Annual Report 2024

The Pebble Group

Building brands.
Growing relationships.
Strengthening businesses.

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thepebblegroup.com

Have a look around

Use the interactive navigation bar to move around the report and jump between sections

Welcome to our annual report.

"In 2024, the Group made significant strategic and operational progress to set the foundations to accelerate organic growth and gain market share."

Anne de Kerckhove
Independent Non-executive Chair

Strategic report

Corporate governance

Financial statements

FINANCIAL HIGHLIGHTS

Setting a solid foundation for growth.

REVENUE

£125.3m

+0.9%

24	£125.3m
23	£124.2m

GROSS PROFIT

£55.5m

+2.4%

24	£55.5m
23	£54.2m

ADJUSTED EBITDA[1]

£16.7m

+4.4%

24	£16.7m
23	£16.0m

OPERATING PROFIT

£8.6m

+7.5%

24	£8.6m
23	£8.0m

BASIC ADJUSTED EARNINGS PER SHARE (EPS)[2]

4.63p

+0.7%

24	4.63p
23	4.60p

NET CASH[3]

£16.5m

+3.8%

24	£16.5m
23	£15.9m

HIGHLIGHTS

- Group Adjusted EBITDA[1] ahead of prior year at £16.7m (FY 23: £16.0m)
- Continued Gross Margin expansion to 44.3% (FY 23: 43.6%)
- Net Cash[3] at 31 Dec 2024 £16.5m (FY 23: £15.9m)
- Dividend and share buyback £3.4m (FY 23: £1.0m)

1 Adjusted EBITDA is defined as operating profit adjusted to add back depreciation, amortisation, share-based payment charge/credit and exceptional items.
2 Basic adjusted EPS is calculated as profit after tax before amortisation of acquired intangibles, share-based payment charge/credit and exceptional items net of taxation divided by the weighted average number of shares in issue.
3 Net cash is defined as cash and cash equivalents less borrowings (excluding lease liabilities).

OUR VISION AND VALUES

Building brands. Growing relationships. Strengthening businesses.

Our vision is to provide industry leading technology, products and related services to the global promotional products industry.

Our values define our behaviour and decision-making, underpinning the delivery of our long-term future.

One team, diverse and united
We are one team using our diverse skills and experience to support each other's successes and challenges, respecting our differences.

Always learning and growing
Learning and growing, knowing there is always progress to be made.

Enjoying the journey
Enjoying the journey in a culture of integrity, transparency and fairness, where we are proud of our past and excited by our future.

Connected to our stakeholders
Connected to all our stakeholders, developing long-term relationships by engaging to understand needs and aspirations.

Ambitious positivity
Ambitious in our commitment to achieving positive results with sustainable impact.

INTRODUCTION TO THE PROMOTIONAL PRODUCTS INDUSTRY

Introduction to the promotional products industry.

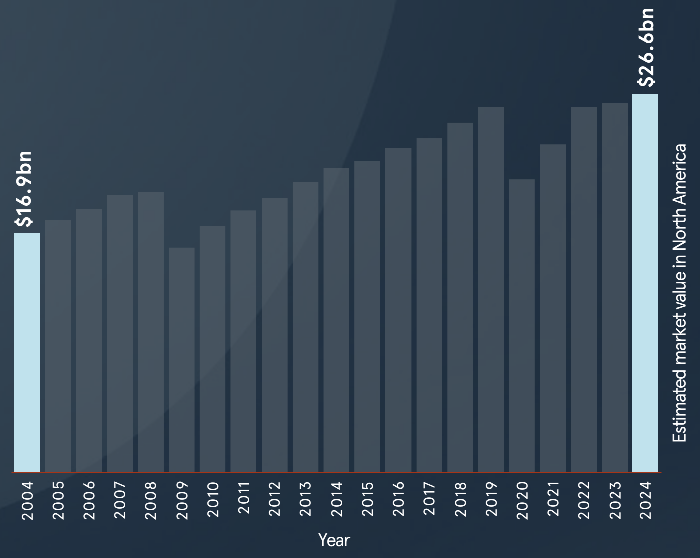
Industry growth and development

The global promotional products market is worth circa $50bn, 50% of which is in North America.

Promotional products are often a key component in a business' marketing strategy with the cost per impression or the return on investment being highly attractive.

Businesses are increasingly choosing to work with promotional product distributors who can develop product strategies that connect with their target audience both locally and across the world.

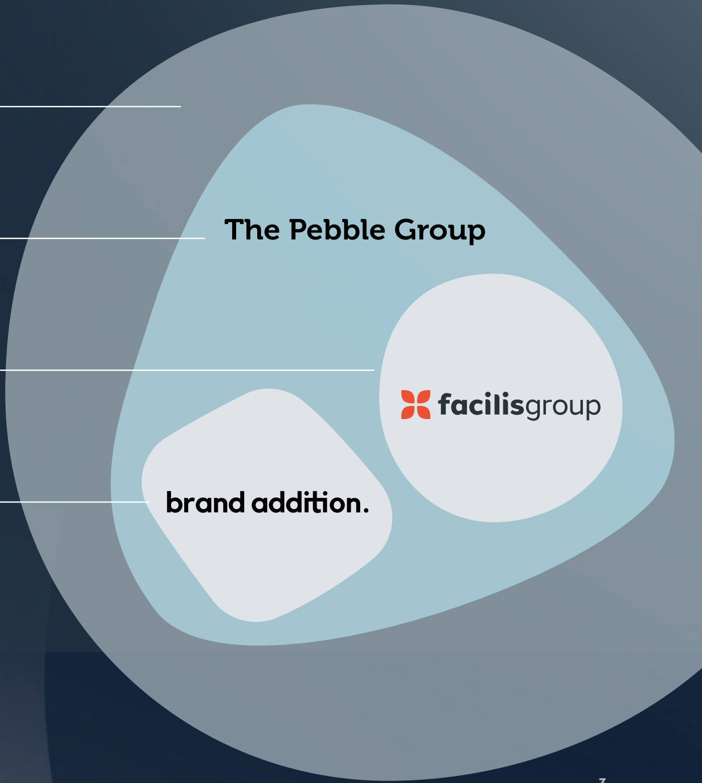
Businesses have become more considered in their approach, investing in products to engage with employees and customers that align with brand values, are made from more sustainable materials and are useful, helping to generate as many brand impressions as possible.



Advertising Specialty Institute (ASI) reported industry sales revenue (North America).

Market opportunity

circa. $50bn	GLOBAL INDUSTRY
$1.6bn	VISIBILITY OF SALES OF PROMOTIONAL PRODUCTS
$1.5bn	GROSS MERCHANDISE VALUE THROUGH OUR TECHNOLOGY
$0.1bn	SALES OF PROMOTIONAL PRODUCTS



INTRODUCTION TO THE PROMOTIONAL PRODUCTS INDUSTRY

Why are promotional products used?

Businesses of all sizes, sectors and geographies use products branded with their name or key message.

They are used to build culture, brand awareness and make meaningful connections with stakeholders, be they existing or potential clients, employees or suppliers.

The right strategy can help businesses make a long lasting positive emotional connection with the recipient, reminding them of an interaction with a brand each time they use or wear a product.

Developing an effective strategy

Benefits

- Brand loyalty
- Stakeholder engagement
- Driving brand sales
- Creating memorable brand connections

Our purpose and strategy.

The Pebble Group consists of two differentiated businesses: Facilisgroup and Brand Addition which are both dedicated to our **shared purpose**.

Providing industry leading technology, products and services to the global promotional products market.

We aim to create long-term value and sustainable growth for our stakeholders through leadership, strategic initiatives, innovation and responsible management.

STRATEGY

Prioritise existing relationships to maintain our excellent client and Partner retention credentials.

Our values: Connected to our stakeholders

Our values: Ambitious positivity

Continually evolve our best-in-class products and services to maintain our competitive advantage.

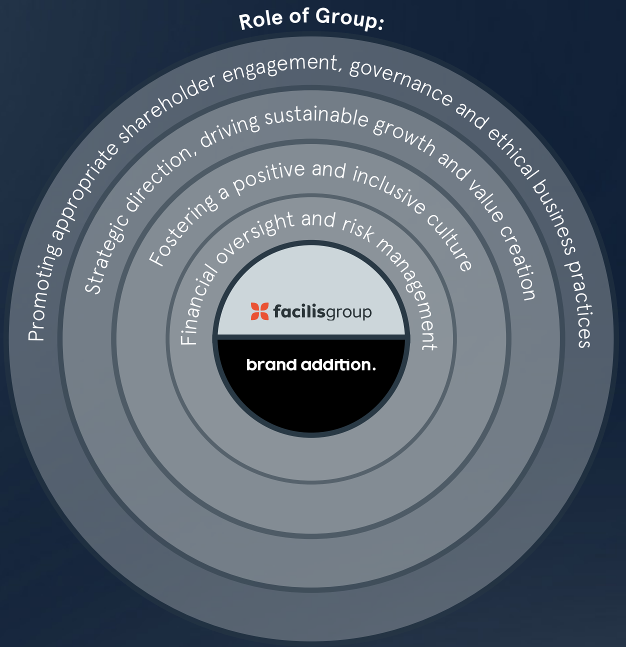
Our values: Connected to our stakeholders

Our values: Always learning and growing

Invest in our teams and build a strong community to deliver our strategic ambition.

Our values: One team, diverse and united

Our values: Enjoying the journey



SUSTAINABLE OUTCOMES FOR OUR STAKEHOLDERS

Employees
- Investment in our people
- Recognising and nurturing talent
- Positive culture fostering learning and growth

Clients and Partners
- Specialised client support
- Complex solutions delivered
- Responsible procurement and reduced environmental impact
- Enabling frictionless business processes

Strategic suppliers
- Valued partnerships
- Growth opportunities
- Strategic collaboration

Shareholders and the wider investment community
- Profitable growth and cash generation
- Disciplined capital allocation
- Responsible business practices

OUR INVESTMENT CASE

Building brands. Growing relationships. Strengthening businesses.

Client/Partner focussed

A compelling proposition with clients and Partners at its centre

Resilient revenue models with recurring and repeat revenue

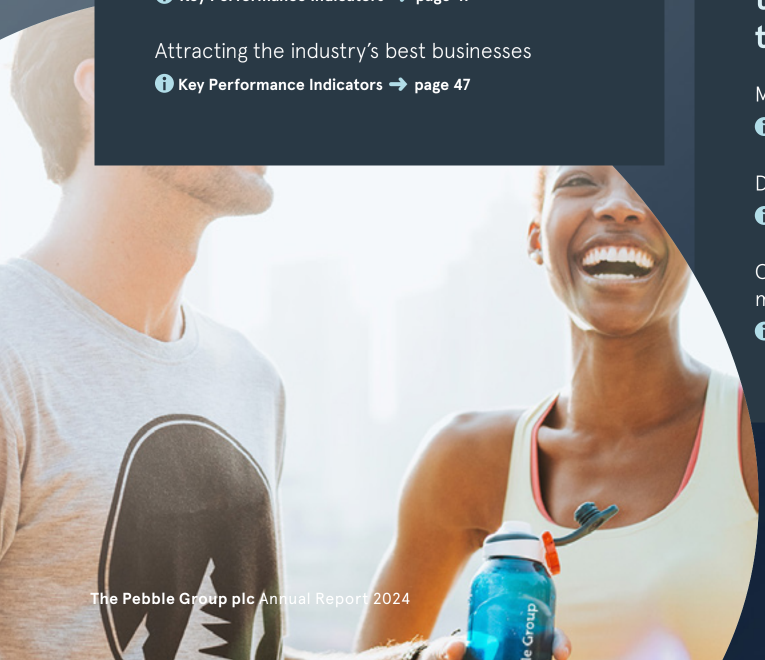
Key Performance Indicators → page 47

Best in class retention rates

Key Performance Indicators → page 47

Attracting the industry's best businesses

Key Performance Indicators → page 47



Market leading

Differentiated businesses leading through commitment to long-term relationships

Making decisions that build long-term trust

Environmental Social and Governance (ESG) → page 26

Differentiating through creativity

Our businesses – Brand Addition → page 11

Continually evolving our technology to lead the market

Our strategy in action – Facilisgroup → page 19

Significant opportunity to scale

Established international scale in a large and fragmented market provides opportunity to grow

Offices of substance in all major geographies

Our worldwide presence and revenues → page 7

Circa $50bn market

Market opportunity → page 3

Strength of geographic and sector diversification

Key Performance Indicators → page 47

Creating value

Highly cash generative, funding our growth ambitions and returning value to stakeholders

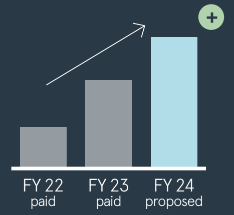
Investing in organic growth through new product development and sales and marketing initiatives

Key Performance Indicators → page 47

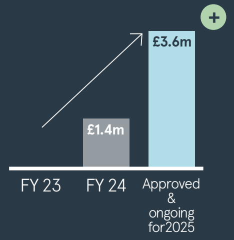
Progressively increasing our dividends

Returning value through the share buyback

Dividends paid & proposed £'m:



Share buy backs £'m:



OUR BUSINESSES

Our worldwide presence and revenues.

TEAM MEMBERS
500+
(Team members number refers to average FTEs)

SITES
10

EUROPE
33 %

UNITED STATES
34 %

UNITED KINGDOM
15 %

REST OF WORLD
18 %

OUR BUSINESSES

Two differentiated businesses.

The Pebble Group

facilisgroup

Providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth-oriented promotional products distributors in North America.

GROUP REVENUE	GROUP ADJUSTED EBITDA*
14%	45%

*this excludes EBITDA from central operations

brand addition.

An end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities.

GROUP REVENUE	GROUP ADJUSTED EBITDA*
86%	55%

*this excludes EBITDA from central operations

OUR BUSINESSES

facilisgroup

Providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth orientated promotional products distributors in North America.

Revenue FY 24:

$22m

Team members:

90+

Partner Gross Merchandise Value (GMV):

$1.5bn

Purchases from Preferred Suppliers

$0.5bn

Target market:

Promotional product distributors in North America.

Revenue model:

Subscriptions from Partners for technology. Fees for supporting a marketing network with Partners.

Technology:

$1.5bn (FY 23: $1.4bn) or 6% of the North American promotional products sector is processed through our technology via circa 240 quality Partner businesses.

Market network:

Bringing Partners and Preferred Suppliers together to create a market network and learning and development community benefiting all parties.

Certain amounts relating solely to the Facilisgroup business are presented in their home currency of USD.

OUR BUSINESSES

facilisgroup

Our model

facilisgroup

Suppliers
~100 Preferred Suppliers

Distributors
c.240 Partners

Brands
~1,000,000 orders

Technology and expertise delivering growth

Visibility of business performance leading to better decision-making

Market network and community delivers benefits beyond technology

Long-term, trusted partner

Partner journey

Best practice processes required to drive sales and profit growth

Discovery of possibilities – technology, Preferred Supplier network, community

Implementation of Facilisgroup technology and integration with Preferred Suppliers and community

Business benefits received through best practice processes and expertise

Long-term, trusted partner

Learn more at **facilisgroup.com**

Facilisgroup provides an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth-oriented promotional products distributors in North America.

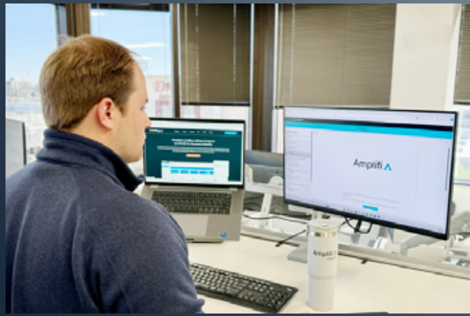
Our technology, branded Syncore, offers promotional product distributors the tools and processes they need to efficiently run their business. With strong front and back-end capabilities in one system, proprietary operating methods designed and taught by industry experts, our distributors reduce order processing time, increase margins, and get paid faster, serving clients better at scale.

Uniquely, we don't stop at technology and some generic support. Our teams train the teams of our distributors, becoming an extension of their business. This aligns best practices with the business' long-term goals, delivering productive, winning teams.

When distributors join Facilisgroup, they are more than our customers, they are our long-term Partners. Partners that we work with to ensure their success. Within two years of joining Facilisgroup new Partners, on average, have grown their revenues by 14% and collectively the Partners, with 2024 Gross Merchandise Value of USD1.5bn, represent circa 6% of market, the largest consolidated spend in the industry.

Our Syncore technology is supplemented by a powerful market network supported by the industries most valued suppliers (Preferred Suppliers) and the creation of a learning and collaboration community between the Partners, Preferred Suppliers and Facilisgroup.

Our revenue is derived from a combination of subscriptions from Partners for Syncore and fees from Preferred Suppliers for supporting a marketing network with Partners.



OUR BUSINESSES

brand addition.

An end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities.

Revenue in FY 24:

£108m

Team members:

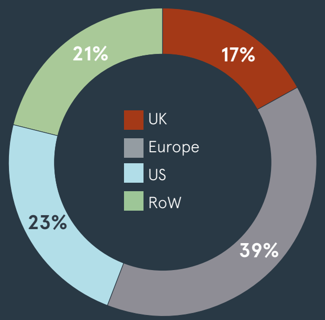
400+

Long-term relationships:

90% retention of Top 20 clients since 2019

Global presence:

REVENUE BY DESTINATION %



Target market:

Large global brands that value creative merchandise, responsibly sourced and delivered consistently across the world.

Revenue model:

A margin applied on the delivery of the product which includes the services provided, such as design, sourcing, ecommerce solutions, account management and distribution.

Brand engagement:

Thoughtful and creative bespoke products, aligned with clients' brand values, to engage their stakeholders.

Brand protection:

Product quality and supply chain assurance to protect clients' brand integrity.

OUR BUSINESSES

brand addition.

Our model

Suppliers | Distributors (brand addition.) | Brands

- Build Brands with creative merchandise
- Product desirability and sustainability
- Brand Control and Consistency via global reach
- Long-term, trusted partner

Client journey

1. Outsource merchandise to protect brand equity
2. Tender process to appoint a trusted, long-term partner
3. Expectations formalised through a contract
4. Deliver creativity and control with chosen partner
5. Long-term, trusted partner

Learn more at
brandaddition.com

Brand Addition is an end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities

We extend our clients' values in thoughtful, sustainable, conscious ways to create branded moments that people love.

Our largest contracts are valued in the millions of pounds, with the products and services supplied being used for brand building, customer engagement and employee incentives. Working in close collaboration with its clients, Brand Addition designs creative and sustainable products and product ranges, hosts client-branded ecommerce platforms, and provides international sourcing and distribution solutions throughout Europe, North America and Asia. It utilises its global network to ethically source and deliver complex and creative product solutions.

Headquartered in Manchester, it has locations in Europe, the US and Asia.

Revenues are generated by selling product through: Corporate Programmes that support clients' general marketing activities through: B2B and B2C stakeholder engagement; and Consumer Promotions that support clients in driving their own sales volumes across all retail channels.

CHAIR'S REPORT

Operational progress as we strengthen our platform to accelerate growth.

Anne de Kerckhove
Independent Non-executive Chair

Introduction

I am pleased to be making my first annual statement following my appointment as Non-executive Chair in September 2024. I have spent my first few months understanding the Group's strategic ambition, purpose and markets, and how it develops and maintains its long-term relationships with its stakeholders.

The Group has established an excellent platform from which to grow and capitalise on the exciting opportunities presented by the large, addressable circa $50bn global market. The strengths of its two market leading businesses, recurring revenues, differentiated technology, global footprint, and focus on long-term relationships, provide the opportunity to take advantage of the fragmented markets both businesses serve. This operational excellence, combined with a strong balance sheet and highly cash generative characteristics, means the Group is well positioned to create stakeholder value.

I have met with many of our stakeholders and have experienced firsthand, their dedication and enthusiasm about our businesses and their long-standing relationships.

I am enjoying working with the Board to understand the Group's strengths, enhance the value of our two businesses and execute our strategy to unlock future growth and shareholder value. I am excited by the sense of momentum and strategic opportunities across the Group.

Performance

I am pleased to report that in 2024, the Group delivered a financial performance in line with market expectations and made significant strategic and operational progress to set the foundations to accelerate organic growth and gain market share.

The Group achieved revenue in the year of £125.3m (FY 23: £124.2m) and adjusted EBITDA of £16.7m (FY 23: £16.0m). The Group's balance sheet remains strong with net cash on 31 December 2024 of £16.5m, being an increase of £0.6m from 31 December 2023. This increase is after a dividend payment of £2.0m (FY 23: £1.0m) and the commencement of a share buyback programme, each intended to return value to those shareholders that have supported the Group.

Our market and strategy

We operate in a large fragmented market which we estimate to be circa $50bn annually. 50% of this opportunity is in North America, where our technology business Facilisgroup is based, and Brand Addition has an established footprint. The size of the industry is driven by the continued demand of virtually all businesses to use product to make meaningful connections with their stakeholders. Promotional products continue to be a key component in marketing strategies, with the cost per impression or the return on investment being highly attractive.

Transactions processed directly or indirectly by Facilisgroup and Brand Addition, account for approximately 3% of all promotional products sold globally and approximately 6% of all promotional product transactions in the North American market. This gives the Group significant insight into market trends and development and the Group is able to apply this knowledge to inform its strategic planning.

Our market insights show that:

- The global market for promotional products is very fragmented. The majority of the market is being served by owner managed SMEs with a high concentration in North America. As technology proliferates, SME distributors have a need for technology to support their efficiency and growth.
- Creative, sustainable promotional products continue to be a key strategic component of the brand building, employee engagement and customer reward strategies of businesses around the world.

The Group's strategic objectives are to capitalise on these opportunities through its businesses, Facilisgroup and Brand Addition.

Share Buyback Programme and Dividend

As part of the Group Board's commitment to creating shareholder value, during the year, the Group commenced a share buyback programme in the Company's Ordinary Shares up to a maximum consideration of £5.0m. At 17 March 2025, 5,439,931 shares have been bought back equating to 3.2% of the Company's share capital, at a total cost of £2.7m. The Group Board intends that the share buyback programme will continue.

The Group Board is proposing the payment of a final dividend of 1.85 pence per share (FY 23: 1.2 pence per share), a distribution totalling £3.0m. This will be paid on 13 June 2025, subject to shareholder approval.

Team and Board changes

I joined the Group as Chair in September 2024, following the departure of the previous Chair in April 2024.

In the interim period, Chris Lee, became Interim Executive Chair alongside his existing duties as Group CEO. Following my appointment, Chris ceased to act as Interim Executive Chair and continues his role as CEO of the Group.

Environmental, Social and Governance (ESG)

We aim to integrate good governance and best practices into all aspects of our business because we believe it is the right thing to do. We do this in our own tone of voice, focussing on the things that matter most to our stakeholders. In March 2025, we will publish our annual standalone ESG Report which provides a comprehensive review of the meaningful action we are taking.

Outlook

I want to thank all the teams across the Group for their hard work and dedication to our businesses during the past year.

Looking ahead, this is an exciting time for the Group. Our businesses are strong with momentum building and are well positioned to take advantage of the opportunities ahead.

I am confident that the Executive team and senior management across the Group will focus on executing our strategy to enhance the value of our businesses and capture the opportunities ahead enabling us to deliver profitable growth and fulfil our vision of being the leading provider of technology, products and related services to the global promotional products industry.

Anne de Kerckhove
Independent Non-executive Chair
17 March 2025

> **"The Group has established an excellent platform from which to grow and capitalise on the exciting opportunities presented by the large, addressable circa $50bn global market."**

CHIEF EXECUTIVE OFFICER'S REVIEW

Strengthening our businesses to accelerate organic growth.

Summary of results

We are pleased to report that the Group's results for the year ended 31 December 2024 are in line with expectations.

Group revenue was £125.3m (FY 23: £124.2m), being slightly ahead of last year.

Group Adjusted EBITDA was £16.7m (FY 23: £16.0m), an increase of 4% over prior year.

The cash generative qualities of the Group remain strong and are expected to continue to improve as our investment in capital expenditure is rebased. Net cash was £16.5m at 31 December 2024 (31 December 2023: £15.9m) following a dividend payment of £2.0m (FY 23: £1.0m) as well as £1.4m (FY 23: £nil) applied to a share buyback programme.

Introduction, The Pebble Group:

Building brands, growing relationships, strengthening businesses

The Group's two businesses, Facilisgroup and Brand Addition, both occupy market leading positions and have significant heritage in the fragmented promotional products industry. The businesses also share enduring long-term relationships with clients, Partners and suppliers which underpin the recurring and repeatable revenues upon which the solid financial performance and cash generation has been built.

Our expertise is centred on working with the best businesses throughout the supply chain to deliver great products efficiently and safely into the market. We do this through a combination of technology, best practice processes, investment in our infrastructure and our highly experienced team. Our growth starts with creating continual value for existing clients and Partners and then attracting new long-term relationships.

With an estimated $50bn per annum spent globally on promotional products, the market is large and offers attractive growth opportunities for Facilisgroup and Brand Addition.

"We are pleased to report that the Group's FY 24 results are in line with expectations. Our operational focus in 2024 was on strengthening our businesses to accelerate organic growth."

Chris Lee
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REVIEW

Business Review

Facilisgroup: providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth orientated promotional products distributors in North America

	FY 24 £'m	FY 23 £'m	FY 24 $m	FY 23 $m
ARR	**£16.9m**	£17.0m	**$21.6m**	$21.2m
Other revenue	**£0.7m**	£0.9m	**$0.9m**	$1.0m
Total revenue	**£17.6m**	£17.9m	**$22.5m**	$22.2m
Adjusted EBITDA	**£8.8m**	£8.9m	**$11.2m**	$11.0m
Operating profit	**£3.5m**	£4.4m	**$4.5m**	$5.4m

Reviewing our performance in USD, the business' home currency, FY 24 revenue of $22.5m (FY 23: $22.2m) is slightly ahead of prior year. This reflects the largely flat Gross Merchandise Value (GMV) of our existing Partners in 2023 which translates into 2024 technology subscriptions and 10 Partner businesses being acquired in 2024, a higher number than previously experienced. In FY 24 the activities that underpinned revenue and influence the future annual recurring revenue stream were:

- GMV: FY 24 $1.51bn (FY 23: $1.42bn). This is the sales activity of our Partners (customers) through our technology platform, Syncore, and is an increase of 6% on prior year. The growth was primarily driven by new Partner acquisition and compares well to an overall growth in the North American promotional products market of 1%;
- Preferred Supplier spend: FY 24 $0.51bn (FY 23: $0.47bn). An increase of 8%, moving with the growth in GMV. Being ahead of the wider market demonstrates the strength of the market network at Facilisgroup benefiting both our Partners and Preferred Suppliers; and
- Partner numbers: 239 at 31 December 2024 (31 December 2023: 242). This included 16 new quality Partner wins, 10 Partners acquired by other businesses and a churn of 9, being a 96% underlying Partner retention rate.

A strength of Facilisgroup is its revenue to profit conversion. This continued in 2024 with Adjusted EBITDA margins of 50% (FY 23: 50%). The value placed upon this metric has been diluted as we have made material capital investment into the business in recent years with the aim of expanding both our total addressable market and the technology modules we offer. The amortisation resulting from this investment is being accounted for through our financial statements, with Operating profit of $4.5m (FY 23: $5.4m).

In H2 2024 we were able to significantly reduce this investment as the required period of high initial development came to an end on our expanding addressable market product, Commercio Orders, and our eCommerce platform, Commerico Stores. In the year, total capital expenditure at Facilisgroup was $6.2m (FY 23: $7.7m) with a similar quantum of reduction expected in FY 25. The result is that in FY 24 Operating cash conversion improved compared to prior year and is expected to continue to improve in FY 25.

After three years of focussed investment, we believe our technology, processes and network are industry leading, differentiated from our competitors and will support our medium-term growth within this exciting market. We expect to move from development to execution through our revenue generating teams, which has started with our new strategic Chief Revenue Officer (CRO) hire.

Approach to the market

Providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth orientated promotional products businesses in North America, Facilisgroup has a proven track record of being an integral part of the sustained growth of quality promotional product distributors. Within two years of joining Facilisgroup new Partners, on average, have grown their revenues by 14%. Collectively the Partners, with FY 24 GMV of $1.5bn, represent circa 6% of the market, equating to the largest consolidated spend in the industry.

Recognition of the quality of the Partners and Preferred Suppliers is evidenced via inclusion of 15 Partners in the 2024 Top 100 businesses collated by industry trade association PPAI and, 10 community members in the industry's 2024 Power 50, collated by ASI Central.

In 2024, I spent a significant amount of time engaging with Facilisgroup stakeholders including Partners, Preferred Suppliers, investors and our team. This engagement generated valuable feedback and supported several important advancements in 2024. These include; the creation of a Partner Advisory Committee; the appointment of a new leadership role of Chief Product Officer; a step-change reduction in the capitalisation of internal product and engineering time; a focussed Partner events schedule; improving the levels of learning and experience of our team; the development of the product marketing function; and, a rejuvenation of engagement in our community with Partners and Preferred Suppliers. This was achieved through concentration on three key themes; Technology, Team, and Community. In March 2025, this has been augmented by the appointment of a new leadership role of CRO, completing the leadership team capable of taking the business through its next stage of growth.

From this improved foundation and an evolving strategy, we expect to move forward in the journey to accelerated organic growth and a realisation of the business' excellent operational and financial potential.

Our expertise is in providing an end-to-end order processing system, aligning technology to proprietary operating methods, to growth orientated promotional products distributors. This is supplemented by a powerful market network supported by the industries most valued suppliers (Preferred Suppliers) and the creation of a learning and collaboration community between the Partners, Preferred Suppliers and Facilisgroup.

Under a single technology brand, Syncore, we will focus on maintaining our excellent retention rates as the foundation of growth and aim to accelerate net new Partner acquisitions, via;

- winning market share of distributors with similar profiles to our existing Partners, through advancing technology, effective utilisation of the market network with Preferred Suppliers, and the community created around this offering;
- providing best-in-class integrations to support the increasingly complex needs of larger high growth distributors, including existing Partners, who break into the elite top 100 distributors in the industry; and
- extending the Partner pipeline with the next generation of winning promotional products distributors through the unique combination of the technology offering and use of the market network.

The above approach brings together the depth of the end-to-end order processing capabilities of Syncore and the technology developed through Commercio Orders.

Commercio Stores, our eCommerce platform, will continue to support existing Partners and net new Partner acquisition opportunities through our integration strategy with Syncore.

We have made positive operational progress in 2024. Our financial goal in 2025 is to manage a disciplined balance between revenue growth, EBITDA returns and capital expenditure to best support the scaling of the business. With cash returns improving year-on-year, we intend to invest a proportion of this into activities to accelerate organic revenue growth which has started with the appointment of the new leadership position of a CRO, focussed exclusively on net new Partner acquisition.

CHIEF EXECUTIVE OFFICER'S REVIEW

Brand Addition: an end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities

	FY 24 £'m	FY 23 £'m
Revenue	£107.7m	£106.3m
Gross profit	£37.9m	£36.3m
Gross profit margin	35.2%	34.1%
Adjusted EBITDA	£10.8m	£9.5m
Operating profit	£7.9m	£6.2m

FY 24 revenue was £107.7m (FY 23: £106.3m) a slight year-on-year increase.

Existing clients contributed most of the revenue in FY 24. Revenues from our Consumer and Technology sector clients have stabilised to predictable levels compared to 2023.

As brand control, product efficacy and international consistency becomes even more important to large global brands, Brand Addition has provided its clients with additional services such as multi-country delivery, global distribution management and sustainable product initiatives. The value placed by clients on these additional services is demonstrated by the increase in its gross margins in FY 24 to 35.2% (FY 23: 34.1%). This has evolved positively in recent years from a previously guided average of 30%.

This gross margin accretion, alongside investment into our people and processes has supported an increase in our FY 24 Adjusted EBITDA to £10.8m (FY 23: £9.5m), being an increase of Adjusted EBITDA margin to 10.0% (FY 23: 8.9%). This progress in Adjusted EBITDA translated to improvement in Operating profit to £7.9m (FY 23: £6.2m).

Key attributes of Brand Addition and the market in which it operates are:

- a large total addressable market of circa $4 billion;
- circa 800 global opportunities on Brand Addition's target list;
- excellent client retention rates to well-known global brands;
- highly repeatable revenues over the medium-term; and
- recent increase in margins reflecting the widening of services delivered to clients.

Approach to the market

There is a large addressable market for the specialist services offered by Brand Addition as international corporates use promotional products to engage with their employees, customers, and wider stakeholders. This includes Consumer Promotions to support businesses in driving their own sales volumes and Corporate Programmes to support employee engagement and brand awareness.

Our clients are many of the best-known brands in the world who trust Brand Addition with their brand equity having built close, long-term relationships.

Our top 20 clients support circa 80% of our revenues and many are included amongst the top brands in the world.

90% of the top 20 clients in 2019 still choose to be contracted with Brand Addition in 2025. This demonstrates the high retention which underpins a consistency of revenues and an ability to support organic growth.

Promotional products are outsourced under contract because brands wish to have control over:

- thoughtful and creative bespoke products, aligned with their brand values, to engage their stakeholders;
- product quality and supply chain assurance to protect their brand integrity; and
- a consistent international strategy.

With these retention rates, the differentiated positioning of Brand Addition and the size of the market, our aim of achieving annual organic growth rates of +5% feels achievable. The new business impact into FY 24 revenue was less than previous years due to a lower level of new contract wins in 2023 and early 2024. Pleasingly, the appointment of a new Global Marketing Director in early 2024 and the efforts of the new business teams across Brand Addition proved much more successful in late 2024 with several new wins converted that we expect to launch in 2025 and make an impact on revenues in FY 25.

