1 October 2025, after over 40 years with the Company including 17 years as CFO, Yvonne Monaghan retired and stepped down as a Director of the Company on 1 October 2025. Yvonne completed a handover to the new CFO, Ryan Govender, and continued to provide services to the Company and remained employed until 28 February 2026. In accordance with our current Policy and relevant incentive plan rules, Yvonne was treated as a good leaver. Further details are set out on page 109.

Ryan Govender joined the Board as CFO on 1 October 2025. His base salary on appointment was £350,000 (slightly lower than his predecessor). In accordance with the current Policy, Ryan receives pension contributions (or cash in lieu) in line with the rate available to the majority of the wider UK workforce (6% of salary) and is eligible for a pro-rata bonus in respect of the period from 1 October 2025. Following his appointment to the Board, Ryan was granted an LTIP award of 150% of salary (noting that Ryan did not receive a buyout award in respect of the 2025 award at his previous employer) which vests after 3 years (followed by a two year post-vesting holding period) and is subject to the same performance conditions as other 2025 LTIP participants. Ryan also received buyout awards to compensate for certain awards forfeited from his previous employer in connection with his appointment at the Company. Further details are set out on page 109.

## Annual Bonus Outcome for 2025

The 2025 maximum bonus opportunities for the CEO and CFO were 150% and 125% of salary respectively. For Ryan Govender, the bonus opportunity was pro-rated based on his services as a Director for the period from joining the Board (1 October 2025) to 31 December 2025.

The performance targets for the 2025 bonus were based on Adjusted PBT excluding notional interest (76.5%), margin (8.5%) and sustainability (15%). The Group's performance for the financial year ended 31 December 2025 resulted in an overall bonus outcome for 2025 of 39.3% of maximum. Further details regarding 2025 bonus performance targets and performance against them are set out on page 107. The Committee is confident that this outcome appropriately reflects the performance delivered in 2025 and therefore did not exercise any discretion.

## 2023 LTIP Outcome

Peter Egan and Yvonne Monaghan were granted awards under the LTIP on 8 March 2023. The awards were subject to performance conditions over the three-year period to 31 December 2025, with 50% of the award based on Relative TSR performance compared to the FTSE AIM All-Share Industrial Goods and Services Index and the remaining 50% based on Adjusted PBT per share. Both our TSR and Adjusted PBT per share performance have been very strong over the period, significantly exceeding the maximum performance levels set by the Committee. The overall vesting outcome was therefore 100% of maximum.

The Committee is confident that this outcome appropriately reflects the performance delivered over the three-year period and therefore did not exercise any discretion. Further details are set out on page 108.

## Advisers to the Remuneration Committee

During the year, we conducted a re-tender for the adviser to the Committee. The Committee was keen to ensure that we considered fresh perspectives in anticipation of the Company's transition to the Main Market and shareholder approval of a new Policy at the 2026 AGM. Several firms, including the incumbent adviser, were invited to participate in the process, which included the submission of a formal response to our request for proposal and a face-to-face interview with shortlisted firms. The Committee unanimously decided to appoint PricewaterhouseCoopers LLP ("PwC"), noting their significant experience advising on executive remuneration matters and strength of the proposed team members. The Committee then worked closely with PwC in setting the Policy and its implementation for 2026.

## Directors' Remuneration Policy

As noted above, following the Company's transition to the Main Market in August 2025, we are required to submit a Directors' Remuneration Policy for binding shareholder approval at the 2026 AGM. The Committee took the opportunity to review the current Policy to ensure it remains aligned to the business strategy, delivers a market competitive remuneration package and adheres to the stronger corporate governance expectations as a Main Market business.

The Company's existing approach to executive remuneration includes a base salary, benefits and pension, annual bonus and performance based long-term incentive plan and has been strongly supported by shareholders. At this time, the Committee's review concluded that the existing remuneration structure remains broadly appropriate at the current time and therefore no changes to the

overall incentive structures are proposed, subject to the changes outlined below, many of which have been made to ensure the policy remains fit for purpose as a Main Market listed company. However, the Committee intends to keep this under review as the business strategy continues to evolve and may re-review the Policy before the normal triennial renewal in 2029.

The key changes under the new Policy are as follows:

#### Pension

- As outlined in previous annual reports, Peter Egan's pension contributions were previously frozen at the 2019 level (£41,613, equivalent to c.8.6% of salary in 2025). In accordance with Provision 39 of the UK Corporate Governance Code, from 1 January 2026, Peter's pension contributions will reduce to 6% of salary, in line with the rate available to the majority of the wider UK workforce. The contribution rate for Ryan Govender was set in line with this level on appointment.

#### Annual Bonus

- The maximum bonus opportunity for Executive Directors under the Policy will be 150% of salary. The 2026 opportunity for the CEO and CFO will be 150% and 125% of salary respectively (in line with previous years). Further details on the performance measures and weightings for 2026 are set out below.
- Bonuses for Executive Directors have historically been paid in cash. However, in order to align with Main Market best practice and shareholder expectations, the Committee is introducing an element of bonus deferral under the new Policy for 2026. Where an Executive Director has not met their shareholding requirement at the end of the financial year, at least one-third of any bonus (after tax) must be invested in the Company's shares to be held for a minimum of two years. Where the shareholding requirement has been met, the bonus may be delivered in cash with no further deferral requirements, provided the Committee is satisfied that sufficient measures are in place to apply malus / clawback provisions if required.

#### Long Term Incentive Plan ("LTIP")

- The maximum LTIP opportunity for Executive Directors under the Policy will be 200% of salary. The 2026 LTIP opportunity for the CEO and CFO will be 175% and 150% of salary respectively. Awards will vest after three years, based on performance measured over a three-year period, and be subject to a two-year post-vesting holding period.
- For reference, the 2025 LTIP opportunities were 150% and 125% of salary for the CEO and former CFO respectively. The increase for 2026 brings the Executive Directors closer into line with typical market practice for a Main Market business of our size and emphasises the importance of long term performance. Furthermore, the Committee is of the view that the additional headroom under the Policy (up to 200% of salary) provides additional flexibility over the lifespan of the Policy.

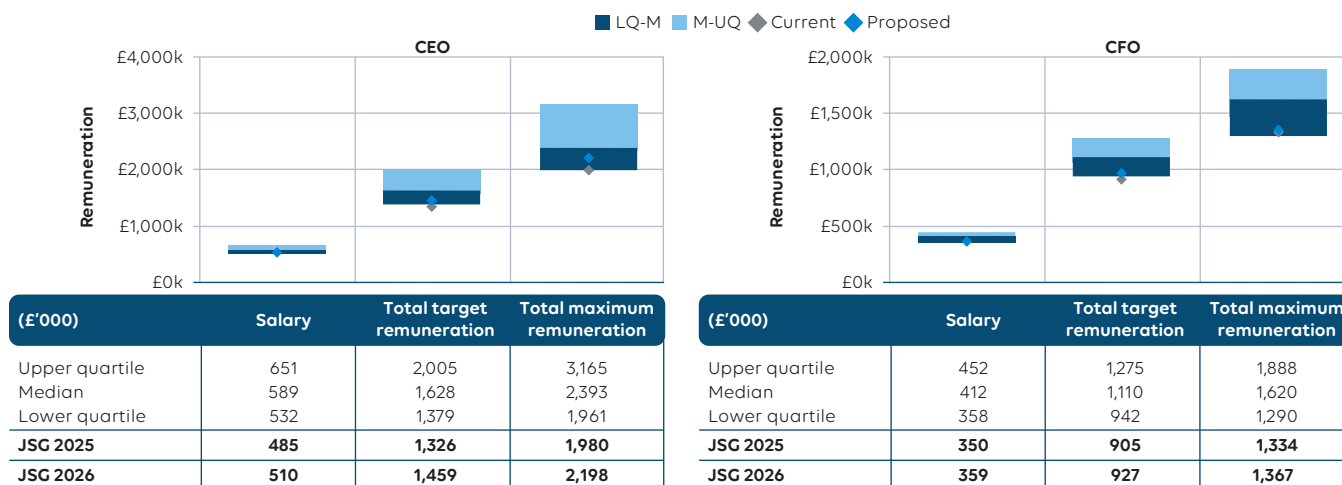
#### Shareholding Requirement

- The CEO and CFO will be subject to a shareholding requirement of 200% and 150% of salary respectively.
- In order to ensure that the Policy is aligned with the expectations set out under Provision 36 of the UK Corporate Governance Code, the Committee is introducing a post-employment shareholding requirement. After 1 January 2026, upon stepping down from the Board, Executive Directors will be required to maintain a shareholding equivalent to:
  - 100% of their in-employment requirement for the first year (or the shareholding upon stepping down if lower); and
  - 50% of their in-employment requirement for the second year (or 50% of the shareholding upon stepping down if lower).

# Directors' Remuneration Report

Letter from Kirsty Homer, Chair of the Remuneration Committee [Continued >](#)

As part of the review, the Committee considered market benchmarking data compared to Main Market companies of a similar size to the Company across a broad range of sectors (excluding financial services companies). The Company was included in the FTSE 250 index from September 2025 (the first index review following the Company's transition to the Main Market in August 2025). The Company's market capitalisation positioned it towards the lower end of the constituents of the FTSE 250 index, and therefore the Committee considered a comparator group based on +/- 20 companies either side of the Company's market cap (i.e. including FTSE 250 and Small Cap businesses of similar size to the Company). The charts below illustrate the market data, together with the 2025 and 2026 remuneration positioning (including salary changes for 2026 as outlined below).



Notes:

Total target remuneration: Defined as the sum of salary, the value of employer pension contributions (or cash in lieu), the value of any on-target bonus and the on-target expected value of the annual long-term incentive award.

Total maximum remuneration: Defined as the sum of salary, the value of employer pension contributions (or cash in lieu), the maximum value of any bonus and the maximum value of an annual long-term incentive award.

Peer Group: The benchmarking peer group consisted of the +/- 20 companies either side of the Company's market cap as follows: A.G. Barr, Alfa Financial Software Holdings, AO World, ASOS, Aston Martin Lagonda Global Holdings, Atalaya Mining Copper, Auction Technology Group, Avon Technologies, Bloomsbury Publishing, C&C Group, Crest Nicholson Holdings, DFS Furniture, DiscoverIE Group, Dr. Martens, Forterra, Future, Galliford Try, Goodwin, Harworth Group, Hilton Food Group, Hollywood Bowl Group, Hunting, Ibstock, Kier Group, Marshalls, ME Group International, Moonpig Group, Morgan Advanced Materials, NCC Group, On The Beach Group, Paypoint, Pinewood Technologies Group, PPHE Hotel Group, Rank Group, Senior, THG, Victrex, W A G Payment Solutions, Wickes Group, ZIGUP

This illustrates that the CEO is positioned below the median level and the CFO is positioned around the lower quartile (recognising that he is new in role).

The Committee engaged extensively with the Company's largest shareholders in relation to the proposed Policy and its implementation for 2026. Further details are set out below.

The full Directors' Remuneration Policy to be put forward for shareholder approval at the 2026 AGM is set out on pages 98 to 105.

## Implementation of the New Policy for 2026

### Base Salary

The market benchmarking review highlighted that the base salary for our CEO, Peter Egan, is significantly below the market lower quartile and that this, together with a slightly lower long term incentive opportunity, delivers a total remuneration package which is below the market level for a company of our size and does not reflect Peter's experience and performance track record.

The Company's resilience during the pandemic and its performance in recent years has been spearheaded by Peter, who has proved himself to be an exceptionally capable leader since his appointment to the role in January 2019. Under his stewardship, the Company has established itself as a profitable and cash-generative business with a strong balance sheet and a long-standing record of increasing dividends, demonstrating both financial resilience and a clear commitment to shareholder returns. In addition, Peter has overseen the successful execution and integration of multiple M&A transactions, further strengthening the Company's strategic position and long-term growth prospects. Given the performance of the business under this leadership, our expectations of future growth and the additional complexity associated therewith, we believe that it is the right time to address the below market level positioning of Peter's reward package.

The Committee noted that this low market positioning was not simply a feature of using a Main Market comparator group - compared to AIM-listed companies, Peter's base salary is also relatively low for a business of our size and his experience and performance. The Committee therefore determined that appropriate steps should be taken to address this issue.

In determining the appropriate approach, the Committee and the CEO were cognisant of the wider workforce increase level and shareholder views regarding above workforce increases. The Committee therefore concluded that it would be appropriate to phase the salary increases over multiple years to achieve a market positioning around the median level over time. In this context, the Committee decided that Peter's salary would increase from £484,509 to £510,000 (an increase of around 5%) with effect from 1 January 2026. The Committee will review the approach to further increases in subsequent years, but we note that increases over the next few years may be above the wider workforce level in this context.

Although the market benchmarking review also highlighted similar findings for the base salary of our CFO, Ryan Govender (£350,000, which was set slightly below his predecessor), the Committee concluded that this positioning reflects that he is new in role but will keep this under review in subsequent years as he develops in role. Ryan received a salary increase of 2.5% to £358,750 with effect from 1 January 2026, such increase being in line with, and in some cases lower than, that for the Group's wider employee population.

### Pension

As noted above, the CEO's pension contribution will reduce from the current level (£41,613, equivalent to c.8.6% of 2025 salary) to 6% of salary in line with the rate availability to the majority of the wider UK workforce. The CFO's pension contribution was set at 6% of salary on appointment and will remain unchanged for 2026.

### Annual Bonus

The maximum bonus opportunity for the CEO and CFO will be 150% and 125% of salary respectively, unchanged from 2025. The bonus will be subject to adjusted PBT (75%), adjusted operating margin (15%) and sustainability measures (10%).

In accordance with the new Policy, where an Executive Director has not met their shareholding requirement at the end of the financial year, at least one-third of any bonus (after tax) must be invested in Company shares to be held for a minimum of two years.

### LTIP

Subject to approval of the new Policy at the 2026 AGM, the CEO and CFO will be granted LTIP awards of 175% and 150% of salary, respectively. The awards will be subject to performance conditions over the three-year period to 31 December 2028 based on Relative TSR (50%) and cumulative adjusted fully diluted EPS growth (50%). The awards will vest after three years and be subject to a two-year post-vesting holding period. Further details are set out on page 112.

### Non-Executive Director Fees

The Committee reviewed the fee for the Chair of the Board in the context of the Company's transition from AIM to the Main Market, and was particularly cognisant of the expanded responsibilities and time commitments of the role in this context. Market data, based on the same comparator group as the CEO, also highlighted that the current fee level for the Chair of the Board is significantly below the lower quartile. In line with the approach taken for the CEO, the Committee resolved to seek to more closely align the fee to typical market levels on a phased basis over time. The Committee determined that the same proportionate increase as the CEO (around 5%) would apply to the fee for the Chair of the Board with effect from 1 January 2026 (increasing the Chair's fee from £159,628 to £168,088) and would be kept under review in future years.

The Chair and Executive Directors similarly reviewed the base fee for the Non-Executive Directors in the context of the additional responsibilities as a Main Market role and a below lower quartile positioning of the current fee. They concluded that an increase in line with the CEO and Chair (around 5%) would be appropriate with effect from 1 January 2026, with increases in future years to be kept under review.

## Shareholder Engagement

In November 2025, I wrote to the Company's largest shareholders covering approximately 68% of the Company's issued share capital, as well as the main UK proxy agencies, to outline the Committee's proposed Policy and its implementation for 2026, including the phased approach to salary and fee increases. We received responses covering approximately 55% of our register and were delighted with the positive feedback received. Further details on the feedback received is set out on page 105. On behalf of the Committee, I would like to thank shareholders for their input and engagement during this consultation, and throughout the year.

## Conclusion

As ever, I am very grateful for the support and guidance given to me throughout the year by my fellow members of the Remuneration Committee.

Shareholders' views on executive remuneration are very important to the Board. Should you have any questions, comments or feedback on remuneration matters at the Company, please contact me via the Company Secretary.

I hope that you will support the Company's resolutions to approve both the Directors' Remuneration Report and the Directors' Remuneration Policy at the 2026 AGM.

### Kirsty Homer

Chair, Remuneration Committee

2 March 2026

# Directors' Remuneration Report

## Directors' Remuneration Policy

### Overview

The Committee reviews the Company's remuneration philosophy and structure each year to ensure that the remuneration framework remains effective in supporting the Company's business objectives, in line with best practice, and fairly rewards individuals for the contribution that they make to the business, having regard to the size and complexity of the Group's operations and the need to retain, motivate and attract employees of the highest calibre.

The Committee intends that base salary and total remuneration of Executive Directors should be market competitive. Remuneration is periodically benchmarked against equivalent roles in a suitable comparator group with the aim of paying neither significantly above nor below the market level. The Committee also considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market conditions, and to governance trends when assessing the level of salaries and remuneration packages of Executive Directors.

The total remuneration package links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The remuneration policy is designed to incentivise executives to meet the Company's strategic objectives, such that a significant portion of total remuneration is performance related, based on a mixture of internal targets linked to the Company's strategic business drivers (which can be easily measured, understood and accepted by both executives and shareholders) and appropriate external comparator groups.

The Committee considers that the targets set for the different elements of performance related remuneration are both appropriate and demanding in the context of the business environment and the challenges with which the Group is faced.

Prior to proposing the adoption of new or amended employee share schemes, the Company will consult in advance with, and seek feedback from, major shareholders. New schemes may need to be proposed in order for the Company to be able to continue to operate its executive and all employee share schemes, for example, due to the incumbent scheme nearing the end of its lifetime. Existing schemes may need to be amended to reflect current or emerging best practice. Following any consultation process, the adoption of new or amended employee share schemes will then be proposed at the next relevant AGM.

Full details of all current schemes are included within this Report.

### Remuneration Policy Table (Executive Directors)

The current remuneration of Executive Directors comprises base salary, taxable benefits, pension, annual bonus and a Long-Term Incentive Plan ("LTIP"). Details of how the various components of remuneration are delivered are set out below.

Component and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
<p><b>Base Salary</b></p> <p>Reflects the individual's role, experience and contribution.</p> <p>Set at levels to attract and retain individuals of the calibre required to lead the business and to ensure no over reliance on variable pay.</p>	<p>Salaries are appropriately benchmarked and reflect the role, job size and responsibility as well as the performance and effectiveness of the individual.</p> <p>Base salaries are reviewed annually with any increases normally taking effect on 1 January of each year.</p>	<p>Whilst there is no prescribed formulaic maximum, any increases will take into account prevailing market and economic conditions as well as increases for the wider workforce.</p> <p>Higher increases may be applied to reflect significant progression or development in role, experience, a significant increase in the scope and complexity of the role, growth in the business, or any other such circumstances as the Remuneration Committee considers appropriate.</p> <p>Any increase will be appropriately explained in the relevant year's annual report.</p>	None.
<p><b>Benefits</b></p> <p>To provide a competitive level of benefits in order to attract and retain individuals of the calibre required to lead the business.</p>	<p>Benefits typically include, but are not limited to, the provision of a car or car allowance and private medical insurance for Executive Directors and their dependents.</p> <p>Executive Directors may also participate in any all-employee share schemes on the same basis as other employees.</p>	<p>The cost of providing these benefits can vary in accordance with market conditions, which will, therefore, determine the maximum value.</p>	None.

Component and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
<p><b>Pension</b></p> <p>To ensure the Company can provide a fully competitive level of benefits in order to attract and retain individuals of the calibre required to lead the business.</p>	<p>Executive Directors are invited to participate in the Company's defined contribution pension scheme or to take a cash alternative allowance in lieu of pension entitlement.</p> <p>In addition, the CEO is a deferred member of the Company's defined benefit pension scheme. The CEO left active pensionable service on 31 December 2014, and has a deferred entitlement to a pension at retirement under this scheme in accordance with the scheme rules.</p>	<p>The contribution level will be aligned with that available to the majority of the wider UK workforce (currently approximately 6% of salary).</p>	<p>None.</p>
<p><b>Annual Bonus</b></p> <p>To incentivise and reward the achievement of stretching one-year key performance targets set by the Committee at the start of each financial year.</p>	<p>The annual bonus is normally earned by the achievement of one-year appropriately stretching performance targets set by the Committee at the start of each financial year.</p> <p>Where an Executive Director has not met their shareholding requirement at the end of the financial year, Executive Directors will be required to invest at least one-third of any bonus (after tax) in Company shares to be held for two years. If the shareholding requirement has been met, the bonus may be delivered in cash with no further deferral requirement, provided the Committee is satisfied that sufficient measures are in place to apply malus/clawback provisions if required.</p> <p>The Committee retains the discretion to adjust the targets to take account of events which were not foreseen or allowed for at the start of the year when targets were set, for example, acquisitions in the year. The Committee also retains the discretion to adjust the bonus outcomes and/or targets to ensure that they reflect the underlying business performance or any other factors that the Committee deems appropriate.</p> <p>The annual bonus is subject to malus and clawback provisions, as set out further below.</p>	<p>The maximum bonus opportunity for Executive Directors is 150% of salary.</p>	<p>At least 50% of the bonus will be based on financial measures. The remainder may be based on non-financial, strategic, ESG or individual performance measures.</p> <p>Up to 20% of the bonus will be payable for threshold performance, increasing to 50% for target performance and 100% payable for achievement of maximum performance. A straight-line basis will apply from threshold to target and target to maximum.</p>

# Directors' Remuneration Report

Directors' Remuneration Policy [Continued >](#)

Component and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
<p><b>LTIP</b></p> <p>To incentivise and reward Executive Directors for the delivery of longer-term financial performance and shareholder value.</p> <p>Share-based to provide alignment with shareholder interests.</p>	<p>An annual grant of conditional shares or nil/nominal cost options over ordinary shares. Awards may be granted in conjunction with a linked HMRC tax advantaged Company Share Option Plan ("CSOP") option. No additional gross value can be delivered from the exercise of any CSOP option.</p> <p>Awards will normally be subject to a three-year performance period. Participants are required to hold vested LTIP shares (net of any shares sold to meet tax and social security liabilities) for a period of two years post vesting.</p> <p>LTIP awards may be granted with an entitlement to dividend equivalents on any shares which vest.</p> <p>The Committee retains the discretion to adjust the targets to take account of events which were not foreseen or allowed for at the start of the year when targets were set. The Committee also retains the discretion to adjust the outcomes and/or targets to ensure that they reflect the underlying business performance or any other factors that the Committee deems appropriate.</p> <p>The LTIP is subject to malus and clawback provisions, as set out further below.</p>	<p>The maximum LTIP opportunity for Executive Directors is 200% of salary.</p>	<p>At least 50% of any award granted will be based on financial performance measures. The remainder of the award may be based on non-financial, strategic or ESG measures.</p> <p>Up to 25% of any award is payable for the achievement of threshold performance, with 100% of any award payable for the achievement of maximum performance. Vesting between threshold and maximum will be determined on a straight-line basis.</p>

## Differences Between Executive Directors' and Employees' Remuneration

The remuneration of Executive Directors is structurally similar to that of those members of the wider workforce who are not paid on an hourly basis. In contrast, hourly paid employees are remunerated primarily through fixed pay, with limited participation in variable incentive arrangements. A higher proportion of total remuneration for Executive Directors is linked to variable pay given the nature of their role, consistent with the responsibilities and strategic impact of their positions.

Employee remuneration includes base pay (salary or hourly wages, as applicable), pension contributions and benefits (which vary based on role, seniority, location and legacy business in light of various M&A activity). Pension arrangements vary across the Group, primarily due to legacy reasons where the Group has acquired a business, but the rate available to the majority of the UK workforce is around 6% of salary or earnings as appropriate.

The Group Management Board and other senior employees participate in an annual bonus similar to that for the Executive Directors (except that divisional roles have an element of their bonus linked to the performance of their division, and there is no deferral of bonus awards below Board level). In addition, the Group operates annual performance-related bonus schemes for certain eligible employees across the wider workforce. These schemes are designed to incentivise eligible employees' delivery of key Group and / or divisional operational, financial, and strategic objectives. Bonus opportunities for the wider workforce are determined by role, seniority, and market benchmarks, and are subject to performance measures relevant to each function. Performance metrics typically include financial performance, operational efficiency, customer satisfaction, and individual objectives.

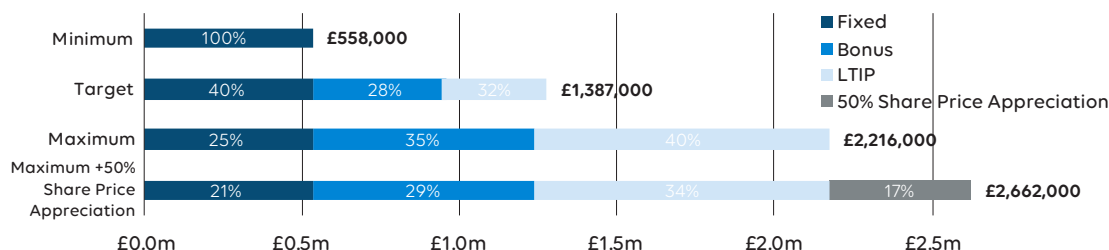
The Group Management Board and certain other senior employees may also participate in the LTIP based on the same performance conditions as the Executive Directors (although no post-vesting holding period will apply below Board level).

## Illustrations of the Application of the Remuneration Policy

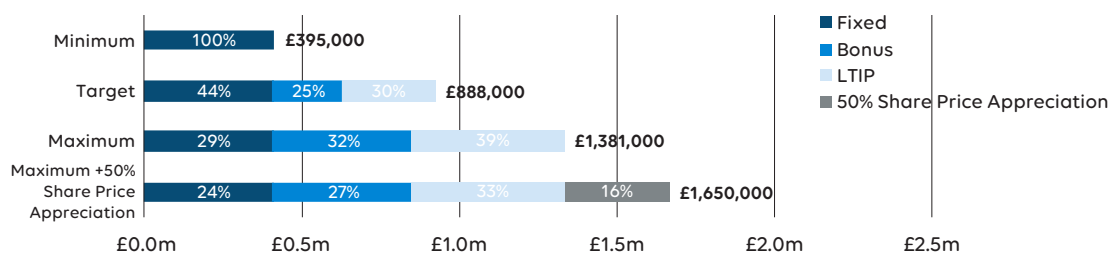
The Company's policy is to provide a total remuneration package that links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The charts below show an example of the remuneration that could be receivable by the current Executive Directors under the Policy in respect of the 2026 financial year.

Each bar gives an indication of the minimum amount of remuneration payable, remuneration payable at target and at maximum performance to each Executive Director under the Policy. Each of the bars is broken down to show how the total under each scenario is made up of fixed elements of remuneration, the annual bonus and the LTIP.

### Peter Egan (Chief Executive Officer)



### Ryan Govender (Chief Financial Officer)



The above illustration is based on a number of assumptions:

- Fixed remuneration includes:
  - Base salary as at 1 January 2026;
  - Value of taxable benefits received in 2025 (annualised for Ryan Govender) as shown in the single figure table on page 106; and
  - Pension contribution (or cash in lieu) of 6% of salary.
- A maximum bonus opportunity equal to 150% and 125% of salary for the CEO and CFO respectively - minimum, target and maximum payout has been assumed at 0%, 50% and 100% of the maximum opportunity respectively.
- An LTIP award equal to 175% and 150% of salary for the CEO and CFO respectively - minimum, target and maximum payout has been assumed at 0%, 50% and 100% of the maximum opportunity respectively.
- Share price appreciation has been calculated as a 50% increase in the value of the LTIP between the date of grant and vesting.
- No dividend accrual has been incorporated in the values relating to the LTIP.

Note that percentages may not add to 100 due to rounding.

## Malus and Clawback

To reflect best practice, and to align with shareholder interests, malus and clawback provisions apply to awards under the annual bonus and LTIP schemes (together 'Awards').

Those provisions enable the Committee to decide, up until the third anniversary of an Award becoming payable, in circumstances in which the Committee considers it appropriate, to reduce the quantum of an Award, cancel an Award or impose further conditions on an Award. The provisions also enable the Committee to decide, up until the third anniversary of an Award becoming payable that, in the relevant circumstances, the participant must repay to the Company (or any person nominated by the Company) some or all of the cash or shares received under an Award.

# Directors' Remuneration Report

## Directors' Remuneration Policy [Continued](#) >

The circumstances in which the Committee may apply the malus and clawback provisions include, but are not limited to:

- a material misstatement of the Company's audited financial results;
- a miscalculation of the extent to which a performance target has been met;
- a material failure of risk management by the Company;
- serious reputational damage to the Company;
- misconduct by a participant; and
- a material downturn in the financial position of the Company.

## Shareholding Requirements

In order that their interests are linked with those of shareholders, Executive Directors are expected to build and maintain a personal shareholding in the Company. The requirement for the CEO and CFO is 200% and 150% of salary, respectively, to be achieved over a period of five years from the date of their appointment. For the purpose of this requirement, the shareholding will include beneficially owned shares and (on a net of tax basis) any vested but unexercised awards (including any awards subject to a holding period) and any unvested awards which are not subject to performance conditions.

Upon stepping down from the Board, Executive Directors will be required to maintain a shareholding equivalent to:

- 100% of their in-employment requirement for the first year (or the shareholding upon stepping down if lower); and
- 50% of their in-employment requirement for the second year (or 50% of the shareholding upon stepping down if lower).

For the purposes of the post-employment shareholding requirement, only shares acquired from share awards granted after the 2026 AGM will be included. The Committee has the discretion to disapply the post-employment shareholding requirement in exceptional circumstances.

## Performance Measures and Targets

### Annual bonus

The Committee selects annual bonus performance measures each year to incentivise Executive Directors to achieve financial targets and specific strategic objectives for the year. These measures are aligned with the Key Performance Indicators we use as a business to monitor performance against our strategic priorities, as shown on pages 19 and 27. The relevant performance targets are set at or following the start of each year with reference to internal and external forecasts and the Group's strategic targets.

### Long-Term Incentive Plan

The long-term performance metrics are in line with the long-term strategic focus of the Company and will be reviewed as required in line with any changes in strategic direction. Targets will be set by reference to internal budgets and strategic plans, industry backdrop and external expectations to ensure they represent appropriately stretching levels of performance.

## Approach to Recruitment Remuneration

In determining the appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both the Company and its shareholders. Any package offered will be structured so as to be sufficiently competitive (but not excessively so) so that senior, high calibre candidates can be appointed, to promote the long-term success of the Company. Consideration will be given to the candidate's skills, knowledge and experience in determining the appropriate remuneration.

Remuneration will generally be in accordance with the same Remuneration Policy as that which applies to existing Executive Directors. The maximum variable remuneration opportunity (excluding any buyout awards) would be 350% of salary, in line with the Policy.

Nevertheless, other arrangements may be established specifically to facilitate recruitment of a particular individual, albeit that any such arrangement would be made within the context of minimising the cost to the Company. An example might be the need to provide a level of compensation for forfeiture of bonus entitlements and/or unvested incentive awards from an existing employer, if any, or the additional provision of benefits in kind and other allowances, such as relocation, education and tax equalisation, as may be required in order to achieve a successful recruitment. Any arrangement established specifically to facilitate the recruitment of a particular individual would be intended to be of comparable form, timing, commercial value and capped as appropriate. The quantum, form and structure of any buyout arrangement will be determined by the Committee taking into account the terms of the previous arrangement being forfeited. The buyout may be structured as an award of cash or shares, however, the Committee will normally have a preference for replacement awards to be made in the form of shares, deliverable no earlier than the previous awards.

Where an Executive Director is appointed from either within the Company or following corporate activity/reorganisation, the normal policy would be to honour any legacy incentive arrangements to run off in line with the original terms and conditions.

The policy on the recruitment of new Non-Executive Directors would be to apply the same remuneration elements as for the existing Non-Executive Directors.

## Executive Directors' Service Agreements

It is the Company's policy that Executive Directors have rolling service agreements. Peter Egan is employed under a service agreement dated 30 March 2018, as amended by a Variation Letter dated 21 December 2018 relating to his appointment to Chief Executive Officer from 1 January 2019. Ryan Govender is employed under a service agreement dated 23 March 2025.

The current Executive Directors' service agreements contain the key terms shown in the table below. Copies of the service agreements are available for inspection at the company's registered office.

Provision	Detailed Terms
<b>Remuneration<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• Base salary, pension and benefits</li> <li>• Car benefit</li> <li>• Family private health insurance</li> <li>• Life assurance</li> <li>• 30 days' paid annual leave</li> <li>• Participation in the annual bonus plan, subject to plan rules</li> <li>• Participation in the LTIP, subject to plan rules</li> </ul>
<b>Change of Control</b>	<ul style="list-style-type: none"> <li>• No special contractual provisions apply in the event of a change of control</li> </ul>
<b>Notice Period</b>	<p>Up to 12 months' notice from the Company and up to 12 months' notice from the Director</p> <p>In respect of the CEO's service contract:</p> <ul style="list-style-type: none"> <li>• 12 months' notice from the Company</li> <li>• 6 months' notice from the Director</li> </ul> <p>In respect of the CFO's service contract:</p> <ul style="list-style-type: none"> <li>• 12 months' notice from the Company</li> <li>• 12 months' notice from the Director</li> </ul>
<b>Termination<sup>2</sup></b>	<ul style="list-style-type: none"> <li>• Payment in lieu of notice for a period of up to 12 months</li> </ul>
<b>Restrictive Covenants</b>	<ul style="list-style-type: none"> <li>• During employment and for a period of up to 12 months after leaving</li> </ul>

Note 1: Whilst service agreements outline the components of remuneration payable, they do not prescribe how remuneration levels may be adjusted from year to year.

Note 2: In the event of termination without cause, the Company has a contractual obligation to compensate the Executive Director for the unexpired period of his or her notice. The Company will seek to reduce this payment by means of the Executive Director's duty to mitigate this payment wherever possible.

## Policy on Payment for Loss of Office

The Remuneration Committee will consider the treatment on termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Company's incentive plans (including any legacy plans). The potential treatments on termination under these plans are set out below, and any retained awards remain subject to the relevant malus and clawback provisions. The termination treatment under any HMRC-approved all-employee share plans will be in line with HMRC rules for such plans.

Under all service contracts, the Company can opt to terminate immediately by making a payment in lieu of the notice period or part of it. Payments in lieu of notice are normally to be made in monthly instalments. Unless the Company decides otherwise, the Executive Directors have a duty to mitigate their losses arising from termination of their employment where payment in lieu of notice is offered in which case any replacement earnings earned in what would otherwise have been the notice period would reduce the obligation on the Company to make payments in lieu.

Under the annual bonus, if, during the performance period or at any time prior to payment of a bonus, a participant:

- ceases to be employed due to ill-health, injury or disability, redundancy, retirement from their employment with the Group, the company by which the participant is employed ceasing to be a member of the Group, the transfer of the undertaking or part-undertaking in which the participant is employed to a person or body corporate outside the Group or for any other reason at the discretion of the Remuneration Committee, they will remain eligible for a bonus in respect of the relevant financial year. Any bonus will normally be paid at the normal time, or if the Committee so decides, immediately on the participant ceasing to be in employment (acceleration will be automatic in cases of death). The bonus will remain subject to the relevant performance conditions and will normally be pro-rated by reference to the proportion of the performance period for which the participant remained employed, unless the Committee determines otherwise; or
- ceases to be employed for any other reason, they will not be entitled to receive a bonus in respect of the relevant financial year.

Under the LTIP, if, during the performance or vesting period, a participant:

- ceases to be employed due to ill-health, injury or disability, redundancy, retirement from their employment with the Group, the company by which the participant is employed ceasing to be a member of the Group, the transfer of the undertaking or part-

# Directors' Remuneration Report

## Directors' Remuneration Policy [Continued >](#)

undertaking in which the participant is employed to a person or body corporate outside the Group or for any other reason at the discretion of the Remuneration Committee, awards will be retained and vest in the normal course, or if the Committee so decides, immediately on the participant ceasing to be in employment (acceleration will be automatic in cases of death). Awards will remain subject to the relevant performance conditions and will normally be pro-rated by reference to the proportion of the vesting or performance period for which the participant remained employed, unless the Committee determines otherwise; or

- ceases to be employed for any other reason, their awards will lapse in full.