Capital allocation

The Group's cash generation has been consistently strong since IPO in 2019, with net cash at 31 December 2024 of £16.5m. Maintaining a debt free, strong balance sheet, has supported the implementation of a progressive dividend policy in 2023 and an ongoing £5.0m share buyback programme in 2024. As the Group's total capital expenditure further reduces in 2025, our Operating cash conversion is expected to increase. Our priority is to execute on our organic growth strategy and at Facilisgroup we intend to utilise an element of this increasing Operating cash conversion to accelerate organic revenue growth. This still provides an ability to explore additional capital allocation opportunities and the Board intends to seek shareholder feedback when determining its priorities.

CHIEF EXECUTIVE OFFICER'S REVIEW

People and Environmental, Social and Governance (ESG)

I am grateful for the support of all the talented and dedicated people across our Group in 2024. Much of my twenty-five years with the Group has been spent alongside a team of quality people at Brand Addition, supporting them in its growth and go-to-market evolution. The excellent long-term relationships with many of the best brands in the world is testament to this team's abilities and the business' depth of infrastructure. In 2024, I spent a large amount of time with Facilisgroup and have benefited from direct involvement with its team and stakeholders. In 2025, I will continue to bring this continuity to Facilisgroup and seek to add revenue growth to the operational progress made in 2024.

Our people are a consistent strength of the Group. My thanks go to everyone at Facilisgroup, Brand Addition and The Pebble Group.

We remain firmly committed to being a leader in the way we manage our businesses to good standards, for the long-term, which lends itself to many of the principles under the banner of ESG. Our four ESG cornerstones have evolved after multiple interactions with our stakeholders and represent the fundamentals that are most important and relevant to our Group. In 2024, we have made good progress against a wide number of topics, and we will publish our fourth ESG report in March 2025.

Current Trading and Outlook

Operating cash conversion increased in 2024 and is expected to continue to improve. For 2025, we have chosen to spend an element of this improving cash conversion to support new business momentum and accelerate organic revenue growth for 2026 and beyond. We will also continue to return value to shareholders through the dividend and maintain share buybacks whilst it remains value enhancing.

At Facilisgroup, year to date:

(i) GMV of Partners is slightly ahead of prior year; and

(ii) spend with our Preferred Suppliers is slightly behind prior year.

At Brand Addition, year to date:

(i) sales orders are slightly ahead of the prior year; and

(ii) new contract acquisition momentum has continued.

The Board is closely monitoring the possible effects that tariffs may have on the wider economy and on our businesses. However this evolves, we remain confident in the Group's platform and proposition.

Chris Lee
Chief Executive Officer

17 March 2025

OUR STRATEGY IN ACTION

An ambitious strategy aligned to our values.

facilisgroup

Providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth oriented promotional products distributors in North America.

	TEAM	TECHNOLOGY	COMMUNITY
Strategic objective	Create an engaged team, widening its experience day by day. Drive success for individuals, their teammates and the Company.	Demonstrate a leadership position in technology that creates business growth and advantage for our Distributor and Supplier Partners.	Strive for mutual success with our Distributor and Supplier Partners. Learning, celebrating, networking and connecting leadership.
Progress in the year	Improved retention rates, enhanced experience within the business and implemented a formal learning platform and tracking system.	Recruited a CPO who has led the focussing of our technology roadmap and 2025 initiatives.	Rejuvenated the engagement with our Partners and Preferred Suppliers through listening, understanding and acting.
Goals for 2025	Build on the progress of 2024, further our learning and development processes and retention record within a positive, results driven culture.	Build on our existing platform to ensure a leadership position in the end-to-end order processing system with our target market.	Continue deep engagement across the community, ensuring retention is the foundation of growth.
Alignment to our values	CONNECTED TO OUR STAKEHOLDERS	Facilisgroup's technology products transform connections between promotional product suppliers and distributors across the industry.	

OUR STRATEGY IN ACTION

Winning, growing and retaining major clients.

brand addition.

An end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities.

	WIN	GROW	RETAIN
Strategic objective	Attract new client contracts with major international brands who value great products, which are well-sourced and delivered across multiple geographies.	Use our experience and global reach to expand revenues with existing clients across their brands and geographies.	Build long-term trust and relationships with clients to provide a sound foundation for sustainable revenue growth.
Progress in the year	Revenue from new clients was lower than previous years, but positive client contract wins at the end of 2024 and early 2025 are expected to support improved new business revenue in 2025.	An uncertain economic climate has proved difficult to expand the spend and services to our existing clients, although these clients are major brands and their retention will bring future growth opportunities.	Ensuring a constant level of great product, delivered through efficient processes, and demonstrating our industry leadership credentials has led to client retention rates being a continual strength of the business.
Goals for 2025	Attract new client contracts with major international brands through our ESG credentials, global reach and creative product design.	Successfully implement the new client contract wins to support 2025 revenue growth, whilst seeking new revenue opportunities with existing clients.	Retain our major client contracts through ongoing service improvement and engagement.
Alignment to our values	AMBITIOUS POSITIVITY	Brand Addition is ambitious in its continued growth as a trusted promotional product supplier to new and existing global brands.	

OUR STAKEHOLDERS

Listening to our stakeholders.

> "Fostering effective business relationships with our stakeholders is critical to our success."

Stakeholder engagement

Fostering effective business relationships with our stakeholders is critical to our success.

The Group is committed to ensuring that strong relationships are maintained with stakeholders to allow for open engagement and to ensure a good understanding of their interests. This section of the Report identifies the Group's key stakeholders and why they are important to our businesses. It contains a summary of how the Group systematically engages with those stakeholders, the matters we engaged with them on in 2024 and the outcome of that engagement.

Employees

Why we engage

Our people are fundamental to our success.

To reflect this, we engage with our employees to create a positive and inclusive culture that is sensitive to the issues that affect them, so they can thrive and grow.

Sharing information with, and consulting, our employees on matters of concern to them allows our employees to feel listened to and valued.

Engagement also ensures that our teams are aligned with the Group's purpose, strategy and goals, are invested in the success of our businesses and are effective in their roles.

Ultimately, this enables us to develop and invest in people in the right way.

How we engage

- See 'Group Board engagement with our businesses and our employees' on page 65.
- Group Board maintains arrangements via Divisional Leads and/or HR teams for:
  - hosting strategy events for senior leaders;
  - regular employee forum and health and safety committee meetings;
  - regular global and local update meetings, newsletters and emails;
  - annual employee engagement surveys with scores reported to Group Board;
  - annual Performance Development Reviews (PDRs);
  - in-person Q&A sessions with Divisional Leads;
  - in-person, cross-office business and strategy events for senior leaders;
  - 360-degree senior leadership appraisals;
  - emPOWER events, promoting the role of women in the promotional product industry; and
  - training platforms to disseminate information, promote culture and cascade values and expectations.
- Group Board provides an anonymous whistleblowing portal, overseen by the Audit Committee.

Key topics of engagement in 2024

- Leadership changes.
- Vision, objective and strategy planning and implementation.
- Trading performance, share price and investor sentiment.
- Business process and efficiency improvement opportunities.
- Opportunities for mentoring, personal growth, training and development.
- Workplace environment and working from home flexibility.
- Diversity, Equity and Inclusion (DEI) activity.
- Volunteering opportunities and community initiatives.
- Sustainability and ESG developments.
- Long Term Incentive Plan (LTIP) performance and perception/appreciation of the plan.
- Appreciation of Group Sharesave Plan (SAYE).

Impact of engagement in 2024

- Discussion groups to explore and focus on points identified from employee engagement outcomes.
- Improvement in employee retention rates across the Group.
- Consideration of a new variable remuneration plan for the senior team for 2025 onwards.
- A third SAYE rolled-out to all eligible Group employees.
- Development of new Brand Addition PDR process for implementation in 2025.
- Rollout of management development and business efficiency improvement programmes in Brand Addition.
- Facilisgroup was awarded the 'Greatest Companies to Work For' title by the Promotional Products Association International (PPAI) and 'Top Work Places' by the St. Louis Post Dispatch.
- Launch of a 'Cheers for Peers' recognition platform across all Brand Addition offices.

OUR STAKEHOLDERS

> "A base from which to nurture long-term relationships is crucial to long-term success."

Clients and Partners

Why we engage

A quality client and Partner base from which our businesses can nurture strong, long-term relationships is crucial to the long term success of our businesses.

Effective engagement is key to attracting and retaining such a base. It builds valuable relationships and supports priority setting within our businesses.

Our clients' and Partners' success is supported by the quality of our products and services.

Engagement creates medium to long term value for both parties.

How we engage

- See 'Group Board engagement with our businesses and employees' on page 65.
- Group Board maintains arrangements via its Divisional Leads in the form of:
  - a Partner elected Partner Advisory Committee (PAC), chaired by senior management;
  - site visits to Partners;
  - all-Partner webinars to update on key developments;
  - dedicated 'Partner Success Managers';
  - Partner 'Owner and Key Manager' events and a major annual in-person Facilisgroup Partner Summit;
  - emPOWER events, promoting the role of women in the promotional product industry;
  - questionnaires including Net Promoter Scores (NPS) to measure satisfaction of Brand Addition clients and Facilisgroup Partners;
  - Quarterly Business Reviews (QBRs) with key Brand Addition clients;
  - site visits to Brand Addition clients; and
  - Brand Addition attendance at industry events and trade shows, including Paris Packaging Week in 2024 and 2025.

Key topics of engagement in 2024

- The benefits of Facilisgroup's technology and community (Facilisgroup, Partners and Preferred Suppliers).
- Facilisgroup technology roadmaps.
- Promotion of the role of women in the promotional product industry by Facilisgroup.
- Ongoing development and improvement of Facilisgroup and Brand Addition technology, services and support offerings.
- Brand Addition's supply chain management principles and sourcing strategies.
- Collaboration with Brand Addition clients on growth and marketing strategies.
- Product trends in the promotional product industry.
- Mutual support and delivery of Brand Addition and its clients' respective of ESG commitments.

Impact of engagement in 2024

- Appointment of new Chief Product Officer in Facilisgroup, demonstrating its ongoing commitment to Partners and its desire to continually evolve its technology.
- Consolidation of the number of Facilisgroup Partner events to enhance Partner impact and value.
- Facilisgroup's transition to a seasonal product release cycle.
- Use of NPS and QBR outcomes in Brand Addition's client relationship and retention strategy and shaping of Facilisgroup's technology roadmap.
- Reflection of Brand Addition's continued focus on sustainability in its five-year strategic development plan, 'ba.ONE sustainability and growth'.
- Brand Addition's continued offering of products targeted to meet clients' brand engagement requirements and sustainability needs.

OUR STAKEHOLDERS

> "The quality of our products and services is heavily influenced by strategic supplier relationships."

Strategic Suppliers

Why we engage	How we engage	Key topics of engagement in 2024	Impact of engagement in 2024
The quality of our products and services is heavily influenced by careful management of strategic supplier relationships. Developing a community between suppliers and Partners is a key part of Facilisgroup's business model which creates additional opportunities for all. In Brand Addition, a diverse and robust supply base made up of long-term trusted partnerships is important to manage global supply chain challenges and to meet clients' and the Group's commitment to ethical values, ESG and sustainability standards.	• See 'Group Board engagement with our businesses and employees' on page 65. • The Group Board maintains arrangements via its Divisional Leads in the form of: – regular face-to-face and virtual meetings with suppliers; – two-way supplier evaluation processes; – formal supplier audit processes; – supplier training webinars and workshops; – annual ESG and value chain engagement surveys; – annual supplier scorecard; – involvement of Preferred Suppliers in the Facilisgroup Partner Summit event; – annual Facilisgroup Supplier Showcase trade show; and – emPOWER events, promoting the role of women in the promotional product industry. • Executive Directors participate in supplier networking events.	• Changing industry trends and future relationships. • Events impacting sourcing and supply chain. • Supporting the Group's ESG and sustainability commitments and goals (including environmental impact, ethical sourcing, quality and sustainability of products, packaging and supply chains). • Suppliers' development of their own sustainability and carbon reduction plans. • Compliance with regional and local product safety, labelling and packaging laws. • Promotion of the role of women in the promotional product industry.	• Strategic collaboration with major Facilisgroup Preferred Suppliers, including annual goal setting. • Taking informed steps to maintain secure product sourcing and mitigate the impact of macroeconomic supply chain issues on our clients, suppliers and team. • Development of the Brand Addition Product Sustainability Standard to improve transparency, minimise waste and reduce the environmental impact of products procured through its value chain. • Advancement of Scope 3 carbon emissions data collection with key Brand Addition suppliers.

OUR STAKEHOLDERS

"Continually developing a good understanding of the Group's business model, strategic objectives and culture."

Shareholders and wider investment community

Why we engage	How we engage	Key topics of engagement in 2024	Impact of engagement in 2024
The Group Board seeks shareholders who are aligned with its long-term objectives. Access to long-term capital supports the Group's strategy and enables our businesses to invest and grow. The Group Board engages with the investment community with the aim of continually developing a good understanding of the Group's business model, strategic objectives and culture. Regular engagement helps investors understand the Group's operations, financial performance and governance, with the aim of providing the necessary information to ensure that all investors can make informed judgements. Finally, the Group Board reports on ESG because investors and analysts require detailed information to guide their investment stewardship activities.	• Publication of Annual Report and standalone ESG Report. • Investor presentations. • Regular trading updates to the market. • Commissioning paid for publicly available research. • Open access investor presentation by the CEO and CFO including Q&A via live webcast (FY 23 and HY 24 available on the Company's website). • One-to-one investor meetings by the CEO, CFO and the Group Chair. • Annual General Meeting with: (i) ability for investors to follow live virtually and submit Q&A; (ii) advisory vote on Remuneration report; (iii) all Directors subject to annual re-election; and (iv) attendance of Chair and members of each Committee to answer questions. • Detailed Investor section on the Company's website. • Communication of the Group's carbon reduction investment and progress via its participation in the Carbon Disclosure Project (CDP). • Communication of Brand Addition's environmental and ethical credentials via its participation in Ecovadis.	• Markets, strategy and business performance over the medium to long term and speed to scale. • Exposure to the economic cycle and to the UK economy. • Share buyback programme, share liquidity and creating shareholder value. • Appointment of new Non-executive Chair. • Group approach to DEI, ESG, climate change and corporate governance. • Group capital allocation policy and investment in new products at Facilisgroup. • The continued value and use of sustainable promotional products.	• Returning value to shareholders through initiation of a share buyback programme. • Reduction in capital expenditure on new product development in Facilisgroup as focus moves from new technology development to sales and marketing. • Increase in quantum of final dividend. • Investor relations activity and feedback discussed regularly at Group Board meetings and factored into decision-making. • Recognition at the AIM Awards 2024, being shortlisted for 'Diversity Champion Award' and 'AIM Corporate Governance Award'.

SECTION 172(1) STATEMENT

Acting equitably, for the long term.

At The Pebble Group we strive to maintain a reputation for high standards of business conduct.

The emphasis of our Group Board is on making decisions with regard to acting equitably and for the long term.

The Group Board and senior team understand that considering all our stakeholder relationships, having proper regard to our stakeholders' interests and being aware of the external impact of our activities on the communities and environments in which we operate, will ultimately drive value to our shareholders and secure our long-term success.

Our Group Board report template includes Section 172(1) guidance and prompts, to require that each paper containing a key decision item explains which stakeholders are relevant to that decision and what long-term factors must be considered in the decision-making process. Our Company Secretary ensures that appropriate time is allotted for appropriate discussion of those.

By having good governance procedures in place for decision-making, we aim to ensure that all decisions maintain a high standard of business conduct.

This section describes three principal decisions taken during 2024 and the effect of stakeholder engagement on those decisions. These illustrate how the Directors have had regard to the matters in Section 172(1) (a) to (f) of the Companies Act 2006 in Group Board discussions, actions, behaviours and decision-making when performing their duty to promote the success of the Company for the benefit of shareholders as a whole during 2024.

KEY BUSINESS DECISION:	KEY STAKEHOLDER GROUPS RELEVANT TO THIS DECISION:	THEMES AND OUTPUT OF ENGAGEMENT BEING ADDRESSED BY THIS DECISION:	HOW DID THE GROUP BOARD HAVE REGARD TO THESE INTERESTS:
Creation of new expert leadership roles in each business During 2024, the Group created and filled a new Chief Product Officer role in Facilisgroup and a new Global Marketing Director role in Brand Addition, each of which had a material impact on the strategic direction of that business.	Our employees. Our clients and Partners. Our suppliers. Our shareholders.	Engagement with all stakeholder groups informed the Group Board that: a) Facilisgroup could benefit from additional leadership with highly experienced technology product development skills to refine its technology product strategy and lead engagement in regard to technology; b) there was ongoing interest in the strength of the technology-based experience in Facilisgroup's leadership to enable delivery of its aspirations; and c) the growth and expansion of new business in Brand Addition was a key area of focus for 2024 and a new leadership role was considered one way to ensure that new business remained a top strategic priority.	After having regard to these themes, the Group Board oversaw the successful appointment of a Chief Product Officer in Facilisgroup and a Global Marketing Director in Brand Addition, with the Executive Directors participating in each process in line with the formal Operating Board appointment process in place for each business. Each new leader has since attended a Group Board to present to the Directors on their vision and strategy.
Reduction in capital expenditure on new product development During 2024, the Group reduced its level of investment in new product development within the Facilisgroup business.	Our shareholders.	Direct engagement and dialogue with shareholders had informed the Group Board that: a) whilst the focussed investment in new technology products over the last three years had been necessary to support the attraction and retention of clients and to expand the available market opportunity, it was important to see the level of investment reduce as product development nears completion and the business moves to execution of strategy through revenue generation; and b) controlled reduction in capital expenditure was desirable and shareholders would regard action to reduce capital expenditure as a percentage of revenue as a positive indicator.	After having regard to these themes, the Group Board oversaw the controlled reduction in capital expenditure in Facilisgroup during 2024, with regular updates provided at Group Board meetings as the business moves to delivery of new technology products.
Share buyback During 2024, the Group Board initiated the implementation of a share buyback programme.	Our shareholders.	Direct engagement and dialogue with shareholders had informed the Group Board that: a) given the Group's strong balance sheet, it was considered to have sufficient funds to execute its strategy; b) one beneficial use of excess cash was to return it to shareholders using share buybacks, in addition to the increased dividend payment made in 2024; and c) a buyback programme could have a positive effect on the liquidity of the Group's shares in the medium term, which was an ongoing aim for the Group.	After having regard to these themes and the active input from shareholders, the Group Board decided to implement a share buyback programme to enhance shareholder returns and highlight the Board's confidence in a return to growth. The aim was to create long-term value as part of the Group's capital allocation strategy and the Group Board regarded such a programme to be in the best interests of shareholders generally.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Integrating ESG for long-term success.

We aim to integrate ESG principles into all aspects of our business, fostering an engaging and dynamic workplace. Through our operations, we are committed to addressing the increasing environmental and social challenges that affect us all, minimising our impact and influencing our value chain to take similar action.

By listening to our stakeholders, we focus on the ESG issues that matter to us and to the sustainability of our business in the long term.

We understand our social and environmental responsibilities and take them seriously. Listening to our stakeholders is key to ensuring that we integrate their ESG needs as well as the ESG issues that matter to us into our strategy to ensure the sustainability of our business in the long term.

We challenge ourselves to make commitments to ESG that are meaningful, to future-proof our operations and hold ourselves accountable. ESG reporting and disclosures provide us with a platform to highlight our progress and differentiate our Group.

We act responsibly through good governance, managing our social and environmental impacts and risks across all operations, and driving positive change. Transparency is essential, allowing us to clearly communicate our commitments, targets and achievements.

Our four cornerstones have evolved from multiple interactions with our stakeholders and represent the ESG categories that are most important and relevant to our Group. These cornerstones form the foundation of our ESG strategy that is aimed at reducing our environmental impact, attracting and retaining talent in our organisation, supporting our local communities and acting responsibly.

Advancing sustainability

Our aim is to make a positive long-term contribution to reducing the environmental impact of our operations across all aspects of our business, which includes offering innovative products and solutions that support the circular economy.

Empowering our people

Our aim is to create a safe and inclusive culture where our people can thrive and grow, celebrating individuality and diversity.

Community engagement

Our aim is to create a lasting positive social impact in our local community while building a strong network that promotes growth, innovation and collaboration in the industry.

Responsible leadership

Our aim is to lead responsibly through the use of good governance, expressed in our own tone of voice. By embedding clear policies, processes and safeguards that are relevant to our Group, we aim to protect the interests of our stakeholders and mitigate or reduce the risks that we face.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our 2024 highlights.

Advancing sustainability

Reducing direct carbon emissions.
37% reduction in our Scope 1 and Scope 2 emissions from prior year, through the transition to renewable electricity.

Reducing our reliance on single use plastic.
94% reduction in single use plastic packaging usage since 2017, at our UK warehouse.

Completion of our first Carbon Disclosure Project (CDP) submission.
The Group was awarded a B score from its first CDP disclosure.

94% reduction in single use plastic packaging.

-37% reduction in Scope 1 and Scope 2 emissions.

Empowering our people

Expanding our DEI programme.
Improved recruitment process and targeted DEI events throughout the year.

Enhancing our talent management program and employee development.
6,025 Group training hours delivered in 2024, a 47% increase on FY 23, new talent management policy implemented.

Women's emPOWER initiative launched.
Bringing together over 200 women across the promotional products industry to deliver events and programs, contributing to professional development.

6,025 Group training hours.

200 Women taking part in emPOWER.

Community engagement

35% increase in volunteering hours from prior year.
Groupwide initiatives to increase participation rates and volunteering hours, 1,576 hours donated in 2024, 47% participation.

Projects targeted to help the wider community.
Earth Day 2024 saw our teams participate in cleaning up local waterways and Brand Addition donated 1% of its profits, funding the collection of 221,000 pieces of plastic from the Australian coastline.

Facilis Cares – a driving force for good across the industry.
Facilisgroup and the industry community raised over $13,000 for Ronald McDonald House Charities in 2024.

+35% increase in volunteering hours.

47% of staff participated in volunteering.

Responsible leadership

Strengthening ISO certifications.
Brand Addition was awarded ISO45001 occupational health and safety management certification.

Improving the quality of non-financial data.
Ongoing enhancements to improve data quality, accuracy, visibility and reporting.

Being recognised at the AIM awards 2024.
Being shortlisted for 'Diversity Champion Award' and 'AIM Corporate Governance Award'.

ISO 45001 achieved.

x2 shortlistings at 2024 AIM awards.

ESG PRIORITIES AND OBJECTIVES

Our ESG priorities are defined through feedback we receive from our materiality assessment and stakeholder interactions. This ensures we focus on the topics that are likely to have the biggest impact on the Group and are most important to our stakeholders.

In 2024, we conducted an annual review of our existing ESG materiality assessment, which was last updated in 2023, and found it remains representative of our current topics. Our materiality assessment can be found in the ESG section of our website.

The table to the right outlines the key priority areas for the Group in relation to each of our ESG cornerstones, our key objectives and the progress made throughout the year.

> “Making positive progress.”

CORNERSTONE	PRIORITIES	2030 OBJECTIVES	STATUS	2024 PERFORMANCE
Advancing sustainability	**Reduce greenhouse gas (GHG) emissions and our environmental impact.**	Net-zero in our direct operations by 2030.	On track or achieved	37% reduction in Scope 1 and Scope 2 emissions (market-based).
		100% renewable electricity by 2025.	On track or achieved	All European sites now using renewable electricity and Renewable Energy Credits (RECs) purchased for North America and Asia, achieving our target.
		Prioritise the reduction of Scope 3 emissions.	Further work needed	15% increase in Scope 3 emissions in 2024, continued action to promote sustainable practices across our value chain.
	Enhance the range of sustainable products and support clients to become more sustainable.	Continued development of bespoke client-focussed products and stock ranges made from sustainable materials.	On track or achieved	Continued client support to develop innovative and long-lasting sustainable products.
	Make packaging more sustainable and reduce waste.	Strive to reduce the amount of single-use plastic in our product packaging and transit packaging.	On track or achieved	94% Reduction in single use plastic packaging at our Brand Addition UK warehouse compared to 2017.
		Aim to reduce the amount of waste being sent to landfill from our warehouses and distribution centres.	On track or achieved	89% of warehouse waste is recycled or sent for energy recovery, 11% of total warehouse waste sent to landfill.
Empowering our people	**Expand Group diversity.**	Aim to achieve the RACE Equality Code Quality Mark and strive to create an inclusive culture where everyone feels valued, respected and treated fairly.	On track or achieved	RACE Code achieved, maintaining positive DEI activity to help strengthen business culture.
	Attract, retain and develop our employees.	Aim to achieve and maintain an employee engagement score of 75.	Further work needed	Employee engagement score of 69 achieved in 2024, down from 71 in 2023. Feedback under review to determine next steps.
	Provide opportunities and training to help our people achieve their goals.	Strive for zero accidents in the workplace.	On track or achieved	Zero reportable accidents across the Group, maintaining our 100% record.

On track or achieved

Further work needed

ESG PRIORITIES AND OBJECTIVES (CONTINUED)

ESG REPORT 2024

Our 2024 ESG Report provides an in-depth review of our activity throughout the year and expands upon the information included in our Annual Report.

An overview is included in the sections below and you are encouraged to read our full ESG Report for more detail which is available in the Investors and ESG sections of the Company's website.

CORNERSTONE	PRIORITIES	2030 OBJECTIVES	Status	2024 Performance
Community engagement	**Provide support and charitable giving to local communities.**	Aim to volunteer over 1,000 hours annually to support local community projects and encourage a majority of our employees to take part in community volunteering activities to learn new skills and support local projects.	On track or achieved	1,576 volunteering hours donated in 2024, an increase of 35% over prior year.
	Build and grow relationships, in the industry to expand the Facilisgroup community.	Grow Facilisgroup community engagement through organised events, education, collaboration and training.	On track or achieved	Launch of women's emPOWER initiative and continued engagement though Facilisgroup Partner Summit's events and showcases.
Responsible leadership	**Implement and improve key policies and frameworks to provide effective governance.**	Development and continuous improvement of key Group level policies.	On track or achieved	All policies reviewed and reapproved. New policy implemented on anti-money laundering and sanctions. Ongoing monitoring of policy compliance and continued training and communication of key policies.
	Regularly engage with all stakeholders. **Raise standards in our supply chain and increase ESG supplier screening.**	Improve the supplier assessment programme to incorporate additional ESG related assessment criteria into supplier selection.	On track or achieved	Updates to Facilisgroup's annual ESG questionnaire to capture more ESG supplier information to support Partner purchasing decisions. Continued review and improvements to Brand Addition supplier assessment templates.
		Evaluate our suppliers to verify that they are acting responsibly, and they are aligned with our ethical and environmental standards.	On track or achieved	165 supplier assessments undertaken by Brand Addition and 88% of the top 100 suppliers (by spend) have signed the Brand Addition code of conduct.
		Achieve ISO27001 certification at Brand Addition and SOC2 certification at Facilisgroup.	Further work needed	ISO27001 achieved at Brand Addition. Continued adoption and development of new processes and procedures in preparation for SOC 2 evaluation and certification in FY 25.

On track or achieved
Further work needed

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Advancing sustainability.

GHG emissions and energy consumption

In 2024, we achieved a 37% reduction in our direct emissions and a 11% reduction in our energy consumption compared to prior year. This was accomplished through lighting upgrades in our Brand Addition US warehouse and the relocation of our Canadian office to a more modern building. Additionally, we successfully reduced our direct emissions by sourcing all our business electricity from renewable sources.

We observed an increase in our indirect emissions due to a higher volume of products purchased and changes in our clients' product mix, which has impacted emissions in the purchased goods and services category.

Energy savings and energy efficiency

In 2024, Facilisgroup relocated its Canadian office to new premises, utilising LED lighting and more efficient heating. The reduction in floorspace also equated to a reduction in energy usage. Brand Addition's warehouse in St. Louis upgraded its lighting, replacing incandescent and fluorescent units with LED fixtures and sensors that adjust lighting intensity in low-traffic areas, providing additional energy savings. These improvements have resulted in a 3% reduction in our Group on-site electricity consumption and a 22% reduction in gas consumption compared to prior year.

GHG emissions in our direct operations (Scope 1 and Scope 2)

We have continued to make positive strides in reducing our Scope 1 and Scope 2 emissions after transitioning all sites to renewable electricity in 2023. Completing this transition has allowed the Group to benefit from a full year of renewable electricity consumption. Paired with the energy efficiency savings detailed above, this has enabled the Group to reduce its direct emissions by 37%.

Indirect emissions (Scope 3)

Indirect emissions represent the largest proportion of our carbon footprint and account for 99% of our total emissions, with the majority attributable to our Brand Addition business. Our two largest emission categories are purchased goods and services and upstream transport and distribution.

In 2024, we implemented improved supplier classifications to our entire purchased goods and services dataset to provide a more accurate representation of our emissions, which has resulted in the revision of these emissions. Accessing accurate activity-based data or carbon emission figures from our value chain remains challenging. However, our efforts remain focussed on engagement activities across our value chain to encourage climate action and the development of processes and systems to improve data transparency across our supplier network.

In 2024, emissions from purchased goods and services totalled 39,894 tonnes CO2e, representing an 11% increase on prior year. Emissions from upstream transport and distribution totalled 9,014 tonnes CO2e, a 43% increase from 2023. These increases in FY 24 were largely driven by changes in the product mix and supplier mix, influenced by client product selection and an increase in the volume of shipments to our clients.

We remain dedicated to enhancing our value chain engagement activities. Our goal is to encourage suppliers to provide more granular data and commit to measuring and reducing their emissions. We are also committed to reflecting this progress in our future reports as we improve the accuracy and methodologies of our emissions reporting.

Business travel and employee commuting

In 2024, we observed a 5% reduction in the emissions associated with business travel. Employee commuting emissions increased as our team members spent more time at our office locations, with the majority of our staff spending three or more days in the office each week.

Improving Scope 3 reporting

Scope 3 emissions reporting remains challenging due to the limited availability of data from our value chain partners. Setting Scope 3 targets remains a high priority, but this is challenging at present as it depends on gaining access to more accurate data. We are committed to enhancing data visibility and accuracy through our value chain engagement activities. Improving emissions tracking and data transparency continues to be a key focus area for us in 2025 and beyond, allowing us to set meaningful Scope 3 emissions targets in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

GHG emissions and Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liabilities Partnerships (Energy & Carbon Report) Regulations 2019, we are mandated to disclose our UK energy use and associated GHG emissions. Specifically, and as a minimum, we are required to report those GHG emissions relating to natural gas, electricity and transport fuel as well as an intensity ratio, under the SECR Regulations. In the table below we have reported the GHG emissions and energy usage for the Group and split out the relevant UK based operations required for SECR.

		2024		2023		VARIANCE	
ENERGY CONSUMPTION (MWh)		**UK**	**GROUP**	**UK**	**GROUP**	**UK**	**GROUP**
Natural gas		–	613	–	822	–	-25%
Renewable gas (Biogas)		267	267	313	313	-15%	-15%
Electricity (Standard)		–	–	216	216	-100%	-100%
Electricity (Renewable)		271	1,303	60	1,122	348%	16%
Transport fuel		11	154	21	139	-48%	11%
CARBON EMISSIONS (TONNES CO_2e)		**UK**	**GROUP**	**UK**	**GROUP**	**UK**	**GROUP**
Scope 1	Stationary combustion (Gas)	54	176	63	227	-14%	-22%
	Mobile combustion (Company owned vehicles)	–	35	–	29	–	21%
Scope 2	Purchased Electricity (Location-based)	52	364	61	411	-15%	-11%
	Purchased Electricity (Market-based)	–	–	79	79	-100%	-100%
Scope 3	Purchased goods and services	–	39,894	–	35,988(6)	–	11%
	Fuel-and energy-related activities	–	139	–	165	–	-16%
	Upstream transportation and distribution	–	9,014	–	6,316(7)	–	43%
	Waste generated in operations	–	11*	–	1	–	*1000%
	General business travel	–	882	–	930	–	-5%
	Business travel in employees' own vehicles	7	7	5	5	40%	40%
	Employee commuting	–	482	–	407	–	18%
Total Scope 1 and Scope 2 emissions (Location-Based)		106	575	124	667	-15%	-14%
Total Scope 1 and Scope 2 emissions (Market-based)		54	211	142	335	-62%	-37%
Total Scope 3 emissions		7	50,429	5	43,812	40%	15%
Total emissions (Location-based)		113	**51,004**	129	**44,479**	-12%	**15%**
Total emissions (Market-based)		61	**50,640**	147	**44,147**	-59%	**15%**
Total energy consumption (MWh)		549	**2,337**	610	**2,612**	-10%	**-11%**
% Renewable electricity		100%	**100%**	22%	**84%**	78%	**16%**
INTENSITY METRICS (TONNES CO_2e PER £1M OF REVENUE)							
Intensity ratio Location-based		1.79	**408**	2.09	359	-14%	**14%**
Intensity ratio Market-based		0.97	**405**	2.39	356	-59%	**14%**
INTENSITY METRICS (TONNES CO_2e PER £1M OF REVENUE)							
Offsets purchased		–	**–**	–	**1,220**	–	**–**
Total net-emissions (Location-based)		113	**51,004**	129	**43,259**	-12%	**18%**
Total net-emissions (Market-based)		61	**50,640**	147	**42,927**	-59%	**18%**

Methodology

1. Emissions reporting is consistent with the reporting requirements of the GHG Protocol Corporate Accounting and Reporting Standard, Revised Edition (2004) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
2. Group emissions column includes UK emissions.
3. GHG emissions have been calculated by each business and then summarised in this table.
4. 'Biogas' is purchased UK gas from our energy provider backed by RGGOs / BMCs.
5. All carbon emissions have been calculated using the Normative carbon reporting engine unless otherwise stated.
6. Purchased goods and services emissions have been revised for all years to allow for more accurate supplier categorisation and emissions mapping.
7. A minor adjustment has been applied to upstream transportation emissions as some emissions were incorrectly classified previously.