If a participant ceases employment during the holding period, vested awards will normally be retained and be released as normal at the end of the holding period (except in the case of death, in which case the award will be released immediately).

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may make a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements.

For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments.

### Exercise of Discretion

In line with market practice, the Committee retains discretion relating to operating and administering the incentive schemes. This discretion includes, but is not limited to:

- timing of awards and payments;
- size of awards, within the overall limits disclosed in the policy table;
- determination of vesting;
- ability to override formulaic outcomes;
- treatment of awards in the case of change of control or restructuring;
- treatment of leavers within the rules of the plan and the policy on payments for loss of office shown on page 103; and
- adjustments needed in certain circumstances, for example, a rights issue, corporate restructuring or special interim dividend.

While performance conditions will generally remain unchanged once set, the Committee has the usual discretions to amend the measures, weightings and targets where the original conditions would cease to operate as intended. Any such changes would be explained in the subsequent annual remuneration report and, if appropriate, be the subject of consultation with the Company's major shareholders.

### Remuneration Policy Table (Chair and Non-Executive Directors)

Details of the policy on fees paid to our non-executive directors are set out in the table below.

Component and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
<b>Fees</b> To attract and retain Non-Executive directors of the highest calibre and experience relevant to the Company.	Fees are normally reviewed annually, taking into account market benchmarks for non-executives of companies of similar size and complexity to the Company.  The Chair's remuneration is recommended by the Committee and approved by the Board.  Neither the Chair nor the Non-Executive Directors take part in discussions or vote on their own remuneration.  The Chair and Non-Executive Directors are reimbursed for expenses, such as travel and subsistence costs, incurred in connection with the carrying out of their duties. Any tax costs associated with these benefits are paid by the Company.	Fee levels will take account of any significant change in the scope of the role or time commitment required and are set by reference to an appropriate comparator group.  The Chair receives a single base fee, with no additional fees paid for additional Board responsibilities.  Non-Executive Directors receive a base fee for their Board service. Additional fees may be payable for additional responsibilities, including (but not limited to) acting as Senior Independent Director, being a member or Chair of a Board Committee or for other responsibilities, such as those relating to workforce engagement.  They do not participate in any share option or share incentive plans. The Company retains the discretion to pay additional fees to the Chair and/or Non-Executive Directors should the Company require a significant additional time commitment in exceptional or unforeseen circumstances.	None.

## Non-Executive Directors' Service Agreements

The Chair and Non-Executive Directors each have fixed term appointments. Fees payable to the Chair and Non-Executive Directors, which are commensurate with their experience and contribution to the Group, are reviewed annually by the Board with any increase ordinarily taking effect on 1 January. They do not participate in decisions regarding their own remuneration and are not eligible for pension scheme membership, bonus or incentive arrangements. Costs in relation to business expenses and travel will be reimbursed. The Chair's appointment is terminable without compensation on three months' notice from either side. A Non-Executive Director's appointment is terminable without compensation on three months' notice from the Company and one month's notice from the individual. Copies of the letters of appointment are available for inspection at the Company's registered office.

The Chair and Non-Executive Directors are expected to devote such time as is necessary for the proper fulfilment of the role. Whilst this is not, ordinarily, expected to exceed 40 days per annum for the Chair and 20 days per annum for the Non-Executive Directors, the nature of the role makes it impossible to be specific about the maximum time commitment.

The Chair and Non-Executive Directors are encouraged, but are not required, to hold a personal shareholding in the Company.

At 31 December 2025, the unexpired terms of their letters of appointment were:

	Date of Latest Letter of Appointment <sup>1</sup>	Term Start Date	Term End Date	Unexpired Term at 31 December 2025
Jock Lennox	23 November 2023	5 January 2024	4 January 2027	1 year
Chris Girling	22 August 2024	29 August 2024	28 August 2027	1 years 8 months
Nicola Keach	26 February 2025	1 June 2025	31 May 2028	2 years 5 months
Kirsty Homer	13 July 2023	1 August 2023	31 July 2026	7 months

Note 1: Jock Lennox was first appointed to the Board on 5 January 2021 pursuant to a letter of appointment dated 4 January 2021. Chris Girling was first appointed to the Board on 29 August 2018; Nicola Keach was first appointed to the Board on 1 June 2022; and Kirsty Homer was first appointed to the Board on 1 August 2023.

## Consideration of Employment Conditions Elsewhere in The Company

In assessing Executive Director remuneration, internal relativities within the Company are reviewed by the Committee. For example, the Committee periodically receives information regarding the salaries and total remuneration packages of the wider workforce (including the Group Management Board) and the Committee reviews the CEO pay ratio on an annual basis. The Committee also considers salary increases for the wider workforce when reviewing salaries for the Executive Directors. However, the Committee has not formally consulted with employees during its review of the Directors' Remuneration Policy.

## Shareholder Engagement

In November 2025, the Committee Chair wrote to the Company's largest shareholders covering approximately 68% of the Company's issued share capital, as well as the main UK proxy agencies, to outline the Committee's proposed Policy and its implementation for 2026, including the phased approach to salary and fee increases. We received responses covering approximately 55% of our register and were delighted with the positive feedback received and the support for the proposals. A minority of shareholders raised concern regarding an overlap between performance financial metrics in the bonus and LTIP. The Committee considered this feedback, but is confident that there is sufficient distinction between the two schemes, noting that the LTIP is based on growth in EPS over a three year period and measured on a per share basis (compared to the use of in-year total Adjusted PBT in the annual bonus), as well as being in line with typical market practice.

# Directors' Remuneration Report

## Annual Report on Remuneration

### Single Total Figure of Remuneration (Audited)

The remuneration for Executive Directors of the Company who performed qualifying services during 2025 is detailed below, with prior year information provided for comparison purposes.

	Peter Egan		Ryan Govender <sup>1</sup>		Yvonne Monaghan <sup>2</sup>	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Base Salary	485	473	88	–	273	355
Benefits <sup>3</sup>	17	18	3	–	14	20
Pension	42	42	5	–	25	43
<b>Total Fixed Remuneration</b>	<b>544</b>	<b>533</b>	<b>96</b>	<b>–</b>	<b>312</b>	<b>418</b>
Bonus	286	495	43	–	134	309
LTIP <sup>4,5</sup>	675	531	–	–	334	350
Buyout awards <sup>6</sup>	–	–	68	–	–	–
<b>Total Variable Remuneration</b>	<b>961</b>	<b>1,026</b>	<b>111</b>	<b>–</b>	<b>468</b>	<b>659</b>
<b>Total Remuneration</b>	<b>1,505</b>	<b>1,559</b>	<b>207</b>	<b>–</b>	<b>780</b>	<b>1,077</b>

Note 1: Ryan Govender was appointed as the Chief Financial Officer with effect from 1 October 2025. All figures reflect the period from his appointment to the end of the financial year.

Note 2: Yvonne Monaghan stepped down from the Board on 1 October 2025, but remained in employment with Johnson Service Group PLC until 28 February 2026. The figures in the single total figure table have been pro-rated to reflect the remuneration received for services as an Executive Director during the year.

Note 3: Benefits includes the provision of a car allowance (£14,500 pa for the CEO, £14,500 pa for the CFO and £17,500 pa for the former CFO), private medical insurance and (in respect of 2024 only) participation in the SAYE (based on the value at maturity of the award being the difference between the exercise price and the market price on the date of maturity).

Note 4: The LTIP numbers in the table for 2025 reflect the indicative value of the shares which are due to vest in March 2026 in respect of the 2023 LTIP, based on performance measured up to 31 December 2025 and a share price of 138.40 pence, being the average price over the last three months of 2025. In respect of Peter Egan, £103,000 of the gain is attributable to share price appreciation over the performance period. In respect of Yvonne Monaghan, £51,000 of the gain is attributable to share price appreciation over the performance period.

Note 5: The 2024 comparative has been updated to reflect the share price on the last trading day prior to the vesting date (16 March 2025: 136.40 pence).

Note 6: Ryan Govender was granted awards on 2 October 2025 to compensate him for certain awards forfeited from his previous employer on joining the Company. The awards vest subject only to Ryan's continued employment (and not being under notice) as at the date on which the relevant award vests. The value included here is based on the total number of shares granted to Ryan (excluding those which were subsequently surrendered following confirmation from his previous employer that one of the awards would vest) and the average mid-market closing price over the 10 trading days preceding the date of grant (145.9p).

### Pensions (Audited)

Executive Directors are contractually entitled to receive retirement benefits, which are calculated on base salary, under one or more of the Group's contributory defined benefit or defined contribution schemes. Details of the schemes are given in note 26 of the Consolidated Financial Statements.

#### Defined Benefit Entitlement

Peter Egan is a deferred member in the Johnson Group Defined Benefit Scheme (the 'JGDBS'). The accrued pension entitlement, which is the amount that would be paid annually on retirement (at normal retirement age at 65), for Peter Egan at 31 December 2025 was £15,600 (2024: £15,300) and allows for revaluation in deferment from the date of leaving to the date of calculation.

Yvonne Monaghan took a partial transfer of benefits from the JGDBS on 31 March 2012 and her date of retirement from the JGDBS was 16 September 2021 and began receiving remaining benefits from this date.

Pension entitlement is calculated based on the total period of pensionable service to the Company, both before and after becoming a Director.

#### Defined Contribution Entitlement

During the 2025 financial year, the Executive Directors received the following pension contributions (or cash in lieu):

- Peter Egan: £41,613 (frozen at the 2019 level), equivalent to c.8.6% of salary
- Yvonne Monaghan: £24,543, equivalent to 9% of salary (for the period as a Director)
- Ryan Govender: £5,250, equivalent to 6% of salary (for the period as a Director) which is approximately in line with the rate available to the majority of the UK workforce.

## 2025 Bonus Achievement (Audited)

The annual bonus is normally earned by the achievement of one-year performance targets set by the Committee, ordinarily at the start of each financial year, adjusted accordingly to take account of events which were not foreseen or allowed for at the start of the year when targets were set, for example, acquisitions or changes in accounting policy.

The performance targets and performance against them for 2025 are set out below:

	Weighting	Threshold (0% of max)	Target (50% of max)	Maximum (100% of max)	Actual performance	Bonus Achieved (% of max)
<b>Financial measures</b>						
Adjusted PBT (excluding notional interest) <sup>1</sup>	76.5%	£61.5m	£66.5m	£76.5m	£64.2m	27.2%
Margin	8.5%	12.8%	13.1%	13.4%	13.5%	100.0%
<b>Sustainability</b>						
<b>Carbon emissions</b> (% reduction in 2024 final intensity rate, CO <sub>2</sub> e / Tonne processed)	5%	Reduction of less than 3%		Reduction of 3% or more	Reduction of 3.15%	100.0%
<b>Water consumption</b> (% reduction in 2024 final intensity rate, m <sup>3</sup> / Tonne processed)	5%	Reduction of less than 5%		Reduction of 5% or more	Reduction of 2.01%	0.0%
<b>Plastic consumption</b> (% reduction versus 2024 volume of plastic purchased, Tonnes)	5%	Reduction of less than 10%		Reduction of 10% or more	Reduction of 19.27%	100.0%
<b>Total</b>	<b>100%</b>					<b>39.3%</b>

Note 1: The Adjusted PBT (excluding notional interest) targets have been adjusted to reflect the impact of customer contracts acquired during the year and the share buyback (which were not included in the targets set at the start of the year). The original threshold, target and maximum levels were £61.65m, £66.65m and £76.65m respectively.

The Committee believes that these targets were appropriately stretching in the context of expected levels of performance for the business over 2025. Performance against the targets was assessed after the end of the financial year and this resulted in a bonus outcome of 39.3% of maximum, as set out in the table above. The Committee felt that this represented a strong result in the wider market context and was a fair reflection of the Company's overall performance over the period both in terms of financial performance and against the set of sustainability measures used for incentive purposes, and therefore did not exercise any discretion to adjust the outcome.

The table below sets out the bonus awards payable to the Executive Directors:

	2025 base salary (per annum)	2025 opportunity (% of salary)	2025 bonus outcome (% of max)	2025 bonus
Peter Egan	£484,509	150%	39.3%	£285,577
Ryan Govender <sup>1</sup>	£350,000	125%	39.3%	£43,331
		(pro-rata: 31.5%)		
Yvonne Monaghan <sup>2</sup>	£363,598	125%	39.3%	£178,592

Note 1: 2025 opportunity for Ryan Govender was pro-rated to reflect the proportion of the year as a Director.

Note 2: Yvonne Monaghan was eligible for a full year bonus based on her services as a Director up to 1 October 2025 and her continued services to the Group after that date up to 31 December 2025. Her bonus in relation to services as a Director (and therefore included in the single total figure of remuneration table) was £133,577.

Bonuses will be paid in cash and are subject to malus and clawback provisions.

# Directors' Remuneration Report

Annual Report on Remuneration Continued >

## 2023 LTIP Achievement (Audited)

On 8 March 2023, Peter Egan and Yvonne Monaghan were granted awards under the 2018 LTIP Scheme (nil cost options) and 2018 Approved LTIP Scheme (market value options, with an exercise price of 117.0 pence). The awards were subject to performance conditions assessed over the period of three financial years from 1 January 2023 to 31 December 2025. The extent to which the performance conditions were met is set out below:

	Weighting	Threshold (25% of max)	Maximum (100% of max)	Actual performance	Vesting (% of max)
Growth in adjusted PBT per share	50%	5% pa	10% pa	23.0% pa	100%
Relative TSR vs Index <sup>1</sup>	50%	In line with the Index	Index + 7.0% pa	Index + 16.1% pa	100%
<b>Total</b>	<b>100%</b>				<b>100%</b>

Note 1: The TSR performance condition was based on the annualised growth in the Company's TSR over the performance period relative to the annualised growth in the FTSE AIM All-Share Industrial Goods and Services net return index (the 'Index').

Based on the performance achieved as set out above, the Remuneration Committee determined that there would be full vesting of the 2023 LTIP Award. The Committee was satisfied that the TSR and EPS achieved were aligned with the underlying financial performance of the Company over the performance period and therefore no discretion was applied to this outcome.

The table below sets out the number of shares due to vest under the 2018 LTIP Scheme in respect of the 2023 LTIP Award and the estimated value included in the single total figure of remuneration table on page 106:

Director	Number of shares granted	Vesting outcome	Number of shares vesting	Estimated vesting value of award <sup>2</sup>
Peter Egan	487,934	100%	487,934	£675,301
Yvonne Monaghan	322,228	100%	322,228 <sup>1</sup>	£445,964

Note 1: The number of shares due to vest for Yvonne Monaghan includes the impact of time pro-rating in accordance with her leaving arrangements based upon the extent that the relevant performance period has elapsed at 28 February 2026. Further details are set out on page 109.

Note 2: Based on a share price of 138.4 pence, being the average price over the last three months of 2025.

As noted above, the 2023 LTIP awards were granted in the form of a nil-cost option and a linked market value option (over 25,641 shares, based on the HMRC-approved Company Share Option Plan scheme). Under this approach, on exercise of the options, the number of shares exercisable under the nil-cost option is reduced from that outlined above by such number of shares as equates to the gain on exercise of the market value option.

## LTIP Awards Granted During 2025 (Audited)

During the year, Peter Egan, Yvonne Monaghan and (following his appointment to the Board) Ryan Govender were granted awards under the 2018 LTIP Scheme in the form of a nil-cost option. The proportion of Yvonne Monaghan's award which shall vest will be determined after the end of the performance period and after taking into account the extent to which the performance conditions to which it is subject have been met and will then be pro-rated based upon the extent that the relevant award performance period has elapsed at 28 February 2026 in accordance with her leaving arrangements – further details are set out below. The awards vest after three years from the date of grant and are subject to a two-year post-vesting holding period.

Director	Date of grant	Share price <sup>1</sup>	Basis of award	Face value of award	Number of shares
Peter Egan	5 March 2025	142.4p	150% of salary	£726,761	510,366
Yvonne Monaghan	5 March 2025	142.4p	125% of salary	£454,495	319,168
Ryan Govender	2 October 2025	149.8p	150% of salary	£525,000	350,467

Note 1: The share price was based on the closing mid-market share price of the Company on the trading day immediately preceding the date of grant.

The performance period is the three financial years starting 1 January 2025 and ending 31 December 2027 and details of the performance targets are set out below. Vesting is determined on a straight-line basis for performance between the threshold and maximum levels.

	Weighting	Threshold (25% of max)	Maximum (100% of max)
Growth in adjusted fully diluted EPS	50%	9% pa	16% pa
Relative TSR vs FTSE 250 (excluding investment trusts)	50%	Median	Upper Quartile

## Leaving Arrangements for Yvonne Monaghan (Audited)

Further to the announcements made on 24 March 2025 and 1 October 2025, after over 40 years with the Company including 17 years as CFO, Yvonne Monaghan retired and stepped down as a Director of the Company on 1 October 2025. She completed a handover to the new CFO and continued to provide services to the Company, remaining in active employment until 28 February 2026.

Yvonne's fixed remuneration (salary, benefits and pension) continued to be paid in the normal way up to the end of her employment, except that her pension contribution level reduced from 9% to 6% of salary with effect from 1 January 2026. Yvonne received £90,899 in salary, £4,988 in benefits and £8,181 in respect of cash in lieu of pension between 1 October 2025 and 31 December 2025. Amounts payable in respect of 2026 will be disclosed in next year's report.

As Yvonne's departure relates to her retirement from the Company, she was treated as a "good leaver" under the Company's incentive plans. This means that:

- she remained eligible for a bonus in respect of the 2025 financial year to be paid in March 2026 (totalling £178,592 as outlined earlier in this report, of which £45,015 was related to her services after stepping down from the Board); and
- she retains unvested LTIP awards granted in 2023, 2024 and 2025. The awards will vest at the normal time, subject to the achievement of the relevant performance conditions and be subject to a two-year post-vesting holding period. The number of shares subject to each award will be pro-rated based on the proportion of the performance period she has been employed up to 28 February 2026.

Yvonne will be paid in lieu for any untaken annual leave entitlement remaining as at 28 February 2026, including holidays that have been carried over, calculated as Yvonne's annual salary, divided by 260 days, multiplied by the number of days' entitlement remaining. Any such payment will be made in or around March 2026 and will be disclosed in next year's report. No other payments will be made.

## Buyout Awards for Ryan Govender (Audited)

Ryan Govender was appointed to the Board as CFO on 1 October 2025. As outlined in the Remuneration Committee Chair's Statement, Ryan was granted buyout awards to partially compensate him for certain awards which he forfeited on resignation from his previous employer. This included two deferred bonus awards granted in respect of his previous employer's 2023 and 2024 financial years (which were not subject to performance conditions) and one long term incentive award granted in the company's 2023 financial year (for which the Committee estimated a 50% of maximum performance outcome).

All buyout awards vest on the original vesting date and will also be subject to a two-year post-vesting holding period.

Director	Date of grant	Vesting date	Share price <sup>1</sup>	Basis of award	Face value of award	Number of shares
Ryan Govender	2 October 2025	13 December 2025	149.5p	2023 Deferred Bonus	£16,592	11,076
	2 October 2025	13 December 2026	149.5p	2024 Deferred Bonus	£7,891	5,268
	2 October 2025	14 December 2025	149.5p	2023 LTIP	£61,652	41,156

Note 1: The share price was based on the average closing mid-market share price of the Company over the 10 trading days immediately preceding the date of grant.

As announced on 11 December 2025, Ryan's former employer subsequently confirmed that his 2023 Deferred Bonus award would continue to vest. The buyout award granted by the Company in respect of this award was therefore surrendered and has lapsed.

No buyout awards were granted by the Company in respect of Ryan's 2025 bonus entitlement or 2024 or 2025 long term incentive awards with his previous employer.

# Directors' Remuneration Report

Annual Report on Remuneration Continued >

## Statement of Directors' Shareholding and Share Interests (Audited)

The table below details, for each Director who served during the year, the total number of Directors' interests in shares at 31 December 2025 or the date the departing Director left the Board:

Director	Ordinary shares <sup>2</sup>	Unvested awards subject to performance conditions	Unvested awards subject to continued employment only	Vested but unexercised options	Total shareholding and share interests	Shareholding requirement met <sup>3</sup>
<b>Executive Directors:</b>						
Peter Egan	725,162	979,179	513,575	–	2,217,916	Yes
Ryan Govender	–	350,467	5,268	41,156	396,891	No
Yvonne Monaghan	886,309 <sup>4</sup>	680,473	347,869	–	1,914,651	Yes
<b>Chair and Non-Executive Directors:</b>						
Jock Lennox	72,000	–	–	–	72,000	n/a
Chris Girling	17,333	–	–	–	17,333	n/a
Nicola Keach	–	–	–	–	–	n/a
Kirsty Homer	–	–	–	–	–	n/a

Note 1: "Unvested awards subject to performance conditions" and "Unvested awards subject to continued employment only" in the table above all relate to awards granted in the form of an option.

Note 2: Includes shares held by connected persons.

Note 3: Executive Directors are expected to build up and maintain a personal shareholding in the Company. For the purpose of this requirement, the shareholding will include beneficially owned shares and (on a net of tax basis) any vested but unexercised awards (including any awards subject to a holding period) and any unvested awards which are not subject to any, or any further, performance conditions. The required shareholding level is 200% of salary for Peter Egan and Yvonne Monaghan and 150% of salary for Ryan Govender. Non-Executive Directors are encouraged, but are not required, to hold a personal shareholding in the Company.

Note 4: In addition to the beneficial and conditional interests shown above, Yvonne Monaghan was a Trustee of the Johnson Charitable Trust (the 'Trust') at the date she stepped down from the Board. The Trust, having originally been founded in 1927, is intended for the benefit of employees or former employees of the Company, its associated companies or a company that was historically a subsidiary of the Company or the respective spouses, widowed spouses, children or other dependants of such employees or former employees. The Trust owned 588,452 Ordinary shares of 10 pence each in the Company as at the date Yvonne stepped down from the Board. The Company considers this to be a Non-Beneficial interest.

Note 5: There have been no changes in the Directors' interests in the shares of the Company during the period 31 December 2025 up until the date of signing this report.

Details of share options exercised by Executive Directors during the year are set out below:

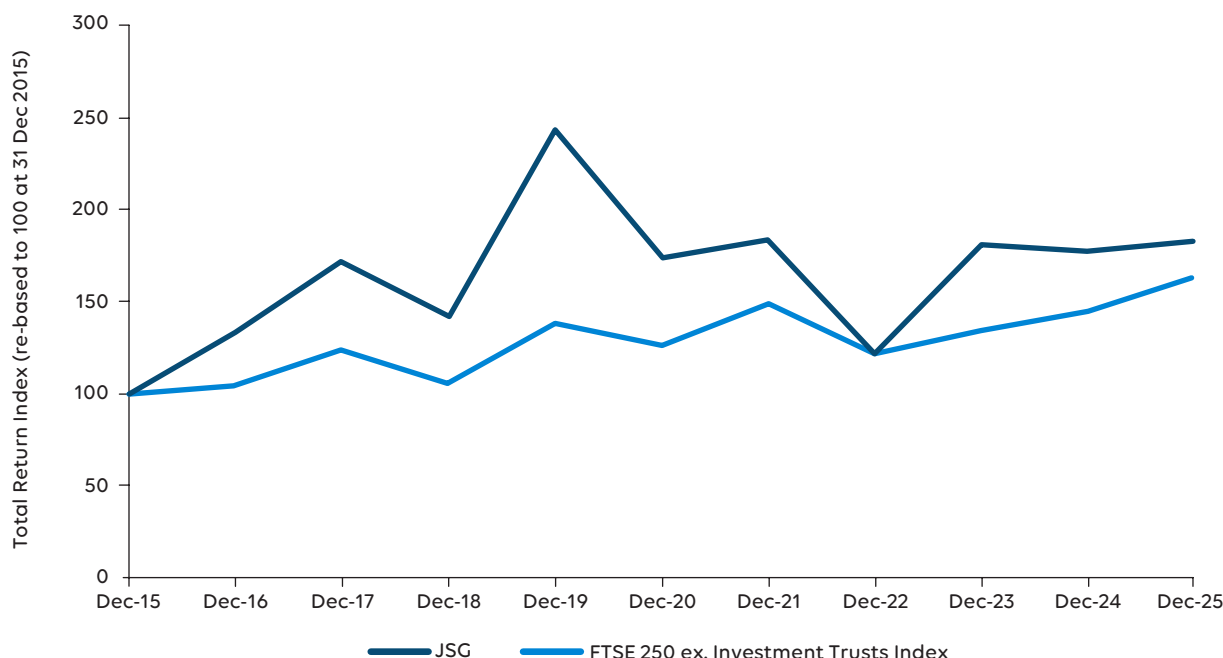
Director	Award	Number of shares	Date of exercise	Exercise price	Share price <sup>1</sup>	Gain on exercise <sup>2</sup>
Peter Egan	2021 LTIP	117,723	2 April 2025	Nil	132.8472p	£156,392
	2022 LTIP	389,080	2 April 2025	Nil	132.8472p	£516,882
	SAYE	6,936	2 April 2025	129.75p	132.8472p	£215
Yvonne Monaghan	2021 LTIP	77,743	2 April 2025	Nil	132.8472p	£103,279
	2022 LTIP	256,945	2 April 2025	Nil	132.8472p	£341,344
	SAYE	6,936	2 April 2025	129.75p	132.8472p	£215

Note 1: Peter Egan and Yvonne Monaghan exercised options in relation to their 2021 and 2022 LTIP awards and sold sufficient shares to cover taxes with the respective associated dealing costs covered by Peter and Yvonne personally. In relation to the 2021 and 2022 LTIP awards, the share price used to determine the gain on exercise represents the average sale price for this purpose. No shares were sold in relation to the exercise of SAYE options, however, for consistency the same share price as the 2021 and 2022 LTIP awards has been used to determine the gain on exercise.

Note 2: The gain on exercise represents the value of the gain before deduction for any taxes and dealing costs.

## Performance Graph and CEO Remuneration Table

The chart below shows the Company's TSR performance against the performance of the FTSE 250 Index (excluding Investment Trusts) over the ten-year period to 31 December 2025. The index has been selected for this comparison as the Company is a constituent of this index following the transition from AIM to the Main Market in August 2025.



Since 2020, when an AIM-listed company, the Company had voluntarily prepared a Remuneration Report broadly in accordance with the requirements for Main Market companies. Prior to this, the Remuneration Report was prepared on a different basis (and did not include a comparable "single figure of remuneration"). The table below therefore details certain elements of the CEO's remuneration since 2020.

Year	CEO	Single figure of remuneration (£000)	Annual bonus outcome (% of max)	LTIP outcome (% of max)
2020	Peter Egan	427	0.00%	0.00%
2021	Peter Egan	683	36.35%	0.00%
2022	Peter Egan	624	22.50%	0.00%
2023	Peter Egan	1,211	95.00%	34.35%
2024	Peter Egan	1,559	69.75%	83.00%
2025	Peter Egan	1,505	39.29%	100.00%

## Non-Executive Directors' Remuneration (Audited)

Details of the amounts received by the Chair and the Non-Executive Directors during the year ended 31 December 2025 are as follows:

	2025 £000	2024 £000
Jock Lennox	160	156
Chris Girling	72	71
Kirsty Homer <sup>1</sup>	62	52
Nicola Keach	52	51
	346	330

Note 1: The 2024 figure in the above table for Kirsty Homer includes her pro-rated receipt of the £10,000 per annum supplementary fee for the Chair of the Remuneration Committee following her appointment as Remuneration Committee Chair with effect from 1 November 2024.

# Directors' Remuneration Report

Annual Report on Remuneration Continued >

## Implementation of Remuneration Policy in 2026

The table below sets out the anticipated implemented of the new Policy for the financial year ending 31 December 2026:

Executive Directors:													
<b>Base Salary<sup>1</sup></b>	CEO: £510,000 (+5.3%) CFO: £358,750 (+2.5%, in line with (and in some cases lower than) that for the Group's wider employee population).												
<b>Benefits</b>	No change												
<b>Pension</b>	6% of salary (in line with the rate available to the majority of the UK workforce)												
<b>Bonus<sup>2</sup></b>	<p>The maximum opportunity for the 2026 bonus will be as follows:</p> <ul style="list-style-type: none"> <li>CEO: Up to 150% of salary</li> <li>CFO: Up to 125% of salary</li> </ul> <p>The performance measures for the 2026 bonus are set out below. The Committee considers that the performance targets for the 2026 bonus are commercially sensitive at this time. The targets will be disclosed, together with actual performance outcomes, in next year's report.</p> <table border="1"> <thead> <tr> <th>Performance measure</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Adjusted PBT (excluding notional interest)</td> <td>75%</td> </tr> <tr> <td>Adjusted Operating Profit Margin</td> <td>15%</td> </tr> <tr> <td>Sustainability</td> <td>10%</td> </tr> </tbody> </table> <p>Where an Executive Director has not met their shareholding requirement at the end of the financial year, at least one-third of any bonus will be deferred such that Executive Directors will be required to invest at least one-third of any bonus (after tax) in the Company's shares to be held for two years.</p>	Performance measure	Weighting	Adjusted PBT (excluding notional interest)	75%	Adjusted Operating Profit Margin	15%	Sustainability	10%				
Performance measure	Weighting												
Adjusted PBT (excluding notional interest)	75%												
Adjusted Operating Profit Margin	15%												
Sustainability	10%												
<b>LTIP</b>	<p>LTIP awards will be granted to Executive Directors in 2026 as follows:</p> <ul style="list-style-type: none"> <li>CEO: 175% of salary</li> <li>CFO: 150% of salary</li> </ul> <p>The performance measures for the 2026 LTIP awards are set out below.</p> <table border="1"> <thead> <tr> <th>Performance measure</th> <th>Weighting</th> <th>Threshold (25% of max)</th> <th>Maximum (100% of max)</th> </tr> </thead> <tbody> <tr> <td>Cumulative Adjusted Fully Diluted EPS</td> <td>50%</td> <td>42p</td> <td>48p</td> </tr> <tr> <td>Relative TSR vs FTSE 250 (excluding investment trusts)</td> <td>50%</td> <td>Median</td> <td>Upper Quartile</td> </tr> </tbody> </table>	Performance measure	Weighting	Threshold (25% of max)	Maximum (100% of max)	Cumulative Adjusted Fully Diluted EPS	50%	42p	48p	Relative TSR vs FTSE 250 (excluding investment trusts)	50%	Median	Upper Quartile
Performance measure	Weighting	Threshold (25% of max)	Maximum (100% of max)										
Cumulative Adjusted Fully Diluted EPS	50%	42p	48p										
Relative TSR vs FTSE 250 (excluding investment trusts)	50%	Median	Upper Quartile										
Chair and Non-Executive Directors:													
<b>Fees</b>	<p>Chair: £168,088 (+5.3%)</p> <p>Non-Executive Director base fee: £54,784 (+5.3%)</p> <p>Additional fee for:</p> <ul style="list-style-type: none"> <li>Senior Independent Director: £10,000 (no change)</li> <li>Chair of the Audit Committee: £10,000 (no change)</li> <li>Chair of the Remuneration Committee: £10,000 (no change)</li> </ul>												

## CEO Pay Ratio

The total pay and benefits of our UK employees at the 25th, 50th and 75th percentile and the ratios between the CEO and these employees, using the CEO's single total remuneration figure are as follows:

	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	60:1	56:1	40:1
2024	65:1	63:1	43:1
2023	49:1	45:1	32:1
2022	32:1	25:1	19:1
2021	33:1	31:1	28:1
2020	23:1	19:1	16:1
2019	46:1	31:1	26:1

The Companies (Miscellaneous Reporting) Regulations 2018 provide companies with a number of options for gathering the data required to calculate the ratio. We have chosen to use "Option B" to calculate the CEO pay ratio which involves the use of data previously gathered for UK gender pay gap reporting purposes. This option was chosen given the size and complexity of the exercise required to produce these ratios using other means and on the basis that the Company has already completed comprehensive data collation and analysis for the purposes of its UK gender pay gap reporting.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025 Salary	£23,557	£25,605	£35,193
2025 Total Pay and Benefits	£24,901	£26,856	£37,296

As explained in previous reports, our pay ratios have fluctuated between each reported year to date (not least due to the impact of the Covid pandemic on employee remuneration) and no overall trend in the median pay ratio is observed at this time.

The majority of our employees work either within one of our processing facilities or in distribution. Irrespective of the specific role, we aim to apply the same reward principles for all employees, in particular, that overall remuneration should be competitive when compared to similar roles in other organisations from which we draw our talent. We are aware that year-to-year movements in the pay ratio will be driven largely by our CEO's variable pay outcomes. These movements will significantly outweigh any other changes in pay within the organisation. Whatever the CEO pay ratio, the Company will continue to invest in competitive pay for all employees.

The Committee also recognises that, due to the specific nature of the Company's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

## Annual Percentage Change in Remuneration of Directors and Employees

The percentage change in remuneration of the Directors and employees of Johnson Service Group PLC over the last financial year was follows:

Director	% change from 2024 to 2025		
	Salary/Base Fee	Benefits	Bonus
<b>Executive Directors:</b>			
Peter Egan	2.5%	(3.1%)	(42.3%)
Ryan Govender	n/a	n/a	n/a
Yvonne Monaghan	2.5%	(3.4%)	(42.3%)
<b>Chair and Non-Executive Directors:</b>			
Jock Lennox	2.5%	n/a	n/a
Chris Girling	2.5%	n/a	n/a
Kirsty Homer	2.5%	n/a	n/a
Nicola Keach	2.5%	n/a	n/a
<b>Wider workforce:</b>			
Employees	4.8%	0.7%	(38.0%)

# Directors' Remuneration Report

Annual Report on Remuneration Continued >

## Relative Importance of Spend on Pay

The following table sets out the amounts payable in dividends; amounts paid in connection with the Company's share buyback programmes; and total employee costs in respect of the years ended 31 December 2025 and 31 December 2024. The Committee does not consider that there are any other significant distributions or payments outside the ordinary course of business that warrant disclosure.

	2025 £m	2024 £m	% change
Dividends payable <sup>1</sup>	18.4	16.5	11.5%
Share buyback programme <sup>2</sup>	54.3	–	n/a
Total employee costs	248.9	229.0	8.7%

Note 1: The 2025 dividend comprises an interim dividend of 1.6 pence (2024: 1.3 pence) per Ordinary share and a proposed final dividend of 3.2 pence (2024: 2.7 pence) per Ordinary share. This total dividend of 4.8 pence (2024: 4.0 pence) per Ordinary share, subject to the approval of Shareholders and based upon the number of shares in issue as at the date of this report, will amount to a dividend distribution for the year of £18.4 million (2024: £16.5 million).

Note 2: The Company completed a share buyback programme totalling £30.0 million, originally announced in March 2025 and extended in June 2025. The Company also announced a further share buyback programme of up to £25.0 million in September 2025 – as at 31 December 2025, £24.3 million had been completed. The total share buyback programme value during the year, excluding expenses, was therefore £54.3 million.

## Remuneration Committee

### Membership and Attendance

Throughout 2025, membership of the Committee comprised of the Independent Non-Executive Directors (including the Non-Executive Chair of the Board) and the Committee was chaired by Kirsty Homer. None of the members of the Committee have, or had, any personal financial interests in the Company (other than as shareholders), conflicts of interests arising from cross-directorships or day to day involvement in running the business.

	Member Since	Eligible to Attend <sup>1</sup>	Meetings Attended <sup>1</sup>
Kirsty Homer (Committee Chair)	Aug 2023	8	8
Chris Girling	Aug 2018	8	8
Jock Lennox	Jan 2021	8	8
Nicola Keach	Jun 2022	8	8

Note 1: Includes scheduled and unscheduled meetings.

The CEO, CFO, Company Secretary and employees may be invited to attend meetings by the Chair of the Committee. No attendee plays any part in determining their own remuneration.

### Main Responsibilities

In line with the authority delegated by the Board, the Committee sets the Company's Remuneration Policy and is responsible for determining remuneration terms and conditions of employment for the Chair of the Board, Executive Directors and other members of the Group Management Board (including the Company Secretary).

The Committee:

- ensures that the Executive Directors are appropriately incentivised to enhance the Group's performance and rewarded for their contribution to the success of the business by designing, monitoring and assessing incentive arrangements, including setting stretching targets and assessing performance and outcomes against them;
- reviews the remuneration arrangements for other senior executives within the Group, namely the members of the Group Management Board (including the Company Secretary);
- in undertaking its responsibilities above, reviews and monitors the remuneration and related policies and culture applying to the wider workforce, taking these into account when considering, developing and setting remuneration policies and packages for Executive Directors and the Group Management Board; and
- maintains an active dialogue with shareholders, ensuring their views and those of their advisers are sought and considered when setting executive remuneration.

The Committee regularly reports to the Board on how it has discharged its responsibilities. The full terms of reference of the Committee are available on the Company's website, or on request to the Company Secretary.

## External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. Korn Ferry provided advice to the Committee during 2025, having been selected through a thorough process led by the previous Chair of the Committee, Nick Gregg, in 2019. Following a competitive tender process in 2025 led by the current Chair of the Committee, Kirsty Homer, PricewaterhouseCoopers LLP (PwC) were appointed in August 2025 as the Committee's new external adviser.

The Chair of the Committee has direct access to the advisers as and when required, and the Committee determines the protocols by which the advisers interact with management, in particular the Company Secretary, in support of the Committee. The advice and recommendations of the external advisers are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisers attend Committee meetings as and when required by the Committee.

Both PwC and Korn Ferry are members of the Remuneration Consultants' Group and, as such, voluntarily operate under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. This is based upon principles of transparency, integrity, objectivity, competence, due care and confidentiality by executive remuneration consultants. The Remuneration Consultants' Group Code of Conduct is available at remunerationconsultantsgroup.com.

During the year, PwC also provided taxation advice services to the Group. There are processes in place to ensure the advice received by the Committee is independent of any support provided to management. The Committee is satisfied on this basis that PwC (and previously Korn Ferry) are able to serve as an objective and independent remuneration adviser.

The total fees paid to Korn Ferry for the financial year ending 31 December 2025 were £16,240 excluding VAT, and were calculated on a time spent basis. The total fees paid to PwC for the financial year ending 31 December 2025 were £52,500 excluding VAT, comprising a fixed fee element and in addition, out of scope work which is charged on a time spent basis.

## Annual General Meeting

Prior to the Company's transition to the Main Market, the Company has voluntarily put forward the Directors' Remuneration Report for advisory shareholder approval. The table below shows the voting outcome at the 2025 AGM for the 2024 Directors' Remuneration Report.

No. of Votes 'For' <sup>1</sup>	% of Votes Cast	No. of Votes 'Against'	% of Votes Cast	Total No. of Votes Cast	No. of Votes 'Withheld' <sup>2</sup>
316,501,473	98.44%	5,029,945	1.56%	321,531,418	8,398

Note 1: Includes 'Discretionary' votes.

Note 2: A vote 'Withheld' is not a vote under English law and is not counted in the calculation of votes 'For' or 'Against' a resolution.

### Kirsty Homer

Chair, Remuneration Committee

2 March 2026

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# Group



# Financial Statements



# Independent Auditor's Report to the members of Johnson Service Group PLC

## Opinion

### Our opinion on the financial statements is unmodified

We have audited the financial statements of Johnson Service Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025, which comprise:

Group	Parent Company
Consolidated Income Statement	Company Statement of Changes in Shareholders' Equity
Consolidated Statement of Comprehensive Income	Company Balance Sheet
Consolidated Statement of Changes in Shareholders' Equity	Notes to the Company Financial Statements, including material accounting policy information
Consolidated Balance Sheet	
Consolidated Statement of Cash Flows	
Notes to the Consolidated Financial Statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Group's and the Parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and assessing management's paper containing their assessment of going concern, including Board approved forecasts covering the period to 30 June 2027;
- Testing the mathematical accuracy of those forecasts;
- Testing the accuracy of management's forecasting ability by a comparison of prior period forecasts to actual data;
- Assessing the forecasts prepared for consistency with other areas of the audit;
- Utilising industry data and other external information to challenge the reasonableness of management's assumptions;
- Assessing compliance with financial covenants within the Group's facilities for the period to 30 June 2027 and the available headroom to the Group;

- Assessing the reverse stress test performed by management, determining if the scenario is plausible, and assessing the adequacy of the related disclosures within the Annual Report and Accounts; and
- Obtaining correspondence between management and their lenders, as well as discussing with our internal debt advisory teams to conclude on the likelihood of the refinance of the facility expiring in August 2027, and assessing the disclosures thereupon within the viability statement.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and the Parent Company's business model including effects arising from macro-economic uncertainties such as rising national insurance and living wages. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

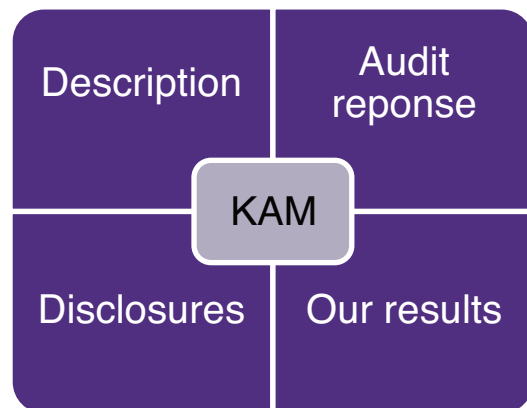
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Our approach to the audit

	<p><b>Overview of our audit approach</b></p> <p><b>Overall materiality:</b>                  Group: £2.58m, which represents approximately 5% of the Group's profit before tax (PBT).                  Parent Company: £1.61m, which represents approximately 0.25% of the Parent Company's total assets.</p> <p>Key audit matters were identified as:</p> <ul style="list-style-type: none"> <li>• The revenue cycle includes fraudulent transactions (new in current year)</li> <li>• Customer (rebate) arrangements (same as previous year)</li> </ul> <p>Our auditor's report for the year ended 31 December 2024 included one key audit matter that has not been reported as a key audit matter in our current year's report. This previous key audit matter related to acquisition accounting, however in the year ended 31 December 2025, there have been no business combinations and hence this is not applicable.</p> <p>We performed audits of the financial statements of the Parent Company, and of the financial information of three other components using component performance materiality (full scope audit). We performed specific audit procedures relating to one further component. We performed analytical procedures at Group level for the remaining eight components in the Group during the year.</p> <p>In total, our procedures covered 87% of the Group's revenue, 92% of the Group's total assets and 95% of the Group's profit before tax.</p>
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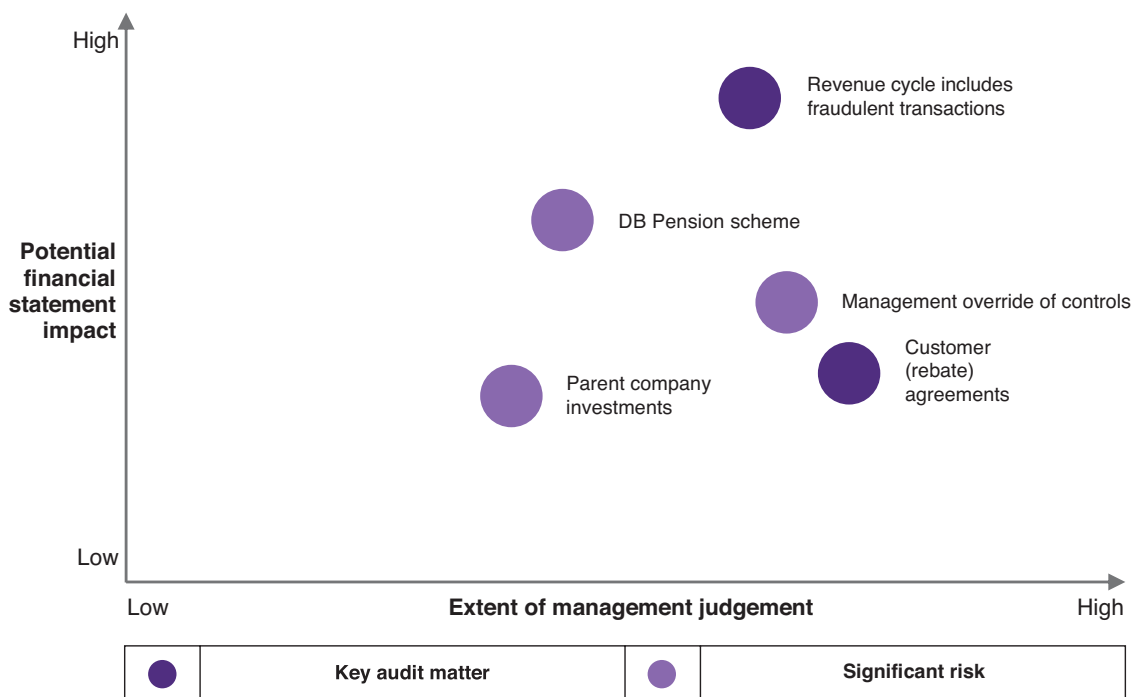
### Key audit matters

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



# Independent Auditor's Report to the members of Johnson Service Group PLC Continued >

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



## Key Audit Matter – Group

### The revenue cycle includes fraudulent transactions

We identified the risk that the revenue cycle includes fraudulent transactions as one of the most significant assessed risks of material misstatement due to fraud.

Under ISA (UK) 240, there is a presumption that revenue may be misstated due to improper recognition of revenue. This is also considered to be a key audit matter given the importance of reported revenue to key stakeholders. The revenue recorded is one of the key factors that impacts Key Performance Indicators for the Group.

The majority of revenue within the Group is considered non-complex. We therefore pinpointed a significant risk to transactions outside of the normal accounting posting pattern as identified through audit data analytics techniques, as these pose a risk of fraud due to their unusual nature.

### Relevant disclosures in the Annual Report and Accounts

- Financial statements: Statement of Significant Accounting Policies, Revenue Recognition
- Financial statements: Note 1, Segment Analysis

## How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- Assessed whether accounting policies adopted by the Directors are in accordance with the requirements of International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers', and whether the accounting for revenue is in accordance with the accounting policies;
- Utilised audit data analytics techniques to identify transactions outside of the normal accounting posting pattern; and obtained supporting evidence to corroborate management explanations of these postings;
- Selected a sample of revenue transactions and agreed these to supporting evidence such as customer contract, sales invoices and proof of cash receipt; and
- Tested the operating effectiveness of bank reconciliations of those accounts used in the revenue cycle to support our audit data analytics.

### Our results

Based on our audit work, we did not identify material misstatements in relation to revenue recognition.

**Key Audit Matter – Group****Customer (rebate) arrangements**

We identified the completeness and accuracy of customer (rebate) arrangements, pinpointed to those rebate arrangements which contain management estimation, as one of the most significant assessed risks of material misstatement due to fraud and error.

Through its divisional trading activities, the Group has rebate arrangements in place across certain key customers. These vary on a customer-by-customer basis but largely relate to volume of sales made throughout the year.

The complexity of such arrangements also vary, with some based on retrospective information and others requiring estimation by management. We have pinpointed the significant risk to the accuracy and completeness of rebate arrangements which feature management estimation.

The level of rebate granted is based on contractual terms which are specific to each customer. These are not uniform, which means that there is inherently an element of complexity which gives rise to an increased risk of error or fraud occurring in respect of these balances. This includes both the amounts recognised within the income statement and within the balance sheet at the year end.

**Relevant disclosures in the Annual Report and Accounts**

- Financial statements: Statement of Significant Accounting Policies, Rebates
- Audit committee report: Accounting for Complex Customer Arrangements.

**How our scope addressed the matter – Group**

In responding to the key audit matter, we performed the following audit procedures:

- For a sample of customers, recalculated the rebate recognised within both the income statement and the balance sheet based on contractual terms by reviewing customer contracts for rebate terms;
- Performed a year-on-year analysis of the accrual balance per customer to consider the reasonableness of the year-end balance recognised. We tested the completeness of the rebate recognised by assessing contractual arrangements within the Group's key customers to corroborate that these were not indicative of unrecorded (rebate) arrangements;
- Held discussions with employees outside of the finance function to understand new rebate arrangements entered into during the year;
- Obtained an understanding of significant revenue deductions or credits issued to customers in the year to determine if these related to rebate agreements;
- Tested transactions post year end by agreeing to source documentation such as customer sales agreements and invoices, to determine whether they were accounted for in the correct period and whether post year-end activity was indicative of unrecorded customer arrangements; and
- Assessed the ageing of the accruals at year end and performed specific procedures to gain comfort over the aged amounts which were released in the year.

**Our results**

Based on our audit work, we did not identify material misstatements in relation to customer (rebate) arrangements.

We did not identify any key audit matters relating to the audit of the financial statements of the Parent Company.

**Our application of materiality**

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

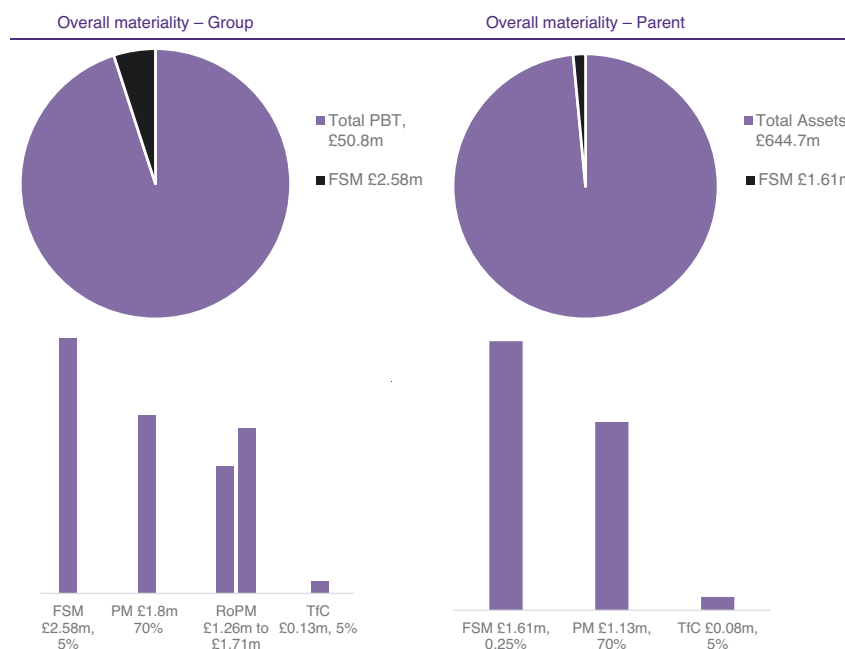
# Independent Auditor's Report to the members of Johnson Service Group PLC Continued >

## Materiality was determined as follows:

Materiality measure	Group	Parent company
<b>Materiality for financial statements as a whole</b>	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£2.58m (2024: £2.42m), which represents approximately 5% of PBT (2024: approximately 0.5% of Group's revenue)	£1.61m (2024: £1.55m), which represents 0.25% of the Parent Company's total assets.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>We determined PBT to be the most appropriate benchmark for the Group due to this having importance in both external financial reporting and internal management reporting. This is a metric on which growth is monitored.</li> <li>A market-based measurement percentage was chosen which reflected our knowledge of the business from the prior year audit, as well as our risk assessment of the business.</li> <li>The benchmark used has changed from revenue in the previous period to PBT, given the stabilisation of the business in the recovery post Covid-19 where the underlying PBT was volatile.</li> </ul> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2024 to reflect the general growth in the Group.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>We determined total assets to be the most appropriate benchmark because the parent company does not trade and largely holds investments in subsidiary undertakings.</li> <li>A market-based measurement percentage was chosen which reflected our knowledge of the business from the prior year audit, as well as our risk assessment of the business.</li> </ul> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2024 to reflect the growth in Parent Company total assets.</p>
<b>Performance materiality used to drive the extent of our testing</b>	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£1.8m (2024: £1.69m), which is 70% (2024: 70%) of financial statement materiality.	£1.13m (2024: £1.08m), which is 70% (2024: 70%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	<p>The range of component performance materialities used across the Group was £1.26m to £1.71m.</p> <p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>Our risk assessment procedures did not identify any significant changes in business objectives and strategy of the Group;</li> <li>We considered qualitative and quantitative factors when evaluating the impact of prior period adjusted and unadjusted misstatements; and</li> <li>We considered whether there were any significant control deficiencies identified in the prior year.</li> </ul>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>Our risk assessment procedures did not identify any significant changes in business objectives and strategy of the Parent Company;</li> <li>We considered qualitative and quantitative factors when evaluating the impact of prior period adjusted and unadjusted misstatements; and</li> <li>We considered whether there were any significant control deficiencies identified in the prior year.</li> </ul>
<b>Specific materiality</b>	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	

Materiality measure	Group	Parent company
Specific materiality	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> <li>• Related party transactions; and</li> <li>• Directors' remuneration</li> </ul>	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> <li>• Related party transactions; and</li> <li>• Directors' remuneration</li> </ul>
<b>Communication of misstatements to the audit committee</b>	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£0.13m (2024: £0.12m), which represents 5% of Group materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£0.08m (2024: £0.08m), which represents 5% of Parent Company materiality and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the audit committee.



FSM: Financial statement materiality, PM: Performance materiality, RoPM: Range of performance materiality at 4 components, TfC: Threshold for communication to the audit committee.

## An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the Parent Company's business and in particular matters related to:

### Understanding the Group, its components, their environments, and its system of internal control including common controls

- The engagement team obtained an understanding of the Group and its environment, including common controls, and assessed the risks of material misstatement at the group level; and
- The engagement team further considered the effect of the Group's organisational structure on the scope of the audit, and used this to inform our assessment of risk.

### Identifying components at which to perform audit procedures

- The engagement team performed an evaluation of identified components to assess the components which would be in scope and to determine the planned audit response based on whether we determined there to be a risk of material misstatement in the component, or was considered to be financially significant to the Group.

### Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We have assessed the Group to have a total of 13 components. The Group's main trading activity takes place through the subsidiary entity, Johnsons Textile Services Limited (JTSL). JTSL is considered to be made up of separate components in line with the activities of the divisions within this entity, being Workwear, Restaurant and Catering, and Hotel Linen. Other components of the Group relate to other trading subsidiaries, including 'Ireland' which includes the Belfast division of JTSL, and other holding companies. Of the Group's 13 components, we identified four which,

# Independent Auditor's Report to the members of Johnson Service Group PLC Continued >

in our view, required an audit of their financial information using component materiality (full scope audit), due to being assessed as having a risk of material misstatement or financially significant to the Group. As a result of this, we performed an audit of the financial statements of the Parent Company and of the financial information of three components, JTSL (Workwear Division), JTSL (Restaurant and Catering Division), JTSL (Hotel Linen Division).

- We identified the key audit matters of the Group as the revenue cycle includes fraudulent transactions and customer (rebate) arrangements. The audit procedures performed in respect of this has been included within the key audit matters section of our report.
- We performed specific audit procedures in respect of the year end cash balance held within the Ireland component. The Ireland component includes Harkglade Limited, Celtic Linen Limited, Milbrook Linen Limited and Johnsons Belfast.
- We performed analytical procedures at group level over the remaining eight components. These procedures, together with the additional procedures outlined above, were designed to give us the audit evidence needed for our opinion on the Group financial statements as a whole.

## Performance of our audit

- Together, the components subject to full-scope audits covered 87% of the Group's revenue, 92% of the Group's total assets and 95% of the Group's profit before tax.
- All procedures on component financial information were performed by the group audit team.
- Audit work was performed primarily on site at the company head office, with some remote working throughout the audit. Planning and interim testing was also performed during various site visits throughout the period.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT
Full-scope audit	4 (2024: 4)	92 (2024: 86)	87 (2024: 89)	95 (2024: 94)
Specific scope procedures	1 (2024: 2)	<1 (2024: <1)	0 (2024: 0)	0 (2024: 0)
Full-scope and specific scope procedures coverage	5 (2024: 6)	92 (2024: 86)	87 (2024: 89)	95 (2024: 94)
Analytical procedures	8 (2024: 9)	8 (2024: 14)	13 (2024: 11)	5 (2024: 6)
Total	13 (2024: 15)	100	100	100

## Changes in approach from previous period

- One of the components in the prior period on which specific scope audit procedures were performed has been removed from scope in the current period due to no longer being of a specific nature or size in the context of the group as a whole
- One further entity, Johnsons Belfast, has been incorporated within the Ireland component in the current year to reflect the structure of the group.

## Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

### Matter on which we are required to report under the Companies Act 2006

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

## Matters on which we are required to report by exception

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

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

## Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code subject to our voluntary review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on page 68;
- the directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate as set out on page 68;
- the director's statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as set out on page 68;
- the directors' statement on fair, balanced and understandable as set out on page 69;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 82;
- the section of the annual report that describes the review of the effectiveness of risk management and internal control systems as set out on page 82; and
- the section describing the work of the Audit Committee as set out on page 81.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 69, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Parent Company and the Group and the industry in which they operate. We determined that the most significant laws and regulations are: the Companies Act 2006, UK-adopted international accounting standards, Financial Reporting Standard 101 'Reduced Disclosure Framework', the UK Corporate Governance Code and taxation laws;
- We obtained an understanding of how the Parent Company and the Group are complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
  - Assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Obtaining an understanding of how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgements made by management in significant accounting estimates;
  - Obtaining an understanding around rebate agreements and releases of aged accrual balances including obtaining an understanding of the legal requirements of such agreements;

# Independent Auditor's Report to the members of Johnson Service Group PLC Continued >

- Identifying and testing journal entries, in particular any journal with unusual characteristics;
  - Engaging with our internal tax specialist to address the risk of non-compliance with taxation legislation; and
  - Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
  - The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group audit team included consideration of the group audit team's knowledge of the industry in which the group operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
  - We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

## **Other matters which we are required to address**

We were appointed by the Audit Committee on 1 May 2025 to audit the financial statements for the year ending 31 December 2025. Our total uninterrupted period of engagement is 5 years, covering the years ended 31 December 2021 to 31 December 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

## **Use of our report**

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

Jonathan Maile FCA BSc (Hons)  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
2 March 2026

# Consolidated Income Statement

	Note	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
<b>Revenue</b>	1,2	<b>535.4</b>	<b>513.4</b>
Impairment loss on trade receivables	18	(1.2)	(1.2)
All other costs		(475.4)	(457.5)
<b>Operating profit</b>	1,2	<b>58.8</b>	<b>54.7</b>
<b>Operating profit before amortisation of intangible assets (excluding software amortisation) and exceptional items</b>	1,2	<b>72.5</b>	<b>62.3</b>
Amortisation of intangible assets (excluding software amortisation)	13	(7.7)	(7.2)
Exceptional items	6	(6.0)	(0.4)
<b>Operating profit</b>	1,2	<b>58.8</b>	<b>54.7</b>
Finance cost	7	(8.0)	(7.5)
<b>Profit before taxation</b>		<b>50.8</b>	<b>47.2</b>
Taxation charge	9	(13.8)	(11.7)
<b>Profit for the year from continuing operations</b>		<b>37.0</b>	<b>35.5</b>
<b>Profit for the year from discontinued operations</b>	35	<b>0.1</b>	<b>0.1</b>
<b>Profit for the year attributable to equity holders</b>		<b>37.1</b>	<b>35.6</b>
<b>Earnings per share</b>	11		
<b>Basic earnings per share</b>			
– From continuing operations		9.3p	8.5p
– From discontinued operations		–	–
<b>From total operations</b>		<b>9.3p</b>	<b>8.5p</b>
<b>Diluted earnings per share</b>			
– From continuing operations		9.2p	8.4p
– From discontinued operations		–	–
<b>From total operations</b>		<b>9.2p</b>	<b>8.4p</b>

See note 11 for adjusted basic earnings per share and adjusted diluted earnings per share.

# Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
<b>Profit for the year</b>		<b>371</b>	<b>35.6</b>
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Re-measurement and experience gains on post-employment benefits	26	0.9	3.8
Taxation in respect of re-measurement and experience gains		(0.2)	(0.9)
<b>Items that may be subsequently reclassified to profit or loss</b>			
Cash flow hedges (net of taxation) – fair value losses	27	(0.3)	(0.1)
– transfers to administrative expenses	27	0.3	0.5
Net (loss)/gain on hedge of a net investment	27	(1.4)	1.1
Exchange differences on translation of foreign operations		1.7	(1.2)
<b>Total other comprehensive income for the year</b>		<b>1.0</b>	<b>3.2</b>
<b>Total comprehensive income for the year</b>		<b>381</b>	<b>38.8</b>

The notes on pages 144 to 175 are an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Changes in Shareholders' Equity

	Share Capital £m	Share Premium £m	Merger Reserve £m	Capital Redemption Reserve £m	Hedge Reserve £m	Retained Earnings £m	Total Equity £m
<b>Balance at 31 December 2023</b>	<b>41.4</b>	<b>16.8</b>	<b>1.6</b>	<b>3.7</b>	<b>(0.6)</b>	<b>216.2</b>	<b>279.1</b>
Profit for the year	-	-	-	-	-	35.6	35.6
Other comprehensive income	-	-	-	-	0.4	2.8	3.2
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>38.4</b>	<b>38.8</b>
Share options (value of employee services)	-	-	-	-	-	1.5	1.5
Deferred tax on share options	-	-	-	-	-	0.2	0.2
Issue of share capital	0.1	0.5	-	-	-	-	0.6
Dividend paid	-	-	-	-	-	(13.3)	(13.3)
<b>Transactions with Shareholders recognised directly in Shareholders' equity</b>	<b>0.1</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11.6)</b>	<b>(11.0)</b>
<b>Balance at 31 December 2024</b>	<b>41.5</b>	<b>17.3</b>	<b>1.6</b>	<b>3.7</b>	<b>(0.2)</b>	<b>243.0</b>	<b>306.9</b>
Profit for the year	-	-	-	-	-	37.1	37.1
Other comprehensive income	-	-	-	-	-	1.0	1.0
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.1</b>	<b>38.1</b>
Share options (value of employee services)	-	-	-	-	-	2.4	2.4
Purchase of own shares by EST	-	-	-	-	-	(0.1)	(0.1)
Share buybacks	(3.8)	-	-	3.8	-	(54.7)	(54.7)
Deferred tax on share options	-	-	-	-	-	(0.5)	(0.5)
Current tax on share options	-	-	-	-	-	0.1	0.1
Issue of share capital	0.1	0.2	-	-	-	-	0.3
Dividend paid	-	-	-	-	-	(17.4)	(17.4)
<b>Transactions with Shareholders recognised directly in Shareholders' equity</b>	<b>(3.7)</b>	<b>0.2</b>	<b>-</b>	<b>3.8</b>	<b>-</b>	<b>(70.2)</b>	<b>(69.9)</b>
<b>Balance at 31 December 2025</b>	<b>37.8</b>	<b>17.5</b>	<b>1.6</b>	<b>7.5</b>	<b>(0.2)</b>	<b>210.9</b>	<b>275.1</b>

The Group has an Employee Share Trust (EST) to administer share plans and to acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes. At 31 December 2025 the EST held 2,947 shares (2024: 9,024).

# Consolidated Balance Sheet

	Note	As at 31 December 2025 £m	As at 31 December 2024 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	12	154.0	153.6
Intangible assets	13	24.9	29.0
Property, plant and equipment	14	168.9	160.0
Right of use assets	15	42.3	43.0
Textile rental items	16	80.0	73.4
Trade and other receivables	18	0.8	0.5
Post-employment benefit assets	26	4.9	3.8
		<b>475.8</b>	<b>463.3</b>
<b>Current assets</b>			
Inventories	17	2.9	2.3
Trade and other receivables	18	87.1	82.4
Current income tax assets		0.4	–
Reimbursement assets	19	2.1	2.6
Cash and cash equivalents		11.0	11.5
Assets classified as held for sale		0.2	0.2
		<b>103.7</b>	<b>99.0</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	93.1	94.3
Borrowings	22	9.0	8.9
Current income tax liabilities		–	0.7
Lease liabilities	23	7.4	6.2
Derivative financial liabilities	27	0.3	0.3
Provisions	25	2.2	3.2
		<b>112.0</b>	<b>113.6</b>
<b>Non-current liabilities</b>			
Post-employment benefit obligations	26	0.3	0.3
Deferred income tax liabilities	24	37.8	28.9
Trade and other payables	21	0.1	0.2
Borrowings	22	114.4	71.2
Lease liabilities	23	39.4	40.8
Provisions	25	0.4	0.4
		<b>192.4</b>	<b>141.8</b>
<b>Net assets</b>		<b>275.1</b>	<b>306.9</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the company's shareholders</b>			
Share capital	29	37.8	41.5
Share premium	31	17.5	17.3
Merger reserve		1.6	1.6
Capital redemption reserve		7.5	3.7
Hedge reserve		(0.2)	(0.2)
Retained earnings		210.9	243.0
<b>Total equity</b>		<b>275.1</b>	<b>306.9</b>

The notes on pages 144 to 175 are an integral part of these Consolidated Financial Statements. The financial statements on pages 127 to 175 were approved by the Board of Directors on 2 March 2026 and signed on its behalf by:

**Ryan Govender**  
Chief Financial Officer

# Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
<b>Cash flows from operating activities</b>			
Profit for the year		371	35.6
Adjustments for:			
Taxation charge	9	13.8	11.7
Total finance cost	7	8.0	7.5
Depreciation		94.0	89.6
Amortisation	13	8.0	7.9
Increase in inventories		(0.6)	(0.4)
Increase in trade and other receivables		(1.4)	(2.5)
(Decrease)/increase in trade and other payables		(6.4)	2.0
Share-based payments	30	2.4	1.5
Decrease in provisions		(0.5)	(0.9)
Cash generated from operations		154.4	152.0
Interest paid		(7.9)	(7.5)
Taxation paid		(6.6)	(2.7)
<b>Net cash generated from operating activities</b>		<b>139.9</b>	<b>141.8</b>
<b>Cash flows from investing activities</b>			
Acquisition of businesses (net of cash acquired)	34	(0.2)	(19.6)
Purchase of other intangible assets		(3.4)	(6.0)
Purchase of property, plant and equipment		(35.8)	(44.5)
Purchase of software		(0.1)	(0.1)
Proceeds from sale of property, plant and equipment		0.2	0.3
Purchase of textile rental items		(65.8)	(63.2)
Proceeds received in respect of special charges	16	2.1	2.3
Interest received		-	0.1
<b>Net cash used in investing activities</b>		<b>(103.0)</b>	<b>(130.7)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		96.8	56.7
Repayment of borrowings		(55.3)	(47.2)
Capital element of leases		(7.1)	(6.3)
Share buybacks	29	(54.7)	-
Proceeds from issue of share capital		0.3	0.6
Purchase of own shares by EST		(0.1)	-
Dividends paid to company shareholders		(17.4)	(13.3)
<b>Net cash used in financing activities</b>		<b>(37.5)</b>	<b>(9.5)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(0.6)</b>	<b>1.6</b>
Cash and cash equivalents at beginning of the year		2.2	0.9
Effect of exchange rate fluctuations on cash held		0.3	(0.3)
<b>Cash and cash equivalents at end of the year</b>	36	<b>1.9</b>	<b>2.2</b>
Cash and cash equivalents comprise:			
Cash		11.0	11.5
Overdraft		(9.1)	(9.3)
<b>Cash and cash equivalents at end of the year</b>		<b>1.9</b>	<b>2.2</b>

The notes on pages 144 to 175 are an integral part of these Consolidated Financial Statements.

# Statement of Significant Accounting Policies

Johnson Service Group PLC (the 'Company') and its subsidiaries (together 'the Group') provide textile rental and related services across the United Kingdom ('UK') and the Republic of Ireland ('ROI').

The Company is incorporated and domiciled in the UK, its registered number is 523335 and the address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH. The Company is a public limited company and is listed on the London Stock Exchange.

The Group and Company financial statements were authorised for issue by the Board on 2 March 2026.

## Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the information presented, unless otherwise stated. These financial statements and notes have been rounded to the nearest £0.1 million, unless otherwise stated. Accounting policies have been applied consistently throughout all periods.

The Consolidated Financial Statements of the Group have been prepared on a going concern basis in accordance with UK-adopted international accounting standards. The Consolidated Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and defined benefit pension plans where plan assets are measured at fair value.

The preparation of financial statements in conformity with UK adopted international standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are disclosed below in the section entitled 'Judgments made in accounting policies' and 'Sources of estimation and uncertainty'.

## Going concern

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2027. Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements. See the Directors' Report for the full going concern assessment.

## Changes in accounting policy and disclosures

### (a) Standards and amendments that are effective for the first time in 2025 and could be applicable to the Group:

- Lack of Exchangeability – Amendments to IAS 21

### (b) Standards, amendments and interpretations to existing standards that are not yet effective (have been endorsed by the UKEB) and have not been early adopted by the Group:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

### (c) Standards, amendments and interpretations to existing standards that are not yet effective (have not been endorsed by the UKEB) and have not been early adopted by the Group:

- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' – Amendments to IFRS 19

None of above accounting standard changes are expected to have a material impact on the Group.

## Judgments made in applying accounting policies

In the course of preparing these financial statements, certain judgments are made by the Group in the process of applying the Group's accounting policies. Those that have the most significant effect on either the amounts recognised in the financial statements or the presentation thereof are discussed below.

### Going concern

The Consolidated Financial Statements are prepared on a going concern basis. Additional information on the judgments management has applied in adopting the going concern assumption is set out on pages 67 to 68.

## Sources of estimation and uncertainty

The Group makes estimates and assumptions concerning the future. Whilst such estimates and assumptions are believed to be reasonable under the circumstances, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### (a) Post-employment benefits

The Group operates two post retirement defined benefit arrangements (note 26). Asset valuations are based on the fair value of scheme assets. The valuations of the liabilities of the schemes are based on statistical and actuarial calculations, using various assumptions including discount

rates, future inflation rates and pension increases, life expectancy of scheme members, flexible retirement options and cash commutations. The actuarial assumptions may differ materially from actual experience due to changes in economic and market conditions, variations in actual mortality, higher or lower cash withdrawal rates and other changes. Any of these differences could impact the assets or liabilities recognised in the Balance Sheet in future years.

## Forward looking statements

The terms 'expect', 'should be', 'will be', 'is likely to' and similar expressions identify forward looking statements.

Although the Board believes that the expectations reflected in these forward looking statements are reasonable, such statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently expressed or implied in such forward looking statements.

Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in the Group's markets; exchange and interest rate fluctuations; customers' acceptance of its products and services; the actions of competitors; and legislative, fiscal and regulatory developments.

## Consolidation

The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The accounting periods of subsidiary undertakings are co-terminus with those of the Company. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed at acquisition, where necessary, to ensure consistency with the policies adopted by the Group.

Inter-company transactions include those relating to internal property leases between either Johnson Group Properties PLC or Harkglade Limited (the property holding companies of the Group) and each of our other businesses. Under IFRS 16, each of the lessees are required to recognise an asset (the right to use the leased item) and a financial liability to pay rentals. On consolidation, each of the right of use asset, lease liability, depreciation and interest recognised by the lessee, relating to internal property leases, is therefore eliminated.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Where consideration due to vendors is deferred, but is not contingent on future events, it is included in consideration when assessing the total acquisition cost and is accrued within trade and other payables until such a time that the amounts are settled. Where consideration due to vendors is contingent on future events, management's assessment of the fair value of the amounts payable are included in consideration when assessing the total acquisition cost and is accrued within trade and other payables until such a time that the amounts are settled. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised immediately in the Consolidated Income Statement. As per IFRS 3, where new information is obtained within the measurement period about facts and circumstances that existed as at the acquisition date and, if known, would have affected the amounts recognised as at that date, the fair value of assets and liabilities acquired should be adjusted accordingly. The measurement period does not exceed one year from the acquisition date. Costs directly attributable to acquisitions are expensed to the Consolidated Income Statement as an exceptional item.