Brand Addition

Employee commuting has been calculated using the relevant 2024 DEFRA (Department for Environment, Food & Rural Affairs) emissions factors (EFs).

Facilisgroup

Natural gas consumption has been calculated using the 2024 EFs published by Environment and Climate Change Canada.

Employee commuting has been calculated using the relevant 2024 DEFRA EFs.

Scope 3 emissions have been calculated using the US EPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6.

* Now includes waste emissions from all warehouse locations, previously only UK figures were reported due to data availability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Product sustainability

> **“Responsibly supporting clients to develop sustainable products.”**

Businesses use promotional products to increase brand awareness, foster client loyalty and create a tangible connection with their target audience. Product sustainability continues to grow in importance as it aligns with growing client expectations for environmentally responsible practices.

Sustainable products help reduce environmental impact by using eco-friendly materials and processes, which can help enhance a brand’s reputation and build trust with its clients. By prioritising sustainability, businesses can demonstrate their commitment to corporate social responsibility, differentiate themselves in the market and contribute to a more sustainable future.

Across the Group we are committed to supporting clients by developing and sourcing sustainable products that align with client brand values and environmental expectations. Our efforts are focussed on several key areas:

- **Sustainable procurement**
  - When identifying and selecting suppliers, we prioritise those who offer sustainable products made from environmentally friendly materials and are actively working to reduce their overall environmental impact.
- **Sustainable materials**
  - We prioritise the use of sustainable materials in the products that we develop for our clients.
- **Sustainable claims validation**
  - We have developed and implemented our own product sustainability standards, which defines the materials, certifications and processes required for our business to classify a product as ‘sustainable’.
- **Innovative products**
  - Our talented buying teams seek out unique, sustainable products from our extensive supplier network, making sure they meet our high standards before offering them to clients.
- **Sustainable product catalogue**
  - We take time to develop and maintain our own sustainable product catalogue. These catalogues feature products from our network of importers and distributors that have been pre-assessed against our internal product sustainability standards, ensuring that any product sustainability claims have already been validated.
- **Custom solutions**
  - For clients seeking bespoke customised solutions, our dedicated sustainability team provides expert support in design, material selection, supplier selection and product validation to help clients choose the right product for their specific needs.

In 2024, we continued to support our clients by offering expert sustainability advice to help with the development of products that are useful, practical, desirable and something that people want to keep. This not only prevents waste, but also helps our clients increase brand impressions and grow their target audience.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Packaging and waste

Packaging
Packaging plays an important role in protecting the products we deliver to our clients. We also recognise our role in supporting the circular economy by ensuring that the packaging we use is appropriate and can be recycled easily, minimising its environmental impact. To minimise the amount of packaging used, where possible, we make direct shipments from manufacturers to our end customer or ship product from our warehouses in its original packaging. Where clients require smaller quantities, we use our own transit packaging to package the goods.

In 2024, our Brand Addition German warehouse conducted a comprehensive review, leading to significant changes that allowed us to:

- reduce the amount of cardboard in our outer packaging by decreasing the box wall thickness for shipments under 7kg, ensuring product integrity remained uncompromised;
- standardise packaging sizes, leading to a 45% reduction in the number of packaging types used, allowing for more effective packing and material usage; and
- ensure all cardboard boxes used were made from Forest Stewardship Council (FSC) cardboard and fully recyclable materials.

These changes were implemented in November 2024 and will help further reduce the amount of packaging materials used in 2025.

Reducing our reliance on single-use plastic packaging
While it is not possible to eliminate the use of plastics entirely, we have minimised single-use plastics in our transit packaging, using plastic only when no viable alternatives exist. Since we began tracking single-use plastic packaging in our UK warehouse in 2017, we have reduced usage by 94% overall and by 6% compared to prior year.

“Optimising product packaging.”

Waste

Over 95% of our business waste originates from our three main Brand Addition warehouse locations. The waste we generate falls into two categories: internal waste and external waste. Internal waste is generated within our offices and warehouses, while external waste is generated by our suppliers and clients.

In 2024, we made significant progress in gathering data from our waste contractors outside the UK, gaining full visibility of the waste produced at all warehouse locations. This enhanced visibility allows us to monitor recycling rates and minimise waste sent to landfill, helping us track progress towards our aspiration of achieving zero waste to landfill by 2030.

We achieved a 2% reduction in the amount of waste generated from our warehouses compared to prior year and saw a small reduction in the amount of waste sent to landfill. Of the waste produced on site, 73% was recycled, 16% was sent for energy recovery and 11% was sent to landfill. Waste sent to landfill remains highest at our US warehouse due to very limited options in terms of waste contractors, which restricts the waste streams that can be recycled at present. We continue to engage in dialogue to enable us to make use of alternative arrangements as soon as these become available.

“Increasing our recycling rates.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Empowering our people.

"Building a culture of openness, belonging and trust."

Diversity, Equity and Inclusion

The Group strives to create an inclusive workplace where everyone feels valued and respected and is treated fairly. Our focus is on providing equal opportunities across the Group and promoting a 'speak-up' culture through inclusive systems and processes. We aim to attract and retain top talent by offering opportunities for learning and growth through the development and integration of inclusive and equitable practices.

We understand that a diverse Board and workforce enhances the range of skills, expertise and experience within the Group, enabling us to respond effectively to challenges and opportunities. This commitment ultimately supports the long-term growth and sustainability of the Group, benefiting our investors and stakeholders. The Group Board is ultimately responsible for DEI and delegates responsibility for DEI oversight to the Nomination Committee. The Committee approves the Group's DEI policy and DEI strategy on an annual basis and conducts a detailed review of DEI progress and achievements once per year.

Our DEI strategy aims to foster an inclusive culture that values diversity, ensuring equitable opportunities for all employees. We place significant emphasis on DEI initiatives to educate and highlight its importance at all levels. Our strategy is closely linked with our succession planning approach, as we understand that succession planning can develop our DEI objectives by building diversity in the talent pipeline. This will ultimately lead to a more diverse senior leadership team.

Our DEI strategy focusses on the following seven key areas:

- business culture;
- recruitment;
- communication;
- measurement and reporting;
- reward and recognition transparency;
- training and development; and
- DEI governance.

The Group has established a DEI Steering Committee, comprising of the CEO, Group General Counsel and Company Secretary, Group's Senior ESG Officer and DEI Executive Sponsors for each Group business. This committee met twice in 2024 to ensure the DEI strategy and direction remained aligned with the Group's priorities and values. Additionally, the Committee monitored progress against the business-level action plans to ensure their continued relevance.

In 2024:

- The Group maintained the Race Code Quality Mark, demonstrating its ongoing commitment to DEI and fostering an inclusive culture for all team members.
- Facilisgroup launched emPOWER, an initiative dedicated to empowering women within the Facilisgroup community and enhancing the impact of women in the promotional products industry through events, workshops and webinars.
- The Group conducted its first Ethnicity Pay Gap (EPG) exercise to establish the steps required for EPG calculations and to determine how the results can shape future action plans.
- Both businesses established a calendar of DEI events throughout the year to raise awareness of the diverse ethnicities, cultures and religions within our teams.
- The recruitment and onboarding process was reviewed and improved to ensure roles are advertised to the widest pool of candidates. Competency-based assessments are used and diverse interview panels are implemented.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

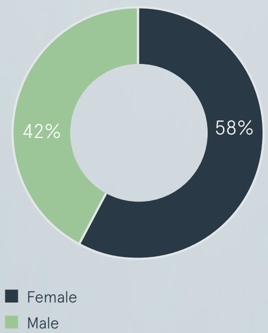
> "The DEI Steering Committee met twice in 2024 to ensure the DEI strategy and direction remained aligned with the Group's priorities and values."

Group diversity figures

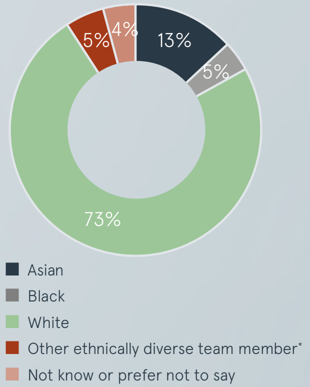
The Group is committed to fostering a culture of diversity and inclusion. We take pride in our gender balance and consider it to be an area of strength. We are also proud to have a diverse range of people representing nationalities from all over the world, with approximately 36 different languages spoken throughout the Group.

In 2024, we improved the gender balance of our Group Board with the appointment of Anne de Kerckhove as our new Non-executive Chair. We also saw a small increase in the ethnic diversity of our workforce from 22% in FY 23 to 23% in FY 24. Additionally, we have implemented new internal measures to track ethnicity and gender, helping us monitor changes across the business and prioritise our future actions.

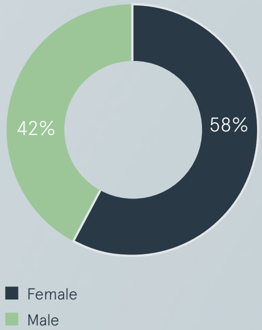
GENDER SPLIT



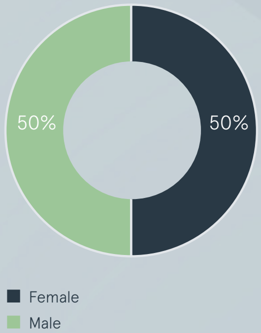
DIVERSITY SPLIT



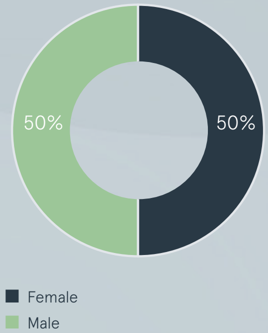
GROUPWIDE LEADERSHIP GENDER SPLIT



GROUP BOARD GENDER SPLIT



GROUP EXECUTIVE COMMITTEE GENDER SPLIT



*Other ethnically diverse team member incorporates: Hispanic/Latino, Mixed, Other, Pacific Islander, Native American

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

"6,025 Group training hours delivered in 2024."

Health, safety and wellbeing

The Group is committed to providing a safe working environment for all its employees that promotes a healthy work–life balance and encourages a positive attitude towards mental health and wellbeing.

The Group has a health and safety policy and each Group business has adapted its own version. Each business has its own appointed health and safety officer who is also a member of the senior leadership team and is responsible for the health, safety and wellbeing of its employees. Health and Safety Committee meetings are held at least annually within each Group business and these are an opportunity to review findings from workplace risk assessments or health and safety walkarounds. The Group Board is provided with a health, safety and wellbeing report at each meeting. In 2024, there we no reportable accidents recorded across the Group.

In 2024, our Brand Addition business achieved ISO 45001 certification at its three warehouse locations. This internationally recognised framework for managing occupational health and safety enhances workplace safety and helps to minimise the risk of injuries, illnesses and accidents.

Both businesses recognise that employee wellbeing is a crucial aspect of health and safety. In 2024, activities took place to promote mental health during Mental Health Awareness Month, providing tips, suggestions and workshop sessions to help individuals recognise the symptoms of stress and anxiety and learn how to cope and unwind. Throughout the year, both businesses also conducted programmes and awareness sessions on topics such as breast cancer, men's mental health and financial wellbeing sessions.

Employee engagement

For full details, please refer to the Our stakeholders Engagement section of the Strategic report on page 21.

Training and development

We consider the training and education of our employees an important part of our long-term success. Training and development needs are identified and discussed during the annual appraisals and regularly reviewed with managers throughout the year. Each business provides training through its own in-house platform, featuring internally developed courses. Additionally, both businesses invest in third-party courses to offer external perspectives on topics such as DEI.

In 2024, we saw a 47% increase in the total number of training hours conducted across the Group (from 4,097 hours in 2023 to 6,025 hours in 2024). This was achieved through the development of new training material, refresher training on key business policies and the creation of individual training plans for existing employees, which include the frequency of retraining required.

2024 Highlights:

- A mentoring scheme introduced at Facilisgroup.
- A revised and updated appraisal process implemented at Brand Addition (including 360-degree senior leadership feedback).
- A focus on Group policy training and DEI.
- An increase in the number of training hours across each business and the Group.
- A new training manager recruited at Facilisgroup.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Engaging with our community.

"1,576 Group volunteering hours during 2024."

Volunteering

Across the Group, we partner with charities and good causes to provide local support in a variety of different ways. We encourage our employees to participate in volunteering projects by offering two days paid time off for activities that they are passionate about. Additionally, employees can join business and Group-wide events supporting larger organisations.

In 2024, 47% of our Group employees participated in volunteering activities, marking a 20% increase compared to prior year and a 35% increase in total volunteering hours.

Earth Day 2024

Our businesses collaborated on a joint project to clean up local waterways, supporting Take3fortheSea and Mission Clean Stream in St. Louis. Our offices engaged in community activities, collecting rubbish and waste from local rivers and waterways. Additionally, Brand Addition donated 1% of its profits from 22nd – 26th April 2024, funding the collection of over 221,000 pieces of plastic from Australia's coastline, collaborating with the organisation Take3ForTheSea.

Facilis Cares

The Facilis Cares initiative unites Facilisgroup's Partners, Preferred Suppliers and team to give back as a community. It aims to capture the collective spirit and dedication of the Facilisgroup community to help fulfil the needs of under-served and under-privileged individuals through service and donation. When hosting events, Facilisgroup collaborates with charities to help support the community, aiming to leave the local area in a better place than it was prior to their arrival.

Uniting to make a difference in Toronto

Through the combined generosity of our Partners, Suppliers, employees and Facilis Cares, Facilisgroup raised over $13,000 for Ronald McDonald House Charities South Central Ontario. These funds provide families with a place to stay, meals and care while their children receive lifesaving medical treatment.

At the same event, Facilisgroup joined forces to support the Ronald McDonald House Charities Toronto School, providing house guests with backpacks, supplies and notes of encouragement, ensuring they had everything they needed for a great first day at their new temporary school.

2024 Facilisgroup Supplier Showcase

In February 2024, Facilisgroup hosted its annual Supplier Showcase in Atlanta. The event saw over 800 industry professionals join over three days, featuring a packed agenda of education sessions, workshops and a show floor with our Suppliers exhibiting their latest products. The event united Facilisgroup Partners and Preferred Suppliers, offering the opportunity for industry leaders to connect, collaborate and celebrate innovation and excellence.

Expert-led educational panels covered topics such as mastering sales, elevating productivity, ESG, sustainability and data security. Smaller workshops allowed distributors to discuss common opportunities and challenges, offering advice and support whilst networking to build new relationships and support networks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Responsible leadership.

"We actively collaborate with suppliers to ensure the products we supply come from responsible businesses."

Responsible sourcing

We actively collaborate with suppliers, to ensure the products we supply come from responsible businesses that share our high ethical and environmental standards. Strategic suppliers play a vital role in the quality of our products and services. We manage suppliers and our relationships with them carefully to ensure that they act responsibly and meet the standards that are expected by us and our stakeholders.

The Group's labour standards and human rights policy sets out the fundamental principles embedded in our business operations and culture to ensure we do not engage in activities that directly or indirectly violate labour standards and human rights. These principles extend to our suppliers and business partners, where we expect them to behave consistently with the provisions outlined in the policy.

On-site supplier assessments are mandatory for any product suppliers located in countries deemed higher risk such as Turkey, China or other parts of Asia. These assessments are performed by our internal audit team and consider social and ethical business practices, working conditions and product quality and compliance obligations and validate adherence to the Group's labour standards and human rights policy.

In 2024, Brand Addition undertook a total of 165 vendor assessments across its supplier network. When issues are identified, corrective action plans are put in place and followed to completion. If any critical issues are identified or actions not satisfactorily completed, the supplier is delisted. Re-assessment of suppliers is conducted every two years. In 2024, six critical non-conformances were identified during supplier assessments. These issues were subsequently corrected but no suppliers were delisted.

Product quality and compliance

Clients want to be confident that the products they use to promote their brand are compliant and meet all the necessary regulatory requirements, are free from defects, are manufactured through approved supply routes and will not present any safety concerns.

Brand Addition has a dedicated product compliance team that supports purchasing and merchandising teams to develop product testing plans, undertake product risk assessments and evaluate product compliance documentation and test reports to ensure that products are compliant and fit for purpose. Quality control inspections are integrated into our procurement processes to ensure that products are defect-free and are fit for their intended use.

In 2024, the quality and compliance team conducted internal workshops with procurement and buying teams and external workshops, face to face meetings and webinars with its value chain. These sessions addressed key regulatory changes, including EU Deforestation Regulations (EUDR), new labelling requirements to comply with Spanish packaging recycling legislation and the revised EU General Product Safety Regulations (GPSR). These workshops are essential to ensure that our teams are informed and our suppliers comply with all mandatory requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Information security and data protection

We recognise that cyber threats are increasingly sophisticated and pose a risk to all businesses. The Group remains proactive and ever vigilant in its approach to information security and data protection which are key focuses of our IT strategy. We remain committed to ensuring that we have robust processes and systems in place to protect the data that we process and to uphold high standards in data ethics and security.

- **Data protection policy**
  The Group has a data protection policy, a skilled Data Protection Officer (DPO), and employs personnel dedicated to IT security within each business.

- **Compliance and best practices**
  We aim to follow best practices to ensure compliance with relevant laws and regulations in the countries where we operate.

- **Risk-based approach**
  Across the Group, we adopt a risk-based approach to identify, assess and mitigate cyber risks. We invest in technology and solutions and implement rigorous processes to protect our networks, data, services and hardware from unauthorised access, misuse or damage.

- **Cyber threat controls.**
  Controls are in place to safeguard data and help prevent, detect and respond to ransomware and other cyber threats.

- **Employee training**
  All Group employees are required to participate in mandatory IT security awareness training, refreshed annually. Training material is updated to reflect current trends and risks, providing information on identifying potential threats and staying secure.

- **Continuous monitoring.**
  Our IT teams actively monitor cybersecurity trends and continuously identify new processes, systems and technologies, including Artificial Intelligence, to mitigate the likelihood of successful breaches. Disaster recovery plans and crisis management procedures are in place to handle IT security incidents efficiently, ensuring business continuity with minimal interruption.

2024 Highlights:

- Increased frequency of cybersecurity awareness training and phishing simulations.
- Updated security operations centre and enhanced email security solutions.
- Maintained secure operations with no high or critical security incidents.
- Enhancements to information security monitoring capabilities through a new extended detection and response (XDR) service.
- Rollout of a leading GDPR compliance and insights tool.

"Safeguarding data with robust security measures."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Aligning with international standards and certifications.

Ecovadis

Our Brand Addition business maintained its Ecovadis score of 80 and holds an Ecovadis Gold rating, ranking it in the top 5% of similar companies in its approach to sustainability.

The Ecovadis rating helps Brand Addition articulate its commitment to sustainable practices and share the progress made with its stakeholders.

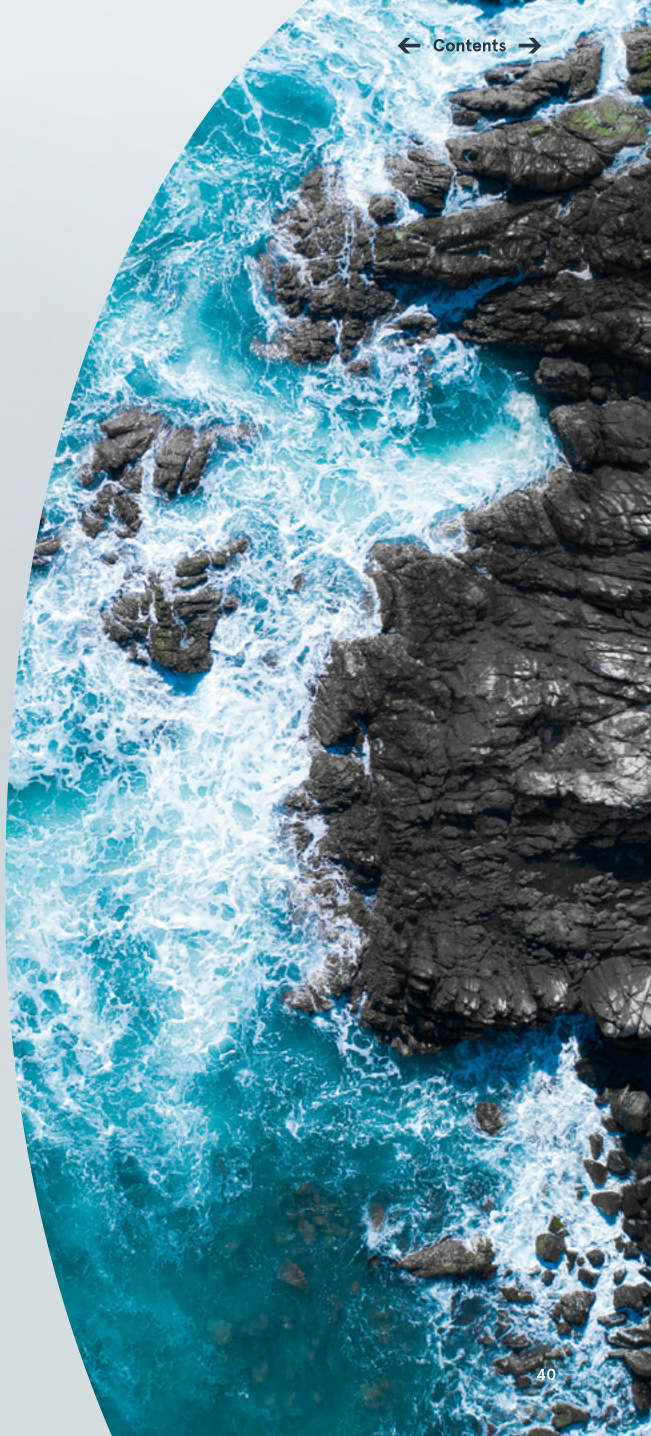
Carbon Disclosure Project (CDP)

In 2024, The Pebble Group completed its first Group-wide CDP disclosure, providing stakeholders with comprehensive insights into our environmental impact and sustainability initiatives.

We were proud to receive a 'B' ranking for our first disclosure, highlighting the Group's commitment to reducing its environmental footprint and addressing the ongoing impacts of climate change. Brand Addition continued its own CDP participation, receiving a 'C' ranking for its submission.

ISO management systems

Brand Addition holds quality (ISO 9001), environmental (ISO 14001) and information security management (ISO 27001) certifications across its business. In 2024, this was expanded to include ISO 45001 occupational health and safety management at all of its warehouse locations. The certification held ensures that it adheres to the highest standards of quality, environmental responsibility, information security and occupational health and safety. They demonstrate commitment to continuous improvement across all aspects of the business.



Non-Financial and Sustainability Information Statement.

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

Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD recommendations provide a robust framework for disclosing the climate-related risks and opportunities (CRROs) that our Group faces, enabling stakeholders and investors to make informed decisions about our business. Each year, we continue to update and enhance our disclosures to reflect changes identified through our scenario analysis and feedback from our broader stakeholder group.

As part of our annual internal review process, we revisit the climate scenarios we have selected to ensure they remain current and relevant. For our 2024 assessments, we did not make any material changes to the scenarios or time horizons used.

Our ongoing monitoring and identification of climate-related risks within our Group and sector have not revealed any risks in 2024 that would materially impact the financial performance of our business. Where risks have been identified, their impact remains low, consistent with our previous findings.

Climate-related risks and opportunities

Assessing the Group's CRROs is critical for identifying existing and emerging risks, as well as exploiting opportunities arising from the impacts of climate change. The assessment also helps our investors and stakeholders make informed decisions about our business and understand the steps we are taking to mitigate these risks and capitalise on our opportunities.

Our process for identifying risks and opportunities involves comprehensive engagement with both internal and external stakeholders. This includes brainstorming sessions, workshops, external data and feedback from our ESG materiality assessment. We adopt the same approach as our overarching risk management framework, assessing the likelihood and severity of each risk and opportunity.

Categorising risks and opportunities in this manner allows us to prioritise our actions and focus on the highest scoring risks and opportunities.

CRROs are assessed and updated twice per year as part of our risk management process. The Audit Committee provides oversight of climate-related risks as part of its integrated risk review. In conducting our most recent assessment, we increased the transitional risk score relating to "mandates and additional regulations," reflecting stakeholder feedback, internal reviews and the future introduction of ESG and sustainability regulations and legislation. No other material changes were made.

The updated assessment did not identify any risks that are expected to have a material financial impact on the business at this time. Where risks have been identified, we have proactively implemented measures to minimise any adverse impacts. The highest scoring risks and opportunities from our assessment are detailed on pages 43-44.

We recognise the importance of continually developing and evolving our risk management framework and we will ensure that the scenarios used to quantify risk factors remain current and evolve to represent the changing ESG landscape.

SCENARIO PLANNING

The table below outlines the three climate-related scenarios we have used to assess the resilience of our business and sustainability strategy. These scenarios help us determine the potential transitional and physical impacts, as well as opportunities that may affect the Group. These scenarios have been developed based on publicly available data from the Intergovernmental Panel on Climate Change (IPCC) SR15 report and the Bank of England's "Key Elements of the 2021 Biennial Exploratory Scenario: Financial Risks from Climate Change".

SCENARIO A	SCENARIO B	SCENARIO C
EARLY AND ORDERLY ACTION (NO GREATER THAN 2°C RISE)	**LATE AND DISORDERLY ACTION (NO GREATER THAN 2°C RISE)**	**NO CHANGE TO CURRENT SITUATION (GREATER THAN 3°C RISE)**
• Early committed action by society to reduce global emissions. • Co-ordinated policies and legislation immediately implemented towards low carbon economy intensifying over time. • Action taken is sufficient to limit global warming to less than 2°C in line with Paris Agreement.	• Delays in implementing policy needed to reduce global emissions. • Sudden and disorderly policy changes to compensate for a late start to transitioning to a low carbon economy. • Global warming is limited to 2°C in line with the Paris Agreement, but transition starts much later.	• Governments fail to introduce additional policies to address climate change resulting in ambitions falling behind Paris Agreement targets. • Global temperatures increase above 3°C.
GROUP TRANSITION RISKS		
• Increasing levels of demand for sustainable products. • Clients focus on high quality goods rather than low-cost items. • Increasing pressure from stakeholders for businesses to demonstrate tangible steps towards reducing carbon emissions and minimising environmental impact. • Increasing regulations, frameworks and reporting requirements for businesses. • Businesses require increased levels of transparency and disclosures to avoid greenwashing. • Increasing costs related to energy and carbon offsets as more businesses look to meet net-zero commitments.	• Reduced short-term action and lessened pressure on businesses to switch to sustainable products. • Rapid cost increases due to fast sweeping changes related to energy transportation and the use of non-environmentally friendly materials. • Reduced demand for promotional products and services as clients look for more cost-effective ways to promote their brand, when policy changes are introduced. • Significant and rapid changes to regulations opening up businesses to litigation risks and shareholder dissatisfaction.	• Regulations stagnate around the environment and climate change. • Demand for sustainable products plateaus as clients switch back to lower cost non-sustainable materials adding to problems with biodiversity, waste and pollution. • Energy costs start to increase as fossil fuels become less readily available.
GROUP PHYSICAL RISKS		
• Slow rise in the number of extreme weather events causing minor disruption to transport routes or production. • Damage to biodiversity and crops making manufacturing more difficult, resulting in production shortfalls and/or price increases.	• Rapid acceleration in the number of extreme weather events occurring, leading to production and travel disruption. • Increasing costs of raw materials and lack of availability of certain products. • Increased client frustration due to missed delivery dates and stock availability.	• Severe impacts from extreme weather events, unpredictability in transport routes and production. • Shortages of raw materials and huge price increases and volatility making certain products no longer viable. • Instability in global markets and countries as economies suffer from prolonged extreme weather events. • Political and social unrest.

HIGHEST SCORING CLIMATE-RELATED RISKS AND OPPORTUNITIES

The table on the following page details the highest scoring risk categories as identified from our CRROs assessment and the mitigating actions that we have in place or the steps we are taking to continue to monitor and minimise the impact. All risks are evaluated against each climate-related scenario and three different time frames: short-term (1 year), mid-term (2-5 years), and long-term (6-10 years). These timeframes were chosen to allow the Group to assess and address immediate, near-term and long-term challenges. The selected periods ensure that the focus remains on actionable and tangible steps without looking too far ahead.

While we have not identified any climate-related risks that are likely to materially impact the financial performance of our business, we continue to enhance our resilience to mitigate potential impacts. We adopt a holistic approach, integrating climate resilience into our overall strategy by considering all potential scenarios identified in our scenario analysis. This proactive stance allows us to address the CRROs from our risk assessments, enabling us to refine our processes and minimise impacts. Specifically, we focus on:

Sourcing renewable energy: We ensure our electricity comes from renewable sources and continuously seek ways to reduce our energy consumption. However, as the Group does not manufacture product, our overall impact is minimal.

Stakeholder engagement: Regular interactions with stakeholders helps us to understand their immediate and future needs, guiding us in adapting our businesses to effectively meet those needs.

Value chain collaboration: We engage with our value chain to promote climate action through regular discussions, training, annual questionnaires and communication. These activities are crucial for establishing and aligning a shared understanding of the Group's goals to minimise environmental impact and foster resilience. It also helps us benchmark supplier performance and identify those capable of meeting our mid and long-term demands as client preferences evolve and we advance our climate reduction strategy.

Product sustainability: When developing products and stock ranges we actively engage with clients to provide sustainable options that have a reduced environmental impact. We aim to use materials that support the circular economy. We have a sustainability team consisting of three people within our Brand Addition business, providing advice, support and working across our value chain to validate sustainability claims and develop internal standards to support our sales and buying teams in selecting products for clients' promotional activities.

Legislative vigilance: We stay alert to new and upcoming legislation and best practice frameworks related to climate change, ensuring our business remains informed and prepared to act proactively, meeting both our business and stakeholder needs.

HIGHEST SCORING CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

RISK TYPE AND RATIONALE FOR INCLUSION	SUMMARY OF MITIGATING ACTIONS
TRANSITIONAL RISKS (MARKET)	
• Changes in client behaviour, shifts in preferences and expectations (scenario A, short to long-term). – Demand may reduce for promotional products. – Clients may seek alternative methods to promote their brand.	• Clear ESG strategy and action plan to meet the changing needs of our stakeholders. • Dedicated sustainability team to support the transition to a low carbon economy. • Close working relationships with clients to ensure that we are aligned with their future sustainability needs.
• Market uncertainty and increased cost of raw materials (scenario A, mid to long-term). – Availability and increasing costs of raw materials may result in increases in the cost of goods and delays to delivery. – Clients may be more reluctant to place orders due to market forces.	• Creative services and account management teams work with clients to find innovative products to meet budget needs to help mitigate raw material cost increases. • The Group's suppliers span several geographic regions and the Group can divert supply across its infrastructure to help combat delays.
TRANSITIONAL RISKS (POLICY, LEGAL, REPUTATIONAL)	
• Mandates and additional regulations (Scenario A, short to long-term). – An increased risk of reputational damage, litigation and client dissatisfaction if products and services do not meet new mandatory requirements.	• Dedicated quality and product compliance team to successfully navigate new and evolving mandates and regulations. • Mature processes and management systems that are third-party audited to demonstrate a best practice approach. Minimising the risk of non-conformity.
• Increased stakeholder concern or negative stakeholder feedback (scenario A, mid to long-term). – Failure to meet growing sustainability demands from stakeholders may lead to disinterest, hindering the Group's ability to attract and retain clients and investors.	• Regular and ongoing stakeholder engagement ensures that we are aligned with the needs and expectations of our stakeholder groups. • Evaluation and certification to recognised standards and ratings such as Ecovadis, CDP, ISO9001 and ISO14001 to demonstrate a best practice approach.

RISK TYPE AND RATIONALE FOR INCLUSION	SUMMARY OF MITIGATING ACTIONS
PHYSICAL RISKS (ACUTE)	
• Increased severity of extreme weather events, such as cyclones, hurricanes, flooding, drought and wildfires (all scenarios, mid to long-term). – An increased risk of delays to deliveries, increases in material lead-times and volatility in production and product costs due to the effects of adverse weather.	• Location planning built into product sourcing and manufacturing to mitigate against the risk of disruption due to extreme weather events. • Robust supply chain with second source alternatives to quickly adapt to changes.
OPPORTUNITIES	
• Product sustainability – A growing demand for sustainable products could lead to business growth and new opportunities as the Group supports clients to make informed decisions about the products they source, providing transparency and claims validation.	• Providing innovative products and solutions to meet the sustainability needs of our clients through a validated supply chain. • Supporting clients with leading advice and expertise to develop future product ranges or bespoke products made from sustainable materials to meet their growing business needs.
• Changing client behaviour and shifts in client preference – As clients and Partners become more aware of the impacts of climate change, there will be a shift to ensure that they are partnered with the right business to deliver on their sustainability goals. – As the regulatory landscape becomes more complex, clients and Partners are looking to work with businesses who can demonstrate a robust approach and support them in additional reporting and compliance requirements. – Businesses that are able to demonstrate a robust ESG strategy could result in increased demand and new business wins.	• Having a clear ESG and sustainability strategy aligned with our stakeholders helps retain existing clients and attract new business opportunities, as clients seek partners who can support their evolving needs. • Dedicated quality and product compliance team to successfully navigate new and evolving mandates and regulations. • Client and Partner support to navigate the changing legislative landscape providing expert advice and guidance.