The results from overseas operations have been translated into sterling at the weighted average euro rate of exchange for the period of £1 = €1.167 (2024: £1 = €1.181) where this is a reasonable approximation to the rate at the dates of the transactions. Euro denominated assets and liabilities have been translated at the relevant rate of exchange at the balance sheet date of £1 = €1.145 (2024: £1 = €1.210).

## Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors. For reporting purposes, operating segments are aggregated into reporting segments where operating segments are considered to have similar economic conditions and characteristics and where the aggregation of operating segments provides information that enables users to evaluate the nature and financial effects of the business activities in which the Group engages and the economic environments in which it operates.

## Alternative Performance Measures (APMs)

Throughout this Annual Report, and consistent with prior years, we refer to a number of APMs. APMs are used by the Group to provide further clarity and transparency of the Group's financial performance. The APMs are used internally by management to monitor business performance, budgeting and forecasting, and for determining Directors' remuneration and that of other management throughout the business. The APMs, which are not recognised under UK-adopted international accounting standards, are:

- 'adjusted operating profit', which refers to continuing operating profit/(loss) before amortisation of intangible assets (excluding software amortisation), and exceptional items;
- 'adjusted profit before and after taxation', which refers to adjusted operating profit less total finance cost;
- 'adjusted EBITDA', which refers to adjusted operating profit plus the depreciation charge for property, plant and equipment, textile rental items and right of use assets, plus software amortisation;
- 'adjusted earnings per share' and 'adjusted diluted earnings per share', which refer to earnings per share calculated based on adjusted profit after taxation; and
- 'net debt excluding IFRS 16 lease liabilities'.

# Statement of Significant Accounting Policies

Continued >

The Board considers that the above APMs, all of which exclude the effects of non-recurring items or non-operating events, provide useful information for stakeholders on the underlying trends and performance of the Group and facilitate meaningful year on year comparisons.

## Limitations of APMs

The Board is cognisant that APMs do have limitations and should not be regarded as a complete picture of the Group's financial performance. Limitations of APMs may include, inter alia:

- similarly named measures may not be comparable across companies;
- profit-related APMs may exclude significant, sometimes recurring, business transactions (e.g. restructuring charges and acquisition-related costs) that impact financial performance and cash flows; and
- adjusted operating profit, adjusted profit before and after taxation, adjusted EBITDA and adjusted earnings per share and adjusted diluted earnings per share all exclude the amortisation of intangibles acquired in business combinations, but do not similarly exclude the related revenue and costs.

## Reconciliation of APMs to Statutory Performance Measures

Reconciliations between the above APMs and statutory performance measures are reconciled within this Annual Report as follows:

- Adjusted operating profit – note 1
- Adjusted profit before and after taxation – note 8
- Adjusted EBITDA – note 8
- Adjusted earnings per share and adjusted diluted earnings per share – note 11
- Net debt excluding IFRS 16 lease liabilities – note 36

## Revenue recognition

### Rendering of services

Revenue recognition is based on the principle that revenue is recognised when the performance obligation is satisfied i.e. control of a service transfers to a customer and is measured based on the consideration specified in a contract with a customer. The Group's contracts are repeat service-based contracts where value is transferred to the customer over time as the services are delivered. The provision of clean items of workwear/linen is a repetitive service of the same nature even though the number of items delivered may vary based on customer needs. As such, the Group's contracts have a single performance obligation as this is a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The Group applies the practical expedient under IFRS 15 B16 and recognises the revenue in the amount to which the Group has a right to invoice.

Revenue recognised is the amount of consideration to which the Group expects to be entitled to, in accordance with the existing contract, in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties, such as VAT.

Customers are generally invoiced weekly or monthly for service contracts with the vast majority of customers on 30 – 60 day credit terms.

Revenue from services provided to customers not invoiced as at the balance sheet date is recognised as unbilled receivables as where the service has already been performed, the Group has an unconditional right to consideration before it invoices where only the passage of time is required before payment of that consideration is due. This typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied.

Contract modifications occur on a regular basis to record change in stock requirements for customers or price changes. The Group accounts for a contract modification when it is approved by the parties to the contract. Following a contract modification, the customer is billed in line with the delivery of the remaining performance obligations. Changes in stock requirements do not result in additional separate services being provided as the service provided is of the same nature with the amount of garments/linen varying. Given the provision of clean items of garments/linen is a repetitive service of the same nature, any remaining services following a modification are distinct from those previously provided. The remaining consideration in the original contract not yet recognised as revenue is combined with the additional consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. This effectively accounts for the modification as a termination of the original contract and the inception of a new contract for all performance obligations that remain unperformed. This approach would also apply to any mid-contract price increases.

The Group applies the practical expedient included in paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligation for contracts as the Group recognises revenue in line with the value of the services received by the customer to date.

### Supply of goods

Where sale of goods occur, revenue is recognised at a point in time when goods are delivered to customers. Revenue recognised is the amount of consideration to which the Group expects to be entitled to, in accordance with the existing contract, in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties, such as VAT.

Invoices are raised to customers for the sale of goods following delivery.

The breakdown of revenue within the Group is presented, by operating segment, in the Segment Analysis (note 1).

## Rebates

Rebates payable to customers are recognised in line with relevant contractual terms. Rebates payable to customers are contingent on the occurrence or non-occurrence of a future event e.g. the customer meeting certain agreed criteria. Rebates are recorded using the most likely method (the single most likely amount in a range of possible consideration amounts). Accruals are made for each individual rebate based on the specific terms and conditions of the customer agreement, including where they are subject to a demand from the customer. Management makes estimates on an ongoing basis, primarily based on current customer spending, historic data and its accumulated experience, in order to assess customer revenues and to calculate total rebates earned to be recorded as deductions from revenue. Rebates are charged directly to the Consolidated Income Statement over the period to which they relate.

## Costs incurred to obtain a contract

The incremental costs incurred to directly obtain a contract with a customer are capitalised and recognised as an asset within Trade and other receivables (note 18) where management expects to recover those costs. Such costs are subsequently amortised over the period consistent with the Group's transfer of the related goods or services to the customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period where incurred.

The costs capitalised include sales commission paid to employees where payment is identified as relating directly to the signing of a customer contract. Where consideration is paid to customers relating to a contract for a period over which services will be provided, the Group also capitalises these costs. The costs are amortised over the average contract life.

Management is required to determine the recoverability of contract related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the Group expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those goods and services under the relevant contract. An impairment is recognised immediately where such losses are forecast.

The movement in the asset balance in the period therefore represents additional payments made, subsequent amortisation and any required impairment.

## Exceptional items

Items that are material in size, non-operating or non-recurring in nature are presented as exceptional items in the Consolidated Income Statement, within the relevant account heading. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Events which may give rise to the classification of items as exceptional include, but are not restricted to, restructuring of businesses, gains or losses on the disposal of certain properties, one off gains or losses relating to pension liabilities, one off income relating to non-trading activities, gains and losses related to capital insurance claims and expenses incurred and costs relating to business acquisitions and any subsequent reorganisation cost.

## Employee benefits

### Post-employment benefits

The Group operates various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset/liability recognised in the Balance Sheet in respect of the defined benefit pension plan is the present value of the defined benefit surplus/obligation at the balance sheet date, less the fair value of plan assets. The defined benefit surplus/obligation is calculated periodically by an independent actuary using the projected unit credit method. The present value of the defined benefit surplus/obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Past service costs are recognised immediately in the Consolidated Income Statement. Interest cost on plan liabilities and interest income on plan assets are recognised in finance costs. Curtailment gains arising from amendments to the terms of a defined benefit plan such that a significant element of future service by current employees will no longer qualify for benefits, or will only qualify for reduced benefits, are recognised in the Consolidated Income Statement. Re-measurement gains and losses arising from experience adjustments and changes in actuarial and demographic assumptions are charged or credited to the Consolidated Statement of Comprehensive Income in the period in which they arise.

For defined contribution plans, contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Other post-employment benefit obligations

The Group provides unfunded post-retirement healthcare benefits to a limited number of current retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The liability is recognised on the Balance Sheet within 'Post-employment benefit obligations'. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the Consolidated Statement of Comprehensive Income in the year in which they arise.

# Statement of Significant Accounting Policies

Continued >

## Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The economic cost of awarding shares and share options to employees is recognised as an expense in the Consolidated Income Statement equivalent to the fair value of the benefit awarded. The fair value is determined by reference to option pricing models, principally Binomial and Monte Carlo models. The fair value at the grant date of the award is recognised in the Consolidated Income Statement over the vesting period of the award. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. Any revision to the original estimate is reflected in the Consolidated Income Statement with a corresponding adjustment to equity to the extent it relates to past service and the remainder over the rest of the vesting period. All options cancelled are fully expensed to the Consolidated Income Statement upon cancellation. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. Any amount charged or credited to the Consolidated Income Statement by any of the Group's subsidiaries is reflected in the books of the Company via an increase or decrease in investments, with a corresponding increase or decrease to equity. These entries are eliminated within the Consolidated Financial Statements.

## Bonus plans

The Group recognises an expense and a liability for bonuses based on the profit attributable to the Group or business, as appropriate, and other pre-determined performance criteria. The Group recognises an accrual where it is contractually obliged or where there is a past practice that has created a constructive obligation.

## Termination benefits

The Group recognises termination benefits when it is demonstrably committed to the termination of the employment of current employees according to a detailed formal plan without possibility of withdrawal.

## Discontinued operations and assets held for sale

Business components that represent separate major lines of business or geographical areas of operations are recognised as discontinued if the operations have been disposed of, or meet the criteria of as held for sale under IFRS 5. Assets are classified as held for sale if their carrying value will be principally recovered through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable, expected to be completed within one year and the asset is available for immediate sale in its present condition. Assets held for sale are held at the lower of their carrying value amount on the date they are classified as held for sale and fair value less costs to dispose.

## Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment, or more frequently if there are indicators that an impairment may have arisen. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date. Value in use calculations are considered first followed by fair value less costs to dispose if it is deemed necessary. See note 12 for further information.

## Intangible assets

### Goodwill

For acquisitions since 28 December 2003, goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired business at the date of acquisition. For acquisitions prior to this date, goodwill is included at the amount recorded previously under UK GAAP. For acquisitions prior to 1 January 2010, the cost of an acquisition includes related expenses but such costs are excluded for acquisitions after this date.

Goodwill on business acquisitions is included in non-current assets. Negative goodwill arising on acquisition is recognised directly in the Consolidated Income Statement.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Where an impairment is identified, it is charged to the Consolidated Income Statement within amortisation and impairment of intangible assets (excluding software). Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

### Capitalised software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are included on the Balance Sheet within intangible assets. Costs are amortised, once commissioned, over their estimated useful lives (not exceeding ten years).

Costs associated with the general development and maintenance of computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of employees involved in software development and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding ten years).

Costs incurred in respect of the configuration and customisation of cloud-based software arrangements are expensed as and when the services are received. Configuration and customisation costs which include the development of software code that enhances or modifies, or creates additional

capability to the existing on-premise software to enable it to connect with the cloud-based software applications, are recognised as intangible assets and amortised over their estimated useful lives (not exceeding ten years).

### Other intangible assets

Other intangible assets comprise customer contracts and relationships and brands, recognised at cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives (currently three to thirteen years).

For assets resulting from a business combination, fair value is calculated based upon historical and prospective information and financial data specific to each business combination, with an appropriate discount factor applied.

### Property, plant and equipment

Property, plant and equipment is stated at cost, less depreciation, which is calculated to write off these assets, by equal annual instalments, over their estimated useful lives. Cost includes expenditure which is directly attributable to the acquisition of the asset. The estimated life of plant, vehicles and fixtures is two to fifteen years. Improvements to short leasehold properties are amortised over the shorter of the terms of the leases and their useful life. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

Properties are depreciated over their estimated remaining useful life not exceeding 50 years commencing on 26 December 1999 or, if later, date of purchase. Land is not depreciated. The Group has not adopted a policy of revaluation but the carrying amounts of properties reflect previous valuations. In the event of an impairment in property value the deficit below cost is charged to the Consolidated Income Statement.

The fit-out costs of new freehold or long leasehold industrial buildings are depreciated, in equal annual instalments, over their expected useful lives which range from 10 to 25 years from the date on which the assets are fully commissioned.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the Consolidated Income Statement during the financial year in which they are incurred.

No depreciation is provided for assets in the course of construction until they are completed and ready in use as management intended.

The cost of property, plant and equipment acquired through business combinations is accounted for as the fair value of assets acquired.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised within the Consolidated Income Statement.

### Right of use assets and lease liabilities

Under IFRS 16, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases where costs are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

At the date of lease inception, the Group determines whether the arrangement is a lease or contains a lease, while examining if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In its assessment of whether an arrangement conveys the right to control the use of an identified asset, the Group assesses whether it has the following two rights throughout the lease term:

- (a) The right to obtain substantially all the economic benefits from use of the identified asset; and
- (b) The right to direct the identified asset's use.

Where a contract is deemed to contain a lease, the lease liability is initially recognised at the commencement date and measured at an amount equal to the present value of the lease payments during the lease term (the non-cancellable period) that are not yet paid.

Lease payments, excluding non-lease components (which are charged to the Consolidated Income Statement on a straight-line basis over the lease term) such as service costs, are discounted using the incremental borrowing rate of the lessee, since the interest rate implicit in the Group's leases is not readily determinable. The incremental borrowing rate is the rate that the Group would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value. The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a break clause. Periods after extension options/break clauses are only included in the lease term if the lease is reasonably certain to be extended or not be terminated.

Break clause options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of being able to make decisions regarding the Group's processing facilities in order to manage the needs of the Group. The majority of break clauses held are exercisable by either the Group or the lessor.

At the commencement date, it is unlikely that management would consider a break clause to be reasonably certain of being exercised given management would be unlikely to enter into a new lease agreement for a term which it was not their current intention to utilise in full. The lease term is reassessed if a break clause is exercised or the likelihood of exercise becomes reasonably certain. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group. An example of a significant change for the Group may include changing economic conditions and customer requirements impacting the Group's activities or long-term strategy.

All property break clause options held by the Group have not been included in the lease liability unless otherwise stated i.e. the periods after the break clauses have been included in the lease term. This is due to the fact the Group could not move the plants to other locations without significant cost and

# Statement of Significant Accounting Policies

Continued >

disruption, for reasons such as the Group will have made significant leasehold improvements to the property to meet the requirements of a laundry processing facility, the costs involved in moving plant and machinery, the availability of a workforce and the lack of suitable alternative premises.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate existing at the commencement of the lease and are included in the measurement of the lease liability. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each subsequent lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Income Statement over the lease period using the effective interest method.

The right of use asset is initially recognised at the commencement day and measured at cost, consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, plus any initial direct costs incurred by the Group, less any lease incentives received.

The right of use asset is subsequently depreciated in accordance with the requirements in IAS 16 'Property, Plant and Equipment' which results in depreciation on a straight-line basis over the shorter of the asset's useful life and the lease term on a straight-line basis. IAS 36 'Impairment of Assets' is also applied to determine whether the right of use asset is impaired and to account for any impairment loss identified. An impairment can be recognised where onerous property leases are identified which can occur where a particular property becomes non-trading but for which the Group still has a remaining lease obligation, the net book value of the right of use asset is written down to £nil.

Reassessment of a lease occurs where there is a change in cash flows based on contractual clauses that have been part of the contract since inception. Any remeasurement of the lease liability results in a corresponding adjustment of the right of use asset. If the carrying amount of the right of use asset has already been reduced to zero, the remaining remeasurement is recognised in profit or loss. The Group remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows, using an unchanged discount rate. Reassessment of leases in the Group occurs where lease consideration changes due to a market rent review clause or changes to variable lease payments dependent on an index or rate.

A modification to a lease occurs where there is a change in scope of the lease, or the consideration for a lease, that was not part of the original terms and conditions. Where the modification increases the scope of the lease by adding the right to use one or more underlying assets, and the consideration increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the contract's circumstances, the Group accounts for the modification as a separate lease.

In all other cases, on the initial date of the lease modification, the Group allocates the consideration in the modified contract to the contract components, determines the revised lease term and measures the lease liability by discounting the revised lease payments using a revised discount rate. This occurs in the case where the Group agrees property lease term extensions that were not contractual as part of the original lease.

Rentals payable in respect of operating leases (net of any incentives received from the lessor) for short term and low value leases are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Lease payments are presented in the Consolidated Statement of Cash Flows as follows:

- short term lease payments relating to low value assets are presented within cash flows from operating activities
- payments for the interest element of recognised lease liabilities are included within Interest paid within cash flows from operating activities
- payments for the capital element of recognised lease liabilities are presented within cash flows from financing activities

For lessor accounting, leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Sublet income is therefore recognised on a straight-line basis over the lease term.

Assets financed by leasing or hire purchase arrangements, which give rights approximating to ownership, and which had an outstanding liability on transition to IFRS 16 were transferred from property, plant and equipment to be disclosed within right of use assets. Where such agreements expire and ownership is transferred, the cost and accumulated depreciation of the relevant assets are transferred back to Property, plant and equipment.

## Textile rental items

Textile rental items which principally comprise workwear garments, cabinet towels, linen and dust mats are initially treated as inventories. On issue to customers or into pool stock, rental items are transferred to non-current assets and are stated at invoiced cost. Depreciation is calculated on a straight-line basis over the estimated lives of the items in circulation, which range from two to five years with the majority being between two and three years. Issued textile rental items bought through acquisition of other businesses are accounted for as the fair value of issued textile rental items acquired. This will be the deemed cost of these items.

Charges are levied in respect of lost or damaged items or where a customer terminates the service before the end of the contracted period. Such charges are referred to as 'special charges'. Where proceeds are received in respect of these special charges the amounts received are deducted from the carrying value of those items to the extent possible. Any amounts received in excess of the carrying value are taken to the Consolidated Income Statement.

Where textile rental items are damaged and no charges are levied, an impairment loss is charged to the Consolidated Income Statement.

Where proceeds are received in respect of textile rental items withdrawn from circulation these are deducted from the carrying value of those amounts.

## Inventories

Stocks of materials, stores, goods for resale and new rental items are valued at the lower of cost and net realisable value. Cost is stated on either a first in, first out basis or average cost basis and comprises invoiced cost in respect of the purchase of finished goods and materials, direct labour and direct transportation costs in respect of garments for sale. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges of purchases of goods. Provision is made for obsolete, defective and slow moving stock.

## Trade receivables

Trade receivables are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Under IFRS 9, the Group applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables.

The Group continues to establish a provision for impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. In addition, IFRS 9 requires the Group to consider forward looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The expected loss rates are based on the payment profiles of sales over the year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. Trade receivables have been grouped for this analysis based on shared credit risk characteristics, including operating segment and region in which the customer operates. The model considers indicators such as actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations. The forward looking loss rate is applied to the trade receivables excluding those specifically provided as per details below.

Further to the above model, trade receivables are specifically impaired where there are indicators of significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, or there is default or delinquency in payments.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Consolidated Income Statement within 'impairment loss on trade receivables'. When a Trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'impairment loss on trade receivables' in the Consolidated Income Statement. Only when amounts are confirmed irrecoverable, are they written off to the Consolidated Income Statement.

## Reimbursement assets

The Group recognise a reimbursement asset in respect of third-party claims made against the Group but which are indemnified under the terms of its insurance policies. A corresponding provision for such claims is also recognised. All of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policies, therefore it is virtually certain that reimbursement will be received. See note 19 for further details.

## Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand.

In accordance with IAS 32 'Financial instruments: Presentation', even where banking arrangements have a right of set off, bank overdrafts are not netted against cash and cash equivalents as the Group does not intend to offset the balances with the resulting position shown as either a bank overdraft or a cash balance as appropriate, but are instead shown within borrowings in current liabilities on the Balance Sheet.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts on the basis that the overdraft is repayable on demand and form an integral part of the Group's cash management.

## Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing.

## Borrowings

Borrowings are recognised initially at fair value, net of unamortised transaction costs. Transaction costs are amortised, as a finance cost, over the expected term of the facility, using the effective interest method. Borrowings are classified on the Balance Sheet as either current or non-current liabilities, dependent upon the maturity date of the loan. Where no borrowings exist to offset transaction costs, these costs are presented in current or non-current assets.

Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

## Net debt

Net debt is defined as borrowings and lease liabilities, less cash and cash equivalents.

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is not made for future operating losses. Provisions are discounted where the impact is deemed to be material.

# Statement of Significant Accounting Policies

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## Insurance claims

The Group recognise a provision for third-party claims made against the Group which are indemnified under the terms of its insurance policies. A corresponding reimbursement asset in respect of third party claims is also recognised. See note 25 for further details.

## Property

Provision is made for dilapidations and environmental remediation costs. Liabilities for environmental remediation costs are recognised as a property provision when environmental assessments or remediation are probable and the associated costs can be reliably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or closure of inactive sites. The provision will be utilised by the payment of annual costs, shortfalls on sub-tenanted property, expenses of early termination, environmental remediation operations and dilapidations.

## Self insurance

Provision is made for the expected costs of uninsured incidents arising prior to the balance sheet date and for the anticipated cost of benefits due to existing claimants under the, now discontinued, self-insured incapacity payroll scheme.

## Taxation

### Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

### Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received. Grants compensating for expenses incurred are recognised as a deduction of the related expenses in the Consolidated Income Statement on a systematic basis in the same periods in which the expenses are incurred.

## Foreign currency translation

The Consolidated Financial Statements are presented in Sterling, which is the functional and presentational currency of the Group and Company.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rates of exchange quoted at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Day-to-day transactions in a foreign currency are recorded in the functional currency at an average rate for the month in which those transactions take place, which is used as a reasonable approximation to the actual transaction rate.

Translation differences on monetary items are taken to the Consolidated Income Statement.

A number of subsidiaries within the Group have a non-sterling functional currency. The financial performance and end position of these entities are translated into Sterling in the Consolidated Financial Statements. Balance sheet items are translated at the rate applicable at the balance sheet date. Transactions reported in the Consolidated Income Statement are translated using an average rate for the month in which they occur.

The differences that arise from translating the results of foreign entities at average rates of exchange, and their assets and liabilities at closing rates, are dealt with in a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Consolidated Income Statement.

## Derivative financial instruments and hedging activities

The Group enters into commodity swaps to hedge against the Group's exposure to price changes in respect of diesel. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the variability of cash flows (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in the cash flows of hedged items.

## Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised within Comprehensive income and accumulated in a separate component of equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement.

Amounts accumulated in equity are recycled in the Consolidated Income Statement in the years when the hedged item will affect profit or loss (for example, when the forecast transaction that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Income Statement.

## Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as at fair value through profit or loss, and changes in their fair value are recognised immediately in the Consolidated Income Statement.

## Net investment hedging

Financial instruments are classified as net investment hedges when they hedge the Group's net investment in an overseas operation. The effective element of any foreign exchange gain or loss from remeasuring the instrument is recognised directly in other comprehensive income and accumulated in the translation reserve in equity. Any ineffective element is recognised immediately in the Consolidated Income Statement. Gains and losses accumulated in the translation reserve are reclassified to the Consolidated Income Statement when the foreign operation is disposed of.

## Investment in own shares

Ordinary shares in the Company held by the Trustee of the Employee Share Trust (EST), are recorded in the Balance Sheet as a reduction in Shareholders' equity.

Own shares are treated as a deduction to equity until the shares are cancelled, at which point they are transferred to retained earnings. The nominal value of shares in the Company purchased and subsequently cancelled is shown as a reduction in share capital and an equal and opposite transfer to the capital redemption reserve.

## Dividend distribution

Dividends to holders of equity instruments declared after the balance sheet date are not recognised as a liability as at the balance sheet date. Final dividend distributions to the Company's Shareholders are recognised in the Group's financial statements in the year in which the dividends are approved by the Company's Shareholders. Interim dividends are recognised when paid.

## Shareholders' equity

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Share premium

Amounts in excess of the nominal value of Ordinary shares issued are recognised in share premium except where the Company was able to take relief under section 612 of the Companies Act 2006 from crediting share premium and instead transfer the net proceeds in excess of the nominal value to retained earnings.

### Capital redemption reserve

Amounts in respect of the redemption of certain of the Company's Ordinary shares are recognised in the Capital redemption reserve once shares have been cancelled. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Merger reserve

The merger reserve represents the difference arising on completion of the relevant mergers in accordance with applicable accounting standards.

### Translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and exchange differences on financial instruments that provide a hedge against net investments in foreign operations.

### Hedging reserve

The hedging reserve represents the accumulated movements in the Group's derivative financial instruments that have been designated as hedging instruments. Amounts are transferred in and out of the reserve on the revaluation, or realisation, of identified hedging instruments.

# Statement of Significant Accounting Policies

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## FINANCIAL RISK MANAGEMENT

### 1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and fair value interest rate risk), price risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating companies. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

#### (a) Market risk

##### Currency risk

The Group monitors the growth and risks associated with its overseas operations. In August 2023, the Group entered into a net investment hedge to manage the impact of movements in the GBP:EUR exchange rate on the value of the Group's investment in its business in the Republic of Ireland.

Further details are provided in note 27 of these Consolidated Financial Statements.

##### Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from its borrowings and lease liabilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Lease liabilities are calculated on commencement of a lease as the remaining lease payments discounted using the incremental borrowing rate of the Group, thus exposing the Group to fair value interest rate risk.

Note 27 to the Consolidated Financial Statements provides additional disclosures regarding cash flow and fair value interest rate risk.

##### Price risk – Utilities and fuel

Key costs incurred by the Group in its operations include utility costs for gas and electricity. The Group also incurs significant costs in respect of diesel given the size of the fleet of vehicles operated across the Group. Changes in utilities or fuel costs could have a material impact on the Group's financial performance.

The Group takes steps to mitigate the risk of price changes across both utilities and fuel as appropriate. In respect of gas and electricity, the Group enters into contracts with suppliers to forward fix prices for determined periods, ensuring the Group has appropriate visibility of future costs and to protect the Group, in the short term, over price volatility.

To try and mitigate the price risk associated with diesel costs the Group has entered into certain forward contracts with financial institutions to fix an element of the diesel cost being incurred by the Group. Contracts are in place to cover a portion of the Group's forecast diesel usage and allow for actual costs to be swapped for a fixed rate on a monthly basis. Additional details of the contracts entered into by the Group are included in note 27.

#### (b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group's credit risk is relatively low as, for banks and financial institutions, only independently rated parties with a minimum rating of 'A-2' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

With regards to credit exposures to customers, the Group applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group continues to establish a provision for impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. In addition, IFRS 9 requires the Group to consider forward looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The expected loss rates are based on the payment profiles of sales over the year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. Trade receivables have been grouped for this analysis based on shared credit risk characteristics, including segment and region in which the customer operates. The model considers indicators such as actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customers' ability to meet its obligations. This would include the impact of possible customer closures, unemployment increases etc which are factors impacting the ability of customers to settle outstanding debts.

Further to the above model, trade receivables are specifically impaired where there are indicators of significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, or there is default or delinquency in payments.

Note 18 and Note 27 provide both numerical and narrative disclosures regarding credit risk.

**(c) Liquidity risk**

Prudent liquidity risk management involves maintaining sufficient cash reserves and maintaining the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising an undrawn borrowing facility (note 22) and cash and cash equivalents (note 27) on the basis of expected cash flow.

## **2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Further details are provided in the Financial Review and in note 27.

# Notes to the Consolidated Financial Statements

## 1 SEGMENT ANALYSIS

The chief operating decision-maker (CODM) has been identified as the Executive Directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM determines the operating segments based on those reports and on the internal reporting structure.

For reporting purposes, the CODM considered the aggregation criteria set out within IFRS 8, 'Operating Segments', which allows for two or more operating segments to be combined as a single reporting segment if:

- 1) aggregation provides financial statement users with information that allows them to evaluate the business and the environment in which it operates; and
- 2) they have similar economic characteristics (for example, where similar long-term average gross margins would be expected) and are similar in each of the following respects:
  - the nature of the products and services;
  - the nature of the production processes;
  - the type or class of customer for their products and services;
  - the methods used to distribute their products or provide their services; and
  - the nature of the regulatory environment (i.e. banking, insurance or public utilities), if applicable.

The CODM deems it appropriate to present two reporting segments (in addition to 'Discontinued Operations' and 'All Other Segments'), being:

- 1) Hotel, Restaurant and Catering ('HORECA'): comprising of our Johnsons Hotel, Restaurant and Catering Linen, Johnsons Hotel Linen, Johnsons Luxury Linen and Johnsons Ireland businesses each of which are a separate operating segment; and
- 2) Workwear: comprising of our Johnsons Workwear business only

The CODM's rationale for aggregating the Johnsons Hotel, Restaurant and Catering Linen, Johnsons Hotel Linen, Johnsons Luxury Linen and Johnsons Ireland, operating segments into a single reporting segment is set out below:

- the gross margins of each operating segment are within a similar range, with long-term average margin expected to further align;
- the nature of the customers, products and production processes of each operating segment are very similar;
- the nature of the regulatory environment is the same due to the similar nature of products, processes and customers involved; and
- distribution is via exactly the same method across each operating segment.

The CODM assesses the performance of the reporting segments based on a measure of operating profit, both including and excluding the effects of non-recurring items from the reporting segments, such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring or non-operating event. Interest income and expenditure are not included in the result for each reporting segment that is reviewed by the CODM. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, for example rental income received by Johnson Group Properties PLC (the main property holding company of the Group) is credited back, where appropriate, to the paying company for the purpose of segmental reporting. There have been no changes in measurement methods used compared to the prior year.

Other information provided to the CODM is measured in a manner consistent with that in the financial statements. Segment assets exclude deferred income tax assets, post-employment benefit surplus, derivative financial assets, current income tax assets and cash and cash equivalents, all of which are managed on a central basis. Segment liabilities include lease liabilities but exclude current income tax liabilities, bank borrowings, derivative financial liabilities, post-employment benefit obligations and deferred income tax liabilities, all of which are managed on a central basis. These balances are part of the reconciliation to total assets and liabilities.

Exceptional items have been included within the appropriate reporting segment as shown on pages 145 to 146.

**1 SEGMENT ANALYSIS** (Continued)

Year ended 31 December 2025	HORECA £m	Workwear £m	All Other Segments £m	Total £m
<b>Revenue</b>				
Rendering of services	389.5	141.9	–	531.4
Sale of goods	0.3	3.7	–	4.0
<b>Total revenue</b>	<b>389.8</b>	<b>145.6</b>	<b>–</b>	<b>535.4</b>
Cost of Sales	(227.9)	(87.9)	–	(315.8)
Distribution costs	(64.3)	(20.9)	–	(85.2)
Administrative costs	(37.8)	(15.8)	(8.3)	(61.9)
<b>Operating profit/(loss) before amortisation of intangible assets (excluding software amortisation) and exceptional items</b>	<b>59.8</b>	<b>21.0</b>	<b>(8.3)</b>	<b>72.5</b>
Amortisation of intangible assets (excluding software amortisation)	(7.7)	–	–	(7.7)
Exceptional items	(2.1)	(1.8)	(2.1)	(6.0)
<b>Operating profit/(loss)</b>	<b>50.0</b>	<b>19.2</b>	<b>(10.4)</b>	<b>58.8</b>
Total finance cost				(8.0)
<b>Profit before taxation</b>				<b>50.8</b>
Taxation charge				(13.8)
<b>Profit for the year from continuing operations</b>				<b>37.0</b>
<b>Profit for the year from discontinued operations</b>				<b>0.1</b>
<b>Profit for the year attributable to equity holders</b>				<b>37.1</b>

All of the above revenues are generated in the United Kingdom, with the exception of £37.5 million generated within the Republic of Ireland.

	HORECA £m	Workwear £m	All Other Segments £m	Total £m
<b>Balance sheet information</b>				
Segment assets	397.2	164.2	1.8	563.2
Unallocated assets:				
Post-employment benefit assets				4.9
Current income tax assets				0.4
Cash and cash equivalents				11.0
<b>Total assets</b>				<b>579.5</b>
Segment liabilities	(99.4)	(39.8)	(3.4)	(142.6)
Unallocated liabilities:				
Bank borrowings				(123.4)
Derivative financial liabilities				(0.3)
Post-employment benefit obligations				(0.3)
Deferred income tax liabilities				(37.8)
<b>Total liabilities</b>				<b>(304.4)</b>
<b>Other information</b>				
Non-current asset additions				
– Property, plant and equipment	28.3	5.3	–	33.6
– Right of use assets (including reassessment/modifications)	3.7	2.9	0.4	7.0
– Textile rental items	42.6	27.2	–	69.8
– Customer contracts	3.4	–	–	3.4
Depreciation and amortisation expense				
– Property, plant and equipment	19.3	5.8	–	25.1
– Right of use assets	4.8	2.8	0.1	7.7
– Textile rental items	38.9	22.3	–	61.2
– Capitalised software	0.1	0.2	–	0.3
– Customer contracts	7.7	–	–	7.7

With the exception of non-current assets of £18.0 million which were located in the Republic of Ireland, all non-current assets of the Group reside in the Group's country of domicile, the United Kingdom.

# Notes to the Consolidated Financial Statements

Continued >

## 1 SEGMENT ANALYSIS (Continued)

Year ended 31 December 2024	HORECA £m	Workwear £m	All Other Segments £m	Total £m
<b>Revenue</b>				
Rendering of services	371.0	139.0	–	510.0
Sale of goods	0.2	32	–	34
<b>Total revenue</b>	<b>371.2</b>	<b>142.2</b>	<b>–</b>	<b>513.4</b>
Cost of Sales	(222.6)	(85.2)	–	(307.8)
Distribution costs	(61.5)	(20.2)	–	(81.7)
Administrative costs	(37.7)	(16.5)	(7.4)	(61.6)
<b>Operating profit/(loss) before amortisation of intangible assets (excluding software amortisation) and exceptional items</b>	<b>49.4</b>	<b>20.3</b>	<b>(7.4)</b>	<b>62.3</b>
Amortisation of intangible assets (excluding software amortisation)	(6.8)	(0.4)	–	(7.2)
Exceptional items	(0.4)	–	–	(0.4)
<b>Operating profit/(loss)</b>	<b>42.2</b>	<b>19.9</b>	<b>(7.4)</b>	<b>54.7</b>
Total finance cost				(7.5)
<b>Profit before taxation</b>				<b>47.2</b>
Taxation charge				(11.7)
<b>Profit for the year from continuing operations</b>				<b>35.5</b>
<b>Profit for the year from discontinued operations</b>				<b>0.1</b>
<b>Profit for the year attributable to equity holders</b>				<b>35.6</b>

All of the above revenues are generated in the United Kingdom, with the exception of £34.1 million generated within the Republic of Ireland.