TCFD DISCLOSURE TABLE

RECOMMENDATION	RESPONSE	DISCLOSURE LOCATION
GOVERNANCE		
a) Describe the Board's oversight of climate-related risks and opportunities.	The Group Board has overall responsibility for ESG and provides oversight of the ESG strategy and actions related to the CRROs identified by the Group.	Page 66
	The Group Board reviews progress against the ESG strategy every six months as part of its strategy review meeting. The Group Board is supported by the Audit Committee which provides oversight of the TCFD CRROs assessment as part of its integrated risk review.	
	The Senior ESG officer reports to the Group Board at least annually on progress against the ESG strategy and goals and provides specific updates on environmental performance, including any CRROs.	
	ESG is a standing agenda item at the Group Executive Committee meetings.	
b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Senior ESG Officer is responsible for developing and executing the ESG strategy, including the assessment of any CRROs identified by the Group.	Page 66
	The Senior ESG Officer holds meetings with the Divisional Leads of each business every two months to review operational progress in relation to agreed ESG objectives, including any CRROs.	
	The Operating Boards of Facilisgroup and Brand Addition meet regularly and each maintains their own risk register, including any CRROs. The risk registers are reconciled against the Group's risk register twice per year in advance of the Audit Committee's review.	

RECOMMENDATION	RESPONSE	DISCLOSURE LOCATION
STRATEGY		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.	The CRROs assessment has identified a number of physical and transitional risks, however, none of the risks are seen as significant or likely to have a material financial impact on the business. Where risks have been identified, proactive steps are already being taken as part of our ESG strategy and continual improvement activities.	Pages 43-44
	Transitional risks are most likely to have the greatest impact on the business as we transition to a low carbon future. However, this also presents an opportunity as we are well positioned to support our clients by developing more sustainable products that align with their growing sustainability needs.	
	Through our ESG efforts and the steps we are taking to 'Advance Sustainability,' we see an opportunity to strengthen our business. Our ESG strategy commits us to taking positive action on climate change. By having a robust strategy, we strive to differentiate our business from competitors and support our clients in the transition to a low-carbon economy.	
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	The impacts of any CRROs identified by the Group are detailed in the risk management section of this Report. Additionally, the scenario planning table outlines all the possible risks associated with each scenario and their potential impact on the Group.	42, 44 and 59
	At present, none of the CRROs have led to any material changes to the business strategy or financial planning. However, the results of the assessment help shape our sustainability roadmap, ensuring that we continue to address our key risks and opportunities. The Group's ESG strategy is reviewed and approved annually by the Group Board to ensure that any CRROs are proactively addressed.	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our sustainability approach and strong stakeholder relationships help build resilience against climate change impacts. By focussing on sustainability, we can maintain market share and supplier relationships, ensuring continuity of supply. Embedding quality and sustainability processes across the Group ensures vigilance, best practices, robust product compliance and ethical sourcing.	Pages 42, 44, 55
	The CRROs undergo assessment at least every six months against the climate-related scenarios. This proactive evaluation helps implement actions and build resilience, ensuring the Group's strategy and goals adapt to any changes.	

TCFD DISCLOSURE TABLE (CONTINUED)

RECOMMENDATION	RESPONSE	DISCLOSURE LOCATION
RISK MANAGEMENT		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-related risks are identified by a number of methods. These range from publicly available data to help develop an understanding of the climate-related risks the business may face to internal brainstorming exercises and stakeholder engagement and discussion. Risks are also raised through internal discussion, individual business risk registers, the Group risk register or the Group Executive Committee. Each risk identified is reviewed against three different climate-related scenarios and timescales to assess the potential likelihood and impact on the business to ensure that priority is given to the highest risk. The assessment is led by the Senior ESG officer with support from the Group Financial Controller and the Managing Directors of Facilisgroup and Brand Addition.	Pages 41, 42
b) Describe the organisation's processes for managing climate related risks.	Emerging and identified risks are continually monitored and managed through the Group's risk management framework, described in the risk section of this Report. All risks are prioritised and assigned an owner who is responsible for the management and implementation of any actions. Risk reviews are undertaken biannually with each Group business and any changes or updates are discussed and reflected in the Group risk register. The Audit Committee formally reviews and approves the Group risk register twice yearly.	Page 55
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management framework.	The Group's risk register identifies climate change as a key risk. It also includes a sub-register dedicated to this risk, ensuring that all climate-related risks and opportunities are effectively identified, assessed and managed. This approach fully integrates them into the overall risk management framework.	Pages 55, 59

RECOMMENDATION	RESPONSE	DISCLOSURE LOCATION
METRICS AND TARGETS		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Group tracks carbon emissions, energy consumption, carbon intensity per £1m of revenue and progress towards achieving 100% renewable electricity. These metrics support the assessment of climate-related risks and opportunities. Tracking carbon emissions and energy consumption helps identify key areas where the Group can reduce its environmental impact, thereby mitigating risks such as regulatory changes, reputational damage or the impact of certain products or supply routes. Carbon intensity provides an insight into overall business efficiencies, while progress toward 100% renewable electricity underscores our commitment to minimising the direct impact of our operations. Additionally, Executive bonus targets include ESG criteria to ensure continued focus on relevant ESG issues, reinforcing the importance of driving positive environmental outcomes and managing associated risks.	Pages 28, 31, 87
b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks.	The GHG emissions table includes the inventory of all relevant Scope 1, Scope 2 and Scope 3 emissions.	Page 31
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• 100% renewable electricity by 2025. • Net-zero in our direct operations by 2030 (Scope 1 and Scope 2 emissions). • Whilst we have not yet set definite Scope 3 targets, we are committed to prioritising the reduction of Scope 3 emissions.	Page 28

KEY PERFORMANCE INDICATORS

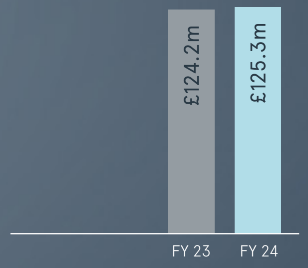
Measuring our performance.

GROUP

REVENUE

£125.3m

+0.9%



Why we measure it
Monitoring year-on-year revenue growth provides an indication of progress against both short-term plans and long-term strategy.

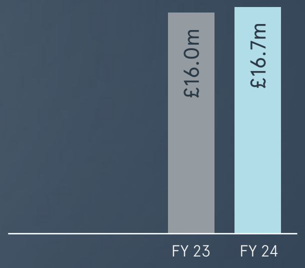
Comment
The increase in revenue in FY 24 reflects growth in Brand Addition, showing some recovery from challenging macroeconomic conditions in H2 2023. Facilisgroup revenue, whilst ahead in home currency of USD, was slightly behind in GBP due to the impact of currency translation.

Client retention at Brand Addition and Partner retention at Facilisgroup continues to be excellent.

ADJUSTED EBITDA[1]

£16.7m

+4.4%



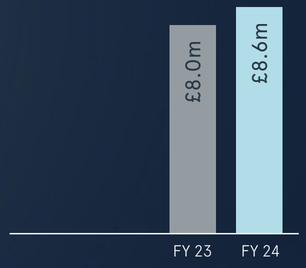
Why we measure it
Adjusted EBITDA trends provide an indication of progress against both short-term plans and long-term strategy. Management believes this adjusted measure is most relevant to understand the underlying trading performance of the business.

Comment
The increase in Adjusted EBITDA reflects improved gross profit margins in the Brand Addition business, driven by client mix and successfully implemented pricing initiatives.

OPERATING PROFIT

£8.6m

+7.5%



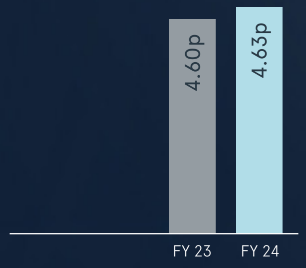
Why we measure it
Monitoring operating profit provides insight into the impact of investing in our growth strategy on the underlying profitability of the Group.

Comment
Operating profit has increased by £0.6m in FY 24 to £8.6m, driven by careful margin and cost management supporting the steady growth in revenue.

BASIC ADJUSTED EARNINGS PER SHARE[2]

4.63p

+0.7%



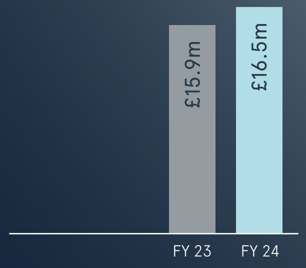
Why we measure it
This measure illustrates the profitability of the Group excluding the effect of non-operating items in relation to the number of shares in issue and is therefore an important metric in demonstrating the delivery of value for our shareholders.

Comment
Basic adjusted EPS increased slightly by 0.7% to 4.63p in FY 24, driven primarily by a reduction in share capital as a result of the share buyback programme in place.

NET CASH[3]

£16.5m

+3.8%



Why we measure it
This measure shows the cash generation of the Group that enables further investment into achieving our long-term strategy and increasing shareholder value.

Comment
Increase in net cash of £0.6m is after incremental returns to shareholders of £3.4m, demonstrating the Group's ongoing excellent cash generation.

1. Adjusted EBITDA is defined as operating profit adjusted to add back depreciation, amortisation, share-based payment charge/credit and exceptional items.
2. Basic adjusted EPS is calculated as profit after tax before amortisation of acquired intangibles, share-based payment charge/credit, and exceptional items net of taxation divided by the weighted average number of shares in issue.
3. Net cash is defined as cash and cash equivalents less borrowings (excluding lease liabilities).

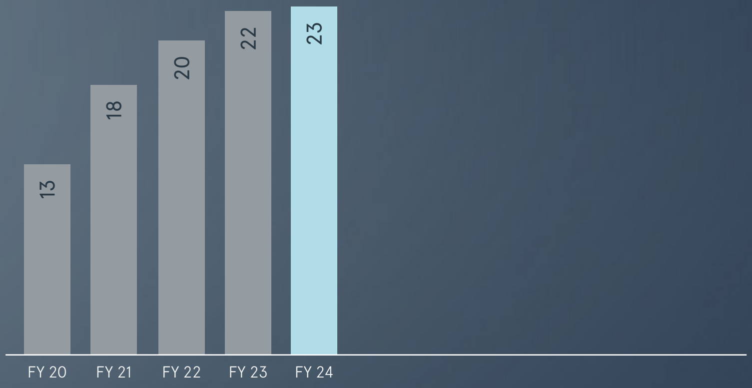
KEY PERFORMANCE INDICATORS

GROUP COMPANIES

Facilisgroup

High visibility of recurring revenues and excellent Partner retention levels

REVENUES $'M



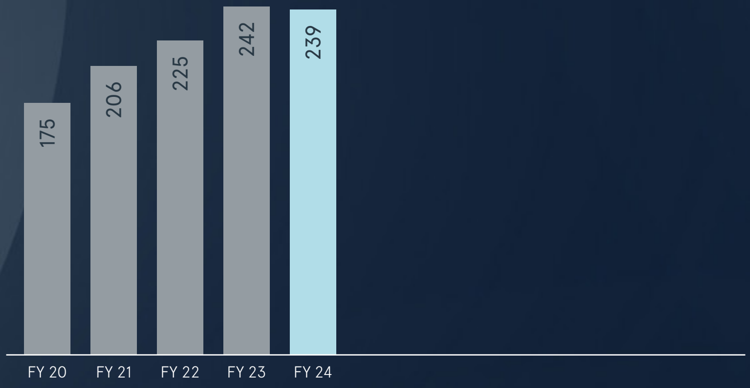
Why we measure it

Tracking Facilisgroup revenues in the home currency of USD demonstrates the business' ability to grow and retain its income from its Partners and Preferred Suppliers through the technology and services it provides, exclusive of the impact of currency translation.

Comment

Revenues increased by 1% in USD in FY 24, driven by a steady increase in subscription fees and GMV. Recurring revenues comprise 96% of Facilisgroup revenues in FY 24 (FY 23: 95%).

PARTNER NUMBERS #



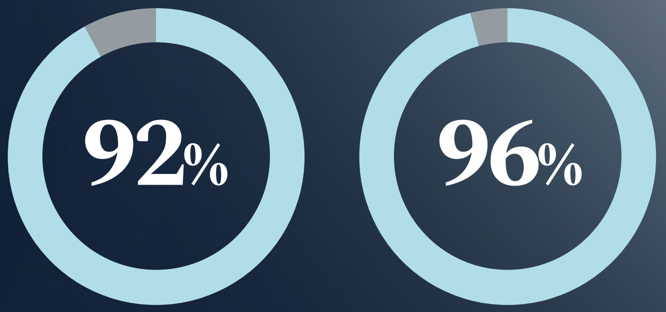
Why we measure it

Responsibly increasing Partner numbers whilst maintaining Partner quality is key to delivery of the Facilisgroup strategy. The engagement of existing Partners and the pipeline of potential new Partners is tracked on a monthly basis to demonstrate progress against this target.

Comment

Partner numbers at 31 December 2024 were 239. This included 16 new quality Partner wins, with 10 Partners acquired by other businesses and an underlying churn of 9.

PARTNER RETENTION RATE %



(excluding acquired Partners)

Why we measure it

Understanding attrition and the reasons for it is key to our Partner growth strategy. We focus on maximising retention of existing Partners, in addition to growing through new Partner wins. Monitoring attrition exclusive of Partners acquired by other businesses is important in identifying underlying attrition levels.

Comment

There were 10 Partners acquired by other businesses during the year (FY 23: 4). Excluding acquisitions, retention rate remains excellent at 96% (FY 23: 99%), which is considered by management to be key to the success of Facilisgroup.

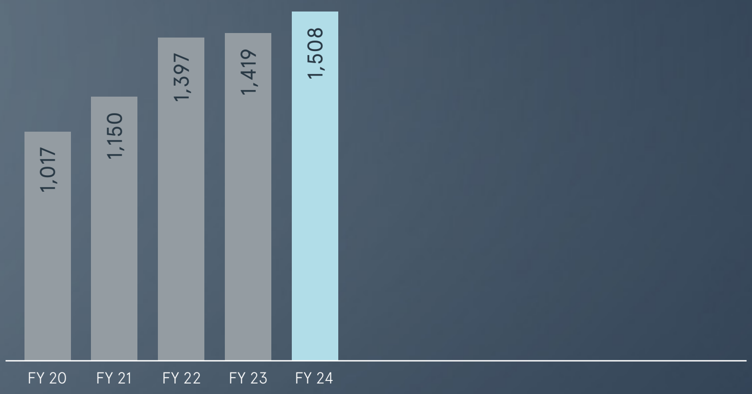
KEY PERFORMANCE INDICATORS

GROUP COMPANIES

Facilisgroup

Partner activity – High quality Partners and long-term relationships

GROSS MERCHANDISE VALUE $' M



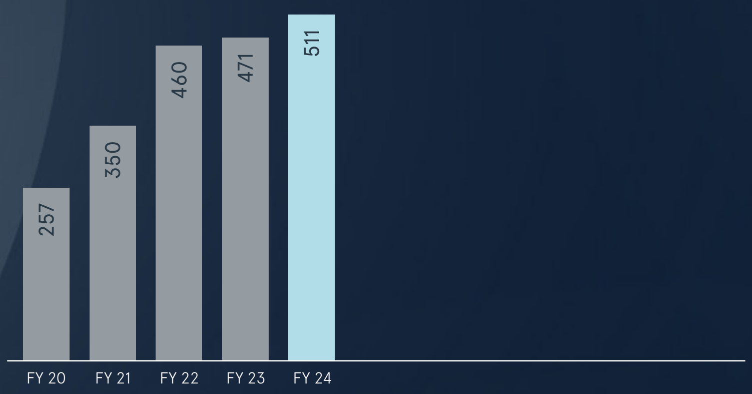
Why we measure it

Tracking the value of sales processed through our technology (GMV) sets the pricing of our services to Partners and allows the Group to monitor the growth in like-for-like Partner sales and total distributor sales versus the market.

Comment

The sales activity of our Partners resulted in $1,508m GMV, increasing by 6% on FY 23, driven largely by the activity of new Partners.

PREFERRED SUPPLIER PURCHASES $' M



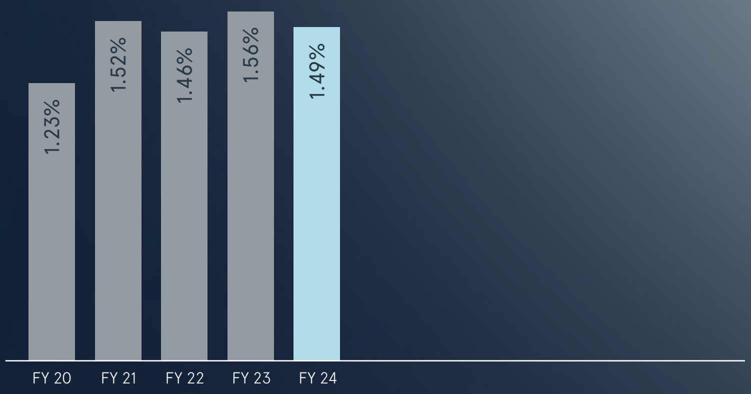
Why we measure it

Consolidating Partner spend through a high-quality supply base that provides excellent service, favourable pricing and rebates for our Partners generates revenue for Facilisgroup. The level of spend with Preferred Suppliers is tracked monthly to demonstrate progress against this target.

Comment

Spend through Preferred Suppliers increased by 8% in FY 24 to $511m, reflecting the growth in GMV.

ATTACH RATE (INCOME / GMV) %



Why we measure it

The attach rate shows ARR as a percentage of GMV. Driving purchases through the Preferred Supplier network and the sale of additional products and services will result in an increase in the attach rate.

Comment

The attach rate of 1.49% in FY 24 reflects growth in GMV in the year ahead of revenue.

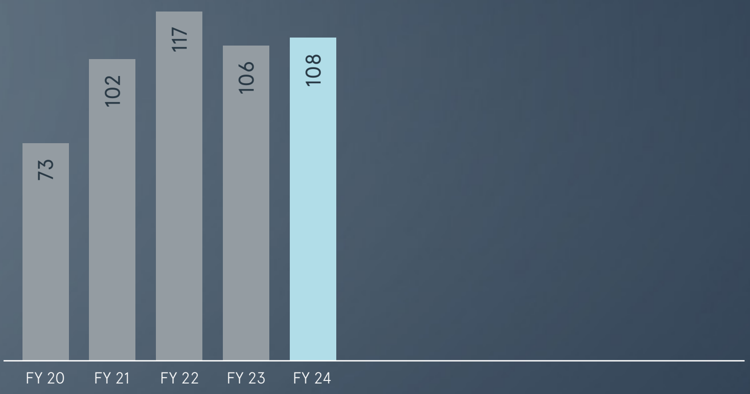
KEY PERFORMANCE INDICATORS

GROUP COMPANIES

Brand Addition

Revenue and margin analysis – Win, Grow, Retain, Repeat

REVENUE £'M

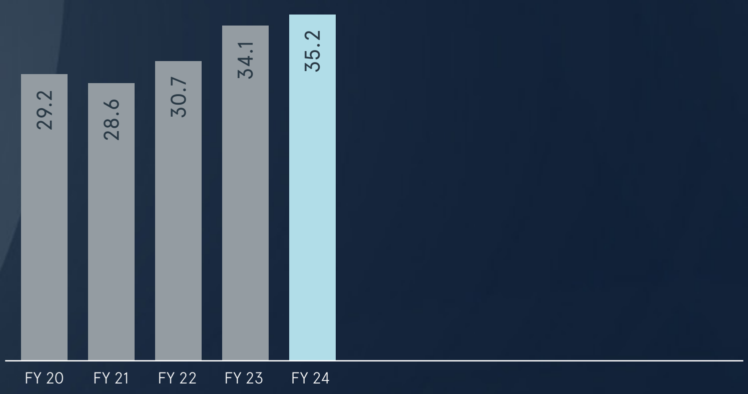


Why we measure it
Tracking revenue trends is key to understanding how Brand Addition is performing against its strategic goals.

Comment
The increase in revenue in FY 24 was driven by recovery of clients which operate in the Consumer sector impacted by the challenging macroeconomic conditions in H2 2023.

Client retention has remained strong.

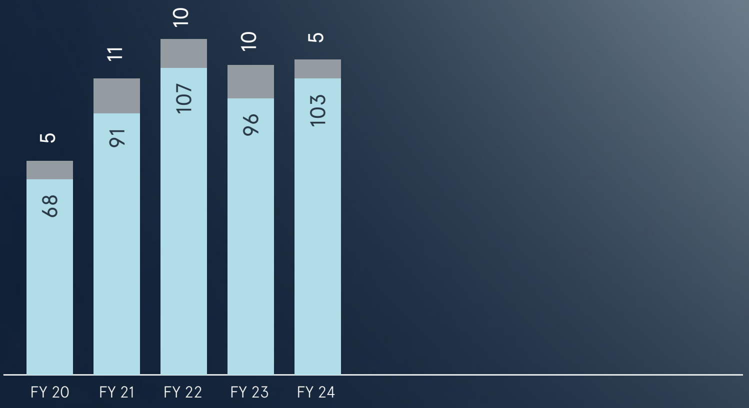
GROSS PROFIT MARGIN %



Why we measure it
Growth in gross profit percentage indicates an improvement in the quality of our earnings.

Comment
The increase in gross profit percentage reflects a combination of client mix and implemented pricing initiatives to support the costs of additional services being delivered to our clients.

REVENUE BY EXISTING AND NEW CLIENTS £'M



Why we measure it
Brand Addition has excellent levels of client retention. Retaining and growing existing clients, while successfully implementing new business, is fundamental to its growth strategy.

Comment
Revenue from existing clients has grown by £7m in FY 24, driven by recovery from Consumer and Technology sector clients. New business is behind previous years, but tendering activity was strong during Q4 2024, which should positively impact FY 25 revenues.

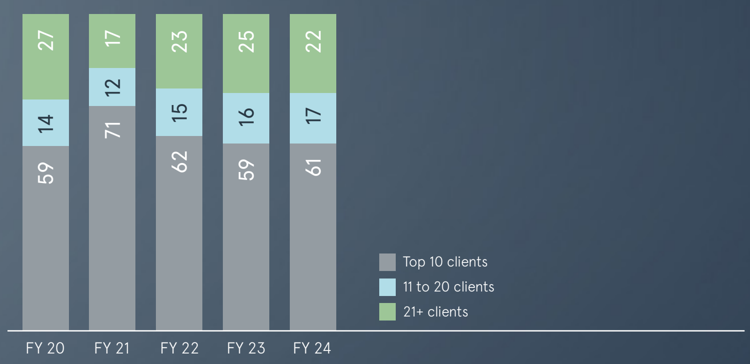
KEY PERFORMANCE INDICATORS

GROUP COMPANIES

Brand Addition

Revenue diversity – Strong sectors across multiple geographies

REVENUE BY CLIENT CONCENTRATION %



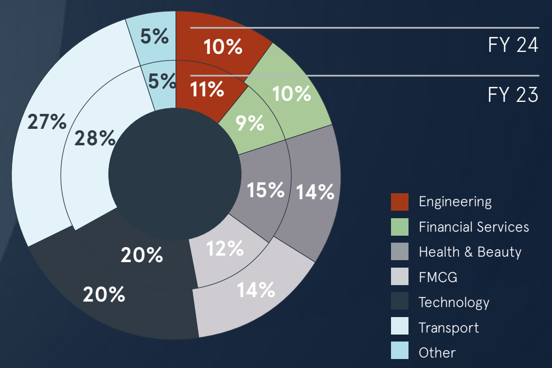
Why we measure it

Brand Addition tracks revenue by client concentration as the success of larger clients is central to delivering on our strategy of Win, Grow, Retain, Repeat. We also recognise the importance of not being over reliant on a small number of clients.

Comment

The top 10 clients contributed 61% of total revenue in FY 24 (59% in FY 23), with no one client contributing more than 13% of revenue.

REVENUE BY CLIENT SECTOR %



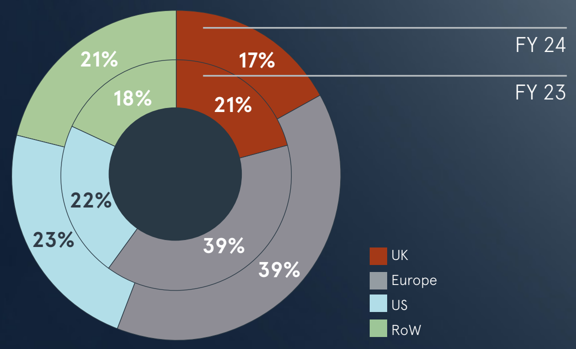
Why we measure it

Brand Addition works with clients across a wide range of sectors. This level of diversity provides some protection against economic factors which may impact specific sectors.

Comment

The changes in mix reflect improved performance from clients that operate in the FMCG sector. There continues to be strong diversity across all the sectors.

REVENUE BY DESTINATION %



Why we measure it

Brand Addition has a global client base and is well diversified across the world, providing some resilience to market conditions that could affect specific geographies.

Comment

Revenue to the rest of the world increased relative to FY 23, driven by growth in existing clients in these geographies. The geographical mix continues to be well diversified.

CHIEF FINANCIAL OFFICER'S REVIEW

Establishing our foundations for growth.

"FY 24 investments in our teams position both businesses to take advantage of the significant opportunities ahead."

Overview

FY 24 was a year in which the Group focussed on building out its platform to accelerate growth. The Group delivered results in line with market expectations, with revenue 1% ahead of FY 23. Gross Margin increased further following improvements made in 2023 and Adjusted EBITDA was £0.7m ahead of FY 23. This increase was achieved following strategic investments in our teams that position both businesses to take advantage of the significant opportunities ahead of them. These results, combined with the strong cash generative characteristics of the Group and a step-change reduction in capitalised development costs resulted in increased Operating cash conversion which is expected to continue into FY 25.

Group revenue of £125.3m (FY 23: £124.2m) was 1% ahead of FY 23 and Adjusted EBITDA of £16.7m (FY 23: £16.0m) was 4% ahead. Operating profit was £8.6m (FY 23: £8.0m), being 8% ahead of FY 23. The Board is pleased to propose the payment of a final dividend of 1.85 pence per share for FY 24 (FY 23: 1.2 pence per share). This will be payable in June 2025 subject to final shareholder approval.

The Group's balance sheet remains strong and its liquidity position continues to be robust with cash balances of £11.2m at 17 March 2025 and no amounts drawn down on the Company's £10m committed revolving credit facility.

	FY 24 £'m	FY 23 £'m
Revenue	**125.3**	124.2
Gross profit	**55.5**	54.2
Gross profit margin	**44.3%**	43.6%
Adjusted EBITDA	**16.7**	16.0
Depreciation and amortisation	**(8.6)**	(7.5)
Share-based payment credit/(charge)	**0.5**	(0.5)
Operating profit	**8.6**	8.0
Net finance costs	**(0.5)**	(0.6)
Profit before tax	**8.1**	7.4
Tax	**(1.7)**	(1.6)
Profit for the year	**6.4**	5.8
Weighted average number of shares	**166,216,248**	167,412,949
Adjusted Basic EPS	**4.63p**	4.60p
Basic EPS	**3.83p**	3.46p

Claire Thomson
Chief Financial Officer (CFO)

CHIEF FINANCIAL OFFICER'S REVIEW

Revenue

Group revenue for FY 24 was £125.3m (FY 23: £124.2m). Facilisgroup revenue was £17.6m (FY 23: £17.9m), reflecting a 2% decline in GBP but a 1% increase in Facilisgroup's home currency of USD. This slight increase in revenue was incremental ARR from Partner subscriptions for our technology and fees from our Preferred Suppliers. Revenue in Brand Addition was £107.7m (FY 23: £106.3m) as revenue from our Consumer and Technology sector clients stabilised to predictable levels compared with FY 23.

Gross profit

Following the improvements made in FY 23, gross profit as a percentage of revenue increased further during FY 24 by 0.7 p.p.t to 44.3% as the value of the complex services Brand Addition delivers to its clients continued to be recognised and the increases from FY 23 were maintained.

Adjusted EBITDA

Adjusted EBITDA for FY 24 was £16.7m (FY 23: £16.0m). The increase was made up as follows:

- Facilisgroup: £0.1m reduction as the slight increase in USD revenue was offset by exchange rate movements in the GBP to USD exchange rate. The business maintained its excellent EBITDA returns of circa 50% demonstrating its ability to retain strong margins whilst investing to accelerate organic growth;
- Brand Addition: £1.3m increase as the business delivered its third consecutive year of improved gross profit margins which translated into Adjusted EBITDA; and
- Central costs: £0.5m increase in costs in the year due to, a combination of incremental advisers' fees and payroll costs as FY 24 includes an accrual for bonuses when none were payable in FY 23.

Depreciation and amortisation

The total charge in the year was £8.6m (FY 23: £7.5m), of which £6.3m (FY 23: £5.2m) related to the amortisation of intangible assets. The amortisation of intangible assets charge in FY 24 includes a charge of £0.9m (FY 23: £0.5m) to align the amortisation period for acquired intangible software assets (previously five years) with that of those which are internally generated (three years).

Share based payments

The total credit for the year under IFRS 2 "Share-based payments" was £0.5m (FY 23: charge of £0.5m) and relates to the 2022, 2023 and 2024 awards made under The Pebble Group Long Term Incentive Plan (LTIP) and Sharesave Plan. The credit reflects that no equity instruments are expected to vest under the performance conditions of the 2022 LTIP award or the 2023 LTIP award. More details of the performance conditions are provided in the Remuneration report.

Operating profit

Operating profit for the year was £8.6m (FY 23: £8.0m) reflecting the increase in Adjusted EBITDA after charging incremental depreciation and amortisation of £1.1m. This was offset by a corresponding credit of £1.0m in relation to share-based payments as discussed above.

Finance costs

Net costs of £0.5m in the year (FY 23: £0.6m) include £0.4m interest costs on leases capitalised in accordance with IFRS 16 (FY 23: £0.4m) and £0.1m interest in relation to the Group's £10.0m committed RCF facility (FY 23: £0.1m). There were no refinancing costs in FY 24 (FY 23: £0.1m).

Taxation

The total taxation charge was £1.7m (FY 23: £1.6m) giving rise to an effective rate of tax of 21.0% (FY 23: 21.6%). The Group's effective rate of tax was lower than the UK standard rate of 25% due to the relief it is eligible to claim in the USA for qualifying research and development costs incurred by Facilisgroup.

As a Group with worldwide operations, the Company is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms. The Group is subject to income taxes in the UK, Ireland, Germany, Turkey, USA, Canada, China and Hong Kong.

Earnings per share

The earnings per share analysis in note 10 covers both adjusted earnings per share (profit attributable to equity shareholders before amortisation of acquired intangibles, share-based payment charge/credit and exceptional items net of taxation divided by the weighted average number of shares in issue during the year), and basic earnings per share (profit attributable to equity holders divided by the weighted average number of shares in issue during the year). Adjusted earnings were £7.7m (FY 23: £7.7m), meaning basic adjusted earnings per share were 4.63 pence per share (FY 23: 4.60 pence per share), an increase of 0.03 pence per share. Basic earnings per share was 3.83 pence per share (FY 23: 3.46 pence per share), an increase of 0.37 pence per share.

Dividends

The Board is proposing the payment of a final dividend of 1.85 pence per share (FY 23: 1.2 pence per share), a distribution totalling £3.0m. This will be paid on 13 June 2025, subject to shareholder approval, to those shareholders on the register of members on 16 May 2025. The shares will trade ex-dividend on 15 May 2025.

Cash flow

The Group had a cash balance of £16.5m at 31 December 2024 (FY 23: £15.9m).

Cash flow for the year is set out below.

	FY 24 £'m	FY 23 £'m
Adjusted EBITDA	**16.7**	16.0
Movement in working capital	**(1.2)**	0.7
Capital expenditure	**(6.8)**	(8.6)
Leases	**(1.7)**	(1.6)
Operating cash flow	**7.0**	6.5
Operating cash conversion %	**68.2%**	62.8%
Tax paid	**(2.7)**	(2.5)
Net finance cash flows	**(0.4)**	(0.6)
Dividend paid	**(2.0)**	(1.0)
EBT purchase of own shares	**(0.1)**	(0.4)
Acquisition of own shares	**(1.4)**	-
Exchange gain/(loss)	**0.2**	(1.2)
Net cash flow	**0.6**	0.8

Operating cash flow

Operating cash flow before tax payments and financing activities increased by £0.5m in the year to £7.0m. This increase is net of a £1.2m investment in working capital and a £1.8m reduction in capital expenditure as the Group has made a step change in the level of investment in new product development at Facilisgroup.

Operating cash conversion is an important metric for the Group. It's increase in the year to 68.2% (FY 23: 62.8%) provides us with further options around capital allocation.

Balance sheet and shareholders' funds

Net assets increased in the year by £2.9m, the balance sheet is summarised below:

	FY 24 £'m	FY 23 £'m
Non-current assets	69.2	69.9
Working capital	14.2	13.0
Cash	16.5	15.9
Lease liabilities	(6.9)	(7.6)
Other net liabilities	(1.6)	(2.7)
Net assets	**91.4**	**88.5**

Non-current assets

Non-current assets are the most significant balance sheet category and comprise the following:

	FY 24 £'m	FY 23 £'m
Goodwill	36.0	36.0
Customer relationships	7.6	8.0
Software development costs	18.2	17.3
Property, plant & equipment	7.1	8.3
Deferred tax assets	0.3	0.3
Non-current assets	**69.2**	**69.9**

Amounts classified as goodwill and customer relationships relate to historic acquisitions made by the Group.

Software development costs, which include £4.9m (FY 23: £5.7m) investment in the year into Facilisgroup technology products, arise from:

i) ongoing investment into Group proprietary software and, in particular, investment into the Facilisgroup technology platform to ensure that existing technology remains market leading and differentiated from our competitors; and

ii) new product development that will support our medium-term growth plans.

The costs are capitalised in accordance with IAS 38 and, once the product is released to market, amortised over the period, the Group expects to benefit from its development. The amortisation period is typically three years. During H2 2024 there was a reduction of $1.5m in the level of our investment into new product development at Facilisgroup. We expect a similar quantum of reduction in FY 25.

Property, Plant and Equipment primarily comprises the costs of Right-of-Use assets capitalised in accordance with IFRS 16 "Leases".

Working capital

Working capital of £14.1m is £1.2m higher than FY 23 of which £0.7m was the timing of Facilisgroup Community events.

Lease liabilities

Lease liabilities of £6.9m (FY 23: £7.6m) relate to Group properties capitalised in accordance with IFRS 16. The reduction in the year reflects payments made under the lease agreements.

Other net liabilities

Other net liabilities of £1.6m (FY 23: £2.7m) are net tax liabilities of which £1.6m (FY 23: £2.4m) is deferred tax. £1.4m of the deferred tax liability (FY 23: £1.5m) relates to acquired customer relationships. These liabilities will reverse over the period that the assets are amortised.

Alternative Performance Measures (APMs)

Throughout the Annual Report and related statements, the Group has used a number of APMs as key performance indicators in addition to those reported under IFRS. These are used to provide additional clarity to the Group's underlying financial performance and are used internally by management to monitor business performance, in its budgeting and forecasting and also for determination of Directors' and senior management remuneration. These APMs are not defined under IFRS and, therefore, may not be directly comparable with adjusted measures presented by other companies. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance. However, they are considered by management to be important measures used in the business for assessing performance. They have been consistently applied in all years presented.

The following are key non-GAAP measures identified by the Group and used in the Financial Statements.

Adjusted EBITDA which means operating profit before depreciation, amortisation, share-based payment charge/credit and exceptional items. Refer to note 11 for reconciliation.

Adjusted operating profit which means operating profit before amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items. Refer to note 11 for reconciliation.

Adjusted profit before tax which means profit before tax, amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items. Refer to note 11 for reconciliation.

Adjusted earnings which means profit after tax before amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items net of taxation. Refer to note 11 for reconciliation.

Adjusted earnings per share which means Adjusted earnings divided by a weighted average number of shares in issue. Refer to note 10 for reconciliation.

Claire Thomson

Chief Financial Officer (CFO)

17 March 2025

RISK MANAGEMENT

Managing risk responsibly and robustly.

The Group Board is ultimately responsible for setting and approving risk appetite and ensuring that the Group maintains a sound risk management and internal control framework.

Risk appetite

The Group generally maintains a cautious risk appetite but considers each risk on its merits taking account of its nature, severity of impact and likelihood of occurrence following the implementation of appropriate internal controls. The Group acknowledges the need to accept a certain level of strategic risk to achieve capital growth for shareholders.

Risk management and internal control framework

Risk identification and monitoring is an iterative process embedded in the Group to facilitate early identification and escalation of current and emerging risks. The Group considers both its own risk landscape and that of its extended businesses, including the entire supply chain, material third parties and reliance on strategic partners. The Group's strong governance and communication structures are also embedded in the businesses to ensure effective risk management and mitigation and to facilitate the execution and delivery of the Group's stated purpose and strategy.

The Audit Committee

Responsibility for the review and approval of the Group's risk appetite and risk register is delegated by the Group Board to the Audit Committee which considers the nature and extent of principal risks to the Group's achievement of its corporate purpose, strategic objectives and any related opportunities. It ensures that all potential risks have been properly identified and considered, on a proportionate and material basis, including those relating to climate change, and that appropriate mitigating actions, internal controls and assurance activities are implemented. It also reviews the Group's internal controls and considers reports from the Group's management on the effectiveness and integrity of the Group's internal control and risk management systems, determining whether they are sufficiently robust to manage the identified risks adequately. The CFO and the Group Financial Controller are responsible for updating the Committee on progress against the Group's internal audit and risk plan and assurance activities.

Each year, the Committee considers whether there is a need for a separate internal audit function and makes its recommendation to the Group Board for approval. When satisfied, the Committee approves the Group's risk register, risk management framework, internal controls and assurance activities and concludes whether appropriate to achieve effective risk management.

Group Executive Committee and Operating Boards

The Group Executive Committee discusses `Risk Management and Compliance' as a standing agenda item at each monthly meeting. As part of such discussion, Divisional Leads escalate any new, current or emerging risks for discussion by the Committee and for consideration of any necessary amendments to internal controls. New risk and compliance-related policies and procedures are reviewed and discussed by the Group Executive Committee. The Audit Committee and/or Group Board approve all new key risk and compliance policies and re-approve all existing policies on an annual basis.

The Operating Boards of Facilisgroup and Brand Addition meet regularly. Each business maintains its own risk register, which is reviewed against the Group's risk register twice a year before review by the Audit Committee, as described above. Each Operating Board discusses `Risk Management' as a standing agenda item at each monthly meeting where the lead for each key function addresses the significant risks relevant to their area, including potential emerging risks and those current risks identified below.

These effective risk management practices and processes drive responsible decision-making throughout the Group.

Risk Ownership

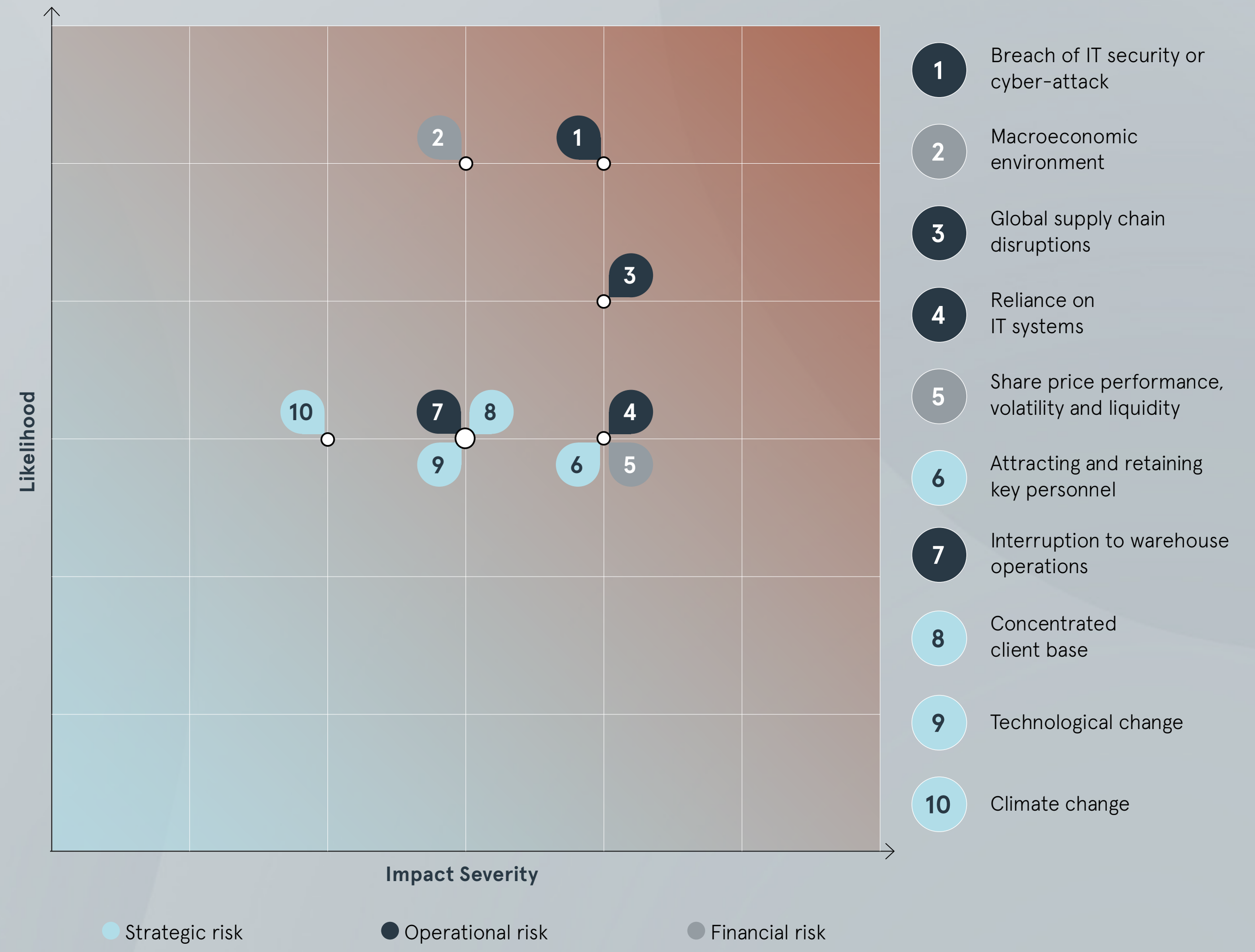
To ensure effective and accountable management of individual risks, each risk identified on the Group's risk register is assigned to the CEO or CFO as the risk owner. The risk owner is ultimately responsible for the ongoing monitoring, review and mitigation of individual risks.

RISK MANAGEMENT

Key risks

The Group Board has identified the risks summarised in the following pages as currently being the most significant and specific to the Group's businesses. They amount to the key challenges to execution of each business' purpose, business model and strategy. The summary shows movement in risk scoring from the prior year and the corresponding mitigating measures and internal controls to address each one.

The following heatmap illustrates the Group's rating of key risks, relative to one another. The primary categorisation of each risk (financial, strategic or operational) is indicated, although some risks may span multiple categories.



Summary of key risks

RISK	MITIGATION
1. BREACH OF IT SECURITY OR CYBER-ATTACK	
Cybersecurity threats are increasingly sophisticated, impacting businesses globally. IT security breaches, malware and cyber-attacks can compromise data and disrupt operations, potentially leading to business losses and hindering the Group's financial targets. Additionally, these incidents may result in litigation and damage the Group's reputation and goodwill with clients and Partners.	In 2024, the Group continued to enhance its cyber resilience by investment in additional IT security monitoring tools, vulnerability testing and threat simulations. Brand Addition maintains ISO 27001 information security certification, whilst Facilisgroup is targeting SOC 2 information security certification in 2025. Group employees receive regular IT security training. IT security personnel monitor trends and implement new processes, systems and AI technologies as appropriate in response to emerging threats and vulnerabilities. Disaster recovery and crisis management plans ensure efficient handling of incidents, allowing the business to recover with minimal disruption. **Change to risk** No change
2. MACROECONOMIC ENVIRONMENT	
There remains a degree of macroeconomic uncertainty, driven by several factors, including ongoing conflicts and geopolitical change and instability across the globe. Consequently, interest rates, raw material prices, energy costs and shipping costs remain subject to volatility. Additionally, recent political shifts toward protectionism by the US Government could bring about retaliatory increases in import tariffs between countries which increases the likelihood of recession in local, regional and/or global economies. Such an economic downturn could impact the marketing budgets of end users and therefore demand for promotional products. This could directly impact the products and services provided by Brand Addition and Facilisgroup's Partners, thereby affecting the Group's ability to meet its financial targets and growth expectations.	The Group remains profitable and cash-generative despite demand fluctuations and global supply chain disruptions. Both businesses are cash generative, with Brand Addition's client base ensuring a high-quality balance sheet. Increases in interest rates, raw material prices, energy costs or shipping costs would impact the industry, including Brand Addition's competitors, generally. Brand Addition supplies a broad range of products and it is not reliant on a particular raw material. Furthermore, shipping costs and raw material costs form only a portion of the landed costs upon which Brand Addition prices its products. Facilisgroup's subscription-based platform shields it from economic downturns, providing some revenue stability. Brand Addition's diversified revenues across geographies and sectors protect it against demand reductions and its flexible operating model safeguards profits. **Change to risk** Increased

RISK	MITIGATION
3. GLOBAL SUPPLY CHAIN DISRUPTIONS	
The Group must be prepared for the potential impact of disruption to global supply chains caused by factors outside of the Group's control, including geopolitical events, armed conflicts, terrorism and pandemic outbreaks. The number of global regions affected by actual or potential geopolitical instability or conflict continues to increase. Continuations or escalations in frequency or severity of such incidents could cause disruption to global supply chains, impacting their availability, reliability and operational costs. This could result in a reduction, loss or cancellation of sales, which could affect the Group's ability to achieve its financial targets.	The Group's strong industry position and established client and Partner relationships enable it to endure supply chain disruptions and quickly return to growth. The Group has suppliers across various regions and maintains alternative supplier relationships for key product categories, enabling supply to be diverted as needed. Any heightened risk of disruption would be identified by Brand Addition through its supplier evaluation process. The Group has a proven track record of being able to swiftly respond to global supply chain issues and manage its flexible cost base to remain profitable and cash generative. It has a strong balance sheet, effective working capital management, is cash-generative and has access to a £10m revolving credit facility. The Group also maintains business interruption insurance. **Change to risk** No change
4. RELIANCE ON IT SYSTEMS	
The Group's IT platforms and infrastructure are critical to its effective operation. A prolonged unavailability or disruption of IT systems could impact the Group's ability to deliver its goods and services, thereby affecting its reputation and ability to achieve its financial targets.	The Group has experienced and skilled IT teams, supported by external consultants where necessary, which monitor the availability and performance of the Group's core IT infrastructures. Robust disaster recovery and business continuity procedures are regularly monitored and updated by IT and operations teams. **Change to risk** No change

RISK MANAGEMENT

Summary of key risks (continued)

RISK	MITIGATION
5. SHARE PRICE PERFORMANCE, VOLATILITY AND LIQUIDITY	
Prolonged periods of depressed share price performance may harm shareholder confidence and increase the risk of receipt of hostile takeover approaches, leading to disruption to the Group and its employees. Share price volatility and constrained share liquidity can negatively impact the attractiveness of equity investment to existing and potential shareholders. In FY 24, the Group increased its assessment of the level of risk in response to the extended period of low share price performance.	In FY 24, the Group commenced a share buyback programme, to support liquidity and returns to shareholders. The Group continues to focus on the development and execution of its business strategy and the maintaining of strong investor relations. The Group also maintains ongoing relationships with leading strategic advisers and is well positioned to robustly and speedily defend against hostile takeover attempts. **Change to risk** Increased
6. RETAINING AND ATTRACTING KEY PERSONNEL	
Attraction and retention of experienced and skilled personnel remains critical to achieving the organic growth plans on pages 19-20 of this Report. Remuneration and reward expectations amongst job applicants remain high, particularly in the US technology sector in which senior executives seek regular share-based incentive awards as part of a high value remuneration package. This, in conjunction with the Group's desire to ensure fairness and consistency of pay levels amongst its existing staff, has resulted in an increase of overall inflationary pressure on remuneration and reward costs across the Group's workforce. A failure to attract and retain high quality personnel could impact the Group's ability to service our clients, maintain best-in-class products and grow our businesses. This could also adversely impact the workloads and morale of existing staff, leading to increased resource turnover and reduced productivity and engagement.	We continually invest in our talented and dedicated workforce, as detailed in the Our stakeholders section of this Report on page 21. We offer competitive, regularly reviewed, compensation packages and routinely survey employees to monitor engagement and identify improvement opportunities. In FY 24, the Group initiated consideration of a new variable remuneration plan for the senior team and a new LTIP for the Executive Directors. Please refer to the Remuneration report on pages 84-95 for further information. Attrition rates are monitored monthly across sites and geographies to enable quick mitigating actions if necessary. **Change to risk** Increased

RISK	MITIGATION
7. INTERRUPTION TO WAREHOUSE OPERATIONS	
The Group's warehouses receive, store and dispatch large volumes of products internationally. If the Group's warehouse operations are subject, directly or indirectly, to any catastrophic event (such as flood or fire), extreme weather event or significant and prolonged periods of labour illness or shortages then the Group's ability to receive and process orders could be compromised. This could result in a reduction, loss or cancellation of sales, which could affect the Group's ability to achieve its financial targets.	The Group's warehouse locations span several geographic regions, reducing the likelihood of multiple warehouses being simultaneously affected by the same event. The business can also divert supply across its infrastructure should an incident arise in a single location. Warehousing operations handle approximately 36% of Group revenues, which diversifies the risk should there be an interruption to their operation. Facilisgroup does not have, and its revenues are not reliant on, warehouse operations. The Group maintains business interruption and property insurance and has business continuity and disaster recovery plans for each of its warehouses, which are reviewed regularly. **Change to risk** No change

Summary of key risks (continued)

RISK	MITIGATION
8.CONCENTRATED CLIENT BASE	
Brand Addition's core strategy is to win, grow and retain multi-country outsourced contracts, as detailed in pages 11, 12 and 20 of this Report. However, Brand Addition has a relatively small number of key clients and, in FY 24, generated 52% of Group revenue from the top 10 clients. A loss of, or significant reduction in activity from, major clients could affect the Group's financial targets.	Facilisgroup's diversified client base and 45% share of FY 24 Group Adjusted EBITDA means that the impact of losing a key Brand Addition client on Group Adjusted EBITDA would be much reduced. In addition, the delivery of Brand Addition's strategic objective of continued growth through new client acquisition would dilute the impact of the loss of a client on the overall Group Adjusted EBITDA. **Change to risk** No change
9.TECHNOLOGICAL CHANGE	
As technology evolves rapidly, the Group risks facing competition from current and new market entrants with advanced technologies, products or services that challenge its offerings. Failure to quickly adapt or introduce new products could put the Group at a significant disadvantage, harming its reputation and goodwill with clients and Partners, impacting its retention statistics and ability to meet financial targets.	The Group strives to enhance its existing products and services continually. It maintains strong business relationships with its Clients and Partners, obtaining feedback and continually enhancing its offerings to meet their needs and respond to technological changes. The Group monitors the market for potential acquisition targets that would enhance its offering whilst continuing to invest in its technology and IT capabilities. In FY 24, Brand Addition completed the implementation of a leading warehouse management system across UK and German warehouse sites, which brings greater efficiencies and reporting capabilities for those warehouse operations. **Change to risk** No change

RISK	MITIGATION
10. CLIMATE CHANGE	
Climate change presents several risks to the business, which are further analysed on pages 41-44 of this Report. Extreme weather events arising as a consequence of climate change could directly impact the Group's infrastructure, operations and supply chain. The global transition to a low-carbon economy brings increased regulatory compliance obligations and taxes (such as carbon taxes), which may lead to increased costs in Brand Addition's supply chain and supplier base. Client demand for low-carbon, sustainable products and services continues to rise and a failure to satisfy such demand could negatively affect client spend and retention.	Our actions and commitments are set out in the ESG section of this Report on pages 26-46 and also in our ESG Report, which is on the Company's website. The Group's mitigation measures in respect of disruption to global supply chain operations and interruption to warehouse operations are set out above. The Group's risk register includes climate change as a key risk. It also incorporates a sub-register which is used to focus in more detail on this risk and ensure that all climate-related risks and opportunities are identified, assessed and managed effectively. This process is owned and led by the Senior ESG Officer. **Change to risk** No change

The Strategic report (which includes our vision and values, an introduction to the promotional products industry, our purpose and strategy, our investment case, our businesses, the Chair's report, the CEO's review, our strategy in action, our Employee and Other Stakeholder Engagement, the Section 172(1) Statement, ESG overview, key performance indicators, the Group's financial review and risk management) was approved by the Group Board and signed on its behalf by:

Chris Lee
CEO

17 March 2025

Corporate Governance.

In this section

CHAIR'S INTRODUCTION TO GOVERNANCE

Maintaining good governance.

"Our governance arrangements exist to promote and retain engagement, confidence and trust with our stakeholders."

Welcome to the corporate governance report for the year ended 31 December 2024.

Since joining the Board as Chair in September 2024, I have been responsible for corporate governance within the Group. The Board has placed a high priority on best practice governance since IPO and I work with our Group General Counsel and Company Secretary to ensure that we operate an efficient and effective governance framework that is embedded into our culture.

The Group's governance structure, policies and processes emphasise ethical values and business practices, prioritise good communication with stakeholders, manage risk and ensure the operation of an effective Group Board. Our governance arrangements exist to promote and retain engagement, confidence and trust with our teams, clients, suppliers and investors. This is how our governance aligns with, and is supportive of, our overriding purpose of providing industry leading technology, products and services to the global promotional products industry and delivering growth in long-term shareholder value.

As part of our approach to governance, I ensure a good balance between Board consideration of strategic and governance matters. I also monitor the quality and timeliness of information provided to the Board, review Board skills and experience against strategic direction and oversee an annual formal effectiveness review of the Group Board and its Committees.

In addition, the Group Board engages experts where it believes doing so will enhance our governance approach, for example, our ongoing appointment of Executive remuneration advisers and consultants on DEI.

These activities ensure the continued effective operation of the Group Board and its Committees and their oversight of our businesses. During 2024, our governance framework and arrangements were reviewed by the Group Board. Whilst no significant changes were made, existing practices evolved and developed where appropriate.

Key examples of that and 2024 governance highlights are:

- Shortlisted for the 'AIM Corporate Governance Award'.
- Utilised the formal Board Appointment Process to strengthen Group Board technology and product innovation expertise, through our new Non-executive Chair appointment.
- Development of the Board Effectiveness Review to add assessment of ESG and sustainability governance.
- Continued focus on succession planning, including review of required leadership skills across the Group and a focus on future Non-executive Director succession.
- Continued prioritisation of talent identification and development, including launch of 360-degree senior leadership review and new leadership training aligned to Brand Addition's values, where activities and progress were overseen by the Board's Nomination Committee.
- The Remuneration Committee considered remuneration practices across the Group and reviewed how they support the desired culture and promote the right behaviours and values.
- The Audit Committee conducted its annual review and assessment of the scope, adequacy and effectiveness of internal financial controls and internal control and risk management systems.
- Internal audit work evolved to capture the review of controls more broadly, for example in relation to the Corporate Criminal Offences (CCO) and embedding of compliance and prevention procedures in the businesses.
- DEI Steering Committee activity included the provision of Group-led awareness training and driving alignment of each business' DEI activities with Group objectives to create enhanced structure and focus across the businesses. This was externally recognised through being shortlisted for the 'Diversity Champion Award' at the AIM Awards.
- Embedding our biannual Group-led policy audit with the introduction of a formal Group training plan and processes to evidence policy awareness and the tracking of acceptance from employees on a regular basis.
- Commencement of SOC 2 information security accreditation preparation in Facilisgroup, demonstrating its commitment to maintaining robust information security policies and practices.
- Direct Group Board engagement with our teams, clients and suppliers through two employee engagement events, attendance by CEO and a Non-executive Director at the Facilisgroup Supplier Showcase in Atlanta, and attendance by the Executive Directors and a Non-executive Director at the Facilisgroup Partner Summit in Toronto, where Directors spent time with our teams, clients and suppliers.

CHAIR'S INTRODUCTION TO GOVERNANCE

2024 Governance Highlights:

- Appointment of a new Non-executive Chair to further enhance the Group Board's technology and product innovation skillset.
- Recognition at the AIM Awards 2024, being shortlisted for 'Diversity Champion Award' and 'AIM Corporate Governance Award'.
- Development of the Board Effectiveness Review to add assessment of ESG and sustainability governance.

The Company adopts the Corporate Governance Code published by the Quoted Companies Alliance and has adopted the latest, 2023, version of the Code at the earliest opportunity (the QCA Code)

During Q1 2025, the Nomination Committee reviewed the availability of each Director, noting their required time commitment and external appointments. The Committee noted that I had served notice on, and was due to exit, one external Non-executive Chair appointment by 18 June 2025, materially reducing my other commitments. The Committee concluded that all Directors allocate sufficient time to the Company and are able to discharge their responsibilities.

The following section of the Annual Report outlines how we have applied the principles of the QCA Code during the year and I believe that we are in full compliance with the QCA Code. However, our governance practice does differ from the expectations set by the QCA Code on one element of application of Principle 8. This is because we have no current plans to supplement our annual Board performance review by an external independent third-party review. The Company regards the review process as a valuable tool for driving continuous improvement, however, given the size and nature of the Board and its Committees, the stage of the Group's development and the cost implications, it was agreed that external facilitation was not required at this stage. This will be reconsidered in advance of each future review.

Additional corporate governance information around our stakeholder engagement activities and our Section 172(1) statement can be found on pages 21-25.

Anne de Kerckhove
Non-executive Chair

17 March 2025

OUR GOVERNANCE STRUCTURE

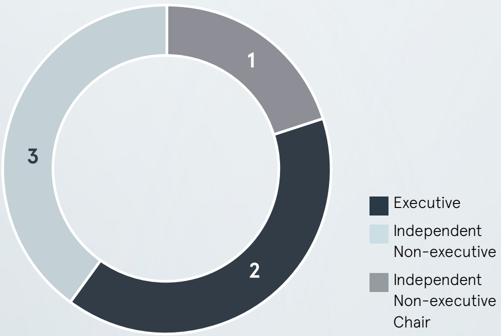
The Group Board

Structure and composition

The Chair of the Group Board is separate to, and independent of, the CEO and each has clearly defined responsibilities. These, along with the terms of reference for each Board Committee, can be found in the Investors section of the Company's website.

The Group Board comprises of two Executive Directors and four independent Non-executive Directors.

GROUP BOARD COMPOSITION



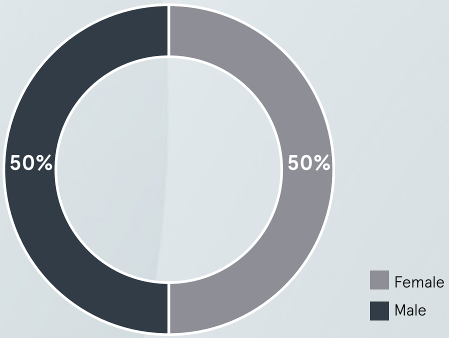
2 EXECUTIVE DIRECTORS	4 INDEPENDENT NON-EXECUTIVE DIRECTORS
Christopher Lee (CEO)	Anne de Kerckhove (Chair)
Claire Thomson (CFO)	Yvonne Monaghan (Senior Independent Director)
	Stuart Warriner
	David Moss

The Group Board believes that it has a good balance of Executive and Non-executive Directors with a clear division of responsibilities between those functions. Independence and judgement is demonstrated in the boardroom and no individual (or group of individuals) dominates decision-making. There is sufficient time for debate in meetings and independent challenge is offered as part of the decision-making process.

Group Board decisions are also supported by independent third-party advice and challenge, where relevant, for example, from our broker and Executive remuneration consultant.

The Group Board has gender balance, with the senior roles of Chair, Senior Independent Director and CFO all held by female Directors.

GROUP BOARD GENDER SPLIT



The Group Board has an extensive range of skills, experience and knowledge, now boosted by Anne de Kerckhove's technology and product innovation expertise, to support the delivery of the Group's strategy for the benefit of shareholders over the medium to long-term.

Further details can be found in their biographies on pages 79-80.

All Non-executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Group Board. The shareholdings held by the Non-executive Directors are immaterial and they do not participate in performance-related remuneration schemes or have any interest in Company share option schemes. Therefore, based upon the judgement of the Group Board, they are independent. Non-executive Director independence will be reviewed annually.

Board Agenda

Throughout the year, the Board covered a broad range of topics to ensure that it reviewed and challenged matters of importance to our stakeholders. In setting the annual agenda, the Board considered the required number of Board meetings and the appropriate balance between strategy setting, financial and operational execution and governance. The following was felt to create an appropriate balance:

Standing agenda items at each meeting

- Minutes and matters arising.
- Minutes for noting, including Group Executive Committee and Brand Addition Employee Forum.
- CEO business trading and operational update.
- CEO corporate activities and investor relations update.
- CFO financial performance update.
- Unlocking and delivering shareholder value.
- Health, safety and wellbeing.

OUR GOVERNANCE STRUCTURE

Additional matters covered during the year

- Preliminary Announcement, Annual Report/Half-Year Results Report and related work. For example, going concern and final dividend approval.
- Annual strategy setting event and half year strategy review.
- Employee engagement strategy and results reporting.
- Biannual risk register approval.
- AGM matters including format, appointment of Auditors and Director re-election.
- Review of ESG governance framework and annual approval of Group ESG strategy and policy.
- Annual approval of Group's DEI strategy and policy with progress updates, including on the RACE Code.
- Annual approval of modern slavery statement.
- Annual review of risk and control processes around crisis management and IT/cybersecurity.
- Annual Board and Committee effectiveness review.
- Annual approval of formal succession planning and Board appointment processes.
- Budget approval.
- Group policies approval.
- Group insurance approval.
- Matters reserved, delegation of authority and Committee terms of reference.

Attendance

In 2024, there were 10 Board meetings (of which two took place in September) with attendance shown in the following table:

	JAN	MAR	APR	MAY	JUN	AUG	SEPT		OCT	DEC
Anne de Kerckhove*	–	–	–	–	–	–	–	√	√	√
Yvonne Monaghan	√	√	√	√	√	√	√	√	√	√
Stuart Warriner	√	√	√	√	√	√	√	√	√	√
David Moss	√	√	√	X	√	X	√	√	√	√
Chris Lee	√	√	√	√	√	√	√	√	√	√
Claire Thomson	√	√	√	√	√	√	√	√	√	√
Richard Law**	√	√	–	–	–	–	–	–	–	–

* Appointed as Non-executive Chair on 9 September 2024

** Resigned as Non-executive Chair on 30 April 2024

The Group General Counsel and Company Secretary attends all meetings from a governance perspective and our Senior ESG Officer attends biannually to present on ESG strategy and to provide updates.

During the year, members of each businesses' leadership team attended Group Board meetings to present on key topics and have direct dialogue with the Group Board on their specialist areas.

Our Nominated Adviser provides an annual training update to the Board on Directors' duties, AIM Rules and Market Abuse Regulation. Other advisers attend and present on market sentiment and activity.

OUR GOVERNANCE STRUCTURE

Group Board engagement with our businesses and employees

How the Group Board engaged with employees

The Group Board recognises the importance of employees to the success of its businesses. Employee involvement in the Group is encouraged, as common goals and awareness of the Group's strategy and performance play a major role in delivering our medium to long term strategic objectives.

Awards under the Group's Long Term Incentive Plan (LTIP) were made on 26 March 2024 in which 80 senior staff across the Group participated. Our approach has been to cast the net for LTIP participation widely to invest all our senior employees in the Group's performance.

The Group Board attended two informal employee engagement events in 2024, the first at Brand Addition's Manchester office in May and the second at Brand Addition's London office in September. These were opportunities for the Directors to spend time with our teams and develop a deeper knowledge and understanding of the Group's business, those who work within it and to discuss matters of concern to them as employees.

Group Chair, Anne de Kerckhove, met key team members during her induction to gain a clear first-hand understanding of the businesses and their strategic direction. Since her appointment, Anne has spent time with the teams at Brand Addition and Facilisgroup and attended the PPAI Expo industry event in Las Vegas, where she met with Facilisgroup Partners and Preferred Suppliers.

Our Non-executive Director, David Moss, also has regular interactions with the Facilisgroup technology team, offering the benefit of his experience and expertise to this specialist function.

Our Executive Directors have regular direct contact with the businesses and dialogue with our teams to ensure ongoing and open engagement. The Group Board receives minutes of each Brand Addition Employee Forum and Health and Safety meeting for noting, to ensure that the Group Board is aware of and engaged in matters of concern to employees.

This engagement activity all helps to ensure that employees' views can be taken into account when making Board decisions that are likely to affect their interests.

Providing information and ensuring a common awareness of performance

With the aim of having open dialogue with employees, seeking to provide a common awareness of the financial and economic factors affecting performance of the Group and systematically providing employees with information on matters of concern to them, in addition to the stakeholder engagement activity outlined on pages 21-24, the following occurred during 2024:

Results and LTIP update presentations: The Executive Directors delivered two update presentations on Group and LTIP performance to senior teams across the businesses with live Q&A. These were an opportunity for operational management to hear from and engage with the CEO and CFO directly about performance, share price, investor feedback, strategy and future direction.

Frequency: Half yearly.

Format: Hosted virtual meeting.

Focus: How the operational performance of Divisional businesses has translated into the Group's financial performance and the factors affecting it.

Group Executive Committee: The CEO and CFO presented 'Planned market reporting dates and key messages' and 'Key Group financials and other deliverables' as standing agenda items at each Committee meeting.

Frequency: 9 meetings held across the year.

Format: Mix of virtual and in-person meetings.

Focus: Common understanding of market touchpoints, our Group performance and factors affecting those.

1:1 meetings: The CEO had regular meetings with Divisional Leads.

Cascading by Divisional Leads:

Brand Addition

- The Divisional Lead made biannual virtual 'State of the Nation' presentations to cascade key messages from Group, deliver Divisional messages and engage with employees directly via Q&A.
- Each member of the senior leadership team held monthly or quarterly in person and virtual meetings where they each cascaded those key messages again to their own team members for discussion.

Facilisgroup

- Monthly 'Company Meetings' were hosted by the Divisional Lead and senior leadership team.
- 'Headline News' was used as a source for day-to-day business and operational updates across all Company departments.
- 'Significant Change' meetings occurred to communicate important business-wide information that should be delivered from the leadership of the business and heard first by the team.

Fostering relationships with other stakeholders

The Group Board understands the importance of the need to foster the business' relationships with suppliers, clients and investors.

In addition to the stakeholder engagement activity outlined on pages 21-24, Chris Lee and David Moss attended the Supplier Showcase in Atlanta, US with the Facilisgroup team in February. Chris Lee, Claire Thomson and Stuart Warriner attended the Facilisgroup Partner Summit in Toronto, Canada in July. These were opportunities for the Directors to spend time with our Preferred Suppliers and Partners and develop a deeper knowledge and understanding of Facilisgroup, those who work with that business and to discuss matters of concern to them as key stakeholders.