	HORECA £m	Workwear £m	All Other Segments £m	Total £m
<b>Balance sheet information</b>				
Segment assets	390.7	154.4	1.9	547.0
Unallocated assets: Post-employment benefit assets				3.8
Cash and cash equivalents				11.5
<b>Total assets</b>				<b>562.3</b>
Segment liabilities	(102.2)	(39.2)	(3.7)	(145.1)
Unallocated liabilities: Bank borrowings				(80.1)
Derivative financial liabilities				(0.3)
Post-employment benefit obligations				(0.3)
Current income tax liabilities				(0.7)
Deferred income tax liabilities				(28.9)
<b>Total liabilities</b>				<b>(255.4)</b>
<b>Other information</b>				
Non-current asset additions				
– Property, plant and equipment	37.9	10.1	–	48.0
– Right of use assets (including reassessment/modifications)	4.7	2.5	0.1	7.3
– Textile rental items	38.9	24.0	–	62.9
– Capitalised software	0.1	–	–	0.1
– Customer contracts	6.0	–	–	6.0
Depreciation and amortisation expense				
– Property, plant and equipment	16.8	5.7	–	22.5
– Right of use assets	4.5	2.4	0.1	7.0
– Textile rental items	39.5	20.6	–	60.1
– Capitalised software	0.3	0.4	–	0.7
– Customer contracts	6.8	0.4	–	7.2

With the exception of non-current assets of £11.6 million which were located in the Republic of Ireland, all non-current assets of the Group reside in the Group's country of domicile, the United Kingdom.

## 2 EXPENSES BY FUNCTION

	2025 £m	2024 £m
<b>Revenue</b>		
Rendering of services	531.4	510.0
Sale of goods	4.0	3.4
<b>Total revenue</b>	<b>535.4</b>	<b>513.4</b>
Cost of sales	(315.8)	(307.8)
Distribution costs	(85.2)	(81.7)
Administrative expenses	(61.9)	(61.6)
<b>Operating profit before amortisation of intangible assets (excluding software amortisation) and exceptional items</b>	<b>72.5</b>	<b>62.3</b>
Amortisation of intangible assets (excluding software amortisation)	(7.7)	(7.2)
Exceptional items	(6.0)	(0.4)
<b>Operating profit</b>	<b>58.8</b>	<b>54.7</b>

The items outlined below have been charged/(credited) to the Consolidated Income Statement in deriving operating profit:

	2025 £m	2024 £m
Employee benefit expense (note 4)	248.9	229.0
Auditor's remuneration (note 3)	0.9	0.6
Exceptional items (note 6)	3.0	0.4
Trade receivables impairment (note 18)	1.2	1.2
Energy costs*	39.5	45.2
Water and effluent costs	8.5	7.7
All other operating costs**	71.6	75.4
Amortisation of intangible assets: (note 13)		
Capitalised software	0.3	0.7
Customer contracts	7.7	7.2
Depreciation and impairment of:		
Property, plant and equipment (note 14)	25.1	22.5
Right of use assets (note 15)	7.7	7.0
Textile rental items (note 16)	61.2	60.1
Short term/low value leases:		
Land and buildings	0.2	0.6
Sublet rental income	(0.4)	(0.5)
Plant and equipment	1.2	1.6

\* Energy costs comprise of electricity, gas and fuel costs.

\*\* All other operating costs includes other distribution costs, other production costs, costs of inventory and other administrative costs.

## 3 AUDITOR'S REMUNERATION

	2025 £m	2024 £m
Fees payable for the audit of the Company	0.1	0.1
Fees payable for the audit of the Company's subsidiaries	0.5	0.5
Fees payable in relation to non-audit services	0.3	–
<b>Auditor's remuneration</b>	<b>0.9</b>	<b>0.6</b>

Included in the above for the year to 31 December 2025 is £325,480 for non-audit services (2024: £15,461) in respect of the Auditor of which £310,000 has been charged to exceptional costs.

# Notes to the Consolidated Financial Statements

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## 4 EMPLOYEE BENEFIT EXPENSE

	2025 £m	2024 £m
Wages and salaries	205.9	192.6
Social security costs	24.6	18.3
Redundancy costs	1.0	0.1
Pension costs – defined contribution plans (Note 26)	6.0	5.5
<b>Total costs</b>	<b>237.5</b>	<b>216.5</b>
Agency costs	8.7	10.8
Cost of employee share schemes (Note 30)	2.7	1.7
<b>Total employee benefit expense</b>	<b>248.9</b>	<b>229.0</b>

Within the above employee benefit expense note costs of £2.7 million (2024: £nil) have been included within exceptional items.

The monthly average number of persons employed by the Group during the year was:

	2025	2024
HORECA	4,810	4,687
Workwear	1,864	1,894
All other segments	22	20
<b>Total</b>	<b>6,696</b>	<b>6,601</b>

## 5 DIRECTORS' EMOLUMENTS AND REMUNERATION OF THE KEY MANAGEMENT PERSONNEL

Detailed disclosures that form part of these financial statements are given in the Directors' Remuneration Report on pages 94 to 115. Key management personnel is defined as the Board.

	2025 £m	2024 £m
Short-term employee benefits	1.9	2.4
Share based payments	1.2	0.7
Post-employment benefits	0.1	0.1
<b>Total</b>	<b>3.2</b>	<b>3.2</b>

Short-term employee benefits shown in the table above include social security costs, bonuses and other benefits. Post-employment benefits above include cash in lieu of pension contributions.

## 6 EXCEPTIONAL ITEMS

	2025 £m	2024 £m
Costs in relation to business acquisition activity	(0.5)	(1.4)
Reorganisation costs	(3.4)	–
Costs in relation to the Main Market listing	(1.7)	–
Insurance claims	(0.4)	–
Property related credits	–	1.0
<b>Total exceptional items</b>	<b>(6.0)</b>	<b>(0.4)</b>

Of the £6.0 million of exceptional items £2.7 million would be included in cost of sales and £3.3 million would be included within administrative expenses.

### CURRENT YEAR EXCEPTIONAL ITEMS

#### Costs in relation to business acquisition activity

The cost increases being experienced across UK businesses are encouraging some of our smaller, independent competitors to review their business strategy which, as a result, allowed us to add contracts with an annualised revenue of some £49 million to our HORECA division during the year. Professional and transitional services fees of £0.3 million were incurred in relation to those contract acquisitions. A further £0.2 million was incurred in respect of other business acquisition related activities.

#### Reorganisation costs

The project to relocate our Workwear operations from Lancaster to Manchester, and the subsequent closure of the Lancaster site, resulted in the recognition of £1.4 million of reorganisation costs during the year.

## 6 EXCEPTIONAL ITEMS (Continued)

Reorganisation costs of £0.9 million were also incurred during the period in relation to the contract acquisitions mentioned above.

A further £1.1 million of reorganisation costs have also been incurred across the Group during the year.

### Costs in relation to the main market listing

Costs of £1.7 million were incurred during the year in relation to the Company's ordinary shares being admitted to the Equity Shares (Commercial Companies) Category of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange, which occurred on 1 August 2025.

### Insurance claims

At the end of June 2025, our small industrial workwear processing unit in Bristol suffered a fire which rendered that part of the site inoperable. To date, costs of £0.4 million have been recognised within exceptional items. In accordance with UK-adopted international accounting standards, related insurance proceeds will be recognised when it is deemed virtually certain that they will be received.

## PRIOR YEAR EXCEPTIONAL ITEMS

### Costs in relation to business acquisition activity

Professional fees of £0.4 million were incurred relating to the acquisition of Empire Linen Services Limited. A further £1.0 million was incurred in respect of other business acquisition related activities.

### Property related credits

Income of £0.6 million was recognised in respect of a non-returnable deposit received relating to the potential sale of a freehold site in Exeter, which was destroyed by a fire in 2020. In addition, a £0.4 million provision relating to the same site was released as it was no longer required.

## 7 FINANCE COST

	2025 £m	2024 £m
Interest payable on bank loans and overdrafts	5.2	4.8
Amortisation of bank facility fees	0.4	0.4
Finance costs on lease liabilities relating to IFRS 16 (note 23)	2.6	2.3
Notional interest on post-employment benefits (note 26)	(0.2)	–
<b>Total finance cost</b>	<b>8.0</b>	<b>7.5</b>

## 8 ALTERNATIVE PERFORMANCE MEASURES (APMS)

As discussed on pages 133 to 134 of these Consolidated Financial Statements, we refer to a number of APMs. A reconciliation of the APMs for continuing operations used are shown below:

	2025 £m	2024 £m
<b>Adjusted profit before and after taxation</b>		
Profit before taxation	50.8	47.2
Amortisation of intangible assets (excluding software amortisation)	7.7	7.2
Exceptional items	6.0	0.4
<b>Adjusted profit before taxation</b>	<b>64.5</b>	<b>54.8</b>
Taxation thereon	(15.6)	(12.7)
<b>Adjusted profit after taxation</b>	<b>48.9</b>	<b>42.1</b>
<b>Adjusted EBITDA</b>		
Operating profit before amortisation of intangible assets (excluding software amortisation) and exceptional items	72.5	62.3
Software amortisation	0.3	0.7
Property, plant and equipment depreciation	25.1	22.5
Right of use asset depreciation	7.7	7.0
Textile rental items depreciation	61.2	60.1
<b>Adjusted EBITDA</b>	<b>166.8</b>	<b>152.6</b>

# Notes to the Consolidated Financial Statements

Continued >

## 9 TAXATION

	2025 £m	2024 £m
<b>Current tax</b>		
UK corporation tax charge for the year	5.9	2.5
Adjustment in relation to previous years	(0.3)	(0.3)
<b>Current tax charge for the year</b>	<b>5.6</b>	<b>2.2</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	7.9	10.1
Adjustment in relation to previous years	0.3	(0.6)
<b>Deferred tax charge for the year</b>	<b>8.2</b>	<b>9.5</b>
<b>Total charge for taxation included in the Consolidated Income Statement</b>	<b>13.8</b>	<b>11.7</b>

The tax charge for the year is higher (2024: lower) than the effective rate of Corporation Tax in the UK of 25.0% (2024: 25.0%). A reconciliation is provided below:

	2025 £m	2024 £m
Profit before taxation	50.8	472
Profit before taxation multiplied by the effective rate of Corporation Tax in the UK	12.7	11.8
Factors affecting taxation charge for the year:		
Non-taxable income	–	(0.3)
Tax effect of expenses not deductible for tax purposes	1.4	1.2
Difference in current and deferred taxation rates	–	0.1
Tax rate differential on non-UK profits	(0.3)	(0.2)
Adjustments in relation to previous years	–	(0.9)
<b>Total charge for taxation included in the Consolidated Income Statement</b>	<b>13.8</b>	<b>11.7</b>

Taxation in relation to the amortisation of intangible assets (excluding software amortisation) has decreased the charge for taxation on continuing operations by £0.9 million (2024: £1.1 million). Taxation in relation to exceptional items has decreased the charge for taxation on continuing operations by £0.9 million (2024: £0.1 million increase).

Deferred income tax balances at the balance sheet date in the UK have been measured at a tax rate of 25.0% (2024: 25.0%). Deferred tax balances in relation to balances held in the Republic of Ireland have been recognised at 12.5%, in line with the prevailing rate of tax in 2025 (2024: 12.5%).

During the year, a deferred taxation charge of £0.2 million (2024: £1.0 million) has been recognised in Other Comprehensive Income in relation to post-employment benefits.

## 10 DIVIDENDS

	2025	2024
<b>Dividend per share</b>		
Final dividend proposed	320p	270p
Interim dividend proposed and paid	1.60p	1.30p
	2025 £m	2024 £m
<b>Shareholders' funds committed</b>		
Final dividend proposed	121	11.1
Interim dividend proposed and paid	6.3	5.4

The Directors propose the payment of a final dividend in respect of the year ended 31 December 2025 of 32 pence per share. Based upon the number of shares in issue as at the latest practicable date prior to the publication of this document, this is expected to, utilise Shareholders' funds of £121 million and will be paid, subject to Shareholder approval, on 15 May 2026 to Shareholders on the register of members on 17 April 2026. In accordance with IAS 10 there is no payable recognised at 31 December 2025 in respect of this proposed dividend. The trustee of the EST has waived the entitlement to receive dividends on the Ordinary shares held by the trust.

## 11 EARNINGS PER SHARE

	2025 £m	2024 £m
Profit for the financial year from continuing operations attributable to Shareholders	370	355
Amortisation of intangible assets from continuing operations (net of taxation)	6.8	6.1
Exceptional costs from continuing operations (net of taxation)	5.1	0.5
Adjusted profit from continuing operations attributable to Shareholders	489	421
Profit from discontinued operations attributable to Shareholders	0.1	0.1
<b>Total adjusted profit from all operations attributable to Shareholders</b>	<b>49.0</b>	<b>42.2</b>

	No. of shares	No. of shares
Weighted average number of Ordinary shares	401,128,215	414,500,856
Potentially dilutive Ordinary shares	1,747,031	3,656,131
Diluted number of Ordinary shares	402,875,246	418,156,987

	Pence per share (p)	Pence per share (p)
<b>Basic earnings per share</b>		
From continuing operations	93p	85p
From discontinued operations	–	–
From total operations	93p	85p
Adjustments for amortisation of intangible assets (continuing)	1.7p	1.5p
Adjustment for exceptional items (continuing)	12p	0.2p
Adjusted basic earnings per share (continuing)	122p	102p
Adjusted basic earnings per share (discontinued)	–	–
Adjusted basic earnings per share from total operations	122p	102p
<b>Diluted earnings per share</b>		
From continuing operations	92p	84p
From discontinued operations	–	–
From total operations	92p	84p
Adjustments for amortisation of intangible assets (continuing)	1.7p	1.5p
Adjustment for exceptional items (continuing)	12p	0.2p
Adjusted diluted earnings per share (continuing)	121p	101p
Adjusted diluted earnings per share (discontinued)	–	–
Adjusted diluted earnings per share from total operations	121p	101p

Basic earnings per share is calculated using the weighted average number of Ordinary shares in issue during the year, excluding those held by the Employee Share Trust, based on the profit for the year attributable to Shareholders. Adjusted earnings per share figures are given to exclude the effects of amortisation of intangible assets (excluding software amortisation) and exceptional items, all net of taxation, and are considered to show the underlying performance of the Group.

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all potentially dilutive Ordinary shares. The Company has potentially dilutive Ordinary shares arising from share options granted to employees. Options are dilutive under the SAYE scheme, where the exercise price together with the future IFRS 2 charge of the option is less than the average market price of the Company's Ordinary shares during the year. Options under the LTIP schemes, as defined by IFRS 2, are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions, as set out in the Directors' Remuneration Report, are satisfied at the end of the reporting period, irrespective of whether this is the end of the vesting period or not.

Potentially dilutive Ordinary shares are dilutive at the point, from a continuing operations level, when their conversion to Ordinary shares would decrease earnings per share or increase loss per share. Potentially dilutive Ordinary shares have been treated as dilutive in both years, as their inclusion in the diluted earnings per share calculation decreases the earnings per share from continuing operations.

There were no events occurring after the balance sheet date, and up until the date of this report, that would have changed significantly the number of Ordinary shares or potentially dilutive Ordinary shares outstanding at the balance sheet date if those transactions had occurred before the end of the reporting period.

# Notes to the Consolidated Financial Statements

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## 12 GOODWILL

	2025 £m	2024 £m
<b>Cost</b>		
Brought forward	155.0	145.8
Impact of foreign exchange translation	0.4	(0.3)
Business combinations (see note 34)	–	9.5
<b>Carried forward</b>	<b>155.4</b>	<b>155.0</b>
<b>Accumulated impairment losses</b>		
Brought forward	1.4	1.4
Losses in the year	–	–
<b>Carried forward</b>	<b>1.4</b>	<b>1.4</b>
<b>Carrying amount</b>		
Opening	153.6	144.4
<b>Closing</b>	<b>154.0</b>	<b>153.6</b>

In accordance with UK adopted international accounting standards, goodwill is not amortised but instead is tested annually for impairment, or more frequently if there are indicators that an impairment has arisen, and carried at cost less accumulated impairment losses.

### Impairment tests for goodwill

The allocation of goodwill to Cash Generating Units (CGUs) is as follows:

	2025 £m	2024 £m
Workwear	41.7	41.7
Hotel, Restaurant and Catering Linen	48.3	48.3
Hotel Linen	40.9	40.9
Luxury Linen	12.7	12.7
Ireland	10.4	10.0
HORECA	112.3	111.9
<b>Total</b>	<b>154.0</b>	<b>153.6</b>

Goodwill is tested for impairment by comparing the carrying value of each CGU against its recoverable amount. The carrying value for each CGU includes the net book value of goodwill, intangible assets and certain related deferred tax balances, property, plant and equipment, right of use assets, textile rental items and lease liabilities. Where lease liabilities have been included within the carrying value, the same adjustment has been made to the recoverable amount. Deferred tax balances included are only those which have arisen as a result of a business combination in accordance with IAS 12 and performing the VIU assessment on a pre-tax basis in accordance with IAS 36. They are included to avoid any potential 'artificial' impairment of the CGU.

The recoverable amount of a CGU is primarily determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets and forecasts, covering three years, which are approved by the Board. In arriving at the values assigned to each key assumption management make reference to past experience and external sources of information regarding the future. Key assumptions around income and costs within the budget are derived on a detailed, 'bottom up' basis. All income streams and cost lines are considered and appropriate growth, or decline, rates are assumed for each, all of which are then reviewed, challenged and stress tested, firstly by senior management and ultimately by the Board. Income and cost growth forecasts are risk adjusted to reflect specific risks facing each CGU and take into account the markets in which they operate. Cash flows beyond the above period are, ordinarily, extrapolated using the estimated growth rate stated below, which does not exceed the long-term average growth rate for the markets in which the CGU's operate, into perpetuity.

## 12 GOODWILL (Continued)

When assessing the recoverable amount for CGUs as at 30 November 2025, the forecasts covered the period to the end of 2028. Cash flows beyond that period were then extrapolated using the estimated growth rate stated below. It is assumed that there are no material adverse changes in legislation that would affect the forecast cash flows.

The pre-tax discount rate used within the recoverable amount calculations was 14.1% (2024: 14.3%) for all Sterling denominated cashflows and 10.8% (2024: 10.7%) for Euro denominated cashflows and is based upon the weighted average cost of capital reflecting specific principal risks and uncertainties. The discount rate takes into account, amongst other things, the risk free rate of return, the market risk premium, size premium and beta factor reflecting the average Beta for the Group and comparator companies which are used in deriving the cost of equity.

The same discount rate has been used for each CGU (with the exception of Euro denominated cashflows within the Ireland CGU) as the principal risks and uncertainties associated with the Group, as highlighted on pages 50 to 56, are expected to impact each CGU in a similar manner. Although Ireland is also impacted by the same principal risks and uncertainties associated with the Group as a whole, it is also subject to a different economic and regulatory environment and, therefore, where relevant, a different WACC has been calculated to take these differences into account.

The Board acknowledge that there are additional factors that could impact the risk profile of each CGU. These additional factors were considered by way of sensitivity analysis performed as part of the annual impairment tests. The level of headroom is predominantly dependent upon judgments used in arriving at future growth rates and the discount rate applied to cash flow projections. Within the cash flow projections, key drivers to future growth rates are dependent on the Group's ability to maintain and grow income streams including price increases and volume growth, whilst effectively managing operating costs in light of the current inflationary pressures in the wider macroeconomic environment. The level of headroom may change if different growth rate assumptions, a different pre-tax discount rate were used or cash flow projections were not met in the calculation of value-in-use for each CGU. Where the value-in-use calculations suggest an impairment, the Board would consider alternative use values prior to realising any impairment, being the fair value less costs to dispose.

Sensitivity analysis has been performed in assessing the recoverable amounts of goodwill such that (i) the long-term growth rate for the forecast period was reduced to nil and (ii) the pre-tax discount rate was increased by 4.55%. Such changes did not result in any impairment of goodwill. Significant headroom exists in each of the CGUs and, based on the stress testing performed, reasonable possible changes in the assumptions would not cause the carrying amount of the CGUs to equal or to exceed their recoverable amount. From this sensitivity analysis, it was identified that the Ireland CGU is the most sensitive to any changes beyond the assumptions considered.

The assumptions used for value-in-use calculations are as follows:

	2025		2024	
	Sterling	Euro	Sterling	Euro
Annual growth rate (after forecast period)	2.00%	2.00%	2.00%	2.00%
Risk free rate of return	5.07%	3.30%	4.55%	2.32%
Market risk premium	5.26%	5.26%	4.90%	5.21%
Beta Factor	0.93	0.93	1.16	1.16
Size Premium	3.00%	3.00%	3.00%	3.00%
Cost of debt	7.54%	7.24%	7.37%	6.64%

Having completed the 2025 impairment review, no impairment has been recognised in relation to the CGUs.

# Notes to the Consolidated Financial Statements

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## 13 INTANGIBLE ASSETS

	Capitalised Software £m	Other Intangible Assets £m	Total £m
<b>Cost</b>			
<b>At 31 December 2023</b>	<b>2.6</b>	<b>99.5</b>	<b>102.1</b>
Additions	0.1	6.0	6.1
Business combination (note 34)	–	122	122
Foreign exchange differences	–	(0.6)	(0.6)
<b>At 31 December 2024</b>	<b>2.7</b>	<b>117.1</b>	<b>119.8</b>
Additions	–	3.4	3.4
Foreign exchange differences	–	0.6	0.6
<b>At 31 December 2025</b>	<b>2.7</b>	<b>121.1</b>	<b>123.8</b>
<b>Accumulated amortisation</b>			
<b>At 31 December 2023</b>	<b>1.4</b>	<b>81.6</b>	<b>83.0</b>
Charged during the year	0.7	72	79
Foreign exchange differences	–	(0.1)	(0.1)
<b>At 31 December 2024</b>	<b>2.1</b>	<b>88.7</b>	<b>90.8</b>
Charged during the year	0.3	7.7	8.0
Foreign exchange differences	–	0.1	0.1
<b>At 31 December 2025</b>	<b>2.4</b>	<b>96.5</b>	<b>98.9</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>1.2</b>	<b>17.9</b>	<b>19.1</b>
<b>At 31 December 2024</b>	<b>0.6</b>	<b>28.4</b>	<b>29.0</b>
<b>At 31 December 2025</b>	<b>0.3</b>	<b>24.6</b>	<b>24.9</b>

Amortisation of capitalised software is included within administrative expenses in the Consolidated Income Statement in determining adjusted operating profit. Amortisation of other intangible assets is shown separately on the face of the Consolidated Income Statement.

Other intangible assets comprise of customer contracts and relationships and brands arising from business combinations together with the customer contracts acquired not as part of a business combination. For assets resulting from a business combination, fair value is calculated based upon historical and prospective information and financial data specific to each business combination, with an appropriate discount factor applied. For assets not acquired as part of a business combination, fair value is deemed to be the amounts to purchase the contracts less value of stock acquired.

Other intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation of other intangible assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives (usually three to thirteen years).

The longest estimated useful life remaining at 31 December 2025 is 12 years.

### Significant acquisition intangibles (net book value)

Acquisition	Year	Acquisition intangible	Remaining estimated useful life	2025 £m	2024 £m
Empire	2024	Customer Contracts	12 years	91	99
Celtic Linen	2023	Customer Contracts	11 years	72	78

## 14 PROPERTY, PLANT AND EQUIPMENT

	Properties £m	Plant and Equipment £m	Total £m
<b>Cost</b>			
<b>At 31 December 2023</b>	<b>45.0</b>	<b>240.4</b>	<b>285.4</b>
Foreign exchange differences	(0.1)	(0.4)	(0.5)
Additions	1.8	46.2	48.0
Disposals	(0.1)	(5.3)	(5.4)
Business combinations (note 34)	–	0.9	0.9
Transfers from right of use assets	–	0.1	0.1
Transfers to assets classified as held for sale	(0.3)	–	(0.3)
<b>At 31 December 2024</b>	<b>46.3</b>	<b>281.9</b>	<b>328.2</b>
Foreign exchange differences	0.2	0.4	0.6
Additions	2.9	30.7	33.6
Disposals	–	(4.9)	(4.9)
<b>At 31 December 2025</b>	<b>49.4</b>	<b>308.1</b>	<b>357.5</b>
<b>Accumulated depreciation</b>			
<b>At 31 December 2023</b>	<b>17.3</b>	<b>133.6</b>	<b>150.9</b>
Charged during the year	1.1	21.4	22.5
Eliminated on disposals	–	(5.1)	(5.1)
Transfers to assets classified as held for sale	(0.1)	–	(0.1)
<b>At 31 December 2024</b>	<b>18.3</b>	<b>149.9</b>	<b>168.2</b>
Charged during the year	1.1	24.0	25.1
Eliminated on disposals	–	(4.7)	(4.7)
<b>At 31 December 2025</b>	<b>19.4</b>	<b>169.2</b>	<b>188.6</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>27.7</b>	<b>106.8</b>	<b>134.5</b>
<b>At 31 December 2024</b>	<b>28.0</b>	<b>132.0</b>	<b>160.0</b>
<b>At 31 December 2025</b>	<b>30.0</b>	<b>138.9</b>	<b>168.9</b>

The value of assets under construction at 31 December 2025 was £2.8 million (2024: £5.3 million) and are included above within plant and equipment. Depreciation charges are recognised in cost of sales, administrative expenses and distribution costs depending on the assets to which the depreciation relates.

The transfer of assets from right of use assets represents the reclassification of the cost of assets from right of use assets where the lease was repaid in the year and the asset is now owned.

# Notes to the Consolidated Financial Statements

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## 15 RIGHT OF USE ASSETS

	Properties £m	Plant and Equipment £m	Total £m
<b>Cost</b>			
<b>At 31 December 2023</b>	<b>54.6</b>	<b>8.3</b>	<b>62.9</b>
Additions	0.9	0.7	1.6
Business combinations (note 34)	1.9	0.9	2.8
Reassessment/modification of assets previously recognised	5.7	–	5.7
Disposals	–	(2.3)	(2.3)
Transfers to property, plant and equipment	–	(0.1)	(0.1)
<b>At 31 December 2024</b>	<b>63.1</b>	<b>7.5</b>	<b>70.6</b>
Additions	5.9	0.3	6.2
Reassessment/modification of assets previously recognised	0.8	–	0.8
Disposals	(0.9)	(1.1)	(2.0)
<b>At 31 December 2025</b>	<b>68.9</b>	<b>6.7</b>	<b>75.6</b>
<b>Accumulated depreciation</b>			
<b>At 31 December 2023</b>	<b>18.9</b>	<b>4.0</b>	<b>22.9</b>
Charged during the year	5.1	1.9	7.0
Disposals	–	(2.3)	(2.3)
<b>At 31 December 2024</b>	<b>24.0</b>	<b>3.6</b>	<b>27.6</b>
Charged during the year	6.0	1.7	7.7
Disposals	(0.9)	(1.1)	(2.0)
<b>At 31 December 2025</b>	<b>29.1</b>	<b>4.2</b>	<b>33.3</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>35.7</b>	<b>4.3</b>	<b>40.0</b>
<b>At 31 December 2024</b>	<b>39.1</b>	<b>3.9</b>	<b>43.0</b>
<b>At 31 December 2025</b>	<b>39.8</b>	<b>2.5</b>	<b>42.3</b>

Depreciation charges are recognised in distribution costs and administrative expenses within the Consolidated Income Statement depending on the assets to which the depreciation relates.

The transfer of assets to property, plant and equipment represents the reclassification of the cost and associated depreciation of assets to property, plant and equipment where the lease was repaid in the year and the asset is now owned.

The reassessment/modification of leases relates to rental increases and extensions to lease terms that have been agreed during the year to 31 December 2025 and 31 December 2024 that were in place at the start of the relevant year.

## 16 TEXTILE RENTAL ITEMS

	2025 £m	2024 £m
<b>Cost</b>		
Brought forward	130.4	129.7
Foreign exchange differences	0.4	(0.3)
Additions	69.8	62.9
Business combinations (note 34)	–	1.1
Disposals	(54.6)	(58.4)
Special charges	(4.2)	(4.6)
<b>Carried forward</b>	<b>141.8</b>	<b>130.4</b>
<b>Accumulated depreciation</b>		
Brought forward	57.0	57.8
Foreign exchange differences	0.3	(0.2)
Charged during the year	61.2	60.1
Disposals	(54.6)	(58.4)
Special charges	(2.1)	(2.3)
<b>Carried forward</b>	<b>61.8</b>	<b>57.0</b>
<b>Carrying amount</b>		
Opening	73.4	71.9
<b>Closing</b>	<b>80.0</b>	<b>73.4</b>

Depreciation charges are recognised in cost of sales within the Consolidated Income Statement.

## 17 INVENTORIES

	2025 £m	2024 £m
New textile rental items	2.1	1.8
Raw materials and stores	0.8	0.5
	<b>2.9</b>	<b>2.3</b>

The amounts above are net of an inventory provision of £0.1 million (2024: £0.1 million). There has been £nil (2024: £nil) stock provision recognised during the year within cost of sales in the Consolidated Income Statement. Amounts transferred to cost of sales in the year are £6.6 million (2024: £8.4 million).

## 18 TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
<b>Amounts falling due within one year:</b>		
Trade receivables	72.3	68.8
Less: provision for impairment of trade receivables	(4.2)	(4.5)
Trade receivables – net	68.1	64.3
Unbilled receivables	6.2	5.8
Other receivables	2.5	2.9
Trade receivables, unbilled receivables and other receivables	76.8	73.0
Prepayments	9.3	8.6
Costs incurred to obtain a contract	1.0	0.8
	<b>87.1</b>	<b>82.4</b>
<b>Amounts falling due after more than one year:</b>		
Costs incurred to obtain a contract	0.8	0.5
	<b>0.8</b>	<b>0.5</b>
	<b>87.9</b>	<b>82.9</b>

Prepayments include £3.6 million (2024: £4.3 million) of deposits relating to items of property, plant and equipment where no asset has physically been received as at 31 December 2025.

# Notes to the Consolidated Financial Statements

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## 18 TRADE AND OTHER RECEIVABLES (Continued)

Costs capitalised as costs incurred to obtain a contract during the year total £1.6 million (2024: £1.1 million). The charge recognised during the year relating to costs incurred to obtain a contract is £1.1 million (2024: £0.9 million). Costs capitalised in relation to costs incurred to obtain a contract are expected to be recoverable.

The maturity of financial assets (which comprise of current and non-current trade receivables, unbilled receivables and other receivables) is analysed below:

	Gross £m	Provision £m	2025 Net £m	Gross £m	Provision £m	2024 Net £m
<b>Trade receivables, unbilled receivables and other receivables</b>						
– Not yet due and up to 3 months overdue	78.7	(2.8)	75.9	75.3	(3.1)	72.2
– 3 to 6 months past due	1.9	(1.0)	0.9	1.4	(0.6)	0.8
– 6 to 12 months past due	0.4	(0.4)	–	0.8	(0.8)	–
	<b>81.0</b>	<b>(4.2)</b>	<b>76.8</b>	<b>77.5</b>	<b>(4.5)</b>	<b>73.0</b>

Under IFRS 9, the Group is required to utilise objective evidence as well as consider forward looking information and the probability of default when calculating expected credit losses. The maturity of financial assets is therefore used as an indicator as to the probability of default.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Under IFRS 9, the Group applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Forward looking loss rates for each debt aging category takes into account how overdue the debt is, the type of receivable, operating segment and region in which the customer operates, as well as other current market and trading conditions. Further to the expected credit loss model, trade receivables are specifically impaired where there are indicators of significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, or there is default or delinquency in payments.

There is limited concentration of credit risk with respect to trade receivables due to the diverse and unrelated nature of the Group's customers. Accordingly, the Directors believe that no further credit provision is required in excess of the provision for impairment of receivables.

The movement in the provision for trade and other receivables is analysed below:

	2025 £m	2024 £m
At 1 January	(4.5)	(4.1)
Business acquisitions	–	(0.2)
Provisions for receivables impairment	(1.2)	(1.2)
Receivables written off during the year as uncollectable	1.5	1.0
<b>At 31 December</b>	<b>(4.2)</b>	<b>(4.5)</b>

The creation and release of the provision for impaired receivables has been included in impairment loss on trade receivables in the Consolidated Income Statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

All trade and other receivable balances at the balance sheet date are denominated in Sterling, with the exception of £6.1 million (2024: £4.3 million) which are denominated in Euros, and are held at amortised cost. Given the short-term nature of current receivables there is deemed to be no difference between this and fair value. The difference between the book value and fair value of non-current trade and other receivables is deemed to be not material.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable detailed within this note. The Group does not hold any collateral as security.

## 19 REIMBURSEMENT ASSETS

	2025 £m	2024 £m
Reimbursement assets	2.1	2.6
	<b>2.1</b>	<b>2.6</b>

The Group recognises a reimbursement asset in respect of third-party claims made against the Group, but which under the terms of its insurance policies, the Group is indemnified. All of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policies, and therefore it is virtually certain that reimbursement will be received.

As the Group expects, on average, insurance claims to be settled within one year which is driven by a review of the historic claims data, recognition of these balances is made within current assets and current liabilities.

## 20 TRADE AND OTHER PAYABLES (CURRENT)

	2025 £m	2024 £m
Trade payables	399	411
Other payables	0.9	2.0
Other taxation and social security liabilities	16.8	13.4
Deferred income	0.5	0.5
Accruals	35.0	37.3
	<b>93.1</b>	<b>94.3</b>

All trade and other payables at the balance sheet date are denominated in Sterling, with the exception of £4.8 million (2024: £3.3 million) which are denominated in Euros and are held at amortised cost. Given the short term nature there is deemed to be no difference between this and fair value.

Trade payables are unsecured and are usually paid within 60 days of recognition.

Other taxation and social security liabilities includes amounts owing in relation to Value Added Tax, Pay As You Earn and Pay Related Social Insurance.

Accruals includes balances in relation to, inter alia, energy costs, rebates and wages and salaries.

## 21 TRADE AND OTHER PAYABLES (NON-CURRENT)

	2025 £m	2024 £m
Deferred income	0.1	0.2
	<b>0.1</b>	<b>0.2</b>

The difference between the book value and fair value of non-current trade and other payables is not material.

## 22 BORROWINGS

	2025 £m	2024 £m
<b>Current</b>		
Overdraft	9.1	9.3
Bank loans	(0.1)	(0.4)
	<b>9.0</b>	<b>8.9</b>
<b>Non-current</b>		
Bank loans	114.4	71.2
	<b>114.4</b>	<b>71.2</b>
	<b>123.4</b>	<b>80.1</b>
The maturity of non-current bank loans is as follows:		
– Between one and two years	114.4	–
– Between two and five years	–	71.3
– Unamortised issue costs of bank loans	–	(0.1)
	<b>114.4</b>	<b>71.2</b>
The currency of the outstanding bank loans is as follows:		
– Sterling	83.0	44.0
– Euros	31.4	27.3
	<b>114.4</b>	<b>71.3</b>

At 31 December 2025, borrowings were secured and drawn down under a committed facility dated 8 August 2022. The facility comprises a £135.0 million revolving credit facility (including overdrafts) which runs to August 2027. Details of the security are provided in note 28 to the Consolidated Financial Statements.

Individual tranches are drawn down, in Sterling or Euros, for periods of up to six months and at SONIA or Euribor rates of interest respectively, prevailing at the time of drawdown, plus the credit adjustment spread and the applicable margin. Maturity of the bank loans is shown as non-current to reflect the term of the facility. Although the tranches are drawn down for periods of up to six months, in reality the tranches are not repaid in full and therefore it would be misleading to present the bank loans as current. The margin on the facility ranges between 1.45% and 2.45% and was 1.45% at 31 December 2025. Margin is determined on the achievement of leverage ratios.

# Notes to the Consolidated Financial Statements

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## 22 BORROWINGS (Continued)

The secured bank loans are stated net of unamortised issue costs of £0.1 million (2024: £0.5 million) of which £0.1 million is included within current borrowings (2024: £0.4 million) and £nil is included within non-current borrowings (2024: £0.1 million).

The Group has two net overdraft facilities, included as part of the overall £135.0 million facility, for £5.0 million and £3.0 million (2024: £5.0 million and £3.0 million) with two of its principal bankers.