OUR GOVERNANCE STRUCTURE

Operating Boards and Group Executive

Structure and composition

Each Group business has an established Operating Board which meets monthly with its own standing agenda that includes business updates from the heads of all key functions and risk monitoring. Each Operating Board is led by a Divisional Lead.

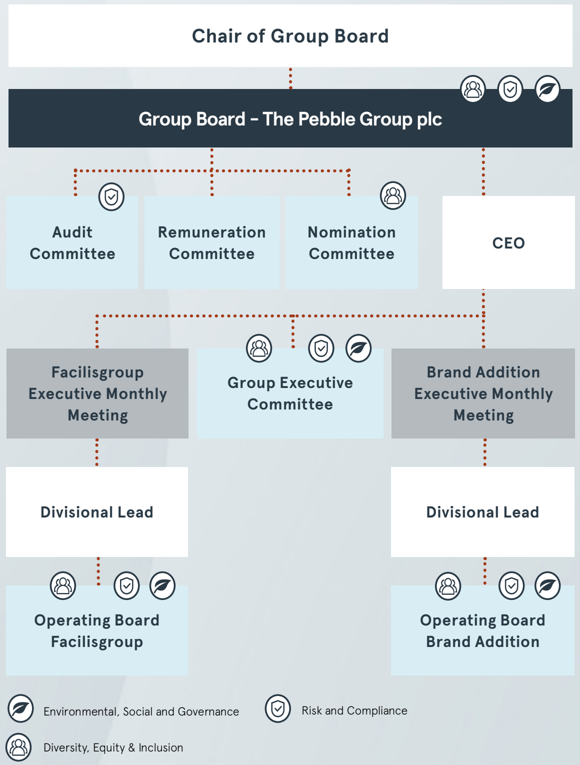
Each Divisional Lead together with other key members of their Operating Boards formally report to the Group Executive team on trading and performance during Executive Monthly Meetings and also through the Divisional Lead's membership of the Group Executive Committee.

In 2024, the Group Executive Committee was made up of the Executive Directors of the Company, the Divisional Lead for each business, the Group Financial Controller, the Group's Senior ESG Officer, the Group General Counsel and Company Secretary and the Group Head of Tax. It meets frequently, has its own terms of reference in place and a standing agenda to include:

- minutes and matters arising;
- business updates from each Division;
- planned market reporting dates and key messages;
- key financials and other deliverables;
- risk management and compliance;
- ESG updates; and
- feedback from Board/Committee and/or Non-executive Directors.

The Committee assists the Group in providing a common awareness of the financial and economic factors affecting the Group's performance. It also facilitates the flow of information throughout the Group to ensure the alignment of culture, business ethics and standards and consistent good governance across Divisions to deliver value for shareholders over the medium to long-term.

OUR GOVERNANCE STRUCTURE



ESG governance

The Group governs ESG and monitors its impact on society, community and the environment through a bespoke ESG framework and a strategy which is based around four ESG cornerstones that are aligned with the output of our ESG materiality assessment and the Group's overall strategy and business model. This ensures that the Group remains focussed on the environmental and social issues that matter most to our stakeholders and are beneficial to our businesses.

The ESG framework is overseen by the Group Board, which sets and approves the ESG strategy, policy and KPIs used to monitor performance annually and receives updates on performance every six months. The Group Board also reviews and approves each ESG Report prior to publication, following consultation with the Group's Senior ESG Officer.

The Audit Committee oversees the Group's risk register, which incorporates a sub-register of the climate-related risks and opportunities our businesses face. This is reviewed and approved on a biannual basis. The Group Executive Committee includes an ESG update as a standing agenda item at each meeting, ensuring regular communication and discussion of ESG strategy and progress with the Divisional Leads and other Committee members.

Each Operating Board, led by their Divisional Leads, is responsible for implementing the ESG strategy. Each business has flexibility to develop its own ESG focus, policies and initiatives, defining their own objectives.

Day-to-day oversight of achieving ESG objectives is managed by the Senior ESG Officer, who works alongside each Group business to ensure alignment with Group objectives. The Senior ESG Officer holds meetings with each business every two months as a minimum to discuss progress against agreed non-financial objectives and KPIs related to topics such as energy usage, carbon emissions, training and policy adherence.

Through this governance structure, the Group Board fosters an open, honest environment and promotes the right ethical culture. This drives effective risk management, governance practices, processes and decision-making at all levels of the Group.

OUR GOVERNANCE STRUCTURE

Group Board Committees

The Audit Committee

The Audit Committee, chaired by Yvonne Monaghan, has primary responsibility for monitoring the integrity of the financial statements of the Group and the scope, adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems. This is to ensure that the financial performance and prospects of the Group are properly measured and reported on. The Audit Committee receives reports from the Group's management and external auditors relating to the annual accounts and the accounting and internal control environment in operation throughout the Group. The Audit Committee determines and reviews the Group's risk profile, including the nature and extent of significant risks that the Group is willing to take in achieving its strategic objectives. Additional information on risk profile can be found on pages 55-59. The Audit Committee also provides channels of communication between the external auditors and the Non-executive Directors. It reviews the performance of the external auditors and makes recommendations to the Group Board in relation to the external auditors' appointment for the following financial year. The Audit Committee reports to the Group Board on all these matters and typically meets three times in each financial year. Anne de Kerckhove and Stuart Warriner are the other members of the Audit Committee. Further information can be found in the Audit Committee report on pages 81-83.

The Remuneration Committee

The Remuneration Committee, chaired by Stuart Warriner, has primary responsibility to determine the total individual remuneration packages of the Executive Directors to ensure that they are, in a fair and responsible manner, rewarded for their individual contributions to the Group's overall performance. The Remuneration Committee also monitors the level and structure of senior executive's remuneration. The Remuneration Committee retains, as necessary, external remuneration consultants in support of its responsibilities. The Remuneration Committee reports to the Group Board on all these matters and typically meets four to five times in each financial year. In exercising this role, the members of the Remuneration Committee have regard to QCA Code recommendations and, where appropriate, the QCA Remuneration Committee Guide. The remuneration of Non-executive Directors is a matter for the Chair and the Executive Directors and no Director shall be involved in any decisions as to his or her own remuneration. Anne de Kerckhove, Yvonne Monaghan and David Moss are the other members of the Remuneration Committee. Further information can be found in the Remuneration report on pages 84-95.

The Nomination Committee

The Nomination Committee, chaired by Anne de Kerckhove has responsibility to identify and nominate, for the approval of the Group Board, candidates to fill Board vacancies as and when they arise. In respect of new appointments, the Committee will undertake a needs analysis considering the balance of skills, experience, independence and knowledge on the existing Board and prepare a detailed candidate profile and role description. In 2024, the Nomination Committee, with Yvonne Monaghan as Interim Chair, carried out its duties in relation to the appointment of Anne de Kerckhove as a new independent Non-executive Chair. The Committee also reviews Board structure, size, diversity and composition, makes recommendations on annual reappointment of Directors, oversees succession planning and talent identification and development and oversees Group's DEI strategy and policy. The Committee retains external consultants in support of its responsibilities. The Nomination Committee reports to the Group Board on all these matters and typically meets three times in each financial year. Yvonne Monaghan, Stuart Warriner and David Moss are the other members of the Nomination Committee. Further information can be found in the Nomination Committee report on pages 68-70.

NOMINATION COMMITTEE REPORT

Successful Non-executive Chair appointment.

"The Committee satisfied itself that the Board Appointment Process was robust, rigorous and transparent and aimed to work hand-in-hand with the Group's DEI policy."

Anne de Kerckhove

Nomination Committee Chair
Independent Non-executive Chair

Dear Shareholder,

I am pleased to present the Nomination Committee report for the year ended 31 December 2024.

Composition of the Nomination Committee

I am Chair of the Committee which is made up of our four independent Non-executive Directors: Anne de Kerckhove (Chair); Yvonne Monaghan; Stuart Warriner; and David Moss and is supported by the Group General Counsel and Company Secretary.

During the period, as Senior Independent Director, Yvonne Monaghan acted as Interim Committee Chair from 30 April to 9 September 2024 and oversaw the process for my appointment as the Group's independent Non-executive Chair.

The Committee typically meets three times per year and the meetings are attended by the CEO and CFO. In 2024, there were four meetings and each had full attendance, as shown:

	MARCH	JUNE	OCTOBER	DECEMBER
Anne de Kerckhove*	–	–	√	√
Yvonne Monaghan	√	√	√	√
Stuart Warriner	√	√	√	√
David Moss	√	√	√	√
Richard Law**	√	–	–	–

* Appointed as a Director and Committee Chair on 9 September 2024
** Resigned as a Director and Committee Chair on 30 April 2024

Responsibilities of the Nomination Committee

Throughout the year, the Committee continued to fulfil its duties on behalf of the Group Board. It has an established, structured agenda and the responsibilities of the Committee are defined by the terms of reference which can be viewed on the Company's website.

These include primary responsibility for:

- regular review of Group Board structure, size, diversity and composition;
- evaluation of the balance of skills, knowledge, experience and independence on the Group Board;
- leading the process for Group Board appointments and identifying and nominating for approval candidates to fill vacancies, as and when they arise;
- leading on, and being responsible for, the Group's DEI policy, objectives and strategies;
- overseeing succession planning for the Group Board and senior executives and championing talent identification and development; and
- reviewing annually the time required from Non-executive Directors.

The Nomination Committee reports to the Group Board on all these matters.

NOMINATION COMMITTEE REPORT

Evaluation of the effectiveness of the Nomination Committee

To ensure that it is operating at maximum effectiveness, the Committee utilised the Group Board Effectiveness process detailed on page 77 to evaluate its own performance and constitution. It concluded that the Committee performed well and effectively over 2024 with no action or changes required to be recommended to the Group Board.

2024 Nomination Committee Activity

The Committee had a particular focus on the following areas:

(i) Successful Non-executive Chair appointment

The Committee, led by Interim Chair Yvonne Monaghan, utilised the established Board Appointment Process to strengthen Group Board technology and product innovation expertise with its Non-executive Chair appointment.

This involved:

- full consideration of the required role following completion of a 'Needs Analysis' and preparation of formal role profile;
- initiation of search led by the Interim Committee Chair with close involvement from the CEO and supported by the Company Secretary;
- appointment of professional recruitment consultant with specialist expertise to run the search on behalf of the Company – the Committee confirmed that there was no connection between the Group and the external recruitment consultant used;
- following the Group's Board Appointment Process, including the consideration of merit against objective criteria and use of a competency matrix which also had due regard to the Group's DEI commitments and the benefits of diversity on the Board;
- due diligence on conflicts, referencing and verification; and
- nomination of preferred candidate to the Group Board for approval.

(ii) Succession planning and internal talent identification and development

Continued attention in these areas, including:

- review of required leadership skills across the Group and a focus on future Non-executive Director succession;
- review and update of succession plans for Group Board and each Division's senior leadership;
- re-approval of formal Group succession planning process; and
- continued prioritisation of talent identification and development to maintain momentum, including overseeing launch of 360-degree senior leadership review and new leadership training aligned to Brand Addition's values.

In addition, the Committee handled the following standard matters:

(i) Board Appointment Process

In Q4 2024, the Committee reviewed and re-approved the process following its use during the year. The Committee satisfied itself that the Board Appointment Process was robust, rigorous and transparent and aimed to work hand-in-hand with the Group's DEI policy.

(ii) Review of Board structure, size, diversity and composition and Non-executive Director skills matrix

Continued attention in this area, including:

- conclusion that the Group Board was of a suitable size given the Group's stage of development;
- evolution of the Non-executive Director Skills Matrix to add three new strategically important skills and reflect improved coverage following appointment of Anne de Kerckhove;
- consideration of the Executive to Non-executive Director balance and conclusion that the level of independent challenge brought to the decision-making process was appropriate; and

NOMINATION COMMITTEE REPORT

- up-to-date review of the Board's skillset and experience versus that optimum to support delivery of the Group's strategy, initiating recommendations and plans for future Non-executive succession.

(iii) Group Board Effectiveness Review

Assessment of how the formal review process could be evolved or developed, considering the following:

Process

The Committee was comfortable that the use of its digital platform to facilitate and present results worked well. The Committee assessed the use of an external independent third-party facilitator, particularly given the expectations set by the QCA in Principle 8 of its Code. It concluded that an internal process remained appropriate and effective at this time due to the size, nature and complexity of the Board and its Committees, the stage of the Group's development and cost implications. It was agreed that this would be reconsidered in advance of each future review.

Assessment Criteria

Evaluation of sufficient linkage with the Group's needs and objectives and coverage of stakeholder interests, concluding that the current assessment evaluation topics and criteria reflected the right priorities and areas of stakeholder interest.

The Committee initiated the review in Q4 2024. Please see page 77 for further details.

(iv) Annual review of membership of all Committees and terms of reference

Annual review of Group Board and Committee membership and time requirements of Non-executive Directors. No action was recommended to the Board.

Annual review and re-approval of the Committee's terms of reference. These are available on the Company's website.

2025

As I was appointed by the Group Board in September 2024, I will stand for election at the 2025 AGM. All Directors also intend to stand for re-election.

During Q1 2025, the Nomination Committee considered the continued independence, skills and performance of each Director and overall ability to continue to contribute to the long-term success of the Company. This included a review of conflicts of interest and the availability of each Director, noting their required time commitment and external appointments. The Committee noted that I had served notice on, and was due to exit, one external Non-executive Chair appointment by 18 June 2025, materially reducing my other commitments. The Committee therefore concluded that all Directors allocate sufficient time to the Company and are able to discharge their responsibilities, and recommended to the Group Board that I should stand for election and all other Directors should seek re-election by the Group's shareholders at the 2025 AGM.

Anne de Kerckhove
Chair of the Nomination Committee

17 March 2025

KEY GOVERNANCE POLICIES

Policies reflecting our tone of voice and focus.

The Group has developed and maintains key governance policies to establish a common understanding of the high standards of conduct, ethics and responsible business practices expected across our businesses and in our wider stakeholder relationships. They serve to cascade the right culture down from the Group Board and set the tone for expected behaviour. Our culture and values aim to protect the Group from unnecessary risk, to enable delivery of long-term growth and to secure our long-term future.

In developing our policies, we consider:

- our legal and regulatory obligations;
- our QCA Code governance obligations;
- new and upcoming changes and standards;
- best practice guidance;
- how the Group is evolving over time, its maturity and stage of development;
- our own experience and judgement; and
- we strive to make them relatable to our employees and relevant to our Group operations so that they underpin and guide the objectives and strategy of each business so that we all feel proud of it and its purpose and vision.

Implementation and embedding of our key policies is addressed through a mixture of:

- inclusion in new starter induction processes;
- communication and reminder processes; and
- training.

Adherence to policies by our employees and suppliers is tracked through:

- the opportunity at each Group Executive Committee for Divisional Leads to raise policy breaches as part of a standing risk agenda item at each meeting;
- biannual attestation of compliance with key policies by the Group's senior leaders in relation to their respective teams and reported to the Group Audit Committee;
- monitoring of any whistleblowing reports received;
- robust vendor audits of suppliers;
- supplier visits; and
- a biannual internal policy audit by the Group team.

In 2024, the Group developed a training plan on Group policies and introduced a system of regular confirmation from employees of their awareness and acceptance of Group policies.

All Group policies in our governance framework can be found in the ESG Section of the Company's website, which includes copies of the following key policies that are reviewed by the Audit Committee and approved by the Group Board on an annual basis to ensure that they reflect current working practices, remain relevant and are aligned with best practice:

GROUP FRAMEWORK ON CONDUCT, ETHICS AND COMPLIANCE	ANTI-BRIBERY AND CORRUPTION POLICY	ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY	WHISTLEBLOWING POLICY
An umbrella document to provide an overview of all Group conduct, ethics and compliance priorities, to empower our employees and provide them with links to all Group policies in one place.	Including gifts and hospitality rules and outlining a zero-tolerance approach. This reflects the Group's commitment to acting honestly, professionally and with integrity in all business dealings and relationships.	Outlining a zero-tolerance approach and clarifying the responsibilities of our businesses to implement and enforce effective systems and controls to ensure that modern slavery is not taking place anywhere in our businesses or supply chains.	To support and encourage employees and stakeholders to raise concerns in respect of conduct within the organisation that could fall below expected standards without fear of recrimination, victimisation or suffering a disadvantage of any kind.

GROUP LABOUR STANDARDS AND HUMAN RIGHTS POLICY	GROUP DATA PROTECTION POLICY	GROUP ANTI-FACILITATION OF TAX EVASION POLICY	ANTI-MONEY LAUNDERING AND SANCTIONS POLICY
Outlining our corporate responsibility to ensure that our activities do not directly or indirectly violate labour standards and human rights.	Recognising that the correct and lawful treatment of personal data will maintain confidence in the Group and its businesses and will provide for successful operations.	Setting out the responsibilities of the Group and those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion.	Setting out the Group's procedures which have been designed as proportionate to the risks that the Group and its subsidiaries face following assessment of our businesses' exposure to money laundering, terrorist financing and sanctions breaches.

KEY GOVERNANCE POLICIES

Responsibilities

Each policy notes which Director of the Board has primary responsibility for establishing and maintaining proportionate and effective policies and processes for that area. It also states that, ultimately, the Group Board has overall responsibility for ensuring that the policy complies with legal and ethical obligations and that it is complied with.

The Group Executive Committee is responsible for reviewing policies prior to passing up to Group Committee level (as appropriate), then to Group Board, for approval. The Group Executive Committee also communicates all finalised policies to the senior executives in each business to ensure consistent messaging and the Divisional Leads are responsible for implementing the policies, as appropriate for their business.

We will continue to evolve and adapt our policies and procedures to address any changes across the Group as we continue to grow and mature to ensure alignment of key business practices across our two businesses.

CORPORATE GOVERNANCE STATEMENT

The Directors believe that the QCA Code which sets out best practice corporate governance arrangements for small and mid-sized publicly traded businesses, particularly those on AIM, remains most appropriate for the Company. The QCA Code serves to mitigate and minimise risk and add value to our businesses.

This section of the Annual Report explains, at a high level, how we have applied the ten principles of the QCA Code during the year and how its application supports the Group's medium to long-term success.

The Pebble Group Plc

QCA CODE VERIFIED VERSION ESTABLISHED 2013

Principle 1:

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

The Group Board's shared view of the Group's purpose, and the business models and strategies of our businesses are explained in the Strategic report and set out how the Group intends to deliver shareholder value in the medium and long-term.

Key challenges to their execution, with related mitigation to show how they are being addressed, are explained in the Risk Management section of this Report.

Strategy is re-visited annually with a six-monthly check-in. In 2024, the Group Board held its annual strategy event in October with all Directors in attendance.

All strategic initiatives are underpinned by the Group's values and expected high standards of conduct, ethics and compliance. Examples of this and how it is cascaded through our businesses is described throughout this Report.

Cross-reference to detail:

Strategic report:

- Group vision and values on page 2.
- Group purpose and strategy on page 5.
- Facilisgroup vision and business model on pages 9-10.
- Brand Addition vision and business model on pages 11 -12.
- The Chair's review on page 13.
- The Chief Executive Officer's review on page 15.
- Our strategy in action on page 19.
- Risk management on pages 55-59.

Principle 2:

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

Our Group culture is focussed around a united team, connected to all stakeholders through positive relationships and ambitious for our businesses to deliver sustainable results the right way. This is reflected in the Group's values, stakeholder engagement activities, governance structure, key governance policies, training and messaging from the top, as described throughout this Report. This activity all supports and guides the sustainable delivery of the Group's purpose, strategy and business model.

Our desired culture is reflected in the actions and decisions of the Group Board and executive management team which sets the tone from the top by setting the Group's strategy and direction; overseeing governance and risk management arrangements (including whistleblowing); ensuring promotion of the importance of key governance policies, processes and training (which it ensures are designed in a meaningful way to fit with our culture and ways of working); and the executive management team directly delivering messages on certain compliance matters.

The Group Board assesses and monitors corporate culture by:

- ensuring documented governance policies are reviewed and re-approved annually so they remain up-to-date and continue to reflect best practice;
- receiving biannual attestation of compliance with key policies by the Group's senior leaders in relation to their respective teams; and
- receiving reports on how policies and processes are being embedded and on how the Group is promoting awareness and understanding of them across the Group.

Any policy non-compliance is reported by Divisional Leads via the Group Executive Committee to the relevant Group Board Committee and, ultimately, Group Board for monitoring on an ongoing basis. Action that deviated from what was expected in 2024 was dealt with promptly in line with policy requirements and associated risk of repetition eliminated by the reinforcement of a zero-tolerance approach.

During 2024, the Group continued to promote employee awareness and engagement with Group policies and culture, including through Group-led training for all staff on anti-bribery and corruption and prevention of tax evasion. The Remuneration Committee looked at remuneration practices across the Group and reviewed how they support the desired culture and promote the right behaviours and values within the Group's teams.

The Group Board also monitors and assesses the current state of culture and employee satisfaction by:

- the reporting of engagement survey results to the Group Board for discussion where required;
- the inclusion of minutes of each Brand Addition employee forum as Group Board minutes for noting; and
- having open dialogue with employees at employee engagement events.

Regarding reward and recognition, in Brand Addition, performance development reviews assess alignment with, and embodiment of, its core values, including 'Do the right thing'. It also operates a 'Cheers for Peers' programme to encourage, recognise and reward employees that most align with its values. Within Facilisgroup, employees that are not aligned with core values can be assigned a specific Performance Improvement Plan and will not be paid a bonus. Facilisgroup awards prizes and positive recognition on a quarterly basis to the person who best displays core values and also awards the 'employee of the year'.

Cross-reference to detail:

Group values on page 2.
Group purpose and strategy on page 5.
Our strategy in action on page 19.
Our stakeholders on pages 21 – 24.
ESG on pages 26 – 46.
Our Governance Structure on pages 63 – 67.
Key Governance Policies pages 71 – 72.
Monitoring compliance with policies in the Audit Committee report on pages 81- 83.

CORPORATE GOVERNANCE STATEMENT

Principle 3:

Seek to understand and meet shareholder needs and expectations.

The Executive Directors have primary responsibility for liaison with the Company's shareholder base and during 2024 they maintained active and frequent dialogue. The Chair leads engagement with investors on governance matters and Anne de Kerckhove has held one-to-one meetings with shareholders since her appointment in September 2024. The Chair of each Committee attends the AGM and is otherwise available for questions via the email address publicised on the Company's website.

The Stakeholder engagement section of this Report states how the Group engaged with shareholders in 2024, the topics discussed with shareholders and the actions taken as a result.

Regular updates on shareholder meetings, together with all reports and feedback issued by analysts are provided to the Group Board to support their understanding of the view of the Group by the investment community. The Group Executive Committee discusses shareholder needs and expectations in the context of upcoming market announcements and other touchpoints at every meeting and reviews investor feedback received following each of those touchpoints.

The 2025 AGM will again ensure maximum opportunity for shareholder engagement in that forum by enabling shareholders to view the meeting via a live webcast and participate via live Q&A functionality. To request a meeting or submit a question, please contact investors@thepebblegroup.com.

The Group has to date experienced minimal dissenting votes at AGM. To understand motivations behind shareholder voting decisions, the Group General Counsel and Company Secretary and the Senior ESG officer attend proxy voting guidance awareness training and the Remuneration Committee seeks advice from its external remuneration adviser to ensure that the Group understands shareholder expectations. This information is used to help shape the Group's actions to address stakeholder needs and concerns.

Through the Group's four established ESG cornerstones and its ESG materiality assessment, the Group has identified the environmental and social matters that are most important to the Group and meet its investor needs and expectations. These are described in the ESG section of this Report and the Group's standalone ESG Report. The materiality assessment is performed periodically and includes input from all key stakeholders, including investors to determine the areas of highest importance and priority to them. The annual ESG report details the steps being taking to minimise the Group's environmental impact and to address social matters. The Group seeks feedback on the report content and the actions being taken to ensure that it meets the needs and expectations of our stakeholders.

Cross-reference to detail:

Our stakeholders on pages 21 – 24.

ESG on pages 26 – 46.

Investor presentations and the Group's standalone ESG Report can be found on the Company's website.

Principle 4:

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

Our values identify our commitment to social responsibilities and having a sustainable impact, but also demonstrate how being connected to all of our stakeholders is integral to the Group's culture. The aim of this is to ensure that the needs and aspirations of all stakeholders are understood by our teams, senior management and, ultimately, the Group Board to ensure long-term success. The Group Board and its Committees have regard to relevant stakeholder interests in all key decision-making. Our Board report template prompts authors to outline the consequences of each proposal on the long-term success of the Company including (where relevant) the impact on the Company's wider social and environmental responsibilities.

The Group Board identifies its key stakeholders through feedback from Divisional Leads and noting the focus of key discussion at each meeting. The emphasis on consistent engagement to develop and strengthen stakeholder relationships means that the Group has invested in processes and systems to ensure steps are taken to solicit feedback from stakeholders in various ways. These, as well as how the Group considers and acts on the themes arising from this feedback, are described in detail in the Stakeholder engagement section of this Report.

`Empowering our people' is one of the Group's ESG cornerstones and employees are considered to be a key stakeholder group. The Group devotes particular attention to its employees to ensure that its practices towards them are consistent with Group values, as described in the Stakeholder engagement, Governance structure and the ESG sections of this Report. The Audit Committee ensures that a good whistleblowing policy and process is in place to support and encourage employees and stakeholders to raise concerns in respect of conduct within the organisation that could fall below expected standards without fear of recrimination, victimisation or suffering a disadvantage of any kind. It also ensures that any reports are handled appropriately and effectively.

The Group Board ensures oversight and governance of the Group's approach towards relevant social and environmental issues through its periodic review of the ESG governance framework and annual approval of Group ESG strategy and policy. Our ESG governance framework, as set out in the Our Governance Structure section of this Report has full details. The Audit Committee oversees the Group's risk register which includes an assessment of the climate-related risks and opportunities that the businesses face. This is reviewed and approved biannually. Day-to-day oversight of achievement against social and environmental objectives is managed by the Senior ESG Officer who works alongside each Group business to ensure alignment to the Group objectives to deliver upon our action plans. This is taken extremely seriously as the Group Board understands that the Group's broader social and environmental impact has the potential to affect the Group's ability to deliver shareholder value over the medium to long-term. The Group integrates awareness and monitoring of social and environmental impact through its ESG governance framework and strategy, which align with the overall strategy, risk management and business model and are not treated or managed in a silo.

`Advancing sustainability' and `Community engagement' are two of the Group ESG cornerstones representing the environmental and social issues that are most important and relevant to the Group. The Group Board also has insight and understanding of the environmental and social issues that are material to its purpose, strategy and business model from its ESG materiality assessment conducted periodically. The issues, any relevant associated KPIs used for tracking performance of them and, where relevant, key forward-looking targets are described in detail in the ESG section of this Report and the Group's standalone ESG Report.

Cross-reference to detail:

Group values on page 2.

Our stakeholders on pages 21 – 24.

Group Board engagement with our businesses and employees on page 65.

Advancing Sustainability on page 30.

Empowering our people on page 34.

Engaging with our community on page 37.

Audit Committee report on pages 81 - 83.

ESG governance on page 66.

The Group's standalone ESG Report can be found on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Principle 5:

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

The Group generally maintains a cautious risk appetite but considers each risk on its merits taking account of its nature, severity of impact and likelihood of occurrence following the implementation of appropriate internal controls. The Group Board acknowledges the need to accept a certain level of strategic risk to achieve capital growth for shareholders.

The Group Board ensures that the risk management framework identifies and addresses all relevant risks to the execution of the Group's strategy through delegation to each of the Audit Committee, Group Executive Committee and Operating Boards which each play a role, as described in the Risk management section of this Report. The framework includes an effective process for identifying risks; considering and assessing risks on a proportionate and material basis; and managing risks. Risk registers are held and reviewed on a biannual basis at both Divisional and Group level and alignment reviews take place with thorough discussion at Group level, including the CFO, Group Financial Controller, Group General Counsel and Company Secretary, Senior ESG Officer and Group Head of Tax. The Audit Committee provides the assurance that the risk management and related control systems in place throughout the Group's businesses are embedded and effective.

The Group's governance around climate-related risks and opportunities, the process for identifying, assessing and managing climate-related risks and how these processes are integrated into the Group's overall risk management framework, is explained in the TCFD section of this Report.

The Audit Committee has monitored and formally considered auditor independence during the corporate reporting cycle, concluding that the newly appointed external auditors for 2024 are sufficiently independent of management, as explained further in the Audit Committee report.

Cross-reference to detail:

Risk management on pages 55 - 59.

TCFD on pages 41 - 46.

Audit Committee report on pages 81 - 83.

Maintain a dynamic management framework

Principle 6:

Establish and maintain the Board as a well-functioning, balanced team led by the Chair.

Anne de Kerckhove was successfully appointed as Independent Non-executive Chair during 2024 to lead the Group Board, which remains a well-functioning team. Yvonne Monaghan has been in place since IPO as Senior Independent Director and there is strong independent representation which ensures that the dynamic is not dominated by one person or a group of people. All Non-executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Group Board. The shareholdings held by the Non-executive Directors are immaterial and they do not participate in performance-related remuneration schemes or have any interest in Company share option schemes. Therefore, based upon the judgement of the Group Board they are independent. Non-executive Director independence will be reviewed annually.

The Board Committees are fully independent.

Executive Directors dedicate a full-time commitment to the Company and Non-executive Directors provide a strong time commitment, effectively discharging their responsibilities. This includes time spent in preparation for, attendance at, and dealing with actions arising from, all Group Board and Committee meetings, each of which had very strong attendance in 2024. It also includes participation in employee engagement and Facilisgroup Partner and supplier events. Time commitment from Non-executive Directors was highlighted as a particular strength in the 2024 Board Effectiveness Review.

Shareholders are given the opportunity to vote annually on the (re-)election of all individual Directors to the Group Board. Upon appointment as Non-executive Chair, Anne de Kerckhove had a number of external appointments however, the Board notes that Anne de Kerckhove has served notice on and is due to exit one external Non-executive Chair appointment by 18 June 2025, materially reducing her other commitments. The Board has therefore concluded that all Directors allocate sufficient time to the Company and are able to discharge their responsibilities.

Formal Board Effectiveness Reviews are carried out on an annual basis with follow-up tasks actioned each time. Following the outcome of the 2024 review, the Board concluded that the results were a real indication that the Directors were generally operating effectively and performing to a high standard as a unit, in Committees and also individually.

The Board Appointment Process and Succession Planning Process are designed to work hand-in-hand with the Group's DEI policy and each new Board position is viewed as a real opportunity to broaden diversity. The Nomination Committee has concluded that the current mix of experience, skills and capabilities support delivery of the Group's strategy. This is kept under periodic review to consider future strategic requirements and anticipated developments given the Group's growth journey and evolving strategy. Action is taken to strengthen where needed, for example:

- 2025 focus on future Non-executive Director succession;
- evolution of the Non-executive Director Skills Matrix in 2024 to add three new strategically important skills;
- improved technology and product innovation expertise coverage following appointment of Anne de Kerckhove in 2024; and
- more detailed technical oversight and guidance around technology product development in Facilisgroup following the appointment of David Moss in 2023.

This is how the Group Board contains (and will continue to contain) the necessary mix of experience, skills and capabilities to adequately inform and oversee the execution of the Group's strategy for the benefit of the shareholders over the medium to long-term.

Cross-reference to detail:

Directors Biographies on pages 79 - 80.

Group Board structure and composition on page 66.

Group Board meeting frequency and attendance on page 64.

Overview of Group Board's Committees on page 67.

Committee meeting frequency and attendance in each Committee report on pages 68, 81 and 84.

Annual Board Effectiveness - see Principle 8 on page 77.

Nomination Committee report on page 68.

CORPORATE GOVERNANCE STATEMENT

Principle 7:

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

The Group's governance structure, as set out in the Our Governance Structure section of this Report evolved to fit naturally with our culture and adopted ways of working. It is reviewed periodically by the Group Board and will be enhanced where required in line with growth and evolution of strategy and business models. As a result, it is currently considered appropriate to the Group's size, complexity, maturity and stage of development.

The role of each member of the Group Board is clearly defined. The Chair is responsible for the operation of the Group Board and corporate governance within the Group. The CEO is responsible for proposing the strategic direction of the Group Board and implementing the strategy, once approved. The CFO is responsible for all financial matters. All are available for engagement with shareholders.

Formal Board and Committee processes and timetables are facilitated by the Company Secretary. Each meeting has an agenda, uses a report template (with Section 172 guidance) and timely information is circulated in good time prior to each meeting. Considered planning ensures that appropriate time is allotted for open and in-depth discussion. All actions arising are formally tracked, followed up and reported. The Chair and Company Secretary keep Group Board processes under review, including conducting annual planning and agenda setting which aligns with the terms of reference. This results in the Group Board and its Committees receiving high quality, accurate and timely information on a regular basis, which supports good decision-making by the Directors. The Company Secretary acts as adviser to the Chair and the Group Board, with responsibility for ensuring effective Group Board processes are followed. The Group Board reviews its formal schedule of matters reserved for the Group Board and each Committee reviews its terms of reference on an annual basis to ensure they remain fit for purpose and continue to support good decision-making.

Our Directors are professionally active and each has demonstrated that they possess the appropriate skills, capabilities and experience for the roles they perform, including as members of the Group Board and its Committees. Group Board experience is extensive and varied and the mix of personal qualities and gender balance contributes to the Group Board's ability as a whole to deliver the Company's strategic objectives. The Nomination Committee has concluded that the current skills and experience support delivery of the Group's strategy, considering the future strategic requirements and anticipated developments.

The skills and experience of the Group Board are reviewed annually through use of a forward-looking Non-executive Skills Matrix and by the Annual Board Effectiveness review to ensure that it is sufficiently resourced to fulfil its governance responsibilities on behalf of all stakeholders, including among other things with respect to cybersecurity, emerging technologies and relevant sustainability matters, such as ESG and climate change. In addition, the Group Board engages experts where it believes doing so will enhance our governance approach, for example, our ongoing appointment of Executive remuneration advisers and consultants on DEI. The Group Board and Committees use professional advisers at the Company's expense when considered necessary.

All Directors were (re-)elected at the 2024 AGM and shareholders are given the opportunity to vote annually on the (re-)election of all individual Directors to the Group Board.

Directors are provided with a regular 'Boardroom Briefing' covering a range of corporate governance issues, such as: new laws and regulations; new governance code requirements; and consultations on issues such as DEI and reporting. The Company's external auditors provide regulatory updates and briefings to the Group Board twice per year on relevant corporate reporting developments or similar 'hot topics' for the year under review.

The Company's Nominated Adviser and broker provides annual Group Board training, covering the AIM Rules, Market Abuse Regulation, managing price sensitive information, Takeover Code and other topical regulatory updates. The Directors are provided with the opportunity to attend other updates and/or training sessions to ensure continued development of knowledge, skill and capability.

Cross-reference to detail:

Our Governance Structure on pages 63 - 67.

Each Committee report on pages 68, 81 and 84.

Board Agenda on pages 63 – 64.

Directors Biographies on pages 79 - 80.

Group Board roles and responsibilities on the corporate governance section of the Company's website.

Schedule of matters reserved for the Group Board and each Committee's terms of reference on the Company's website.

Nomination Committee report on page 68.

Annual Board Effectiveness - see Principle 8 on page 77.

CORPORATE GOVERNANCE STATEMENT

Principle 8:

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

The Group Board, led by the Chair, fosters a culture of continuous improvement to maximise the effectiveness of Board practices.

It performs an annual formal assessment of the effectiveness of the Group Board and its performance as a unit as well as that of its Committees and the individual Directors.

The Process

The process is conducted internally by the Group Board on a non-anonymous basis, which reflects its open culture and nature. In 2024, a digital platform was used to facilitate the process and present results, also permitting year-on-year comparison. However, our governance practice does differ from the expectations set by the QCA Code because the Group has no current plans to supplement with an external independent third-party review. The Company regards the review process as a valuable tool for driving continuous improvement, however, given the size and nature of the Board and its Committees, the stage of the Group's development and the cost implications, it was agreed that external facilitation was not required at this stage. This will be re-considered in advance of each future review.

- The Chair of the Group Board is responsible for and leads the process, with assistance from the Company Secretary to ensure that all Directors are actively engaged.
- All Directors complete a questionnaire using the digital platform.
- The criteria against which effectiveness is considered are: 'Composition and Process'; 'Behaviours and Activities'; and in 2024, a new section was added on 'ESG and Sustainability Governance'.
- A digital report on the results, together with a written analysis, is tabled for full Board discussion.
- Directors' evaluation of the results is facilitated by the Company Secretary during a Board meeting with full attendance.
- Actions are included and followed-up as part of standard Group Board and Committee process.

The Nomination Committee reviews the Group Board effectiveness process annually to enhance and improve the exercise. The above process was followed in Q4 2024, which was considered to be fit-for-purpose given the size, nature and complexity of the Group Board and its Committees, current stability of composition and governance maturity.

Results and recommendations of the 2024 Review

Particular strengths highlighted:

- Size and independence of Board.
- Attendance and active contribution at meetings.
- Knowledge of capital markets.
- Time commitment from Non-executive Directors.
- Board appointment and induction processes.

Recommendations

- Enhancing agenda white space and time in meetings for strategic thinking and discussion around business challenges.
- Re-visiting remuneration, in particular in light of LTIP performance, initiating a review of the continued value of the LTIP as an effective motivational, incentivisation and retention tool.

Progress against previous recommendations

The Group Board has continued focus on the areas for development identified in the 2023 performance review as outlined in the Company's 2023 Annual Report as follows:

- DEI activities and RACE Code alignment; and
- improved focus and further development of plans across the Group.

Succession Planning and Board Appointment Process is built into the Nomination Committee's annual cycle of activities and it approves the formal Succession Planning Process and Board Appointment Process on an annual basis.

The Succession Planning Process considers a five-year horizon and the Group's likely expansion over that timeframe, together with any likely gaps in skills, insights, perspectives and experience. It must work hand-in-hand with the Group DEI policy and considers risk assessment of immediate loss, talent identification, training and support and active networking. A forward-looking Skills Matrix is used for Non-executive Director succession planning.

A robust six step Board Appointment Process is in place for Directors, covering: (i) needs analysis; (ii) profile and timetable; (iii) search; (iv) selection; (v) nomination; and (vi) appointment and induction. Each Divisional Operating Board has its own tailored version to govern senior management appointments.

Cross-reference to detail:
Nomination Committee report on page 68.
Succession Planning Process on the Company's website.
Board Appointment Process on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Principle 9:

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

The Board has delegated responsibility to establish an effective Remuneration Policy to the Remuneration Committee. The Remuneration Policy is set out in detail in the remuneration section of this Report. It is designed to be simple and easy to understand and to motivate the Executive Directors to promote the long-term growth of shareholder value.

The Remuneration Policy approach and explanation on page 84 sets out how the remuneration structure and practice supports the delivery and attainment of the Group's purpose, business model, strategy and culture.

A review was undertaken by the Committee during 2024 to look at remuneration practices across the Group and how they support the desired culture and promote the right behaviours and values. It concluded that certain elements of remuneration were sufficiently linked to culture and values and the mix encouraged the desired behaviours and long-term outlook.

To date, the building and holding of a meaningful shareholding in the Company has been encouraged through wide use of the LTIP and SAYE and through the requirement for the Executive Directors to hold the equivalent of 200% of salary in shares. The shareholdings of the CEO and CFO are currently well in excess of this. With the aim of keeping remuneration up to date and effective, during 2024 the Committee initiated consideration of a new variable remuneration plan for the senior team and a new LTIP for the Executive Directors and intends to consult with major shareholders in 2025 with a view to launching the plans during 2025, subject to securing shareholder approval.

To reflect our approach to good corporate governance and the promotion of engagement between the Remuneration Committee and our shareholders, we will put our Remuneration report on pages 84-95 and our Remuneration Policy on pages 86-89 to separate advisory votes at the 2025 AGM.

Cross-reference to detail:

Remuneration report on pages 84 - 95.

Remuneration Policy on pages 86 - 89.

Maintain a dynamic management framework

Principle 10:

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

The detailed responses to the principles of the QCA Code in this section of the Report, in conjunction with the dialogue with shareholders and other key stakeholders in 2024 described in detail in the Our stakeholders section of this Report and the other related information throughout this Report, communicates to shareholders and other relevant stakeholders how the Company is governed and is performing.

Shareholders and other stakeholders are free to engage in dialogue with the Company via investors@thepebblegroup.com.

Challenges experienced during the year and reflections thereon, including action taken to address them, are covered throughout this Report, in particular in the CEO's review and Section 172 Statement.

Cross-reference to detail:

CEO's review on pages 15 - 18.

Section 172 Statement on page 25.

Our stakeholders on pages 21 – 24.

A range of relevant information is included on the Company's website.

BOARD OF DIRECTORS

Leading with experience.

Anne de Kerckhove

Independent Non-executive Chair

Committee membership

- Nomination Committee – Chair
- Remuneration Committee – Member
- Audit Committee - Member

Tenure

Appointed 9 September 2024

Experience

Anne is a highly accomplished international executive with over 20 years' experience in technology and innovation globally, leading and scaling fast-growing companies in SaaS, data, media and entertainment and digital commerce. Anne has extensive Executive and Non-executive board experience. Anne holds a Bachelor of Commerce from McGill University and an MBA from INSEAD.

Skills brought to the Group Board

- International leadership and global expansion.
- Executive and Non-executive board experience.
- SaaS, technology and digital commerce.
- Marketing and digital transformation.
- Technology product development.
- SaaS gotomarket.
- Fund raising and M&A.

External appointments

- Non-executive Chair - Eagle Eye plc.
- Non-executive Director (SID) – Evoke plc.
- Non-executive Chair of Moneyhub Financial Technology Ltd.

Currently exiting, with departure effective as at 18 June 2025:

- Non-executive Chair - Blackbird plc.

Christopher (Chris) Lee

Chief Executive Officer (CEO)

Committee membership

- Group Executive Committee – Member

Tenure

25 years

Experience

Chris led the private equity backed management buyout of Brand Addition in 2012 and 2017, the acquisitions of Gateway CDI and Facilisgroup in 2016 and 2018 respectively and the listing of The Pebble Group plc onto AIM in 2019.

Skills brought to the Group Board

- Leadership and strategic planning.
- Commercial and operational.
- Stakeholder relationship management, contracting and negotiation.
- People leadership and development.
- Investor relations and investor sentiment.
- Market, sector and promotional products business expert.
- M&A and transactions.
- ESG.

Claire Thomson

Chief Financial Officer (CFO)

Committee membership

- Group Executive Committee – Member

Tenure

17 years

Experience

Claire has led the finance, banking, tax, legal and compliance aspects of the businesses which now comprise the Group for over 16 years. She took on the role of Chief Financial Officer following the management buyout in 2012. Claire is a qualified Chartered Accountant and prior to joining the Group, spent 11 years in audit at PricewaterhouseCoopers, having joined in 1997. Claire has a BA Hons degree in English and American Literature from the University of Manchester.

Skills brought to the Group Board

- Finance, financial reporting and financial management.
- Risk management and internal controls.
- Leadership and strategic planning.
- Stakeholder relationship management, contracting and negotiation.
- Investor relations and investor sentiment.
- Market, sector and promotional products business expert.
- M&A and transactions.

External appointments

- Director at Cheadle Hulme School

BOARD OF DIRECTORS

Yvonne Monaghan

Independent Non-executive Director and Senior Independent Director

Committee membership

- Audit Committee – Chair
- Remuneration Committee – Member
- Nomination Committee - Member

Tenure

5 years 4 months

Experience

Yvonne has been the Chief Financial Officer of Johnson Service Group PLC since 2007. She played an important role in returning the company to a growth strategy, managing a number of acquisitions and disposals. She was a Non-executive Director of NWF Group plc from 2013 until September 2020.

Yvonne is a qualified Chartered Accountant and spent five years in audit at Deloitte Haskins & Sells, before joining Johnson Service Group PLC in 1984. Yvonne has a BSc Honours degree in Pharmacology and Physiology from the University of Manchester.

Skills brought to the Group Board

- Finance and financial reporting.
- AIM listed companies and AIM Rules.
- Corporate governance.
- Audit processes.
- Risk management and controls.
- M&A and transactions.
- Investor relations and investor sentiment.

External appointments

- Chief Financial Officer of Johnson Service Group PLC.

Stuart Warriner

Independent Non-executive Director

Committee membership

- Remuneration Committee – Chair
- Audit Committee – Member
- Nomination Committee - Member

Tenure

5 years 4 months

Experience

Stuart has extensive corporate finance experience with a career in investment banking and as a Corporate Finance Partner at PricewaterhouseCoopers. Stuart has an MA in Economics from the University of Cambridge and is a qualified Chartered Accountant.

Skills brought to the Group Board

- M&A and transactions.
- Investment.
- Strategy and realising shareholder value.
- Corporate governance.

External appointments

- Non-executive Chair at Altia Solutions Limited.
- Non-executive Chair at Mortgage and Surveying Services Limited.
- Non-executive Chair at Blue-I Holdings Limited.
- Non-executive Director of Lodestone Oxford Limited.

David Moss

Independent Non-executive Director

Committee membership

- The Remuneration Committee – Member
- The Nomination Committee – Member

Tenure

1 year 8 months

Experience

David has extensive technology and Board experience. Following a four-year tenure at Lynx Financial Systems as a Developer, Designer and Software Architect, David co-founded Blue Prism as Chief Technology Officer in 2001. During his 20-year tenure, David had direct responsibility for all Technology product related matters, as well as participating in key engagements with stakeholders and sitting on the Blue Prism Board. Following a successful AIM IPO with 70 staff and a market capitalisation of £48.5m in 2016, Blue Prism grew to over 1,000 people in 30 countries by 2020 before being acquired by SS&C in 2022 for $1.6bn. David has a BSc (Hons) degree in Mathematics from Leeds University.

Skills brought to the Group Board

- Extensive leadership.
- Ambitious growth strategy execution and building shareholder value.
- Digital technology business and sector knowledge.
- Technology product management, marketing and R&A.
- Intellectual Property.
- M&A and transactions.
- Corporate governance.

External appointments

- Director at Binary Pursuits Limited.

AUDIT COMMITTEE REPORT

Overseeing the Group's financial compliance, risk and control framework.

"During 2024, the scope of the Group's internal audit activity evolved to enhance its focus on the Group's risk management and control framework."

Dear Shareholder,

I am pleased to present the Audit Committee report for the year ended 31 December 2024.

Composition and experience of the Audit Committee

I am Chair of the Committee which is made up of three of our independent Non-executive Directors (Yvonne Monaghan (Chair), Anne de Kerckhove and Stuart Warriner) and is supported by our Group General Counsel and Company Secretary. Two of the three Committee members are qualified chartered accountants and all have considerable business experience in senior financial and operational roles, including knowledge of financial markets, as detailed in the biographies on pages 79-80. All Committee members are regarded as having recent and relevant experience.

Each Committee meeting during the year had full attendance, as shown below:

	MARCH	SEPTEMBER	DECEMBER
Yvonne Monaghan	√	√	√
Stuart Warriner	√	√	√
Anne de Kerckhove*	–	–	√
Richard Law**	√	–	–

* Appointed as a Director on 9 September 2024.
** Resigned as a Director on 30 April 2024.

The Committee meets three times per year, including once at the planning stage before the external audit and once after the external audit at the reporting stage, to facilitate discussions relating to the financial statements, risk and the internal controls of the Group. The meetings are attended by the CEO and CFO, as well as the external auditors. Additionally, the Committee meets the external auditors at least once per year without the Executive Directors present, to discuss their remit and any issues arising.

Responsibilities of the Audit Committee

Throughout the year, the Committee continued to fulfil its duties on behalf of the Group Board. It has an established, structured agenda closely aligned to the Group's reporting cycle.

The responsibilities of the Committee are defined by its terms of reference, which are reviewed at least annually and can be viewed on the Company's website. These include primary responsibility for:

- reviewing the effectiveness of the Group's internal controls and risk management framework, including the scope and adequacy of the Group's processes and controls in respect of whistleblowing and Corporate Criminal Offences (CCOs);
- monitoring and reviewing the effectiveness of the Group's internal audit function;
- ensuring a robust assessment of emerging and principal business risks, including ESG and climate-related risks, is completed by the Group, and reviewing and advising on internal control processes to identify and monitor those risks;
- monitoring the integrity of the Group's financial statements and the external announcements of the Group's results, including reviewing, and challenging where necessary, significant financial reporting issues and judgements which they contain;
- advising on the clarity of disclosures and information, including narrative reporting, contained in the Annual Report and Half-Year Results and giving an opinion to the Group Board on whether the Annual Report and Interim Report are fair, balanced and understandable;
- ensuring consistency in application of compliance with applicable accounting standards; and
- overseeing the relationship with the external auditors including recommending approval of their appointment and approving their remuneration, reviewing their reports and ensuring their independence is maintained.

The Audit Committee reports to the Group Board on all these matters.

AUDIT COMMITTEE REPORT

Evaluation of the effectiveness of the Audit Committee

To ensure that it is operating at maximum effectiveness, the Committee used output from the formal Group Board Effectiveness Review detailed on pages 70 and 77 to review and evaluate its own performance and constitution during Q4 2024. It concluded that the Committee was operating effectively and no action or changes were required to be recommended to the Group Board. In the annual review of the Committee's terms of reference, the terms were amended to specifically refer to the review of the Group's systems and controls for fraud prevention. Updated terms of reference were approved by the Group Board and are available on the Company's website.

Significant matters considered in relation to the financial statements

At the request of the Group Board, the Audit Committee considered whether the 2024 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's performance, business model and strategy. The Committee was satisfied that, taken as a whole, the 2024 Annual Report was fair, balanced and understandable.

The Audit Committee assesses whether suitable accounting policies have been adopted and whether appropriate estimates and judgements have been made by management. The Committee also reviews accounting papers prepared by management and reviews reports by the external auditors.

The specific areas reviewed by the Committee during the year were:

- the capitalisation of software development costs;
- consideration of the appropriateness of the carrying value of goodwill, intangibles and investments;
- the scope, adequacy and effectiveness of internal financial controls and internal control and risk management systems, specifically in relation to compliance with the prevention of tax evasion and money laundering;
- going concern assessment; and
- considering and agreeing the annual internal audit plan.

Alternative performance measures (APMs)

We refer to a number of APMs throughout the Annual Report. These are used by the Group to provide additional clarity to the Group's financial performance and are used internally by management to monitor business performance, in its budgeting and forecasting and for determination of Director and senior team remuneration.

The Committee is aware that APMs are non-IFRS measures and should not be regarded as a complete picture of the Group's financial performance. APM's used by the Group are as follows:

- Adjusted EBITDA which means operating profit before depreciation, amortisation, share-based payment charge/credit and exceptional items;
- Adjusted operating profit which means operating profit before amortisation of acquired intangible assets, share-based payment charge/credit and exceptional items;
- Adjusted profit before tax which means profit before tax before amortisation of acquired intangible assets, share-based payment charge/credit and exceptional items;
- Adjusted earnings which means profit after tax before amortisation of acquired intangible assets, share-based payment charge/credit and exceptional items; and
- Adjusted earnings per share which means Adjusted earnings divided by a weighted average number of shares in issue.

The Committee considers the APMs, all of which exclude the effect of non-recurring items or non-operating events, provide useful information for shareholders on the underlying performance of the Group.

The Committee is satisfied that where APMs are used, they are presented with equal prominence to the statutory figures.

External auditors

The Audit Committee has responsibility for recommending the appointment of and deciding the remuneration of the Group's external auditor and satisfying itself that they maintain their independence regardless of any non-audit work performed by them.

The Group has a formal policy in place in relation to the engagement of the external auditors to supply non-audit services, which ensures the Group is compliant with the Financial Reporting Council's (FRC) Ethical Standards. The Group has adopted the FRC's "Whitelist" of permitted non-audit services and, in relation to the provision of such services, the Audit Committee is responsible for approving all non-audit services that are not deemed trivial. The Committee will apply judgement in making such decisions, specifically in relation to threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats.

BDO were appointed as the Group's external auditors at the 2024 Annual General Meeting for the financial year which commenced 1 January 2024, with effect from closure of that meeting. Prior to that, PricewaterhouseCoopers LLP (PwC) were the external auditors of the Company.

The total fees payable to the Group's external auditor in respect of the year under review amount to £388,000 (FY 23: £431,000). The Committee reviewed the level of non-audit services and fees provided, which totalled £6,200 in FY 24 (FY 23: £nil) relating to tax and payroll services. The ratio audit fees to non-audit fees, in total, is 1:0.02.

The respective responsibilities of the Directors and external auditor in connection with the Group financial statements are explained in the Statement of Directors' Responsibilities in Respect of the Financial Statements on page 100 and the Auditors' report on pages 101-105.

Review of external auditors' effectiveness

The Committee reviewed the external auditors' performance and independence in relation to 2024, by considering the qualifications, expertise and resources of BDO and its objectivity on an ongoing basis throughout the year. This was done by considering the following:

- the views of the Executive Directors;
- responses from BDO to questions from the Committee;
- the audit findings reported to the Committee, including BDO's report on internal quality procedures; and

- the relationship with BDO as a whole, to confirm there were no relationships between the external auditors and management or the Company, other than in the ordinary course of business, which could adversely affect independence and objectivity.

The Group has in place a formal policy for the appointment of former employees of the external auditors, which requires written approval from the Chair, CFO and Chair of the Audit Committee, should the Group wish to hire any employee who has been involved in the audit within the last two years. No such appointments have been made during the year.

Based on the reviews performed, the Committee is satisfied that the external audit process has operated effectively, BDO is sufficiently independent of management and has proven effective in its role as external auditors in respect of the year ending 31 December 2024.

Internal control and risk management

As explained in more detail in the Risk Management section of the Strategic report on pages 55-59, the Committee supports the Group Board in reviewing the Group's risk management methodology and managing the Group's risk appetite, considering the effectiveness and integrity of the Company's internal control and risk management systems.

The Group has historically maintained a relatively cautious risk appetite; however, the Group Board considers each risk on its merits taking account of its nature, severity of impact and likelihood of occurrence, following the implementation of appropriate internal controls. The Group acknowledges the need to accept a certain level of strategic risk to achieve capital growth for shareholders.

Regular internal control updates are provided to the Committee, which include reviewing and updating the nature and extent of principal risks and uncertainties faced by the Group, as contained in the Group's risk register and sub registers (tax and climate-related risks). This includes assessing the mitigating actions in place and updates to action plans agreed in previous meetings.

The Committee discussed and reviewed the Group's risk register twice in 2024; key areas of focus being share price, global supply chain disruption, macroeconomic environment, tax compliance and climate change. On each occasion, the Committee concluded that all risks and opportunities had been appropriately identified and recommended the Group's risk register to the Group Board for approval.

Whistleblowing

The Committee ensures an appropriate whistleblowing policy and confidential process is in place designed to support and encourage employees and other stakeholders to raise concerns in respect of conduct within the Group, without fear of recrimination or suffering a disadvantage of any kind. The policy reflects the Group's commitment to high standards of honesty, integrity and accountability and promotes a culture of openness by enabling stakeholders to report any misconduct, malpractice, illegality, wrongdoing or matters of similar concern using the Group's 24-hour whistleblowing portal.

During the year, the policy was reviewed by the Committee and re-approved by the Group Board to ensure continued compliance with best practice and alignment with our businesses and ways of working.

Summaries of any whistleblowing reports and resolutions are reported to the Committee. Where a matter is raised, a proportionate investigation is undertaken by independent management with support and guidance from the Committee, if necessary. During the year, no matters were submitted via the whistleblowing process.

Internal audit

On an annual basis, the Committee considers and approves the proposed annual internal audit and risk plan for the full year. The Committee is kept up to date by the CFO and the Group Financial Controller on progress against the Group's internal audit and risk plan.

Annually, the Committee considers whether there is a need for a separate internal audit and risk function and makes a recommendation to the Group Board accordingly. The Group does not currently have a separate internal audit function. Targeted reviews and visits to operations are performed by the Group finance team, which is independent of the business, operations and which comprises wholly of qualified accountants. The team is responsible for reviewing and reporting on the effectiveness of internal controls and risk management systems. This approach is considered appropriate and proportionate for the size of the Group's operations and does not affect the work of the external auditors.

During 2024, the scope of the Group's internal audit activity evolved to enhance its focus on the Group's risk management and control framework, for example in relation to controls around CCOs and embedding of compliance and prevention procedures in the businesses.

Risk and compliance policies

In line with the theme of trust, ethics, transparency and delivery of good corporate governance, the responsibility of the Audit Committee in the management and communication of risks and internal controls extends beyond matters of financial, operational and strategic risk. As such, the Audit Committee considers the Company's attitude towards areas such as ethics, anti-bribery, corruption, modern slavery and market abuse prevention and ensures that the Group has appropriate policies and processes in place.

For full details of our Group polices please see pages 71-72 of this Report.

Yvonne Monaghan
Chair of the Audit Committee

17 March 2025

REMUNERATION REPORT

A remuneration policy that promotes long-term growth.

"I'm pleased to present the 2024 Remuneration report which, for the first time, introduced ESG performance metrics into Executive variable pay."

Stuart Warriner
Remuneration Committee Chair
Independent Non-executive Director

Dear Shareholder,

This report is for the year ended 31 December 2024. It includes the Remuneration Policy on pages 86-89 and then outlines the detailed remuneration for the Executive and Non-executive Directors of the Company over the period.

As an AIM-quoted company, the information is disclosed to fulfil the requirements of AIM Rule 19. The Pebble Group plc is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The information is unaudited except where stated.

Composition of Remuneration Committee

The Committee comprises all four independent Non-executive Directors; Stuart Warriner (Chair), Anne de Kerckhove, Yvonne Monaghan and David Moss and is supported by the Group General Counsel and Company Secretary. The Committee meets four or more times a year to review the remuneration of the Executive Directors, other senior team members and to deal with share scheme matters.

	JANUARY	MARCH	JUNE	OCTOBER	DECEMBER
Stuart Warriner	√	√	√	√	√
Anne de Kerckhove*	–	–	–	√	√
Yvonne Monaghan	√	√	√	√	√
David Moss	√	√	√	X	√
Richard Law**	√	√	–	–	–

* Appointed as a Director on 9 September 2024
** Resigned as a Director on 30 April 2024.

Remuneration Policy review

To ensure that our Remuneration Policy remains appropriate and effective, the Committee's approach to date has been to review one element of remuneration each year. The Committee also takes account of periodic external comparisons to examine current market trends and practices at equivalent roles in similar companies.

During 2024, the Committee looked at remuneration practices across the Group and reviewed how they support the desired culture and promote the right behaviours and values. The Committee also conducted a detailed review of the LTIP, including consulting with the Executive Directors and senior team on their perception of the LTIP as an effective motivational, incentivisation and retention tool.

As a result of this engagement, the Committee initiated consideration of a new variable remuneration plan for the broader senior team to replace the LTIP and consideration of alternatives to the existing LTIP for the Executive Directors. The Committee intends to consult with major shareholders in 2025 on any new executive share plan alongside executive remuneration with a view to launching any new share plans during 2025, subject to securing shareholder approval.

Information on how remuneration will be operated in 2025 is set out at the end of this Remuneration report.

REMUNERATION REPORT

Performance and decisions on remuneration taken during 2024

Group performance during the year was focussed on delivering a solid financial performance aligned with market consensus following a challenging trading period in 2023, through:

Facilisgroup

- focussing on connections with Partners and Preferred Suppliers, ensuring maintenance of our excellent retention credentials;
- evolving our technology, demonstrating our position of leadership to deliver growth and advantage for our Partners; and
- enhancing and developing our team to bring success to the Facilisgroup community.

Brand Addition

- maintaining our record of excellent client retention and converting new opportunities with major international brands who value our credentials in ESG, technology and creativity; and
- retaining the progress on margin delivered in 2023 at levels at least consistent with the new long-term target of 33%.

Further details are provided throughout the Strategic report on pages 1, 9-11 and 47-51.

In this context, the following remuneration decisions were made by the Remuneration Committee:

- Awards to Executive Directors under the 2024 annual bonus plan were granted subject to financial performance targets based on operating profit (85%) and non-financial performance targets based on ESG performance metrics: customer satisfaction (5%); employee engagement (5%); and ESG and sustainability (5%). The amounts earned are detailed in the report below.
- 0% was earned under the Executive Directors' 2023 annual bonus plan as the performance criteria was not met.
- An annual grant of awards under the LTIP was made on 26 March 2024.
- The vesting of Awards under the 2021 LTIP were approved (with EPS and TSR performance measured over the three years to 31 December 2023) with vesting at 20.8% of the maximum level.
- A second grant under the Group SAYE was approved with options granted on 11 October 2024.

Evaluation of the effectiveness of the Remuneration Committee

To ensure that it is operating at maximum effectiveness, the Committee used output of the formal Group Board Effectiveness review detailed on pages 70 and 77 to review and evaluate its own performance, constitution and terms of reference during Q4 2024.

It concluded that the Committee was operating effectively and that no action or changes were required to be recommended to the Group Board. The terms of reference were re-approved by the Group Board.

External consultants

In making its decisions in 2024, the Committee consulted h2g Remuneration Advisory (h2g) where appropriate to provide advice on best practice and market trends. h2g is a member of the UK Remuneration Consultants Group (RCG) and has confirmed that it complies with the RCG Code. h2g has no other relationship with the Company and the Committee is satisfied that the advice it receives is independent and objective.

h2g advised and assisted the Committee during 2024 in its review of remuneration structure to support the desired culture and promote the right behaviours. h2g also supported on the proposed new Variable Remuneration Plan for the senior team and the work to adopt a new LTIP for the Executive Directors, each to be launched during 2025, subject to securing shareholder approval of plans and amendments to the Remuneration Policy to allow for their implementation.

I hope that you find the report helpful and informative and I look forward to receiving feedback from you on the information presented.

Stuart Warriner
Remuneration Committee Chair

17 March 2025

Remuneration Policy

Pages 86–89 set out the Remuneration Policy with regard to the Executive Directors.

The Committee aims to have a policy that is clear, consistent and easy to understand. Decisions are made understanding best practice and taking into account the specific needs of the Group and its businesses.

The key objectives of the Remuneration Policy are to ensure that the overall Executive Director package:

- is sufficiently attractive to recruit, motivate and retain talented, high quality executive management with significant technical and strategic expertise;
- underpins an effective pay-for-performance culture;
- ensures that Executive Directors are incentivised and rewarded in a way that is aligned to the Group's purpose, business model and delivery of its medium to long-term growth objectives, which in turn achieves a culture that will support the Group's strategic goals; and
- aligns Executive and shareholder interests and promotes the long-term growth of shareholder value.

The Committee aims to achieve an appropriate balance between fixed and variable remuneration and between variable remuneration based on short-term and longer-term performance.

To that end, the Remuneration Policy includes both fixed and variable remuneration elements:

- fixed remuneration includes base salary and benefits; and
- variable remuneration includes annual performance related bonus and awards under a LTIP.

In addition to this, the Executive Directors are required to build and maintain a minimum shareholding in the Company's shares.

The policy on each element of remuneration and how it currently operates is detailed in the `Elements of remuneration' table on the following pages.

The structure of Executive remuneration is in line with that of many established UK quoted companies, balancing fixed remuneration, annual bonus and long-term performance share awards. Approximately 65% of the potential remuneration of the Executive Directors in 2024 was subject to the achievement of performance targets, made up of a maximum annual bonus opportunity at 100% of salary and an annual LTIP award at 100% of salary.

The Committee believes that there is a clear link between variable pay and positive financial performance that is aligned to the Group's business model and growth strategy. It also believes that variable pay structure drives positive operational performance and the right culture given the introduction of non-financial performance metrics. The Committee considers all performance metrics used to be stretching and aligned with the Group's purpose.

The link of remuneration outcomes to long-term growth of shareholder value is primarily through the LTIP. In 2024, the LTIP had stretching three-year targets, based on basic adjusted earnings per share (EPS) and total shareholder return (TSR), and a two-year post-vesting holding period was applied. The Committee recognises the risk of target-based plans and addresses this risk through: (i) careful consideration in the choice and pitching of performance targets; (ii) the ability to exercise discretion; (iii) the attachment of malus and clawback provisions; and (iv) the application of a shareholding guideline. In the light of this remuneration structure and the substantial shareholdings of both the CEO and CFO, the Committee is satisfied that the Executive Directors are well aligned with the long-term performance of the Company.

A review of the structure of future LTIP awards was initiated in 2024. The Committee plans to formally consult with major shareholders during 2025 on the adoption of a new LTIP plan for Executive Directors, to be launched during 2025, subject to securing shareholder approval.

REMUNERATION REPORT – REMUNERATION POLICY

Elements of remuneration

ELEMENT	LINK TO REMUNERATION POLICY/STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRIC
Base salary	To recruit, motivate and retain high performing Executive Directors. Reflects the individual's experience, role and importance to the business.	Base salary is set annually as at 1 January with reference to each Executive Director's performance and contribution during the year, Company performance, the scope of the Executive Director's responsibilities and consideration of competitive pressures.	There is no prescribed maximum annual base salary or salary increase. The Committee is guided by the general increase for the broader employee population but has discretion to decide on a lower or a higher increase.	The Committee considers individual and Company performance when setting base salary.
Benefits	To recruit, motivate and retain high performing Executive Directors. To provide market competitive benefits.	Benefits are in line with those offered to other senior team members and may include medical expenses cover and life insurance cover. The CEO and CFO receive permanent health insurance cover and a company car, the value of which is equivalent to 5% of base salary per annum. The company car is provided to Executive Directors as an alternative to an employer's pension contribution.	No maximum potential value other than company car, the value of which is capped at 5% of base salary per annum, were provided as an alternative to an employer's pension contribution.	None.
Pension	To help recruit and retain high performing Executive Directors. To provide market competitive pensions.	Employer's pension contribution or a cash supplement. The CEO and CFO have opted to take a company car contribution as an alternative to an employer's pension contribution.	5% of base salary, which is aligned with the pension contribution made by the Company to its UK workforce.	None.
Annual bonus plan	To motivate, incentivise and reward performance in a way that is aligned with the Company's business model and growth strategy; and in a way that supports the desired culture of the Group. To align the interests of the Executive Directors and shareholders in the short and medium term.	The annual bonus is earned by the achievement of one-year performance targets set by the Remuneration Committee. The parameters, performance criteria, weightings and targets are ordinarily set at the start of each financial year. Payments are made in cash following completion of the year subject to the Committee's assessment of performance against targets and other matters it deems relevant. Awards are subject to malus and clawback provisions.	The maximum bonus opportunity for the CEO and CFO is 100% of base salary.	Performance measures may include financial, non-financial, personal and strategic objectives. Performance criteria and weightings may be changed from year to year. For 2024, the performance targets were based on operating profit (85%) and three ESG performance metrics: customer satisfaction (5%); employee engagement (5%); and ESG sustainability (5%). For 2025, the performance targets will follow the same structure as 2024.