## 23 LEASE LIABILITIES

	Properties £m	Plant and Equipment £m	Total £m
<b>At 31 December 2023</b>	<b>38.8</b>	<b>4.4</b>	<b>43.2</b>
Additions	0.9	0.7	1.6
Business combinations (note 34)	1.9	0.9	2.8
Reassessment/modification of liabilities previously recognised	5.7	-	5.7
Lease liability payments (including finance costs)	(6.5)	(2.1)	(8.6)
Finance costs	2.1	0.2	2.3
<b>At 31 December 2024</b>	<b>42.9</b>	<b>4.1</b>	<b>47.0</b>
Additions	5.9	0.2	6.1
Reassessment/modification of liabilities previously recognised	0.8	-	0.8
Lease liability payments (including finance costs)	(7.8)	(1.9)	(9.7)
Finance costs	2.5	0.1	2.6
<b>At 31 December 2025</b>	<b>44.3</b>	<b>2.5</b>	<b>46.8</b>

Lease liabilities are comprised of the following balance sheet amounts:

	2025 £m	2024 £m
Amounts due within one year (Lease liabilities, Current liabilities)	74	62
Amounts due after more than one year (Lease liabilities, Non-Current liabilities)	394	40.8
	<b>46.8</b>	<b>47.0</b>

Lease liabilities are as follows:

	2025 £m	2024 £m
<b>Not more than one year</b>		
Minimum lease payments	9.3	8.5
Interest element	(1.9)	(2.3)
<b>Present value of minimum lease payments</b>	<b>7.4</b>	<b>6.2</b>
<b>Between one and five years</b>		
Minimum lease payments	26.4	26.1
Interest element	(6.7)	(6.6)
<b>Present value of minimum lease payments</b>	<b>19.7</b>	<b>19.5</b>
<b>More than five years</b>		
Minimum lease payments	28.5	30.9
Interest element	(8.8)	(9.6)
<b>Present value of minimum lease payments</b>	<b>19.7</b>	<b>21.3</b>

Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. Of the remaining lease liability at 31 December 2025 £nil (2024: £0.1 million) is subject to inflation-linked rentals, relating to the certain commercial vehicles within the HORECA division. A further £42.5 million (2024: £38.2 million) is subject to rent reviews relating to the Group's property portfolio.

Following the adoption of IFRS 16, short term leases (those with an expected term of 12 months or less) and leases for low value assets, continue to be expensed on a straight line basis over the lease term, as under IAS 17. The expense relating to these payments was £1.4 million (2024: £1.6 million).

Total cash outflow for leases, comprising capital and interest payments, for the year ended 31 December 2025 was £9.7 million (2024: £8.6 million).

Furthermore, the Group sublets certain of its properties. Income recognised in the Consolidated Income Statement during the year amounts to £0.4 million (2024: £0.5 million).

## 24 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Deferred Income Tax Assets		Deferred Income Tax Liabilities	
	2025 £m	2024 £m	2025 £m	2024 £m
<b>Recognised deferred income tax assets and liabilities</b>				
Depreciation less than capital allowances	-	-	(47.3)	(43.4)
Employee share schemes	0.8	1.0	-	-
Post-employment benefit surplus/obligations	-	-	(1.2)	(0.9)
Derivative financial liabilities	0.1	0.1	-	-
Trading losses	13.7	19.7	-	-
Other short term timing differences	-	-	-	(0.5)
Separately identifiable intangible assets	-	-	(3.9)	(4.9)
	<b>14.6</b>	<b>20.8</b>	<b>(52.4)</b>	<b>(49.7)</b>

The deferred income tax assets disclosed above are deemed to be recoverable.

The following provides a reconciliation of the movement in each of the deferred income tax assets and liabilities:

	Depreciation less than Capital Allowances £m	Employee Share Schemes £m	Post- employment Benefits £m	Derivative Financial Instruments £m	Trading Losses £m	Other Short Term Timing Differences £m	Intangible Assets £m	Total £m
<b>At 31 December 2023</b>	<b>(35.0)</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>22.4</b>	<b>(0.1)</b>	<b>(2.9)</b>	<b>(15.0)</b>
Deferred income tax liabilities acquired	(0.5)	-	-	-	-	-	(3.1)	(3.6)
(Charge)/credit to income	(7.9)	0.5	(0.1)	-	(2.7)	(0.4)	1.1	(9.5)
Credit to Shareholders' equity	-	0.2	-	-	-	-	-	0.2
Charge to other comprehensive income	-	-	(0.9)	(0.1)	-	-	-	(1.0)
<b>At 31 December 2024</b>	<b>(43.4)</b>	<b>1.0</b>	<b>(0.9)</b>	<b>0.1</b>	<b>19.7</b>	<b>(0.5)</b>	<b>(4.9)</b>	<b>(28.9)</b>
(Charge)/credit to income	(3.9)	0.3	(0.1)	-	(6.0)	0.5	1.0	(8.2)
Charge to Shareholders' equity	-	(0.5)	-	-	-	-	-	(0.5)
Charge to other comprehensive income	-	-	(0.2)	-	-	-	-	(0.2)
<b>At 31 December 2025</b>	<b>(47.3)</b>	<b>0.8</b>	<b>(1.2)</b>	<b>0.1</b>	<b>13.7</b>	<b>-</b>	<b>(3.9)</b>	<b>(37.8)</b>

The charge to income above of £8.2 million (2024: £9.5 million charge) is all in relation to continuing operations.

Deferred income taxes at the balance sheet date have been measured at a tax rate of 25.0% in the UK and 12.5% in ROI as at 31 December 2025 (2024: 25.0% and 12.5% respectively).

The Group does not expect to utilise any of the Group's net deferred income tax liability in the next 12 months. This is management's current best estimate and may not reflect the actual outcome in the next 12 months.

# Notes to the Consolidated Financial Statements

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## 25 PROVISIONS

	Insurance Claims £m	Property £m	Self Insurance £m	Total £m
<b>At 31 December 2023</b>	<b>3.9</b>	<b>0.9</b>	<b>0.9</b>	<b>5.7</b>
Additions	0.7	–	–	0.7
Utilised during the year	(2.0)	–	(0.1)	(2.1)
Credit to Income Statement	–	(0.4)	(0.3)	(0.7)
<b>At 31 December 2024</b>	<b>2.6</b>	<b>0.5</b>	<b>0.5</b>	<b>3.6</b>
Additions	1.8	–	–	1.8
Utilised during the year	(2.3)	–	(0.1)	(2.4)
Credit to Income Statement	–	(0.1)	(0.3)	(0.4)
<b>At 31 December 2025</b>	<b>2.1</b>	<b>0.4</b>	<b>0.1</b>	<b>2.6</b>

	2025 £m	2024 £m
<b>Analysis of total provisions</b>		
Current	2.2	3.2
Non-current	0.4	0.4
	<b>2.6</b>	<b>3.6</b>

### Insurance claims

The Group recognises a provision for liabilities in respect of third party claims made against it. A corresponding reimbursement asset of £2.1 million (2024: £2.6 million) has been recognised as all of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policy. As the Group expects insurance claims to be settled within one year, recognition of these balances is made within current assets and current liabilities. All movement shown above in respect of Insurance claims is non-cash movement as the amounts are settled by the third party insurance provider and therefore there will be no amounts shown within the Consolidated Cashflow Statement.

### Property

The property provision includes onerous property costs, expected lease dilapidation costs and the estimated remediation costs of property where an environmental problem has been identified and the costs to rectify can be reliably measured. The estimates and judgments used in determining the value of provisioning are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The majority of the property provision is expected to be utilised over a period of up to four years.

### Self insurance

£0.1 million of the self insurance provision is in respect of the estimated payments due to existing claimants under the self funded incapacity scheme over an estimated period of 10 years. This scheme is now closed to new entrants.

## 26 POST-EMPLOYMENT BENEFITS

The Group operates pension schemes of both the funded defined benefit and the defined contribution type for a substantial number of employees. In addition, the Group also operates an unfunded defined benefit private healthcare scheme for eligible retirees. The disclosures below are in respect of all of the Group schemes.

### Pensions – defined contribution

Several defined contribution pension schemes are used within the Group. The total cost of employer contributions for the year was £6.0 million (2024: £5.5 million).

### Pensions – defined benefit

The Group operates a defined benefit pension scheme, the Johnson Group Defined Benefit Scheme (JGDBS). The JGDBS was closed to future accrual on 31 December 2014.

A full actuarial valuation of the JGDBS was carried out as at 30 September 2022 and has been updated to 31 December 2025 by an independent qualified actuary. The updated actuarial valuation at 31 December 2025 showed that the scheme had a surplus of £4.9 million (2024: £3.8 million). During the year, no employer or employee contributions were made (2024: £nil).

The schedule of contributions put in place on 31 October 2023, which superseded all earlier versions, required no further deficit recovery payments. Accordingly, deficit recovery payments of £nil (2024: £nil) were made to the Scheme during the year.

The surplus is recognised on the balance sheet in line with IFRIC 14, as the Group has an unconditional legal right to any future economic benefits by way of a future refund of a surplus on wind-up of the scheme.

## 26 POST-EMPLOYMENT BENEFITS (Continued)

### Actuarial assumptions

#### Considerations when calculating the IAS 19 liability

IAS19 sets out prescribed (qualitative) conditions for selecting the actuarial assumptions used to calculate the pension liabilities and pension costs. A key assumption is the discount rate which is used to determine the value of pension liabilities at the balance sheet date. The selection of the price inflation assumptions (both RPI and CPI) is also critical as these are relevant for the pre-retirement revaluation and pension increases in payment assumptions.

These assumptions are based on market yields at the balance sheet date and may not be borne out in practice due to the long-term expected duration of the Scheme. The weighted average duration of the defined benefit obligation is approximately 9 years (2024: 9 years). The duration is calculated based on the membership data and results of the 2022 triennial valuation but updated to reflect market conditions as at 31 December 2025. Within the prescribed conditions however, assumptions must be mutually compatible and lead to the best estimate of the future cash flows in respect of pension liabilities.

A summary of relevant considerations is set out below:

#### Assumption for valuing pension liabilities

Discount rate (pre and post retirement)

Retail Price inflation (RPI)

Consumer Price Inflation (CPI)

Pension increases

Demographic assumptions  
(e.g. rates of mortality and early retirement)

#### Comments on prescribed conditions

Based on yields on "high quality" corporate bonds of appropriate duration and currency, or a suitable proxy. Our approach is to value sample pensioner and non-pensioner cash flows with different durations using a yield curve approach and to calculate the single equivalent discount rate for each set of cash flows

Based on the yield differential between index-linked bonds and fixed-interest bonds of appropriate duration and of a similar credit standing (for example, using spot yields derived from the inflation yield curve published by the Bank of England) with the allowance for an inflation premium to reflect market conditions

Based on the RPI assumption with an adjustment to reflect the historic and future expected long term differences between the RPI and CPI indices

Compatible with the rate of price inflation above taking into account the effects of scheme rules and valid expectations of discretionary increases based on best past practice

Compatible assumptions that lead to a best estimate of future cash flows

#### Assumptions used

	2025	2024
Rate used to discount scheme liabilities	5.35%	5.35%
Retail price inflation (RPI)	2.85%	3.30%
Consumer price inflation (CPI)	2.25%	2.60%
Rate of increase of pensions in payment (5.0% RPI linked)	2.74%	3.05%
Rate of increase of pensions in payment (2.5% RPI linked)	1.86%	1.99%
Rate of increase of pensions in payment (2.5% CPI linked)	1.70%	1.83%

Life expectancy at age 60 for current male pensioners is assumed to be 25.8 years (2024: 25.5 years) and 28.2 years for current female pensioners (2024: 28.1 years). Life expectancy at age 60 for future male pensioners is assumed to be 26.0 years (2024: 25.6 years) and 28.0 years for future female pensioners (2024: 27.9 years). "S3PXA 112%/113% males/females (YoB) CMI 2023 with a 1.25% long term trend rate with core parameters" has been used to derive these mortality rates for future pensioners (2024: "S3PXA 112%/113% males/females (YoB) CMI 2023 with a 1.25% long term trend rate with core parameters" used).

It is assumed that 100% of non-retired members of the JGDBS will commute 25% of their pension at retirement (2024: 100% of members will commute 25% of pension).

It has been assumed that 50% (2024: 50%) of future pensioners at retirement will exchange their non-statutory pension increases at retirement for a higher, but non-increasing pension.

Following the High Court ruling on 26 October 2018 regarding the equalisation of Guaranteed Minimum Pension (GMP) benefit within the Lloyds pension scheme, the Scheme is required to adjust benefits to remove the inequalities between the GMP benefits awarded to males and females. The Company has historically included a reserve in its IAS19 valuation for GMP equalisation.

On 20 November 2020 the High Court issued a supplementary ruling in the Lloyds bank GMP equalisation case with respect to members that have transferred out of their scheme prior to the ruling. The ruling obliged Trustees to make top-up payments in respect of historic transfers that were not paid on an equalised basis. The additional cost is required to be recognised through the income statement as a past service cost.

The full effect of the ruling can only be known following a detailed review of the history of Scheme membership movements, dating back as far as the early 1990s. This will take some time to complete. No allowance has been included in the IAS19 valuation in respect of the supplementary ruling on the grounds of immateriality. This is consistent with the approach taken as part of the 31 December 2024 disclosures.

# Notes to the Consolidated Financial Statements

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## 26 POST-EMPLOYMENT BENEFITS (Continued)

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because necessary S37 certification associated to these historic amendments was not prepared. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. In June 2025, the Department of Work and Pensions (DWP) confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. On 1 September 2025 the government published a series of draft amendments to the Pension Schemes Bill 2025 including new provisions which will enable trustees to obtain retrospective validation of previous amendments where certain conditions are met.

The Trustee is monitoring the position and will consider the possible implications, if any, for the Scheme of the above with its advisers and what steps, if any, it wishes to take. It is not practicable, at present, to estimate the financial effect on the Scheme, if any, of the uncertainties in relation to the amount or timing of any outflow of resources, or the possibility of reimbursement of resources.

### Sensitivity of key assumptions

The table below gives an approximation of the impact on the IAS19 pension scheme liabilities to changes in assumptions and experience. Note that all figures are before allowing for deferred tax.

Item	Approximate increase/(decrease) on Post-employment benefit obligation
Increase/decrease discount rate by 0.5%	(£5.7 million)/£5.7 million
Increase/decrease RPI inflation assumption by 0.50%	£1.7 million/(£1.7 million)
1 year increase/decrease in life expectancy at age 60	£4.1 million/(£4.1 million)

The above sensitivities are applied to adjust the defined benefit obligations at the end of the reporting year. Whilst the analysis does not take account of the full distribution of cash flows expected under the Scheme, it does provide an approximation of the sensitivity of the assumptions shown. No changes have been made to the method and assumptions used in this analysis from those used in the previous year.

### Private healthcare

The Group operates an unfunded defined benefit private healthcare scheme for eligible retirees. At 31 December 2025, the deficit of the scheme was £0.3 million (2024: £0.3 million). During the year, the Group accounted for a current service cost of £nil and a notional interest cost of £15,000 in the Consolidated Income Statement (2024: £nil and £15,000 respectively). The current service cost in 2026 is expected to be £nil with a notional interest cost of £15,000.

The scheme is subject to a periodic independent actuarial review which assesses the cost of providing benefits for current retirees. There are no more future eligible retirees. The latest formal review was undertaken as at 31 December 2023 and this was updated to 31 December 2024 by an independent qualified actuary.

The latest review was performed using the projected unit credit method, and a discount rate of 5.35%. The main long-term actuarial assumption used in the review was that the rate of increase in medical costs is to be 6.50% throughout. There have been no material changes in circumstances since the last formal review.

An increase of 1.00% in the medical cost trend would increase the scheme liabilities by an estimated £21,000 and the interest cost by an estimated £2,000 per annum. A decrease of 1.00% in the medical cost trend would reduce the scheme liabilities by an estimated £19,000 and the interest cost by an estimated £1,000 per annum.

### Post-employment benefits disclosures

The amounts credited to the Consolidated Income Statement are set out below:

	2025 £m	2024 £m
Notional interest on post-employment benefits	0.2	-
<b>Total amounts credited to the Consolidated Income Statement</b>	<b>0.2</b>	<b>-</b>

The interest income on scheme assets and the interest cost on scheme liabilities are included within total finance costs.

In addition, the following amounts have been recognised in the Consolidated Statement of Comprehensive Income:

	2025 £m	2024 £m
Return on scheme assets excluding interest income	0.8	(9.3)
Re-measurement (losses)/gains arising from changes in demographic assumptions	(0.6)	3.1
Re-measurement gains arising from changes in financial assumptions	1.3	9.6
Experience (losses)/gains on liabilities	(0.6)	0.4
<b>Total amounts recognised in the Consolidated Statement of Comprehensive Income</b>	<b>0.9</b>	<b>3.8</b>

**26 POST-EMPLOYMENT BENEFITS** (Continued)

Amounts recognised in the Balance Sheet are as follows:

	2025 £m	2024 £m
Present value of funded obligations	(125.4)	(128.9)
Fair value of scheme assets	130.3	132.7
Net defined benefit pensions	4.9	3.8
Post-retirement healthcare obligations	(0.3)	(0.3)
<b>Net post-employment benefits</b>	<b>4.6</b>	<b>3.5</b>

Movements in the fair value of scheme assets were as follows:

	2025 £m	2024 £m
Fair value of scheme assets at beginning of the year	132.7	145.4
Interest income	6.8	6.4
Return on scheme assets (excluding interest income)	0.8	(9.3)
Benefits paid – defined benefit pension obligations	(10.0)	(9.8)
<b>Fair value of scheme assets at end of the year</b>	<b>130.3</b>	<b>132.7</b>

Movements in the fair value of scheme liabilities were as follows:

	2025 £m	2024 £m
Fair value of scheme liabilities at beginning of the year	(129.2)	(145.7)
Interest expense	(6.6)	(6.4)
Re-measurement (losses)/gains from changes in demographic assumptions	(0.6)	3.1
Re-measurement gains from changes in financial assumptions	1.3	9.6
Experience (losses)/gains on liabilities	(0.6)	0.4
Benefits paid – defined benefit pension obligations	10.0	9.8
<b>Fair value of scheme liabilities at the end of the year</b>	<b>(125.7)</b>	<b>(129.2)</b>

Movements in post-employment benefits were as follows:

	2025 £m	2024 £m
Opening post-employment benefits	3.5	(0.3)
Notional interest	0.2	–
Re-measurement and experience gains	0.9	3.8
<b>Closing post-employment benefits</b>	<b>4.6</b>	<b>3.5</b>

The major categories of scheme assets were as follows:

	Quoted Market Price Active Market £m	No Quoted Market Price Active Market £m	2025 Total Scheme £m	Quoted Market Price Active Market £m	No Quoted Market Price Active Market £m	2024 Total Scheme £m
Bonds	13.1	–	13.1	12.8	–	12.8
Liability driven investments	32.9	–	32.9	23.7	–	23.7
Alternative return seeking assets	–	68.9	68.9	–	71.6	71.6
Cash and cash equivalents	15.4	–	15.4	24.6	–	24.6
<b>Total market value of assets</b>	<b>61.4</b>	<b>68.9</b>	<b>130.3</b>	<b>61.1</b>	<b>71.6</b>	<b>132.7</b>

The assets of the pension scheme do not include shares in the Group in either 2025 or 2024.

Scheme assets held with no quoted market price on active market are valued by the fund managers. The managers determine fair value of their holdings based on several factors. They may use secondary market prices, internal valuation models or independent valuations. The process adopted will vary by manager and asset class, although independent third parties are typically used to verify and support the net asset value valuations.

The Liability driven investments (LDI) shown above comprise of nominal and real LDI funds, investing in partly funded leveraged gilts and funds for liability matching and liquidity funds investing in pooled cash funds. Under these arrangements, if interest rates fall, the value of the LDI would be expected to rise, all else being equal, to help offset the expected increase in the present value placed on the scheme's liabilities arising from a fall in the discount rate (and vice versa).

# Notes to the Consolidated Financial Statements

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## 26 POST-EMPLOYMENT BENEFITS (Continued)

The funding position in respect of the JGDBS is influenced by both the measurement of plan liabilities and the valuation of plan assets. The Trustee, in conjunction with the Group, has tried to ensure an appropriate balance of investments has been made by the scheme to mitigate potential price volatility in individual asset categories. The Group and Trustee regularly monitor the composition of plan assets and amend the composition accordingly to try and match scheme assets with the liabilities they are intended to fund. However, any underperformance of scheme assets could result in future increases in the deficit recognised on the JGDBS.

## 27 FINANCIAL INSTRUMENTS

### Policies and strategies

Details of the Group's policies and strategies in relation to financial instruments are given within the Statement of Significant Accounting Policies.

IAS 32, Financial Instruments: Presentation, IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures, also require numerical disclosures in respect of financial assets and liabilities and these are set out below and in note 18. Financial assets and liabilities are stated at either amortised cost or fair value. Where stated at amortised cost, this is not materially different to the fair value unless otherwise stated due to their short term nature.

### Financial assets

The Group has recognised current and non-current gross trade receivables, unbilled receivables and other receivables of £81.0 million (2024: £77.5 million) in the year. See note 18 for further details. In addition, reimbursement assets of £21 million in the year to 31 December 2025 (2024: £2.6 million) have also been recognised. See note 19 for further details.

	2025 £m	2024 £m
Cash at bank and in hand		
Sterling	9.7	9.6
Euro	1.3	1.9
<b>At 31 December</b>	<b>11.0</b>	<b>11.5</b>

For interest purposes only, cash is offset against overdrafts through a pooling arrangement with each of the Group's principal bankers.

At the balance sheet date, cash was held with the following institutions:

	Rating	2025 £m	2024 £m
Cash at bank and in hand			
National Westminster Bank	A-1	4.8	4.6
Lloyds Bank	A-1	4.9	4.8
Allied Irish Bank	A-1	1.3	–
Bank of Ireland	A-2	–	2.1
<b>Total cash and cash equivalents</b>		<b>11.0</b>	<b>11.5</b>

The Group refers to Standard and Poor's short-term issue credit ratings when determining with which financial institutions to deposit its surplus cash balances. A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong.

Cash balances are used for working capital purposes. The Directors do not consider deposits at these institutions to be at risk.

### Financial liabilities

	As per Balance Sheet £m	Future Interest Cost £m	2025 Total Cash Flows £m	As per Balance Sheet £m	Future Interest Cost £m	2024 Total Cash Flows £m
Trade and other payables (note 1)	75.8	–	75.8	79.9	–	79.9
Overdraft	9.1	–	9.1	9.3	–	9.3
Bank loans (note 2, 3)	114.4	–	114.4	71.3	–	71.3
Lease liabilities	46.8	17.4	64.2	47.0	18.5	65.5
Derivative financial instruments	0.3	–	0.3	0.3	–	0.3
	<b>246.4</b>	<b>17.4</b>	<b>263.8</b>	<b>207.8</b>	<b>18.5</b>	<b>226.3</b>

Note 1. Trade and other payables comprise both current and non-current payables as disclosed within notes 20 and 21, excluding other taxation and social security liabilities and deferred income.

Note 2. Bank loans and overdraft in the table above do not include unamortised bank fees.

## 27 FINANCIAL INSTRUMENTS (Continued)

Note 3. IFRS 7 requires the contractual future interest cost of a financial liability to be included within the above table. As disclosed in note 22 of these financial statements, all bank loans are currently drawn under an RCF arrangement and as such there is no contractual future interest cost. Interest charged in the year in relation to bank loans drawn down amounted to £5.2 million (2024: £4.8 million). Interest is payable at a rate of SONIA or EURIBOR prevailing at the time of drawdown plus the credit adjustment spread and the applicable margin, which ranges from 1.45% and 2.45% and is settled monthly. Bank loans drawn as at 31 December 2025 were £114.4 million (2024: £71.3 million). Should these bank loans remain drawn until the expiry of the bank facility in August 2027, at the prevailing rates of interest and current margin at the balance sheet date, the future interest cost would be £10.4 million (2024: £10.0 million).

	Current £m	Non-Current £m	2025 Total £m	Current £m	Non-Current £m	2024 Total £m
Trade and other payables	93.1	0.1	93.2	94.3	0.2	94.5
Less: Other taxation and social security liabilities	(16.8)	-	(16.8)	(13.4)	-	(13.4)
Less: Deferred income	(0.5)	(0.1)	(0.6)	(0.5)	(0.2)	(0.7)
	<b>75.8</b>	<b>-</b>	<b>75.8</b>	<b>80.4</b>	<b>-</b>	<b>80.4</b>

	Current £m	Non-Current £m	2025 Total £m	Current £m	Non-Current £m	2024 Total £m
Bank loans	-	114.4	114.4	-	71.3	71.3
Overdraft	9.1	-	9.1	9.3	-	9.3
Less: Unamortised bank fees	(0.1)	-	(0.1)	(0.4)	(0.1)	(0.5)
	<b>9.0</b>	<b>114.4</b>	<b>123.4</b>	<b>8.9</b>	<b>71.2</b>	<b>80.1</b>

### Liquidity risk

The maturity of financial liabilities based on contracted cash flows is shown in the table below.

This table has been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay. The table includes both interest and principal cash flows in respect of lease liabilities. Floating rate interest payments have been calculated using the relevant interest rates prevailing at the year end, where applicable.

	Trade and Other Payables <sup>1</sup> £m	Overdrafts £m	Bank Loans <sup>2</sup> £m	Leases Liabilities £m	Derivative Financial Instruments £m	Total £m
<b>As at 31 December 2025</b>						
Due within one year	75.8	9.1	-	9.3	0.3	94.5
Due within one to two years	-	-	114.4	8.2	-	122.6
Due within two to five years	-	-	-	18.1	-	18.1
Due after more than five years	-	-	-	28.6	-	28.6
	<b>75.8</b>	<b>9.1</b>	<b>114.4</b>	<b>64.2</b>	<b>0.3</b>	<b>263.8</b>
<b>As at 31 December 2024</b>						
Due within one year	80.4	9.3	-	8.5	0.3	98.5
Due within one to two years	-	-	-	8.0	-	8.0
Due within two to five years	-	-	71.3	18.1	-	89.4
Due after more than five years	-	-	-	30.9	-	30.9
	<b>80.4</b>	<b>9.3</b>	<b>71.3</b>	<b>65.5</b>	<b>0.3</b>	<b>226.8</b>

1 Trade and other payables excludes 'Other taxation and social security liabilities' and 'accruals'.

2 Bank loans excludes unamortised bank fees.

With the exception of derivative financial instruments which are held at fair value, all financial liabilities shown above are held at amortised cost.

# Notes to the Consolidated Financial Statements

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## 27 FINANCIAL INSTRUMENTS (Continued)

### Interest rate risk profile

	Fixed Rate Financial Liabilities £m	Floating Rate Financial Liabilities £m	Financial Liabilities on which no Interest is paid £m	Total £m
<b>As at 31 December 2025</b>				
Sterling	642	921	713	2276
Euro	–	314	4.8	362
<b>As at 31 December 2024</b>				
Sterling	655	533	775	1963
Euro	–	273	3.2	305

### Fixed rate financial liabilities

At 31 December 2025 the Group's fixed rate financial liabilities related to lease liabilities (2024: lease liabilities).

For lease liabilities, the weighted average interest rate incurred is 5.2% (2024: 5.1%) and the weighted average period remaining is 115 months (2024: 135 months).

### Floating rate financial liabilities

Floating rate financial liabilities bear interest at rates based on relevant SONIA or EURIBOR equivalents. Loans are drawn and interest rates fixed for periods of between one and six months. The weighted average period remaining for floating rate financial liabilities is 1 month (2024: 1 month).

The variation in the interest rate of floating rate financial liabilities (with all other variables held constant) required to increase or decrease post-tax profit for the year by £0.1 million is 11 basis points (2024: 17 basis points).

### Fair values of financial liabilities

Bank loans are drawn down and interest set for no more than a six month period (2024: six month period). In view of this the fair value of bank loans is not materially different from the book value. The fair value of other financial liabilities was not materially different from the book value.

The Group recognises financial instruments that are held at fair value. Financial instruments have been classified as Level 1, Level 2 or Level 3 dependent on the valuation method applied in determining their fair value.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The only financial instruments held at fair value by the Group relate to commodity swaps.

### Commodity swaps

The Group enters into commodity swaps (hedging instrument) to economically hedge the Group's exposure to changes in diesel prices (hedged item). The fair values of the hedging instrument and the hedged item move in the opposite direction because of the price risk. Therefore, there is an economic relationship between the hedged item and the hedging instrument.

The Group hedges a portion of its annual diesel usage using commodity swaps. The diesel hedged for future periods is based on management forecasts of future diesel purchases and would meet the 'highly probable' assessment for hedge accounting.

Hedge ineffectiveness for price risk may occur due to differences in critical terms between the commodity swaps and diesel purchases such as payment date or due to changes in fair value affecting the hedging instrument, such as credit risk, which is not replicated on the hedged item. Ineffectiveness may also occur where diesel purchases were forecast but do not occur. There was no ineffectiveness recognised within the Consolidated Income Statement during 2025 or 2024 in relation to the commodity swaps. The quantity of the hedging instrument and the hedged item are the same when applying hedge accounting and are the same as that used for risk management purposes at a ratio of 1:1.

## 27 FINANCIAL INSTRUMENTS (Continued)

As at the balance sheet date, the Group has the following commodity swaps in place:

- 5.7 million litres of diesel at a weighted average price of 44.54 pence per litre for the period 1 January 2026 to 31 December 2026.

For the proportion of our commodity swaps where hedge accounting is applicable and thus any gains and losses on these swap contracts continue to be recognised in the hedging reserve as of 31 December 2025, these gains and losses will be continuously released to the Consolidated Income Statement within distribution costs until the end of the hedged period.

The movement in the Group's hedging reserve as disclosed in the Consolidated Statement of Changes in Shareholders' Equity relate to the commodity swaps above:

	Commodity Swaps £m
<b>At 31 December 2023</b>	<b>0.6</b>
Loss in fair value of swaps recognised in OCI	0.1
Reclassified from OCI to Consolidated Income Statement	(0.5)
<b>At 31 December 2024</b>	<b>0.2</b>
Loss in fair value of swaps recognised in OCI	0.3
Reclassified from OCI to Consolidated Income Statement	(0.3)
<b>At 31 December 2025</b>	<b>0.2</b>

For both the years ended 31 December 2025 and 31 December 2024 liabilities arising from these instruments have been classified as Level 2. The fair value of these instruments at each of the year ends was:

	Fair Value 2025 £m	Fair Value 2024 £m
Derivative financial instruments held:		
Current Liabilities		
– Commodity products – cash flow hedges	(0.3)	(0.3)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classed as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. Where available, market rates have been used to determine fair value.

The movement in the Group's derivative financial liabilities during the year is as follows:

	Total £m
<b>At 31 December 2023</b>	<b>(0.8)</b>
Loss in fair value of swaps recognised in OCI	(0.1)
Cash payments	0.6
<b>At 31 December 2024</b>	<b>(0.3)</b>
Loss in fair value of swaps recognised in OCI	(0.3)
Cash payments	0.3
<b>At 31 December 2025</b>	<b>(0.3)</b>

Fair value losses on commodity swaps not qualifying as hedges are recognised directly in profit or loss and are included within distribution costs respectively within the Consolidated Income Statement.

All financial instruments are Level 2 financial instruments for all periods and there have been no transfers between either Level 1 and 2 or Level 2 and 3 in any period.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade receivables and other receivables
- Cash and cash equivalents
- Trade and other payables

# Notes to the Consolidated Financial Statements

Continued >

## 27 FINANCIAL INSTRUMENTS (Continued)

### Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise commodity swaps. Commodity swaps are using a mark to market valuation at the balance sheet date. The effects of discounting are generally insignificant for Level 2 derivatives.

### Foreign currency risk

#### Hedge of net investment in foreign operations

In August 2023, the Group acquired Harkglade Limited and its subsidiaries Celtic Linen Limited and Millbrook Linen Limited (together 'Celtic'), a business located in the Republic of Ireland. The Group utilised its multicurrency facility to fund the acquisition. €294 million of the bank loan was designated as a net investment hedge to manage the impact of movements in the GBP:EUR exchange rate on the value of the Group's investment in the Republic of Ireland.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the bank loan. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the nominal amount of the loans.

The net investment hedges were assessed to be highly effective at 31 December 2025 and a net unrealised loss of £1.4 million (2024: £1.1 million gain) has been recorded in the other comprehensive income.

### Capital risk management

The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding growth whilst also maintaining a strong balance sheet.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or take other steps to increase or reduce share capital and reduce or increase debt facilities.

The Group manages its capital structure using a number of measures and taking into account future strategic plans. Such measures include interest cover and gearing ratios. The Group therefore manages capital which includes cash and cash equivalents, bank borrowings and lease liabilities.

Gearing, for bank purposes, is calculated as Adjusted EBITDA compared to total debt, including IFRS 16 liabilities, and the agreed covenant is for the ratio to be not more than 3 times. The Group's medium- to long-term intention is to maintain the capital structure such that we operate at no more than 1 – 1.5 times on this basis, other than for short term specific exceptions. Under this framework, our capital allocation policy remains unchanged and will take into account the following criteria as part of a periodic review of capital structure:

- maintaining a strong balance sheet;
- continuing capital investment to increase processing capacity and efficiency;
- appropriate accretive acquisitions;
- operating a progressive dividend policy; and
- distributing any surplus cash to Shareholders.

## 28 CONTINGENT LIABILITIES

The Group operates from a number of sites across the UK and the Republic of Ireland. Some of the sites have operated as laundry sites for many years and historic environmental liabilities may exist. Such liabilities are not expected to give rise to any significant loss.

The Group has granted its Bankers and Trustee of the Pension Scheme (the 'Trustee') security over the assets of the Group. The priority of security is as follows:

- first ranking security for up to £28.0 million to the Trustee ranking pari passu with up to £155.0 million of bank liabilities; and
- second ranking security for the balance of any remaining liabilities to the Trustee ranking pari passu with any remaining bank liabilities.

During the period of ownership of the Facilities Management division the Company had given guarantees over the performance of contracts entered into by the division. As part of the disposal of the division the purchaser agreed to pursue the release or transfer of obligations under the Parent Company guarantees and this remains in process. The Sale and Purchase Agreement contains an indemnity from the purchaser to cover any loss in the event a claim is made prior to release. In the period until release the purchaser is to make a payment to the Company of £0.2 million per annum, reduced pro rata as guarantees are released. Such contingent liabilities are not expected to give rise to any significant loss.

## 29 SHARE CAPITAL

Issued and Fully Paid	Shares	2025 £m	Shares	2024 £m
Ordinary shares of 10p each:				
– At start of year	414,954,767	41.5	414,415,123	41.4
– New shares issued	1,636,260	0.1	539,644	0.1
– Share buybacks	(38,293,361)	(3.8)	–	–
<b>At end of the year</b>	<b>378,297,666</b>	<b>37.8</b>	<b>414,954,767</b>	<b>41.5</b>

In respect of the two share buyback programmes which were running during the prior year, 38,293,361 Ordinary shares with a total nominal value of £3,829,336 were bought back by the Company and subsequently cancelled for a total consideration including transaction costs of £54.7 million which represented an average price of 142.0p per share. The total shares repurchased across the two share buyback programmes to 31 December 2025 represented 92% of the Company's issued share capital outstanding immediately prior to the commencement of the share buyback programmes. There were no share buyback programmes running during the prior year.

Payments made in respect of the above transactions were (debited)/credited as follows:

	2025 £m	2024 £m
Share capital	(3.7)	0.1
Capital redemption reserve	3.8	–
Retained earnings	(54.7)	–
	<b>(54.6)</b>	<b>0.1</b>

### Potential issues of Ordinary shares of 10p each

As at the balance sheet date, certain senior executives hold options in respect of the potential issue of Ordinary shares of 10 pence each granted pursuant to the 2018 Long-Term Incentive Plan (the '2018 LTIP') and the 2018 Long-Term Incentive Plan Approved Section (2018 Approved LTIP) (together referred to as 'Executive Schemes').

Certain Group employees also hold options in respect of the potential issues of Ordinary shares of 10p each granted pursuant to the Johnson Service Group Sharesave Plan (hereinafter referred to as the 'SAYE Scheme').

Options granted under the SAYE Scheme are normally exercisable within six months from the date exercisable as shown below. Options under the Executive Schemes are normally exercisable, subject to the achievement of performance conditions, three years after the date of grant and lapse ten years from the date of grant in the UK and seven years from the date of grant in ROI. Upon exercise, all options are settled in equity.

The number of shares subject to option under each scheme which were outstanding at 31 December 2025, the date on which they were granted and the date from which they may be exercised are given below:

Scheme	Date Options Granted	Number of Shares	Date Exercisable	Exercise Price per Share
2018 LTIP	8 March 2023	1,696,349	8 March 2026	Nil
2018 Approved LTIP	8 March 2023	589,743	8 March 2026	1170
2018 LTIP	3 May 2024	1,647,523	3 May 2027	Nil
2018 Approved LTIP	3 May 2024	595,707	3 May 2027	1494
2018 LTIP	5 March 2025	1,742,618	5 March 2028	Nil
2018 LTIP	2 October 2025	350,467	2 October 2028	Nil
2018 LTIP	2 October 2025	41,156	14 December 2025	Nil
2018 LTIP	2 October 2025	5,268	13 December 2026	Nil
		6,668,831		
SAYE Scheme	1 October 2021	1,109	1 December 2024	129.75p
SAYE Scheme	1 October 2021	226,156	1 December 2026	129.75p
SAYE Scheme	4 April 2024	1,034,076	1 June 2027	128.25p
SAYE Scheme	4 April 2024	448,333	1 June 2029	128.25p
		1,709,674		
		8,378,505		

The weighted average remaining contractual life of options outstanding at the end of the year is 1.31 years (2024: 1.59 years).

# Notes to the Consolidated Financial Statements

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## 30 SHARE BASED PAYMENTS

### Executive Schemes

The 2018 LTIP provides for an exercise price of £nil in respect of unapproved schemes. The 2018 LTIP also contains a sub-plan (the 2018 Approved LTIP) which permits the grant of options for an exercise price equal to the quoted closing mid-market price of the Company shares on the business day immediately preceding the date of grant. The vesting period is generally three years and may be subject to a further holding period at the discretion of the Remuneration Committee for specified individuals. Both market based and non-market based performance conditions are generally attached to the options, for which an appropriate adjustment is made when calculating the fair value of an option. If vesting periods or non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. If the options remain outstanding at the balance sheet date are unexercised after a period of up to 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless under exceptional circumstances.

### SAYE Scheme

The SAYE Scheme provides for an exercise price equal to the average of the quoted mid-market price of the Company shares on the business days immediately preceding the date of grant, less a discount of up to ten per cent. The vesting period under the scheme is either three or five years and no performance conditions, other than remaining a Group employee, are attached to the options.

### Disclosures

During the year the Group recognised total expenses of £2.7 million (2024: £1.7 million) including associated social security costs of £0.3 million (2024: £0.2 million) in relation to equity-settled share-based payment transactions.

The average share price of Johnson Service Group PLC during the year was 139.7 pence (2024: 148.2 pence).

The aggregate gain made by Directors, who served during the year, on the exercise of share options during the year was £1.1 million (2024: £nil). Further details are disclosed within the Directors' Remuneration Report on pages 94 to 115.

Movements in the current and prior year in respect of all share schemes are summarised below:

	Number of Options	2025 Weighted Average Exercise Price (p)	Number of Options	2024 Weighted Average Exercise Price (p)
<b>Executive schemes</b>				
Outstanding at beginning of the year	6,155,256	27p	4,172,497	19p
Granted during the year	2,392,299	-	2,387,446	39p
Exercised during the period	(1,456,077)	-	(95,000)	-
Lapsed during the year	(422,647)	17p	(309,687)	19p
Outstanding at the end of the year	6,668,831	24p	6,155,256	27p
Exercisable at the end of the year	41,156	-	311,220	-
<b>SAYE schemes</b>				
Outstanding at beginning of the year	2,303,010	130p	1,241,361	133p
Granted during the year	-	-	1,713,662	128p
Exercised during the year	(186,260)	130p	(444,644)	130p
Lapsed during the year	(407,076)	136p	(207,369)	131p
Outstanding at the end of the year	1,709,674	128p	2,303,010	130p
Exercisable at the end of the year	1,109	130p	418,591	137p

For options outstanding at 31 December 2025, the exercise date and the exercise price are disclosed within note 29.

The fair value of options awarded to employees is determined by reference to option pricing models, principally Binomial models for SAYE schemes and Monte Carlo models for all other schemes. The inputs into the Binomial and Monte Carlo models are as follows:

	Options Granted During 2025	Options Granted During 2024
Weighted average share price at date of grant (pence)	142	141
Weighted average exercise price (pence)	-	76
Weighted average fair value (pence)	104	104
Expected volatility (%)	32.6	35.9
Expected life (years)	3.0	3.3
Risk free interest rate (%)	4.0	4.2
Expected dividend yield (%)	2.5	0.7

Expected volatility and expected dividend yield were determined by calculating the historical volatility of the Company's share price and the historical dividend yield for a period akin to the expected life of each option scheme. The risk free rate of return is based on the rate for UK government gilts on the date of grant, for a period akin to the expected life of the option.

### 31 SHARE PREMIUM

	2025 £m	2024 £m
Balance brought forward	173	16.8
Received on allotment of shares	0.2	0.5
<b>Balance carried forward</b>	<b>175</b>	<b>17.3</b>

### 32 OWN SHARES

Own shares represent the cost of shares in Johnson Service Group PLC purchased in the market and held by the Trustee of the EST, to satisfy options under the Group's share option schemes. During the year, the EST acquired 1,450,000 shares at nominal value, using funds gifted by the Company, which were used, together with those shares already held by the EST, to satisfy the vesting of employee share awards during the year. In satisfying such awards, the EST transferred 1,456,077 of shares to award holders.

The number of shares and the market value at the balance sheet date are as follows:

	2025	2024
Number of shares held in EST	2,947	9,024
Market value £m	-	-

### 33 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY

	2025 £m	2024 £m
Profit for the year	371	35.6
	<b>371</b>	<b>35.6</b>
Other recognised gains and losses relating to the year:		
Share options (value of employee services)	2.4	1.5
Issue of share capital	0.3	0.6
Deferred tax on share options	(0.5)	0.2
Current tax on share options	0.1	-
Purchase of own shares by EST	(0.1)	-
Share buyback	(54.7)	-
Dividends paid to Shareholders	(17.4)	(13.3)
Re-measurement and experience gains (net of taxation)	0.7	29
Movement of translation reserve	0.3	(0.1)
Cash flow hedges movement	-	0.4
<b>Net addition to Shareholders' equity</b>	<b>(31.8)</b>	<b>27.8</b>
Opening Shareholders' equity	306.9	279.1
<b>Closing Shareholders' equity</b>	<b>275.1</b>	<b>306.9</b>

### 34 BUSINESS COMBINATIONS

There were no business combinations during the year.

In the prior year, the Group acquired 100% of the share capital of Empire Linen Services Limited ('Empire'). Full details are provided in the 2024 Annual Report and Accounts. There have been no subsequent adjustments made to the fair values for any of the prior year acquisitions.

#### Cash flows from business combinations

The cash flows in relation to business combinations are summarised below:

	2025 £m	2024 £m
Net consideration payable	-	(21.2)
Deferred consideration	(0.2)	0.2
Cash acquired	-	1.4
<b>Net cash used in investing activities</b>	<b>(0.2)</b>	<b>(19.6)</b>

# Notes to the Consolidated Financial Statements

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## 35 DISCONTINUED OPERATIONS

During the year, a provision against deferred consideration of £0.1 million (2024: £0.1 million) was released relating to the sale of the Facilities Management division in August 2013.

### Income Statement

The Income Statement from discontinued operations included within the Consolidated Income Statement is as follows:

	2025 £m	2024 £m
Operating profit	0.1	0.1
Taxation	-	-
<b>Profit for the year from discontinued operations</b>	<b>0.1</b>	<b>0.1</b>

### Cash Flows

The cash flows from discontinued operations included within the Consolidated Statement of Cash Flows are as follows:

	2025 £m	2024 £m
Net cash generated from operating activities	0.1	0.1

## 36 ANALYSIS OF NET DEBT

Net debt is calculated as total borrowings net of unamortised bank facility fees, less cash and cash equivalents. Non-cash changes represent the effects of the recognition and subsequent amortisation of fees relating to the bank facility, changing maturity profiles, debt acquired as part of an acquisition and the recognition of lease liabilities entered into during the year.

December 2025	At 31 December 2024 £m	Cash Flow £m	Non-cash Changes £m	Foreign Exchange adjustments £m	At 31 December 2025 £m
Debt due within one year (See note 22)	0.4	-	(0.3)	-	0.1
Debt due after more than one year (See note 22)	(71.2)	(41.5)	(0.1)	(1.6)	(114.4)
Lease liabilities (See note 23)	(47.0)	7.1	(6.9)	-	(46.8)
Total debt and lease financing	(117.8)	(34.4)	(7.3)	(1.6)	(161.1)
Cash and cash equivalents	2.2	(0.6)	-	0.3	1.9
<b>Net debt</b>	<b>(115.6)</b>	<b>(35.0)</b>	<b>(7.3)</b>	<b>(1.3)</b>	<b>(159.2)</b>

December 2024	At 31 December 2023 £m	Cash Flow £m	Non-cash Changes £m	Foreign Exchange adjustments £m	At 31 December 2024 £m
Debt due within one year (See note 22)	0.4	0.3	(0.3)	-	0.4
Debt due after more than one year (See note 22)	(63.0)	(9.5)	(0.1)	1.4	(71.2)
Lease liabilities (See note 23)	(43.2)	6.3	(10.1)	-	(47.0)
Total debt and lease financing	(105.8)	(2.9)	(10.5)	1.4	(117.8)
Cash and cash equivalents	0.9	1.6	-	(0.3)	2.2
<b>Net debt</b>	<b>(104.9)</b>	<b>(1.3)</b>	<b>(10.5)</b>	<b>1.1</b>	<b>(115.6)</b>

The cash and cash equivalents figures are comprised of the following balance sheet amounts:

	2025 £m	2024 £m
Cash (Current assets)	11.0	11.5
Overdraft (Borrowings, Current liabilities)	(9.1)	(9.3)
	<b>1.9</b>	<b>2.2</b>

Lease liabilities are comprised of the following balance sheet amounts:

	2025 £m	2024 £m
Amounts due within one year (Lease liabilities, Current liabilities)	(7.4)	(6.2)
Amounts due after more than one year (Lease liabilities, Non-current liabilities)	(39.4)	(40.8)
	<b>(46.8)</b>	<b>(47.0)</b>

**37 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2025 £m	2024 £m
(Decrease)/increase in cash in the year	(0.6)	1.6
Increase in debt and lease financing	(34.4)	(29)
Change in net debt resulting from cash flows	(35.0)	(13)
Debt acquired through business acquisitions	–	(2.8)
Lease liabilities recognised during the year	(6.9)	(7.3)
Non-cash movement in unamortised bank facility fees	(0.4)	(0.4)
Foreign exchange adjustments	(1.3)	1.1
Movement in net debt	(43.6)	(10.7)
Opening net debt	(115.6)	(104.9)
Closing net debt	<b>(159.2)</b>	<b>(115.6)</b>

**38 FINANCIAL COMMITMENTS****Capital expenditure**

Contracts placed for future capital expenditure contracted but not provided for in the consolidated financial statements are shown below:

	2025 £m	2024 £m
Property, plant and equipment	10.3	15.2

**39 EVENTS AFTER THE REPORTING PERIOD**

There were no events occurring after the balance sheet date which should be disclosed in accordance with IAS 10, 'Events after the reporting period'.

# Company Financial





# Statements

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# Company Statement of Changes in Shareholders' Equity

	Share Capital £m	Share Premium £m	Merger Reserve £m	Capital Redemption Reserve £m	Hedge Reserve £m	Retained Earnings £m	Total Equity £m
<b>Balance at 31 December 2023</b>	<b>41.4</b>	<b>16.8</b>	<b>3.5</b>	<b>3.7</b>	<b>(0.6)</b>	<b>98.2</b>	<b>163.0</b>
Profit for the year	-	-	-	-	-	14.2	14.2
Other comprehensive profit	-	-	-	-	0.4	2.9	3.3
Total comprehensive profit for the year	-	-	-	-	0.4	17.1	17.5
Share options (value of employee services)	-	-	-	-	-	1.5	1.5
Deferred tax on share options	-	-	-	-	-	0.2	0.2
Issue of share capital	0.1	0.5	-	-	-	-	0.6
Dividends paid	-	-	-	-	-	(13.3)	(13.3)
Transactions with Shareholders recognised directly in Shareholders' Equity	0.1	0.5	-	-	-	(11.6)	(11.0)
<b>Balance at 31 December 2024</b>	<b>41.5</b>	<b>17.3</b>	<b>3.5</b>	<b>3.7</b>	<b>(0.2)</b>	<b>103.7</b>	<b>169.5</b>
Profit for the year	-	-	-	-	-	6.3	6.3
Other comprehensive profit	-	-	-	-	-	0.7	0.7
Total comprehensive profit for the year	-	-	-	-	-	7.0	7.0
Share options (value of employee services)	-	-	-	-	-	2.4	2.4
Purchase of own shares by EST	-	-	-	-	-	(0.1)	(0.1)
Share buybacks	(3.8)	-	-	3.8	-	(54.7)	(54.7)
Deferred tax on share options	-	-	-	-	-	(0.6)	(0.6)
Current tax on share options	-	-	-	-	-	0.1	0.1
Issue of share capital	0.1	0.2	-	-	-	-	0.3
Dividends paid	-	-	-	-	-	(17.4)	(17.4)
Transactions with Shareholders recognised directly in Shareholders' Equity	(3.7)	0.2	-	3.8	-	(70.3)	(70.0)
<b>Balance at 31 December 2025</b>	<b>37.8</b>	<b>17.5</b>	<b>3.5</b>	<b>7.5</b>	<b>(0.2)</b>	<b>101.4</b>	<b>167.5</b>

# Company Balance Sheet

	Note	As at 31 December 2025 £m	As at 31 December 2024 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Right of use assets	5	0.5	0.2
Trade and other receivables	8	9.6	6.8
Deferred income tax assets	6	12	1.4
Post-employment benefits		4.9	3.8
Investments	7	622.3	621.4
		<b>638.5</b>	<b>633.6</b>
<b>Current assets</b>			
Trade and other receivables	8	0.4	0.8
Current income tax assets		5.8	2.6
		<b>6.2</b>	<b>3.4</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	352.7	386.6
Borrowings	10	9.0	8.9
Lease liabilities	11	0.1	0.1
Derivative financial liabilities	13	0.3	0.3
		<b>362.1</b>	<b>395.9</b>
<b>Non-current liabilities</b>			
Post-employment benefits	12	0.3	0.3
Borrowings	10	114.4	71.2
Lease liabilities	11	0.4	0.1
Derivative financial liabilities	13	-	-
		<b>115.1</b>	<b>71.6</b>
<b>Net assets</b>		<b>167.5</b>	<b>169.5</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the company's shareholders</b>			
Share capital	15	37.8	41.5
Share premium	16	17.5	17.3
Merger reserve		3.5	3.5
Capital redemption reserve		7.5	3.7
Hedge reserve		(0.2)	(0.2)
Retained earnings		101.4	103.7
<b>Total Shareholders' equity</b>		<b>167.5</b>	<b>169.5</b>

The Company recognised a profit during the year of £67.3 million (2024: £14.2 million).

The financial statements on pages 178 to 189 were approved by the Board of Directors on 2 March 2026 and signed on its behalf by:

**Ryan Govender**

Chief Financial Officer

# Statement of Significant Accounting Policies

The Company is incorporated and domiciled in the UK. The Company's registered number is 523335. The address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH.

The Company is a public limited company and has its primary listing on the London Stock Exchange.

The Company Financial Statements were authorised for issue by the Board on 2 March 2026.

## Basis of preparation

The principal accounting policies applied in the preparation of the Company Financial Statements are the same as those used in the Consolidated Financial Statements as set out on pages 132 to 143 with the addition of the policies set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to FRS 101 (as described above) on 1 January 2023. There were no amendments which had a material effect on the first financial statements presented upon transition to FRS 101, in respect of recognition, measurement or disclosure.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Act and related Regulations. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 181.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (Statement of cash flows)
  - 16 (statement of compliance with all IFRS), and
  - 111 (cash flow information)
- IAS 7, 'Statement of cash flows'

As the Consolidated Financial Statements include the equivalent disclosures, the Company has also taken the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 2 – Share-based Payment in respect of Group settled share-based payments; and
- Certain disclosures required by IFRS 13 – Fair Value Measurement and the disclosures required by IFRS 7 – Financial Instruments: Disclosures.

## Investments

Investments in Group Undertakings are recorded at cost, which is the fair value of the consideration paid. Investments are tested for impairment and carried at cost less accumulated impairment losses. The Company considers impairment of its investment in subsidiaries by estimating the recoverable amounts of the investments, which are based on the value-in-use calculations adjusted where necessary for intercompany balances. For further details of value-in-use calculations, see note 12 of the Consolidated Financial Statements as the CGU's are able to be attributable to the subsidiaries that the investment represents. Where an impairment is identified, it is charged to the Income Statement within intangibles amortisation and impairment (excluding software). Investments that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## Share based compensation

The Company operates a number of equity-settled, share based compensation plans. The economic cost of awarding shares and share options to employees is recognised as an expense in the employing company's Income Statement equivalent to the fair value of the benefit awarded. The fair value is determined by reference to option pricing models, principally Binomial and Monte Carlo models. The fair value of the award is recognised in the employing company's Income Statement over the period of the award. The grant by the Company of options over its equity instruments to the employees of the subsidiary undertakings is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in that subsidiary undertaking, with a corresponding credit to equity in the Company's accounts.

## Judgments made in applying accounting policies

In the course of preparing these financial statements, certain judgments are made by the Company in the process of applying the Company's accounting policies. Those that have the most significant effect on either the amounts recognised in the financial statements or the presentation thereof are discussed below.

### Going Concern

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2027. Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements. Additional information on the judgment management has applied in adopting the going concern assumption is included in the basis of preparation of these accounts on pages 67 to 68.

## Sources of estimation and uncertainty

The Company makes estimates and assumptions concerning the future. Whilst such estimates and assumptions are believed to be reasonable under the circumstances, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Post-employment benefits

The Company operates a post retirement defined benefit arrangement (see note 26 of the Consolidated Financial Statements). Asset valuations are based on the fair value of scheme assets. The valuations of the liabilities of the schemes are based on statistical and actuarial calculations, using various assumptions including discount rates, future inflation rates and pension increases, life expectancy of scheme members, flexible retirement options and cash commutations. The actuarial assumptions may differ materially from actual experience due to changes in economic and market conditions, variations in actual mortality, higher or lower cash withdrawal rates and other changes. Any of these differences could impact the assets or liabilities recognised in the Balance Sheet in future periods. Sensitivities are shown in note 26 of the Consolidated Financial Statements.

# Notes to the Company Financial Statements

## 1 COMPANY INCOME STATEMENT AND COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408(3) of the Companies Act 2006, the Company Income Statement and Company Statement of Comprehensive Income are not presented with these financial statements. Details of Auditor's remuneration are shown in note 3 of the Consolidated Financial Statements.

## 2 DIRECTORS' EMOLUMENTS

Detailed disclosures that form part of these financial statements are given in note 4 of the Consolidated Financial Statements and the Directors' Remuneration Report on pages 94 to 115.

## 3 EMPLOYEE BENEFIT EXPENSE

	2025 £m	2024 £m
Wages and salaries	4.1	4.2
Social security costs	0.6	0.6
Pension costs – defined contribution plans	0.2	0.2
<b>Total</b>	<b>4.9</b>	<b>5.0</b>
Cost of employee share schemes	1.8	1.5
<b>Total employee benefit expense</b>	<b>6.7</b>	<b>6.5</b>

The monthly average number of persons employed by the Company during the year was 21 (2024: 20).

## 4 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment £m
<b>Cost</b>	
At 31 December 2023	0.3
Disposals	(0.1)
At 31 December 2024	<b>0.2</b>
At 31 December 2025	0.2
<b>Accumulated depreciation</b>	
At 31 December 2023	0.3
Disposals	(0.1)
At 31 December 2024	<b>0.2</b>
At 31 December 2025	<b>0.2</b>
<b>Carrying amount</b>	
At 31 December 2023, 2024 & 2025	-

There were £nil assets under construction at 31 December 2025 (2024: £nil).

## 5 RIGHT OF USE ASSETS

	Properties £m
<b>Cost</b>	
At 31 December 2023	0.6
Additions	0.1
At 31 December 2024	0.7
Reassessment/modification	0.4
At 31 December 2025	1.1
<b>Accumulated depreciation</b>	
At 31 December 2023	0.4
Charged during the year	0.1
At 31 December 2024	0.5
Charged during the year	0.1
At 31 December 2025	0.6
<b>Carrying amount</b>	
At 31 December 2023 and 2024	0.2
At 31 December 2025	0.5

## 6 DEFERRED INCOME TAX

Deferred income tax attributable to the Company are as follows:

	Deferred tax assets		Deferred tax liabilities	
	2025 £m	2024 £m	2025 £m	2024 £m
Deferred income tax balances in respect of:				
Depreciation in excess of capital allowances	0.1	0.1	-	-
Short-term timing differences	0.2	-	-	(0.2)
Post-employment benefits	-	-	(1.2)	(0.9)
Derivative financial instruments	0.1	0.1	-	-
Employee share schemes	0.6	0.9	-	-
Trading losses	1.4	1.4	-	-
	<b>2.4</b>	<b>2.5</b>	<b>(1.2)</b>	<b>(1.1)</b>

The following provides a reconciliation of the movement in each of the deferred income tax assets and liabilities:

	Depreciation in Excess of Capital Allowances £m	Post- employment Benefits £m	Derivative Financial Instruments £m	Employee Share Schemes £m	Short-term timing differences £m	Trading Losses £m	Total £m
<b>At 31 December 2023</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>-</b>	<b>1.4</b>	<b>2.1</b>
(Charge)/credit to income	-	(0.1)	-	0.4	(0.2)	-	0.1
Credit to shareholders equity	-	-	-	0.2	-	-	0.2
Charge to other comprehensive income	-	(0.9)	(0.1)	-	-	-	(1.0)
<b>At 31 December 2024</b>	<b>0.1</b>	<b>(0.9)</b>	<b>0.1</b>	<b>0.9</b>	<b>(0.2)</b>	<b>1.4</b>	<b>1.4</b>
(Charge)/credit to income	-	(0.1)	-	0.3	0.4	-	0.6
Charge to shareholders equity	-	-	-	(0.6)	-	-	(0.6)
Charge to other comprehensive income	-	(0.2)	-	-	-	-	(0.2)
<b>At 31 December 2025</b>	<b>0.1</b>	<b>(1.2)</b>	<b>0.1</b>	<b>0.6</b>	<b>0.2</b>	<b>1.4</b>	<b>1.2</b>

Deferred income taxes have been measured at an effective deferred tax rate of 25.0% as at 31 December 2025 (2024: 25.0%).

The Company has estimated that £nil of the Company's deferred income tax asset will be realised in the next 12 months. This is management's current best estimate and may not reflect the actual outcome in the next 12 months.

# Notes to the Company Financial Statements

Continued >

## 7 INVESTMENTS

	2025 £m	2024 £m
<b>Investment in subsidiary undertakings</b>		
<b>Cost</b>		
Brought forward	632.0	610.6
Additions	–	212
Movement relating to share options	0.9	0.2
<b>Carried forward</b>	<b>632.9</b>	<b>632.0</b>
<b>Accumulated impairment</b>		
Brought forward	10.6	10.6
Impairment	–	–
<b>Carried forward</b>	<b>10.6</b>	<b>10.6</b>
<b>Carrying amount</b>		
Opening	621.4	600.0
<b>Closing</b>	<b>622.3</b>	<b>621.4</b>

Particulars of subsidiary undertakings are shown in note 20 of the Company Financial Statements.

During 2024, the Company acquired Empire Linen Services Limited. Details of this acquisition are shown in note 34 of the 2024 Annual report and accounts. The Directors deem the investments to be recoverable due to the future forecasts of the Group.

## 8 TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
<b>Amounts falling due within one year:</b>		
Prepayments and other receivables	0.4	0.8
	<b>0.4</b>	<b>0.8</b>
<b>Amounts falling due after more than one year:</b>		
Receivables from subsidiaries	9.6	6.8
	<b>9.6</b>	<b>6.8</b>

Amounts owed by subsidiaries due within one year relate to invoiced services and are due according to the invoice terms.

Amounts owed by subsidiaries due after more than one year are unsecured and have no fixed date of repayment and the Company has no present intention of demanding repayment in less than 12 months and therefore the amounts have been presented as non-current assets. Balances are interest bearing with interest charged based on one month GBP SONIA or EURIBOR plus a 1.45% margin. The fair value of these amounts is considered to be the same as their carrying value as they bear interest at a rate considered by Directors to be a market rate.

All Company receivables (including those from related parties) are not yet due. Management have considered whether any provision is required in relation to these balances and determined it is immaterial.

All receivable balances at the balance sheet date are denominated in Sterling (2024: Sterling) and are held at amortised cost.

## 9 TRADE AND OTHER PAYABLES

	2025 £m	2024 £m
Trade payables	0.2	0.3
Other payables	0.1	0.4
Other taxation and social security liabilities	0.9	0.6
Accruals	1.9	2.5
Deferred consideration	–	0.2
Payables to subsidiaries	349.6	382.6
	<b>352.7</b>	<b>386.6</b>

All trade and other payable balances at the balance sheet date are denominated in Sterling (2024: Sterling) and are held at amortised cost. Given their short term nature there is to be no difference between this and their fair value.

Amounts payable to subsidiaries are unsecured, have no fixed date of repayment and the Company has no unconditional right to defer settlement of the liability for at least twelve months after the reporting date, therefore the amounts are shown as current. Of the balance outstanding, £35.3 million is interest bearing with interest charged on one month GBP SONIA or EURIBOR plus a 1.45% margin.

## 10 BORROWINGS

	2025 £m	2024 £m
<b>Current</b>		
Overdraft	91	93
Bank loans	(0.1)	(0.4)
	<b>9.0</b>	<b>8.9</b>
<b>Non-current</b>		
Bank loans	114.4	71.2
<b>Total Borrowings</b>	<b>123.4</b>	<b>80.1</b>
The maturity of non-current bank loans is as follows:		
– Between one and two years	114.4	–
– Between two and five years	–	71.3
– Unamortised issue costs of bank loans	–	(0.1)
	<b>114.4</b>	<b>71.2</b>
The currency of the outstanding bank loans is as follows:		
– Sterling	83.0	44.0
– Euros	31.4	27.3
	<b>114.4</b>	<b>71.3</b>

All Group bank loans are held by the Company. Full details of Group facilities are provided in note 22 of the Consolidated Financial Statements.

The overdraft and secured bank loans are stated net of unamortised issue costs of £0.1 million (2024: £0.5 million) of which £0.1 million is included within current borrowings (2024: £0.4 million) and £nil is included within non-current borrowings (2024: £0.1 million within non-current borrowings).

The Group has two overdraft facilities for £5.0 million and £3.0 million with two of its principal bankers (2024: £5.0 million and £3.0 million). Certain cash balances in certain Group bank accounts can be offset with overdrawn balances in those bank accounts. The maximum amount any individual Company may be overdrawn, with each bank, is £10.0 million and £5.0 million respectively (2024: £10.0 million and £5.0 million).

## 11 LEASE LIABILITIES

	Properties £m
At 31 December 2023	<b>0.2</b>
Reassessment and modifications	0.1
Lease liability payments (including finance costs)	(0.1)
At 31 December 2024	<b>0.2</b>
Reassessments and modifications	0.4
Lease liability payments (including finance costs)	(0.1)
At 31 December 2025	<b>0.5</b>

Lease liabilities are comprised of the following balance sheet amounts:

	2025 £m	2024 £m
Amounts due within one year (Lease liabilities, Current Liabilities)	0.1	0.1
Amounts due more than one year (Lease liabilities, Non-current Liabilities)	0.4	0.1
	<b>0.5</b>	<b>0.2</b>

# Notes to the Company Financial Statements

Continued >

## 11 LEASE LIABILITIES (Continued)

Lease liabilities are as follows:

	2025 £m	2024 £m
Not more than one year		
Minimum lease payments	0.1	0.1
Interest element	–	–
<b>Present value of minimum lease payments</b>	<b>0.1</b>	<b>0.1</b>
More than one year		
Minimum lease payments	0.4	0.1
Interest element	–	–
<b>Present value of minimum lease payments</b>	<b>0.4</b>	<b>0.1</b>

## 12 POST-EMPLOYMENT BENEFIT OBLIGATIONS

Details of the Group's pension and healthcare schemes are provided in note 26 of the Consolidated Financial Statements.

As at 31 December 2025 and 31 December 2024 the entire Group liabilities under defined benefit schemes are held on the Company Balance Sheet.

During the year the Company's cost of defined contribution pension schemes was £0.2 million (2024: £0.2 million).

## 13 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Details of derivative financial liabilities are shown in note 27 of the Consolidated Financial Statements. All of the Group's derivative financial liabilities are held by the Company.

## 14 CONTINGENT LIABILITIES

The Company has guaranteed the banking facilities of certain UK and the Republic of Ireland subsidiary undertakings under a cross guarantee arrangement. No losses are expected to result from this arrangement. Note 28 of the Consolidated Financial Statements provides full details of the guarantee arrangement in place.

## 15 SHARE CAPITAL

Issued and Fully Paid	Shares	2025 £m	Shares	2024 £m
Ordinary shares of 10p each:				
At start of year	414,954,767	41.5	414,415,123	41.4
Issue of share capital	1,636,260	0.1	539,644	0.1
Share buyback	(38,293,361)	(3.8)	–	–
<b>At end of the year</b>	<b>378,297,666</b>	<b>37.8</b>	<b>414,954,767</b>	<b>41.5</b>

Full details relating to movements of Ordinary shares in the prior year are shown in note 29 of the Consolidated Financial Statements.

## 16 SHARE PREMIUM

	2025 £m	2024 £m
Balance brought forward	17.3	16.8
Received on allotment of shares	0.2	0.5
<b>Balance carried forward</b>	<b>17.5</b>	<b>17.3</b>

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY**

	2025 £m	2024 £m
Profit for the year	67.3	14.2
	<b>67.3</b>	<b>14.2</b>
Other recognised gains and losses relating to the year:		
Share option (value of employee services)	2.4	1.5
Purchase of own shares by EST	(0.1)	–
Deferred tax on share options	(0.6)	0.2
Current tax on share options	0.1	–
Share buybacks	(54.7)	–
Issue of share capital	0.3	0.6
Dividends paid	(17.4)	(13.3)
Re-measurement and experience gains (net of taxation)	0.7	2.9
Cash flow hedges movement (net of taxation)	–	0.4
<b>Net movement in Shareholders' equity</b>	<b>(2.0)</b>	<b>6.5</b>
<b>Opening Shareholders' equity</b>	<b>169.5</b>	<b>163.0</b>
<b>Closing Shareholders' equity</b>	<b>167.5</b>	<b>169.5</b>

**18 RELATED PARTY TRANSACTIONS**

Transactions during the year between the Company and its subsidiaries, which are related parties, are eliminated on consolidation. These transactions are carried out on an arms-length basis.

The following significant transactions with subsidiary undertakings occurred in the year:

	2025 £m	2024 £m
Interest paid	(3.4)	(3.7)
Interest received	0.4	0.4
Dividend received	82.6	26.3
	<b>79.6</b>	<b>23.0</b>

**19 EVENTS AFTER THE REPORTING PERIOD**

There were no events occurring after the balance sheet date which should be disclosed in accordance with IAS 10, 'Events after the reporting period'.

# Notes to the Company Financial Statements

Continued >

## 20 RELATED UNDERTAKINGS

As at 31 December 2025 the company had a number of wholly owned subsidiary companies, a list of which is shown below.

Subsidiary companies at the balance sheet date	Principal Activity
Johnsons Textile Services Limited*	Textile and linen rental
Regency Laundry Limited	Textile and linen rental
Celtic Linen Limited*	Textile and linen rental
Millbrook Linen Limited*	Textile and linen rental
Empire Linen Services Limited	Textile and linen rental
Johnson Group Properties PLC	Property holding
Semara Estates Limited*	Property holding
Fresh Linen Holdings Limited	Holding company
Harkglade Limited	Holding company
Johnson Investment Limited	Holding company
Semara Group Limited*	Holding company
Semara Investments Limited*	Holding company
Semara Contract Services Limited*	Holding company
South West Laundry Holdings Limited	Holding company
Afonwen Laundry Limited*	Non-trading company
Ashbon Services Limited	Non-trading company
Bentley Textile Services Limited*	Non-trading company
Bourne Services Group Limited	Non-trading company
Bourne Textile Services Limited*	Non-trading company
Caterers Linen Supply Limited*	Non-trading company
Catering Linen Supply Limited*	Non-trading company
Chester Laundry Limited	Non-trading company
Clayfull Limited	Non-trading company
Clifton Cleaning Limited	Non-trading company
Fresh Linen Limited*	Non-trading company
Greeneearth Cleaning Europe Limited	Non-trading company
Greeneearth Cleaning Limited	Non-trading company
Johnson Group Cleaners Trustee Company (no 1) Limited	Non-trading company
Johnson Group Cleaners Trustee Company (no 2) Limited	Non-trading company
Johnson Group Inc (UK) Limited	Non-trading company
Johnson Group Management Services Limited	Non-trading company
Johnson Group Pension Nominees Limited	Non-trading company
Johnson Hospitality Services Limited	Non-trading company
Johnsons Hotel Linen Limited	Non-trading company
Johnsons Hotel, Restaurant and Catering Linen Limited	Non-trading company
Johnsons Restaurant and Catering Limited	Non-trading company
Johnsons Apparelmaster Limited	Non-trading company
Johnsons Workwear Limited	Non-trading company
JSG PLC*	Non-trading company
London Linen Management Limited*	Non-trading company
London Linen Supply Limited	Non-trading company
London Workwear Rental Limited*	Non-trading company
Lilliput (Dunmurry) Limited	Non-trading company
Pure Laundry Limited*	Non-trading company
Portgrade Limited	Non-trading company
Quality Textile Services Limited	Non-trading company
Roboserve Limited	Non-trading company
Semara Nominees Limited*	Non-trading company
Semara Trustees Limited*	Non-trading company
South West Laundry Limited*	Non-trading company
Stalbridge Linen Services Limited*	Non-trading company
StarCounty Textile Services Limited	Non-trading company
Whiteriver Laundry Limited*	Non-trading company
Wintex UK Limited	Non-trading company
Zip Textiles (Services) Limited	Non-trading company

Johnson Service Group PLC owns directly or indirectly the entire share capital of each of these companies. The share capital of the companies annotated \* are held through intermediate holding companies. All companies above are incorporated in Great Britain and registered in England and Wales, apart from Clayfull Limited which is registered in Scotland, Lilliput (Dunmurry) Limited which is registered in Northern Ireland and Harkglade Limited, Celtic Linen Limited and Millbrook Linen Limited which are registered in the Republic of Ireland. The registered office for all the companies listed above is Johnson House, Abbots Park, Monks Way Preston Brook, Runcorn, Cheshire, WA7 3GH apart from Clayfull Limited whose registered office is Unit 1, Sherwood Industrial Estate, Bonnyrigg, EH19 3LW, Lilliput (Dunmurry) Limited whose registered office is 9 City Business Park, Dunmurry, Belfast, BT17 9GX, Regency Laundry Limited whose registered office is Unit 10b, Leafield Industrial Estate, Leafield Way, Corsham, Wiltshire, SN13 9SW and Harkglade Limited, Celtic Linen Limited and Millbrook Linen Limited whose registered office is Rosslare Road Drinagh, Wexford, Republic of Ireland.

## 20 RELATED UNDERTAKINGS (Continued)

In addition, the Group has one other significant holding in Moore Bros 1815 LLP. The registered office is Middlebrough House, 16 Middlebrough, Colchester, Essex, CO1 1QT.

Under Section 479A of the Companies Act 2006, exemption from an audit of the financial statements for the financial period ended 31 December 2025 has been taken by Empire Linen Services Limited (12722778). As required, the Company guarantees all outstanding liabilities to which the subsidiary company is subject to at the end of the financial year until they are satisfied in full, and the guarantee is enforceable against the Company by any person to whom the subsidiary company is liable in respect of those liabilities.

Under Section 479A of the Companies Act 2006, exemption from an audit of the financial statements for the financial period ended 31 December 2025 has been taken by Regency Laundry Limited (10879379). As required, the Company guarantees all outstanding liabilities to which the subsidiary company is subject to at the end of the financial year until they are satisfied in full, and the guarantee is enforceable against the Company by any person to whom the subsidiary company is liable in respect of those liabilities.

# Shareholder

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# Information

## FINANCIAL CALENDAR

Results announcement for the year to

31 December 2025

3 March 2026

Annual General Meeting

7 May 2026

Results announcement for the half year to

30 June 2026

September 2026

# Notice of Annual General Meeting 2026



Company Number: 00523335

**This Document is important and requires your immediate attention.** If you are in any doubt as to any aspect of the contents of this Document or the action you should take, you are recommended to consult immediately your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares in Johnson Service Group PLC, please pass this document as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

## Dear Shareholder.

I am pleased to be writing to you with details of the 2026 Annual General Meeting (the 'Meeting' or the 'AGM') of Johnson Service Group PLC ('JSG' or the 'Company') which will be held at the DoubleTree by Hilton Hotel & Spa Chester, Warrington Road, Hoole, Chester, CH2 3PD on Thursday 7 May 2026 at 11:00am.

## BUSINESS OF THE MEETING

The formal notice of the AGM is set out on pages 194 to 202 and full details of the Resolutions to be proposed at the AGM are contained in the Explanatory Notes on pages 200 to 202.

## FORM OF PROXY

As we did last year, and in order to reduce the Company's environmental impact, our intention is to once again remove paper from the voting process as far as possible. **As a result, you will not receive a hard copy Form of Proxy for the AGM but instead you will be able to register your vote electronically.**

You are, therefore, asked to vote in one of the following ways:

- Register your vote online through our Investor Centre app or via the website at <https://ukinvestorcentre.mpms.mufg.com/>. You will need to log into your Investor Centre account or register if you have not previously done so.
- CREST members may utilise the CREST electronic proxy appointment service in accordance with the instructions provided in Accompanying Note 6 below.
- If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io) and refer to Note 7 below.

If you prefer, you may request a hard copy Form of Proxy from our Registrar, MUFG Corporate Markets, using the contact details shown within Accompanying Note 3 below and return it to MUFG Corporate Markets at the address shown on the Form of Proxy.

All Forms of Proxy, whether registered online, electronic or hard copy, must be received by the Company's Registrar no later than 11:00am on Tuesday 5 May 2026 or, if the Meeting is adjourned, by the time which is 48 hours before the start time of the adjourned Meeting.

Further details are provided in Accompanying Note 4 below. If you need help with completing the Form of Proxy online, please contact the Company's Registrar.

## HOW TO VOTE

Your vote is important to us. We strongly encourage you to vote in advance of the Meeting by appointing the Chair of the Meeting as your proxy, regardless of whether you attend the Meeting in person. Our Registrar, MUFG Corporate Markets, must receive your Form of Proxy containing your voting instructions by 11:00am on Tuesday 5 May 2026 at the latest to ensure that your vote is counted. Details of how to submit a Form of Proxy are set out in Accompanying Note 5 below.

## BOARD RECOMMENDATIONS

The Directors believe that each of the proposed Resolutions to be considered at the AGM is in the best interests of the Company and its Shareholders as a whole and recommend that all Shareholders vote in favour of all Resolutions, as the Directors intend to do in respect of their own shareholdings.

The results of the voting on all Resolutions will be announced via the Regulatory News Service and published on our website as soon as practicable following the conclusion of the AGM.

**Jock Lennox**

Non-Executive Chair

2 March 2026

# Notice of Annual General Meeting 2026

Continued >

**NOTICE is hereby given that the Annual General Meeting of Johnson Service Group PLC will be held at the DoubleTree by Hilton Hotel & Spa Chester, Warrington Road, Hoole, Chester, CH2 3PD on Thursday 7 May 2026 at 11:00am to transact the business set out in the Resolutions below.**

Resolutions 1 to 13 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 14 to 16 (inclusive) will be proposed as Special Resolutions.

The business of the Meeting will be to consider and, if thought fit, to pass the following Resolutions:

## ORDINARY RESOLUTIONS

### Annual Report and Accounts

1. To receive and adopt the financial statements for the year ended 31 December 2025 together with the strategic report and the reports of the Directors and the auditor on those financial statements.

### Directors' Remuneration Policy

2. To approve the Directors' Remuneration Policy as set out on pages 98 to 105 of the 2025 Annual Report.

### Directors' Remuneration Report

3. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy, set out on pages 98 to 105 of the 2025 Annual Report) as set out on pages 94 to 115 of the 2025 Annual Report.

### Final Dividend

4. To confirm the payment of the interim dividend of 1.6 pence per Ordinary Share and to declare a final dividend of 32 pence per Ordinary Share for the year ended 31 December 2025.

### Election and Re-election of Directors

5. To re-elect Jock Lennox as a Director.
6. To re-elect Peter Egan as a Director.
7. To elect Ryan Govender as a Director.
8. To re-elect Chris Girling as a Director.
9. To re-elect Nicola Keach as a Director.
10. To re-elect Kirsty Homer as a Director.

### External Auditor's Appointment and Remuneration

11. To reappoint Grant Thornton UK LLP as auditor to the Company until the conclusion of the next general meeting at which accounts are laid before the Company.
12. To authorise the Audit Committee to determine the remuneration of the auditor.

### Directors' Authority to Allot Shares

13. In substitution for all existing and unexercised authorities and powers, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006) ("Equity Securities") to such persons at such times and on such terms and conditions as the Directors may determine and subject always to the Articles of Association, provided that the aggregate of the nominal amount of such Equity Securities that may be allotted under this authority shall not exceed £12,593,074.

This authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this Resolution or, if earlier, on 1 July 2027, save that the Directors of the Company may, before such expiry make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors of the Company may allot Equity Securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

All unutilised authorities previously granted to the Directors of the Company under section 551 of the Companies Act 2006 shall cease to have effect at the conclusion of the Annual General Meeting (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this Resolution which would or might require equity securities to be allotted on or after that date).

## SPECIAL RESOLUTIONS

### Disapplication of Pre-emption Rights

14. Subject to and conditional upon the passing of the Ordinary Resolution numbered 13 in this notice of Annual General Meeting of the Company and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Companies Act 2006 to allot Equity Securities for cash pursuant to the authority conferred upon them by the Ordinary Resolution numbered 13 in this notice of Annual General Meeting of the Company and/or sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment of Equity Securities or sale of ordinary shares held by the Company as treasury shares, provided that this power shall be limited to:
  - (i) the allotment of Equity Securities in connection with a rights issue or similar offer to or in favour of ordinary Shareholders where the Equity Securities respectively attributable to the interests of all ordinary Shareholders are proportionate (as nearly as may be) to the respective

numbers of shares held by them on that date provided that the Directors of the Company may make such exclusions or other arrangements to deal with any legal or practical problems under the laws of any territory or the requirement of any regulatory body or any stock exchange or with fractional entitlements as they consider necessary or expedient;

- (ii) the allotment (otherwise than pursuant to sub paragraph (i) above) of Equity Securities pursuant to the authority granted under the Ordinary Resolution numbered 13 in this notice of Annual General Meeting or sale of treasury shares up to an aggregate nominal amount of £3,777,922 (representing approximately 10 per cent of the Company's issued share capital (excluding treasury shares) as at 2 March 2026); and
- (iii) the allotment of Equity Securities or sale of treasury shares (otherwise than under sub-paragraphs (i) or (ii) above) up to an aggregate nominal amount equal to 20 per cent of any allotment of Equity Securities or sale of treasury shares from time to time under sub-paragraph (ii) above, such authority to be used only for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This power shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this Resolution or, if earlier, on 1 July 2027, save that the Company may before such expiry make any offer or enter into any agreement which would or might require Equity Securities to be allotted (and treasury shares to be sold) after such expiry and the Directors of the Company may allot Equity Securities (and sell treasury shares) in pursuance of any such offer or agreement as if the power conferred hereby had not expired. All previous authorities under Section 571 of the Companies Act 2006 shall cease to have effect at the conclusion of the Annual General Meeting.

15. Subject to and conditional upon the passing of the Ordinary Resolution numbered 13 in this notice of Annual General Meeting of the Company and in addition to any authority granted under the Special Resolution numbered 14 in this notice of Annual General Meeting of the Company, the Directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Companies Act 2006 to allot Equity Securities for cash pursuant to the authority conferred upon them by the Ordinary Resolution numbered 13 in this notice of Annual General Meeting of the Company and / or sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment of Equity Securities or sale of treasury shares, provided that this power shall be limited to the allotment of Equity Securities pursuant to the authority granted under the Ordinary Resolution numbered 13 in this notice of Annual General Meeting of the Company or the sale of treasury shares:

- (i) up to an aggregate nominal amount of £3,777,922 (representing approximately 10 per cent of the Company's issued share capital (excluding treasury shares) as at 2 March 2026) such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within twelve months after the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice of Annual General Meeting of the Company; and
- (ii) (otherwise than under sub-paragraph (i) above) up to an aggregate nominal amount equal to 20 per cent of any allotment of Equity Securities or sale of treasury shares from time to time under sub-paragraph (i) above, such authority to be used for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by sub-paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice of Annual General Meeting of the Company.

This power shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this Resolution or, if earlier, on 1 July 2027, save that the Company may before such expiry make any offer or enter into any agreement which would or might require Equity Securities to be allotted (and treasury shares to be sold) after such expiry and the Directors of the Company may allot Equity Securities (and sell treasury shares) in pursuance of any such offer or agreement as if the power conferred hereby had not expired. All previous authorities under Section 571 of the Companies Act 2006 shall cease to have effect at the conclusion of the Annual General Meeting.

#### Purchase of Own Shares

16. In accordance with article 11 of the Articles of Association, the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 10 pence each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (i) the maximum aggregate number of Ordinary Shares that may be purchased under this authority is 37,779,223 (representing approximately 10 per cent of the Company's issued share capital (excluding treasury shares) as at 2 March 2026);
- (ii) the minimum price which may be paid for each Ordinary Share is 10 pence, exclusive of attributable expenses payable by the Company (if any); and
- (iii) the maximum price which may be paid for each Ordinary Share is the higher of:
  - a) an amount equal to not more than 105 per cent of the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
  - b) the higher of the price of the last independent trade of Ordinary Shares and the highest current independent bid for Ordinary Shares on the trading venue where the purchase is carried out,

in each case, exclusive of attributable expenses payable by the Company (if any).

The authority hereby conferred shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this Resolution or, if earlier, on 1 July 2027 save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of Ordinary Shares in pursuance of any such contract.

# Notice of Annual General Meeting 2026

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All previous unutilised authorities for the Company to make market purchases of Ordinary Shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this Resolution and where such purchase has not yet been executed.

All Shareholders are strongly encouraged to vote by appointing the Chair of the Meeting as their proxy in advance of the AGM.

By Order of the Board

**Christopher Clarkson**  
Company Secretary

2 March 2026

**Johnson Service Group PLC**  
Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH

## Accompanying Notes

### 1. AGM Arrangements

If you wish to attend the AGM in person, please be prepared to provide evidence of your shareholding and/or identity, to authenticate your right to attend, ask questions and vote at the AGM. If you are attending on behalf of a shareholder, you must bring photographic proof of your identity and evidence of your appointment to represent that shareholder. Shareholders planning to attend the AGM in person are requested to notify the Company in advance by email to the Company Secretary at [enquiries@jsg.com](mailto:enquiries@jsg.com) by 5 May 2026. This will enable the Company to make the necessary arrangements at the AGM venue.

### 2. Entitlement to Attend or Vote at the AGM

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered in the Register of Members of the Company at close of business on 5 May 2026 or, in the event that the Meeting is adjourned, in the Register of Members at close of business on the date which is two days prior to the date fixed for holding any adjourned Meeting, shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

### 3. Contacting the Company's Registrar

You can write to the Company's Registrar at the address below:

MUFG Corporate Markets  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

Alternatively, you can email at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or call MUFG Corporate Markets on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30 (GMT), Monday to Friday excluding public holidays in England and Wales.

When contacting the Registrar please ensure you provide your unique Investor Code (IVC), which can be found on a share certificate or dividend confirmation. Alternatively, you can contact the Company's Registrar to obtain your IVC.

### 4. Voting

In order to reduce the Company's environmental impact, our intention is to remove paper from the voting process as far as possible. As a result, you will not receive a Form of Proxy for the AGM in the post.

Whether or not you intend to attend the Meeting in person, you are asked to register your vote online through our Investor Centre app or via the website at <https://ukinvestorcentre.mpms.mufg.com>. You will need to log into your Investor Centre account or register if you have not previously done so. Once you have setup your account you will need to add your shareholding by clicking 'Add Holding' in the 'Portfolio' section and following the on-screen instructions. You will require your Investor Code (IVC) to add your shareholding. You can find your IVC on your share certificate or by contacting our Registrar, MUFG Corporate Markets at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or by calling on 0371 664 0300.

Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at <https://ukinvestorcentre.mpms.mufg.com/>.



CREST members may utilise the CREST electronic proxy appointment service in accordance with the instructions provided in Accompanying Note 6 below.

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform in accordance with Accompanying Note 7 below.

If you prefer, you may request a hard copy Form of Proxy from MUFG Corporate Markets, using the contact details set out in Accompanying Note 3 above, and return it to MUFG Corporate Markets at the address shown on the form.

All Forms of Proxy, whether online, electronic or hard copy, must be received by the Company's Registrar no later than 11:00am on 5 May 2026 or, if the Meeting is adjourned, by the time which is 48 hours before the start time of the adjourned Meeting.

If you need help with completing the Form of Proxy online, please contact the Company's Registrar.

# Notice of Annual General Meeting 2026

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## 5. Proxies

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the Meeting. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. You can only appoint a proxy by using the procedures set out in these notes.

Shareholders can complete the Form of Proxy online as further detailed in Accompanying Note 4 above. As an alternative, you may request a hard copy Form of Proxy by emailing, calling, or writing to, MUFG Corporate Markets using the contact details provided in Accompanying Note 3 above. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and returned to MUFG Corporate Markets at the above address together in the same envelope.

Shareholders who are CREST members may use the electronic proxy voting service as described below.

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform as described below.

To be valid, any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed (or a duly certified copy), must be received by post or (during normal business hours only) by hand at the Company's Registrar no later than 11:00am on Tuesday 5 May 2026.

Shareholders are encouraged to ensure that they contact MUFG Corporate Markets in sufficient time ahead of the AGM to allow any request for a paper Form of Proxy to be processed, dispatched and (following completion) subsequently returned to the Registrar.

The return of a completed Form of Proxy or other such instrument or any CREST Proxy Instruction or appointing a proxy via Proxymity (as described below) will not prevent a Shareholder attending the AGM and voting in person. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

## 6. CREST

CREST members who wish to appoint a proxy or proxies by utilising the proxy voting service may do so for the Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CREST's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID "RA10") by the latest time(s) for receipt of proxy appointments specified in, or in a note to, the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that CREST does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings ([www.euroclear.com](http://www.euroclear.com)).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## 7. Proxymity Voting

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11:00am on Tuesday 5 May 2026 in order to be considered valid or, if the Meeting is adjourned, by the time which is 48 hours before the time of the adjourned Meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

## 8. Availability of this Notice

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.jsjg.com/investor-relations/](http://www.jsjg.com/investor-relations/)

## 9. Documents Available for Inspection

The following documents will be available for inspection at the Registered Office of the Company during normal business hours on any business day (Saturdays, Sundays and public holidays excluded) from the date of this notice until the close of the Meeting and at the place of the Meeting for 15 minutes prior to and during the Meeting:

- (i) the Register of Directors' interests kept by the Company under Section 809 of the Companies Act 2006;

- (ii) copies of all service agreements between the Executive Directors and the Company together with other appropriate documentation; and
- (iii) copies of the terms and conditions of appointment of the Non-Executive Directors.

So that appropriate arrangements can be made for Shareholders wishing to inspect documents, we request that Shareholders contact the Company Secretary by email at [enquiries@jsg.com](mailto:enquiries@jsg.com) in advance of any visit to ensure that access can be arranged.

#### 10. Audit Statement

Shareholders meeting the threshold requirements set out in section 527 of the Companies Act 2006 have the right to require the Company to publish a statement on its website in relation to the audit of the Company's accounts that are to be laid before the Meeting, or any circumstances connected with an auditor of the Company ceasing to hold office since the previous AGM. The Company may not charge the requesting shareholders for website publication of such a statement. The Company must also forward the statement to the auditor not later than the time when it publishes the statement on the website. The business that may be dealt with at the Meeting includes any statement that the Company has been required to publish on a website under section 527 of the Companies Act 2006.

#### 11. Corporate Representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

#### 12. Nominated Persons

Any person to whom this notice is sent who has been nominated by a shareholder of the Company to enjoy information rights under section 146 of the Companies Act 2006 ("a Nominated Person") may have the right, under an agreement with the shareholder by whom they were nominated, to be appointed (or to have someone else appointed) as a proxy to exercise the shareholder's rights at the Meeting. If a Nominated Person does not have such a right, or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to how the shareholder exercises the voting rights attached to the shares in respect of which they have been nominated.

The statement of the rights of shareholders in relation to the appointment of proxies in this notice does not apply to Nominated Persons. The rights described can only be exercised by the shareholder who is entered on the Company's Register of Members. Nominated Persons are therefore advised to contact the shareholder by whom they were nominated for further information on their rights.

#### 13. Shareholder Rights and AGM Business

Subject to the provisions of section 338 of the Companies Act 2006, members representing at least 5 per cent of the total voting rights of all members (or at least 100 members who would have the right to vote at the Meeting and who hold shares on which there has been paid an average sum per member of at least £100) may have the right to require the Company:

- (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a Resolution which may properly be moved and is intended to be moved at the Meeting; and/or
- (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed Resolution) which may be properly included in the business.

A Resolution may properly be moved or a matter may properly be included in the business unless:

- (i) (in the case of a Resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (ii) it is defamatory of any person; or
- (iii) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, must identify the Resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than six weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

#### 14. Shareholders' Right to Ask Questions at the AGM

Any member attending the Meeting would have the right to ask questions relating to the business of the AGM in accordance with section 319A of the Companies Act 2006. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if:

- (i) to do so would interfere unduly with the business of the Meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on a website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Please note that only shareholders, proxies and corporate representatives attending the Meeting in person will be eligible to ask questions and vote during the Meeting.

#### 15. Total Voting Rights

As at 2 March 2026 (being the last business day prior to publication of this notice) the Company's issued share capital consists of 377,792,229 Ordinary Shares carrying one vote each. The total voting rights in the Company as at 2 March 2026 are, therefore, 377,792,229 (excluding treasury shares). As at the date of this notice, no shares are held by the Company in treasury.

# Notice of Annual General Meeting 2026

Continued >

## Explanatory Notes

The following notes give an explanation of the proposed Resolutions.

Resolutions 1 to 13 (inclusive) are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution. Resolutions 14 to 16 (inclusive) are proposed as Special Resolutions. This means that for each of those Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

The Directors consider the passing of all of the Resolutions to be in the best interests of the Company and its Shareholders and accordingly recommend that you vote in favour of these Resolutions as they intend to do so in respect of their own shareholdings.

### Annual Report and Accounts (Resolution 1)

The Directors of the Company must present the audited accounts for the year ended 31 December 2025 to the AGM.

### Directors' Remuneration Policy (Resolution 2)

This resolution seeks shareholder approval of the Directors' Remuneration Policy, which is set out in full in the Directors' Remuneration Report on pages 98 to 105 of the Annual Report. The Remuneration Policy is binding in nature, which means that once the Remuneration Policy commences, all payments by the Company to current, former or future Directors (including termination payments) must be made in accordance with the Remuneration Policy unless separately approved by a shareholder resolution. If Resolution 2 is passed, the Directors' Remuneration Policy will take effect from the date of its adoption. A new remuneration policy will be put to the shareholders again no later than the AGM in 2029.

### Directors' Remuneration Report (Resolution 3)

This resolution seeks shareholder approval of the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year ended 31 December 2025 as set out on pages 94 to 115 of the Annual Report. This resolution is subject to an 'advisory vote' by shareholders and the Directors' entitlement to remuneration is not conditional on it.

### Declaration of a Dividend (Resolution 4)

A final dividend can only be paid after the Shareholders at a general meeting have approved it. A final dividend of 32 pence per Ordinary Share is recommended by the Directors for payment to Shareholders who are on the Register at the close of business on 17 April 2026. If approved, the date of payment of the final dividend will be 15 May 2026. The ex-dividend date is 16 April 2026. An interim dividend of 1.6 pence per Ordinary Share was paid on 4 November 2025.

### Election and Re-election of Directors (Resolutions 5 to 10 inclusive)

Provision 18 of the Financial Reporting Council's UK Corporate Governance Code (the 'Code') requires all Directors to be subject to annual re-election. Biographical details of all the Directors offering themselves for re-election or election, as applicable, are set out on pages 60 to 61 of the 2025 Annual Report and are also available for viewing on the Company's website ([www.jsg.com](http://www.jsg.com)).

For 2025, an evaluation of the Board was conducted within the Company by way of questionnaire for completion by each Board member. The questionnaire was designed to encourage thought provoking and candid responses in relation to several aspects of Board performance during the year and views on future focus topics for the Board. The Chair then arranged individual, one-to-one, meetings with each Board member to discuss the aggregated and anonymised questionnaire responses. Overall conclusions were then presented and discussed at the meeting of the Board in January 2026. Further details are provided on page 81 of the 2025 Annual Report. Additionally, the Independent Non-Executive Directors conducted a performance evaluation of the Chair, after taking into account the views of the Executive Directors. Furthermore, the Remuneration Committee regularly reviewed the performance of each Executive Director.

As a result of these reviews and evaluations, it is considered that the performance of each Director continues to be effective, that each Director demonstrates sufficient commitment to their role and that the contribution of each Director continues to be important to the Company's long-term sustainable success.

### Appointment of the Auditor (Resolution 11)

The Company is required to appoint the auditor at each general meeting at which accounts are presented, to hold office until the end of the next such meeting. Resolution 11, which is recommended by the Audit Committee, proposes the reappointment of the Company's existing auditor, Grant Thornton UK LLP.

### Remuneration of the Auditor (Resolution 12)

This Resolution follows best practice in corporate governance by separately seeking authority for the Audit Committee to determine the auditor's remuneration.

### Renewal of Directors' Authority to Allot Securities (Resolution 13)

The Company's Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by Shareholders. The authority granted at the 2025 AGM under section 551 of the Companies Act 2006 to allot relevant securities is due to expire at the conclusion of this year's AGM. Accordingly, this Resolution seeks to grant a new authority to authorise the Directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next AGM of the Company in 2027 or, if earlier, the close of business on 1 July 2027.

If passed, the authority granted by the passing of this Resolution will be limited to an aggregate nominal value of £12,593,074 of Ordinary Shares which represents approximately one third of the Ordinary share capital in issue (excluding treasury shares) as at 2 March 2026 (being the latest practicable date prior to publication of this notice). If renewed, the authority will, unless previously renewed, varied or revoked by the Company in general meeting,

expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this Resolution or, if earlier, on 1 July 2027. As at the date of this notice, no shares are held by the Company in treasury.

Other than in respect of allotting Ordinary Shares in order to satisfy employee share schemes, the Directors have no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides. The Company's Directors intend to renew this authority annually.

#### **Renewal of General Disapplication of Pre-emption Rights (Resolution 14)**

Under section 561(1) of the Companies Act 2006, if the Directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing Shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing Shareholders. This cannot be done under the Companies Act 2006 unless the Shareholders have first waived their pre-emption rights.

In 2022, the Pre-Emption Group (which represents the Investment Association and the Pension and Lifetime Savings Association) published a revised statement of principles for the disapplication of pre-emption rights (the "Principles"). The Principles relate to issues of equity securities for cash other than on a pre-emptive basis (i.e. other than pro rata to existing Shareholders) by all companies (wherever incorporated) with shares admitted to the Premium Listing segment of the Official List of the UK Listing Authority and to trading on the Main Market for listed securities of the London Stock Exchange (noting that, since the publication of the Principles, the Premium and Standard listing segments have subsequently been replaced by a single listing category for equity shares in commercial companies). At the Company's AGM in 2025, the Company sought and obtained Shareholder approval for a general authority for the disapplication of pre-emption rights in accordance with the applicable authority limits set out in the Principles.

The Principles provide that a general authority for the disapplication of pre-emption rights over approximately 10 per cent of the Company's issued ordinary share capital, together with a further disapplication for up to 2 per cent to be used only for the purposes of a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Principles, should be treated as routine.

Whilst the Directors do not have any present intention to exercise the disapplication authority sought in Resolution 14, the Directors consider that it is appropriate for them to seek the flexibility that this authority provides, and that the authority sought in Resolution 14 is in the best interests of the Company.

Accordingly, other than in connection with a rights issue or any other pre-emptive offer concerning Equity Securities, and subject to the passing of Resolution 13, this Resolution seeks to replace the authority conferred on the Directors at the 2025 AGM to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares or sell treasury shares for cash (other than pursuant to an employee equity incentive share scheme) without application of pre-emption rights. The authority will be limited to the issue of shares for cash up to a maximum aggregate nominal value of (i) £3,777,922, which is equivalent to approximately 10 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 2 March 2026 (being the latest practicable date prior to publication of this notice); and (ii) up to an additional £755,584, which is equivalent to approximately 2 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 2 March 2026 (being the latest practicable date prior to publication of this notice), solely for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Principles.

This Resolution also seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas Shareholders.

Shareholders will note that this Resolution also relates to treasury shares and will be proposed as a Special Resolution. If renewed, the authority will, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next AGM of the Company in 2027 or, if earlier, the close of business on 1 July 2027. The Directors intend to renew this authority annually and confirm their intention to follow best practice, as set out in the Principles.

#### **General Disapplication of Pre-emption Rights in Connection with an Acquisition or Specified Capital Investment (Resolution 15)**

The Principles further provide that the Company may, as a routine, seek to disapply pre-emption rights over the equivalent of approximately an additional 10 per cent of the issued ordinary share capital of the Company, so long as certain criteria are met. Subject to the passing of Resolution 13, Resolution 15 seeks to replace the authority conferred on the Directors at the 2025 AGM (in addition to the authority referred to above in relation to Resolution 14) to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares or sell treasury shares for cash (other than pursuant to an employee equity incentive share scheme) up to an aggregate nominal value of approximately:

- (i) 10 per cent of the Company's issued ordinary share capital (excluding treasury shares) without application of pre-emption rights pursuant to section 561 of the Companies Act 2006, provided that this authority will only be used for the purpose of:
  - a. an acquisition; or
  - b. a specified capital investment in respect of which sufficient information regarding the effect of the investment on the Company, the assets that are the subject of the investment and (where appropriate) the profits attributable to those assets is made available to Shareholders to enable them to reach an assessment of the potential return on the investment which is announced contemporaneously with the issue or which has taken place in the preceding twelve month period and is disclosed in the announcement of the issue; and up to an additional
- (ii) 2 per cent of the Company's issued ordinary share capital (excluding treasury shares) without application of pre-emption rights pursuant to section 561 of the Companies Act 2006, provided that this authority will only be used for the purpose of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Principles.

At the Company's 2025 AGM, in addition to a general authority for the disapplication of pre-emption rights in accordance with the authority limits set out in the Principles, the Company sought and obtained Shareholder approval for an additional general authority for the disapplication of pre-emption rights in connection with an acquisition or specified capital investment, in accordance with the applicable authority limits set out in the Principles.

# Notice of Annual General Meeting 2026

Continued >

Whilst the Directors do not have any present intention to exercise the disapplication authority sought in Resolution 15, the Directors consider that it is appropriate for them to seek the additional flexibility that this authority provides, and that the authority sought in Resolution 15 is in the best interests of the Company.

Accordingly, other than in connection with a rights, scrip dividend, or other similar issue, the authority contained in Resolution 15 would be limited to (i) the issue of shares for cash up to a maximum aggregate nominal value of £3,777,922 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which is equivalent to approximately 10 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 2 March 2026 (being the latest practicable date prior to the publication of this notice); and (ii) up to an additional £755,584, which is equivalent to approximately 2 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 2 March 2026 (being the latest practicable date prior to publication of this notice), solely for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Principles.

If approved, the authority will, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next AGM of the Company in 2027 or, if earlier, the close of business on 1 July 2027. The Directors intend to renew this authority annually.

## Renewal of Company's authority to purchase Ordinary Shares (Resolution 16)

In certain circumstances it may be advantageous for the Company to purchase its own shares and this Resolution seeks the authority from Shareholders to continue to do so. Authority was given to the Company to make market purchases up to an aggregate of 41,498,320 of its Ordinary Shares at the 2025 AGM (being equal to approximately 10 per cent of the Company's issued ordinary share capital as at 3 March 2025, the latest practicable date prior to the publication of the notice for the 2024 AGM). This authority is due to expire at the end of the AGM and it is proposed that the Company be authorised to make market purchases up to an aggregate of 37,779,223 Ordinary Shares, representing approximately 10 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 2 March 2026, being the latest practicable date prior to the publication of this notice. The authority specifies the minimum and maximum prices that may be paid for any Ordinary Shares.

Details of share buyback programmes undertaken by the Company during the financial year ended 31 December 2025 are set out on page 63 of the 2025 Annual Report.

Renewing the authority for the Company to purchase Ordinary Shares in the market, pursuant to Resolution 16, is intended to allow your Board the flexibility to take advantage of opportunities that may arise to increase Shareholder value. The Directors intend that this authority will only be exercised when, in the light of market conditions prevailing at the time and having carefully considered any priority capital allocation activities, financial gearing levels and the overall position of the Company, they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of its members as a whole. The purchase price would be paid out of distributable profits.

Whilst it is the Directors' present intention to cancel any shares purchased pursuant to this authority, any shares purchased in the market under this authority may be either cancelled or, pursuant to the Companies Act 2006 and the authority conferred by this Resolution, held as treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

Shares held in treasury allow the Company to quickly and cost-effectively reissue shares and also gives the Company the opportunity to satisfy employee share scheme awards. The total number of options to subscribe for Ordinary Shares that were outstanding at 2 March 2026 (being the latest practicable date prior to publication of this notice) was 8,378,505. The proportion of issued share capital (excluding treasury shares) that they represented at that time was approximately 2.2 per cent and the proportion of issued share capital (excluding treasury shares) that they will represent if the full authority to purchase shares (existing and being sought) is used is approximately 2.5 per cent.

The authority given under this Resolution will, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next AGM of the Company in 2027, or, if earlier, the close of business on 1 July 2027. It is the present intention of the Directors to seek renewal of this authority annually.

# Directors and Advisors

## Directors and Officers

### **John (Jock) Fyfe Lennox, LLB, CA**

Non-Executive Chair  
Chair of Nomination Committee  
Member of Remuneration Committee

### **Peter Egan, MBA**

Chief Executive Officer  
Director responsible for Health, Safety and the Environment  
Chair of Sustainability Committee  
Chair of Disclosure Committee

### **Ryan Govender, ACA, CA(SA) (appointed 1 October 2025)**

Chief Financial Officer  
Member of Sustainability Committee  
Member of Disclosure Committee

### **Christopher (Chris) Francis Girling, MBA, FCA**

Independent Non-Executive Director  
Senior Independent Non-Executive Director  
Chair of Audit Committee  
Member of Nomination Committee  
Member of Remuneration Committee

### **Nicola Elizabeth Anne Keach, MA**

Independent Non-Executive Director  
Member of Audit Committee  
Member of Nomination Committee  
Member of Remuneration Committee

### **Kirsty Rowena Homer, MA**

Independent Non-Executive Director  
Chair of Remuneration Committee  
Non-Executive Director responsible for Workforce Engagement  
Member of Audit Committee  
Member of Nomination Committee  
Member of Remuneration Committee

### **Yvonne May Monaghan, BSc (Hons), FCA (resigned 1 October 2025)**

Former Chief Financial Officer

### **Christopher John Clarkson, LLB (Hons)**

General Counsel & Company Secretary

## Registered Office

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Preston Brook  
Cheshire  
WA7 3GH

## Advisors

### **Financial Advisor and Stockbrokers**

Investec Bank PLC  
30 Gresham Street  
London  
EC2V 7QP

### **Principal Bankers**

Lloyds Bank plc  
40 Spring Gardens  
Manchester  
M2 1EN

### **National Westminster Bank PLC**

10th Floor, The Plaza  
100 Old Hall Street  
Liverpool  
L3 9QJ

### **AIB Group (UK) plc**

92 Ann Street  
Belfast  
BT1 3HH

### **Lawyers**

Hill Dickinson LLP  
No1 St Paul's Square  
Liverpool  
L3 9SJ

### **Registrar and Transfer Office**

MUFG Corporate Markets  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

### **Independent Auditor**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4PB

# Electronic Communications

The Company offers Shareholders the opportunity to receive communications such as notices of Shareholder meetings and the annual report and accounts electronically. The Company encourages the use of electronic communication as, not only does it help to reduce the Company's environmental impact and save on printing and mailing costs, it is also a more convenient and prompt method of communication.

If you decide to receive communications electronically, you will be sent an email message each time a new Shareholder report or notice of meeting is published. The email will contain links to the appropriate website where documents can be viewed. It is possible to change your instruction at any time by amending your details on the register.

If you would like to receive electronic communications, you will need to register your email address by accessing the Shareholder Services page within the Investor Relations section of the Company's website at [www.jsg.com](http://www.jsg.com).

This will link you to the service offered by the Company's Registrar. If you decide not to register an email address with the Registrar, you will continue to receive notification in the post each time a new Shareholder report or notice of meeting is published, unless you have requested to receive these documents in hard copy form.

Those Shareholders who are CREST members and who wish to appoint a proxy or proxies utilising the proxy voting service please refer to Accompanying Note 6 of the Notice of Annual General Meeting. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io) and refer to Accompanying Note 7 of the Notice of Annual General Meeting.

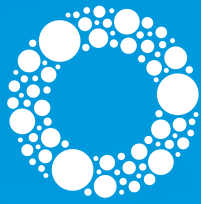
Nominee shareholders are underlying beneficial shareholders who hold their shares through a nominee company. If underlying shareholders wish to receive Company mailings, then they have the right to request to be put on the beneficial holder's information rights register which can be arranged via their nominee provider.

If you have any queries regarding electronic communications, please contact the Company's Registrar, MUFG Corporate Markets, via email at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30 (GMT), Monday to Friday excluding public holidays in England and Wales.



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