REMUNERATION REPORT – REMUNERATION POLICY

ELEMENT	LINK TO REMUNERATION POLICY/STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRIC
LTIP	To incentivise and reward long-term growth, performance and shareholder value creation. To align the interests of Executive Directors and shareholders in the long-term.	Executive Directors are eligible to receive awards under the LTIP at the discretion of the Committee. As noted earlier in this Remuneration report, the Committee initiated consideration of a new LTIP for the Executive Directors and intends to consult with major shareholders in 2025 with a view to launching the plan during 2025, subject to securing shareholder approval.	–	–
All employee share plan	To encourage all eligible employees to make a long-term investment in the Company's shares in a tax efficient way and foster alignment with shareholders by building shareholdings in the Company.	The Executive Directors may participate in the SAYE on the same terms as other eligible employees.	The maximum participation level will be aligned to HMRC limits.	None.
Shareholding requirement	Encourages Executive Directors to achieve the Company's long-term strategy and create sustainable stakeholder value. Aligns with shareholder interests.	200% of salary. The shareholdings of the CEO and CFO are currently well in excess of this guideline.		
Non-executive Director remuneration	To provide fees appropriate to time commitments and responsibilities of each role.	Non-executive Directors are paid a base fee in cash. Fees are reviewed periodically. In addition, reasonable business expenses may be reimbursed.	The Group Board is guided by the general increase for the broader employee population and takes into account relevant market movements.	

Malus and clawback

Both annual bonus and LTIP awards are subject to malus and clawback provisions covering two years. Reasons for malus and clawback being applied would include material misstatement in audited results, discovery of errors or inaccuracies in the assessment of any performance condition, fraud or gross misconduct and events or behaviour which lead to the censure of the Group by a regulatory authority or have a significant detrimental impact on the reputation of the Group.

Remuneration of employees below the Group Board

Employees below the Group Board receive base salary and benefits and are eligible for an annual bonus. Senior team members are also invited to participate in the LTIP, as well as being eligible to participate in the SAYE on the same terms as other eligible employees.

Pay and conditions throughout the Group are taken into consideration when setting remuneration policy. The Committee does not consult other employees when setting executive remuneration.

Shareholder consultation

The Committee's policy is to consult with major shareholders in respect of significant decisions on executive remuneration. As such, the Committee intends to consult with major shareholders during 2025 on the adoption of a new executive share plan, alongside executive remuneration, with a view to launching any new share plans during 2025, subject to securing shareholder approval.

The Chair of the Remuneration Committee is available for contact from investors concerning the Company's approach to remuneration and attends the AGM for the live Q&A. The Director's Remuneration report on pages 84-95 and the Remuneration Policy on pages 86-89 will be put to advisory votes at the upcoming AGM in 2025.

Executive Directors' service contracts and payments for loss of office

Our Executive Directors have rolling service contracts dated 28 November 2019 with an indefinite term, but a fixed period of 12 months' notice of termination. Our approach to remuneration in each of the circumstances in which an Executive Director may leave is determined by the Remuneration Committee in accordance with the rules of any applicable scheme.

Non-executive Directors' letters of appointment

The Non-executive Directors do not have service contracts but instead have letters of appointment. Two Non-executive Directors have letters of appointment for their second three-year term from 28 November 2022, while two Non-executive Directors have letters of appointment for their initial three-year term from 22 June 2023 and 9 September 2024. Each has a three-month notice period.

Consideration of new Executive Directors or senior executives

When recruiting or promoting any senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the Remuneration Policy set out above. This helps to ensure that any new Executive Director or senior executive is on the same remuneration footing as existing Executive Directors or senior executives respectively, while still considering the skill and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Annual report on remuneration

This section sets out details of remuneration in 2024.

2024 Summary of Directors' total remuneration (audited)

NAME	SALARY/FEE	BONUS	LTIP	PENSION	BENEFITS*	TOTAL
Executive						
Christopher Lee	£312,000	£122,187	£19,812	–	£22,159	£476,158
Claire Thomson	£230,000	£90,074	£14,675	–	£12,143	£346,892
Non-executive						
Anne de Kerckhove	£38,942**	–		–	–	£38,942
Yvonne Monaghan	£50,000	–		–	–	£50,000
Stuart Warriner	£50,000	–		–	–	£50,000
David Moss	£50,000	–		–	–	£50,000
Richard Law	£36,667***	–		–	–	£36,667

* car lease and private medical insurance.

** Anne de Kerckhove was appointed as a Director on 9 September 2024.

*** Richard Law resigned as a Director on 30 April 2024.

The value of the LTIP in 2024 relates to the vesting of the 2021 LTIP awards and the value has been calculated using the share price on the vesting date of 10 June 2024. Of the LTIP value included, £nil is attributable to share price appreciation. The Executive Directors exercised these vested awards on 7 February 2025 and sold sufficient Shares to settle personal tax liabilities.

2023 Summary of Directors' total remuneration (audited)

NAME	SALARY/FEE	BONUS	LTIP	PENSION	BENEFITS*	TOTAL
Executive						
Christopher Lee	£300,000	£0	£96,618	–	£10,645	£407,263
Claire Thomson	£221,000	£0	£71,569	–	£10,774	£303,343
Non-executive						
Yvonne Monaghan	£50,000	–	–	–	–	£50,000
Stuart Warriner	£50,000	–	–	–	–	£50,000
David Moss	£26,350**	–	–	–		£26,350
Richard Law	£110,000	–	–	–	–	£110,000

* car lease and private medical insurance.

** David Moss was appointed on 22 June 2023.

The value of the LTIP in 2023 relates to the vesting of the 2020 LTIP awards and the value has been calculated using the share price on the vesting date of 21 December 2023. Of the LTIP value included, £nil is attributable to share price appreciation. The Executive Directors exercised these vested awards on 7 February 2025 and sold sufficient Shares to settle personal tax liabilities.

2024 Annual bonus plan awards

For 2024, the maximum potential bonus was 100% of base salary. The awards were subject to performance targets set in March 2024 based on a mixture of financial and non-financial metrics. In the year, an overall bonus of 39.2% of salary was achieved for each Executive Director, calculated as below.

Financial metrics (85.0% of salary available, 31.7% of salary earned)

Operating profit continued to be considered the Group's most relevant key financial metric.

The targets are shown in the table below with the percentage of any bonus payable moving on a straight-line basis between the threshold and the target and then the target and the maximum

PAY OUT TARGET	% SALARY PAYABLE		OPERATING PROFIT
25%	21.3%	threshold	£7.9m
60%	51.0%	target	£9.9m
100%	85.0%	maximum	£10.8m
37.25%	31.7%	actual	£8.6m

Operating profit of £8.6m was achieved in FY 24 which resulted in a 31.7% bonus of annual salary for each of the Executive Directors from the financial metric.

Non-Financial metrics (15.0% of salary available, 7.5% of salary earned)

In 2024, for the first time, the Group attributed a proportion of the Executive Director's annual bonus plan award to a series of non-financial measures. These measures were set by the Remuneration Committee in consultation with the Group's Senior ESG Officer.

The targets for each measure will typically be based upon levels of improvement from prior years. No bonus is payable for below threshold performance.

- Customer satisfaction (5%), measured by the Net Promoter Score (NPS) metric in Brand Addition and Partner Retention Rate metric in Facilisgroup.
- Employee engagement (5%), measured by the score resulting from the annual employee survey within each of Brand Addition and Facilisgroup.
- ESG and Sustainability (5%), measured by reference to Brand Addition's annual Ecovadis score.

The actual performance achieved in FY 24 resulted in a 7.5% bonus of annual salary for each of the Executive Directors from the non-financial metrics.

LTIP and SAYE

LTIP awards were granted to the CEO and CFO on 26 March 2024. The table below summarises all of the awards made to the Executive Directors under the LTIP and SAYE plans.

The LTIP awards are nil cost awards with performance conditions outstanding as at 31 December 2024.

NAME AND AWARD DATE	TYPE	INTEREST AT 31 DECEMBER 2023	GRANTED IN YEAR*	EXERCISE PRICE (£)	VESTED	EXERCISED	LAPSED	INTEREST AT 31 DECEMBER 2024	PERFORMANCE PERIOD ENDING
Christopher Lee									
21 December 2020	LTIP	169,506	–	0	0	0	0	169,506	30 June 2023
8 June 2021	LTIP	176,471	–	0	36,706	0	139,765	36,706	31 December 2023
6 October 2021	SAYE	14,754	–	1.22	0	0	14,754	0	n/a
29 March 2022	LTIP	280,788	–	0	–	–	–	280,788	31 December 2024
28 March 2023	LTIP	256,410	–	0	–	–	–	256,410	31 December 2025
26 March 2024	LTIP	–	465,672	0	–	–	–	465,672	31 December 2026
11 October 2024	SAYE	–	41,222	0.45	–	–	–	41,222	n/a
Claire Thomson									
21 December 2020	LTIP	125,560	–	0	0	0	0	125,560	30 June 2023
8 June 2021	LTIP	130,719	–	0	27,190	0	103,529	27,190	31 December 2023
6 October 2021	SAYE	14,754	–	1.22	0	0	14,754	0	n/a
29 March 2022	LTIP	206,897	–	0	–	–	–	206,897	31 December 2024
28 March 2023	LTIP	188,889	–	0	–	–	–	188,889	31 December 2025
26 March 2024	LTIP	–	343,284	0	–	–	–	343,284	31 December 2026
11 October 2024	SAYE	–	41,222	0.45	–	–	–	41,222	n/a

* The LTIP value at grant date was calculated based on the closing share price on 25 March 2024 of 67p per share. Each of the awards represents an LTIP award over shares worth 100% of annual salary as at the grant date.

REMUNERATION REPORT

PERFORMANCE CONDITIONS		2021 AWARD 3 YEARS ENDED 31 DECEMBER 2023	2022 AWARD 3 YEARS ENDED 31 DECEMBER 2024	2023 AWARD 3 YEARS ENDED 31 DECEMBER 2025	2024 AWARD 3 YEARS ENDED 31 DECEMBER 2026
70% Cumulative adjusted EPS Basic adjusted EPS as defined in the LTIP rules, excludes share-based payment charge/credit, exceptional items and amortisation from acquired intangibles.	Threshold (25% maximum vesting)	15.4p	17.6p	19.5p	15.5p
	Mid-range (60% maximum vesting)	16.3p	18.8p	20.6p	16.4p
	Maximum (100% maximum vesting)	17.3p	19.9p	21.8p	17.4p
30% Annualised TSR Annualised growth in total shareholder returns.	Threshold (25% maximum vesting)	8.0% pa	8.0% pa	8.0% pa	8.0% pa
	Mid-range (60% maximum vesting)	11.3% pa	11.3% pa	11.3% pa	11.3% pa
	Maximum (100% maximum vesting)	15.0% pa	15.0% pa	15.0% pa	15.0% pa

Performance between these levels is determined on a straight-line basis. The performance periods for the awards were chosen to align with the financial year.

Awards granted under the LTIP 2021 vested on 10 June 2024. The three-year performance period was from 1 January 2021 to 31 December 2023. On the EPS performance target, the adjusted EPS performance over the period was 15.52 and that equated to the vesting of 29.7% of the award subject to the 70% adjusted EPS performance condition. On the TSR performance target, the share price at the start of the performance period was 130p and the share price on 31 December 2023 was 60.5p which was below the 8% annualised TSR thresholds and equated to the vesting of 0% of the award subject to the 30% annualised TSR performance condition.

Awards granted under the LTIP 2022 are due to vest on 29 March 2025. The three-year performance period was from 1 January 2022 to 31 December 2024. On the EPS performance target, the adjusted EPS performance over the period was 15.01p and that equates to the vesting of 0% of the award subject to the 70% adjusted EPS performance condition. On the TSR performance target, the share price at the start of the performance period was 132.5p and the share price on 31 December 2024 was 45.5p which is below the 8% annualised TSR threshold and equates to the vesting of 0% of the award subject to the 30% annualised TSR performance condition.

The charge for share-based payments is detailed in note 24 to the accounts.

SAYE participation

In 2024, Christopher Lee and Claire Thomson cancelled their participation in the 2021 SAYE granted in October 2021 and elected to participate in the 2024 SAYE to the maximum amount offered to staff under the plan.

As such, they hold options as detailed below. The exercise price for these awards is 45p per Ordinary Share, representing a 20% discount to the closing market price of 56p per Ordinary Share on 16 September 2024, being the trading day before the invitation for eligible employees to participate was made.

NAME	NUMBER OF SHARES CANCELLED UNDER 2021 OPTION	AWARD DATE	GRANTED IN 2024	EXERCISE PRICE	CONTRACT START DATE	OPTION EXERCISED
Christopher Lee	14,754	11 Oct 2024	41,222	45p	1 Dec 2024	1 Dec 2027
Claire Thomson	14,754	11 Oct 2024	41,222	45p	1 Dec 2024	1 Dec 2027

Directors' interests in shares

The interests of the Directors as at 31 December 2024 and 31 December 2023 in the Ordinary Shares of the Company were:

	31 DECEMBER 2024		31 DECEMBER 2023	
NAME	NUMBER	% OF ISSUED SHARES	NUMBER	% OF ISSUED SHARES
Anne de Kerckhove*	0	0	n/a	n/a
Christopher Lee	6,091,515	3.64%	6,091,515	3.64%
Claire Thomson	2,907,243	1.74%	2,907,243	1.74%
Yvonne Monaghan	55,000	0.03%	55,000	0.03%
Stuart Warriner	95,000	0.06%	95,000	0.06%
David Moss	100,000	0.06%	100,000	0.06%
Richard Law**	n/a	n/a	370,041	0.22%

* Anne de Kerckhove was appointed as a Director on 9 September 2024.
** Richard Law resigned as a Director on 30 April 2024.

Directors' remuneration for the year commencing 1 January 2025

Executive Directors' basic pay 2025

In reviewing Executive Director basic pay in Q4 2024 and Q1 2025, the Committee considered the terms of the Remuneration Policy, the general remuneration trends across the Group and the long-term best interests of the Group.

With effect from 1 January 2025, the CEO and CFO received a salary increase of 4%, which was aligned with the cost-of-living increase for the Group.

The Committee is cognisant of the ongoing need for Executive remuneration to remain fair and competitive, taking account of: (i) the scope of the Executive Directors' responsibilities; (ii) competitive pressures; (iii) what is happening elsewhere in the Group; and (iv) internal relativities. The Committee therefore agreed that it is appropriate to consider more substantial percentage increases to the Executive Directors' base salaries and agreed to consult with major shareholders before making any changes.

NAME	ROLE	BASE SALARY 1 JAN 2025	BASE SALARY 2024
Christopher Lee	CEO	324,480	312,000
Claire Thomson	CFO	239,200	230,000

2025 annual bonus plan awards

The annual bonus plan for 2025 will operate in the same way as 2024 with performance targets split so that 85% of total award is based on operating profit which the Committee continues to consider the most relevant key performance indicator for bonus purposes and 15% of total award is based on non-financial performance metrics, as follows:

- Customer satisfaction (5%), to be measured by the Net Promoter Score (NPS) metric in Brand Addition and Partner Retention Rate metric in Facilisgroup;
- Employee engagement (5%), to be measured by the score resulting from the annual employee survey within each of Brand Addition and Facilisgroup; and
- ESG and Sustainability (5%), to be measured by reference to Brand Addition's annual Ecovadis rating.

LTIP for 2025

It is not planned that any awards will be made under the existing LTIP during 2025.

The Committee plans to formally consult with major shareholders during 2025 on the adoption of a new LTIP for the Executive Directors to replace the existing plan, to be launched during 2025.

Non-executive Directors

Following the resignation of Richard Law on 30 April 2024, Anne de Kerckhove was appointed as new Non-executive Chair for an initial three-year term with effect from 9 September 2024.

Non-executive Director remuneration is a matter for the Chair of the Board and Executive Directors and no Non-executive Director was involved in the decision as to their own remuneration.

NAME	ROLE	COMMITTEE CHAIR	ANNUAL FEE 2025	ANNUAL FEE 2024
Anne de Kerckhove	Chair of the Group Board	Nomination	£125,000	£125,000
Yvonne Monaghan	Non-executive Director	Audit	£50,000	£50,000
Stuart Warriner	Non-executive Director	Remuneration	£50,000	£50,000
David Moss	Non-executive Director	n/a	£50,000	£50,000

DIRECTORS' REPORT

Directors' report.

For the year ended 31 December 2024

The Directors present their report together with the audited Group financial statements of The Pebble Group plc (the **Company**) for the year ended 31 December 2024.

Principal activities and business overview

The Company is incorporated and domiciled in the UK with company number 12231361 and with its registered office address at Broadway House, Trafford Wharf Road, Trafford Park, Manchester, United Kingdom M17 1DD. The Company is a public limited company admitted to trading on the AIM market of the London Stock Exchange.

The principal activities and business overview of the Group are set out on pages 1-12 within the Strategic report which is incorporated by reference and forms part of this Directors' report.

Business review and future developments

A review of the performance of the Company during the year, including principal risks and uncertainties, key performance indicators and comments on likely future developments in its businesses is given in the Strategic report on pages 19-51 and 55-59.

Results and dividends

The Group recorded revenue in the year of £125.3m (FY 23: £124.2m) and profit after tax of £6.4m (FY 23: £5.8m). No interim dividend has been paid in the year (FY 23: 1.2 pence per share as final dividend).

The Board has evolved its dividend policy to consider yield and a minimum level of EPS cover alongside the consideration of percentage of profit after tax. Accordingly, the Group Board is proposing the payment of a final dividend of 1.85 pence per share for FY 24, a distribution totalling £3m, payable on 13 June 2025,subject to shareholder approval, to those shareholders on the register of members on 16 May 2025. The shares will trade ex-dividend on 15 May 2025.

Financial risk management

Information relating to the principal risks and uncertainties of the Group has been included within the Strategic report on pages 55-59. Further information relating to the financial risk of the Group has been included within note 23 of the Group financial statements.

Share buyback programmes

On 1 May 2024, the Company announced the commencement of a share buyback programme up to a maximum aggregate consideration of £5.0m (Original Share Buyback Programme). The purpose of this programme was to reduce the Company's share capital. The Company entered an agreement with its then broker, to manage the purchases under the Original Share Buyback Programme on a discretionary basis, purchasing Ordinary Shares on the London Stock Exchange within certain pre-set parameters and making its trading decisions independently of, and uninfluenced by, the Company.

On 8 August 2024, due to a change of its broker, the Company terminated the Original Share Buyback Programme and entered into a new agreement with its new broker, to fulfil its original commitment to purchase up to a maximum aggregate consideration of £5.0m (the Replacement Share Buyback Programme). The purpose of the Replacement Share Buyback Programme remained to reduce the Company's share capital. Panmure Liberum Limited manages the Replacement Share Buyback Programme purchases on a discretionary basis, purchasing Ordinary Shares on the London Stock Exchange within certain pre-set parameters. It makes its trading decisions independently of, and uninfluenced by, the Company.

During the year ended 31 December 2024, the Company bought back through market purchases on the London Stock Exchange, and subsequently cancelled, 2,674,539 Ordinary Shares through the Original Share Buyback Programme and the Replacement Share Buyback Programme. This represented 1.6 per cent of the shares in issue prior to the commencement of the Original Share Buyback Programme. The total consideration paid during the year was £1.4m.

The Replacement Share Buyback Programme will continue whilst it retains the rolling authority from shareholders to repurchase Ordinary Shares until the earlier of: (i) the maximum aggregate consideration payable by the Group has been reached; or (ii) close of business on 30 June 2025; or (iii) the conclusion of the 2025 AGM.

Going concern

The Group meets its day-to-day working capital requirements through its own cash balances and committed banking facilities. The Group refinanced its £10m revolving credit facility in February 2025 for a four-year period to February 2029. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the Directors have prepared cash flow forecasts and projections up to 31 December 2026. The Directors have considered the principal risks and uncertainties with respect to their assessment, none of which in the opinion of the Directors give rise to specific risk to the going concern basis of the operating segments or Group.

The forecasts and projections, which the Directors consider to be prudent, have been further sensitised by applying reductions to revenue growth and margin, to consider a severe but plausible downside. Under both the base and sensitised case, the Group is expected to have headroom against covenants, which are based on interest cover and net leverage, and a sufficient level of financial resources available through existing facilities when the future funding requirements of the Group are compared with the level of committed available

DIRECTORS' REPORT

facilities. In addition, the Directors have prepared a severe downside scenario to determine the level of revenue decline required for the Group to no longer be considered a going concern. The analysis demonstrates that revenue would need to fall by 27% from forecast levels with no remedial action for this to occur. Even in this extreme scenario, the Group would retain sufficient liquidity to meet its obligations and continue operations beyond 31 December 2026.

Based on this, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Group and Company financial statements.

Further details on going concern are provided in note 2 of the Group financial statements which is incorporated by reference and forms part of this Directors' report.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the Group financial statements were:

- Anne de Kerckhove (appointed on 9 September 2024).
- Christopher Lee.
- Claire Thomson.
- Yvonne Monaghan.
- Stuart Warriner.
- David Moss.
- Richard Law (resigned on 30 April 2024).

In accordance with the Articles of Association, one-third of the Group Board are required to stand for re-election at the forthcoming AGM and any Director who has not been re-elected at one of the two previous AGMs is to be proposed for re-election. However, to align with best practice, the Group Board has again decided that all Directors would retire and seek re-election by the Company's shareholders at the 2025 AGM. The Directors confirm that having conducted a performance evaluation, each Director continues to contribute and demonstrate commitment to their role.

The Directors who held office during the year and as at 31 December 2024 had the interests in the Ordinary Shares of the Company as shown in the table on page 94.

In addition to the interest in Ordinary Shares shown in the table on page 94, the Group operated an LTIP for senior executives in 2024, under which awards may be granted over the Ordinary Shares in the Company. The maximum number of Ordinary Shares which could be issued to Directors in the future under LTIP awards as at 31 December 2024 is shown on this page:

NAME OF DIRECTOR	NUMBER
Christopher Lee	1,209,082
Claire Thomson	891,820

The Group also operates a SAYE for all employees which Executive Directors may elect to participate in. The maximum number of Ordinary Shares which could be issued to Directors in the future under SAYE awards as at 31 December 2024 is shown below:

NAME OF DIRECTOR	NUMBER
Christopher Lee	41,222
Claire Thomson	41,222

The market price of the Company's shares at the end of the financial year was 45.5p (31 December 2023: 60.5p) and the range of market prices during the year ended 31 December 2024 was between 43.2p and 72.0p.

Further details of related party transactions with Directors are provided in note 25 of the Group financial statements.

Directors' insurance

The Company maintains Directors' and Officers' liability insurance for the Directors, which was in force during the full year 2024 and remains in force as at the date of this Report.

Significant shareholdings

Please see details of our major shareholders on the Company's website.

Employee engagement statement

Our Strategic report on page 21 sets out the arrangements made or maintained in 2024 aimed at providing employees systematically with information on matters of concern to them and consulting employees on a regular basis.

The `Group Board engagement with our businesses and employees' section on page 65 summarises how the Directors have engaged with employees and explains how the Group Board aims to provide employees systematically with information on matters of concern to them as employees and achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Group.

Our Strategic report on page 21 summarises all employee engagement and how our Directors and Divisional Leads have had regard to employee interests and the effect of that regard, including on the principal decisions taken by the Group or each Division during the financial year.

Those sections are incorporated by reference and form part of this Directors' report.

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion. For further information on the Group's DEI policy please see pages 34-35.

DIRECTORS' REPORT

Statement on engagement with other stakeholders

The 'Fostering relationships with other stakeholders' section on page 65 summarises how the Directors have engaged with other stakeholders.

Our Strategic report on pages 21-24 summarises all stakeholder engagement and how our Directors and Divisional Leads have had regard to the need to foster other stakeholder relationships and the effect of that regard, including on the principal decisions taken by the Group or each Division during the financial year.

That section is incorporated by reference and forms part of this Directors' report.

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 (FY 23: nil).

Share capital and voting

The Company has one class of equity share, 1 pence Ordinary Shares, with full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and the Company's Articles of Association.

As at 31 December 2024, the Company's issued share capital comprised: 165,221,739 Ordinary Shares of 1 pence.

Shareholders' authority for the purchase by the Company of its own shares

At the 2024 AGM, shareholders authorised the Company to make market purchases of up to a maximum number of Ordinary Shares of 16,745,000, which represented approximately 10% of the Company's issued Ordinary Share capital on the latest practicable date prior to publication of the 2024 Notice of Annual General Meeting.

The minimum price allowed for such purchases is nominal value and the maximum is 5% above the average of the middle market quotations for such shares for the five business days immediately preceding the day of purchase. The Directors intend to seek renewal of this authority, which is due to expire at the conclusion of the 2025 AGM. Further details are given in the 2025 Notice of Annual General Meeting.

Appointment and replacement of Directors and changes to constitution

Rules governing the appointment and replacement of Directors and those relating to the amendments of the Company's Articles of Association are contained within the Articles of Association. The Articles of Association are available on the Company's website.

Notice of Annual General Meeting

Details of business to be conducted at this year's AGM are contained in the Notice of the Annual General Meeting which will be communicated to shareholders separately.

It is the opinion of the Directors that the passing of these resolutions is in the best interest of the shareholders.

Corporate governance

The Company adheres to the QCA Corporate Governance Code 2023. Our governance structure and the Group's statement on corporate governance can be found in the Corporate Governance section of this Report on pages 60-100 which is incorporated by reference and forms part of this Directors' report. It can also be found on the Company's website.

Research and development

Information relating to research and development carried out by the Group in relation to products and services can be found in the CFO's review on pages 52-54 which is incorporated by reference and forms part of this Directors' report.

Likely future developments in the Group's business

Likely future developments in the Group's business are covered in the CEO's review on pages 15-18 which is incorporated by reference and forms part of this Directors' report.

Branches

The Group has a number of global subsidiary companies as listed in note 8 to the accounts but there are no branches outside of the UK.

Forward-looking statements

This Annual Report contains forward-looking statements that involve risk and uncertainties. The Group's actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors. Information contained in this Annual Report relating to the Company should not be relied upon as a guide to future performance.

Events after the end of financial year

There were no events occurring after the balance sheet date that require disclosing in accordance with IAS 10 'Events after the reporting period'.

Greenhouse Gas emissions and energy use

Our ESG Section on pages 26-46 contains disclosures of our UK energy use and GHG emissions, as required under the Companies (Directors' report) and Limited Liabilities Partnerships (Energy & Carbon Report) Regulations 2019.

That section is incorporated by reference and forms part of this Directors' report.

Independent auditors

The Group's external auditors, BDO, have indicated their willingness to continue in office and, in accordance with the recommendation of the Audit Committee, a resolution to reappoint BDO as the external auditors will be proposed at the upcoming AGM.

DIRECTORS' REPORT

Further details of the Audit Committee's selection and appointment process can be found on page 82.

Disclosure of information to auditors

In the case of each Director:

- So far as the director is aware, there is no information that would be needed by the company's auditors in connection with preparing their audit report, of which the auditors are not aware.
- They have taken all the steps that they ought to have taken as a director to make themself aware of any such information and to establish that the auditors are aware of it.

By order of the Group Board.

Claire Thomson
CFO

17 March 2025

The Pebble Group plc
Broadway House
Trafford Wharf Road
Manchester, M17 1DD
Registered in England and Wales with company number: 12231361

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Directors' responsibilities

The Directors are responsible for preparing the annual 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 are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of the profit or loss of the Group for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Claire Thomson
CFO

17 March 2025

Financial Statements.

In this section

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PEBBLE GROUP PLC

Opinion on the financial statements

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 2024 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 Consolidated and Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Pebble Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow statement, the Company Balance Sheet and the Company Statement of Changes in Equity and notes to the financial statements, including material and significant accounting policy information. The financial reporting framework that has been applied in the preparation of the Consolidated 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 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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 entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- Challenging the rationale for the assumptions used in the cash flow forecasts prepared to facilitate the Directors' conclusions related to the use of the going concern basis of accounting, using our knowledge of the business and the sector;
- Assessing the appropriateness of the Directors' forecasts by testing their mathematical accuracy, the accuracy of historical forecasting and challenging the Directors' assumptions within the downside sensitivity analysis and reverse stress testing;
- Reperforming sensitivities on the Directors' base case and stressed case scenarios, considering the likelihood of these occurring, and understanding and challenging the mitigating actions the Directors' would take under these scenarios;
- Reviewing and considering the adequacy of the going concern disclosures within the financial statements with reference to the requirements of the applicable financial reporting framework, and assessing the consistency of the disclosures with the Directors' forecasts and going concern assessment; and
- Obtaining and reviewing the Revolving Credit Facility held by the group and the amendments made to the facility post year end.

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 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.

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

Overview

	2024
KEY AUDIT MATTERS	
Capitalised Development Costs	✓
Valuation of Investments and Intercompany Receivables (Parent company only)	✓
MATERIALITY	
Group financial statements as a whole	
£1,250,000 based on 1% of Revenue.	

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PEBBLE GROUP PLC**

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components

There are 14 entities within the Group, including the Parent Company, and based on the nature of the entities, and the decentralised nature of the processes and controls of the entities, we deem there to be 13 components. The nature of the entities in the Group is as follows:

- 1 entity is the Parent Company, which holds investments in the other holding entities in the Group;
- 1 entity is dormant and has no financial impact on the financial statements;
- 3 entities are holding companies, and hold investments in the trading entities in the Group; and
- The remaining 9 entities are trading entities, including the Group's main trading entities being Brand Addition Limited, Gateway CDI Inc ('Brand Addition US') and FacilisGroup LLC.

The dormant entity which has no financial impact on the consolidated financial statements has not been considered as a component. For all 13 components, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence to support the Group audit opinion.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

COMPONENT	COMPONENT NAME	ENTITY	GROUP AUDIT SCOPE
1	The Pebble Group plc	The Pebble Group plc	Statutory audit and procedures on the entire financial information of the component
2	Brand Addition UK	Brand Addition Limited	Statutory audit and procedures on the entire financial information of the component
3	Brand Addition US	Gateway CDI Inc	Procedures on the entire financial information of the component
4	Facilis US	FacilisGroup LLC	Procedures on the entire financial information of the component
5	Brand Addition Germany	Brand Addition GmbH	Procedures on one or more classes of transactions, account balances or disclosures
6	Project Amber Bidco	Project Amber Bidco Limited	Statutory audit and procedures on the entire financial information of the component
7–13	All other identified components	All other entities 7. Brand Addition Asia Limited 8. Brand Addition (Shanghai) Trading Co Limited 9. Brand Addition Reklam Urunleri Dagitim vs Ticaret Limited Sirketi 10. Brand Addition Ireland Limited 11. Facilisgroup Canada Inc 12. H.I.G Milan Germany Bidco GmbH 13. The Pebble Group US Bidco Inc.	Risk assessment procedures

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PEBBLE GROUP PLC

The Group engagement team has performed the majority of the procedures and has not involved component auditors in the Group audit. However, we engaged local auditors to perform certain limited specific procedures in Germany and the US on Stock and Taxation.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to:

- Goodwill and other intangible assets;
- Cash and cash equivalents;
- Tax balances;
- Expected credit loss provisions;
- Share based payments;
- Consolidation, financial statement preparation and cash flow statement;
- Going concern; and
- Laws and regulations.

We therefore designed and performed procedures centrally in these areas.

The Group operates a decentralised IT function that supports IT processes for each component, The IT functions are subject to specified risk-focused audit procedures, predominantly testing for appropriate design and implementation of the relevant IT general controls and IT application controls.

Locations

The Pebble Group plc's operations are spread over a number of different geographical locations. We visited 5 out of a total of 10 locations. Our teams conducted procedures in The Pebble Group plc's locations in the United Kingdom (UK), Germany and the United States (US).

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER		HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Capitalised Development costs Refer to "Note 2h – Development costs" within Accounting Policies and "Note 13 – Software and development costs and Work in Progress" within the Intangible Assets	The group capitalised development costs of £6.6 million during the year ended 31 December 2024, of which £5.4 million relates to internally generated costs. Management prepared an accounting paper and use this to justify capitalising such costs. There is a risk that capitalised development cost additions are incorrectly capitalised in the statement of financial position at the reporting date. This can arise where internally generated costs (such as wages and salaries) are incorrectly capitalised in line with IAS 38 Intangible Assets or inaccurately recorded due to inappropriate proportion of time capitalised per staff. Capitalised staff cost was therefore determined to be a significant audit risk and a key audit matter.	Our audit procedures performed included the following: • Obtained the paper and project assessment prepared by management in relation to the capitalised development costs and challenged the key assumptions used by the directors to determine the amounts capitalised in accordance with IAS 38; • Obtained the underlying schedules for the capitalised development costs and for a sample of employees, we tested the accuracy of the amounts capitalised to supporting documentation; • For a sample of employees, we challenged the appropriateness of the internal employee costs capitalised, by reviewing and challenging the roles, and responsibilities of the individuals per the employment contracts; • For a sample of employees, we challenged the appropriateness of the proportion of time capitalised per employee through interviews of employees; and • We evaluated the disclosures included within the financial statements relating to capitalised development costs. **Key observations:** Based on the procedures performed, we found management's capitalisation policies to be in line with the requirements of applicable accounting standards and the capitalisation of Development costs to be appropriate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PEBBLE GROUP PLC

KEY AUDIT MATTER		HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of Investments and Intercompany receivables (Parent company only) Refer to "Note 2e – Investment in subsidiary undertakings" within Accounting Policies and "Note 8 – Investments" Note 9 – Trade and other debtors	The company has investments in subsidiaries of £113.3m (2023: £113.6m) and gross amounts owed by group undertakings of £72.9m (2023: £78.3m). Given the magnitude of both of these balances, and management's identified impairment trigger, we considered the risk of impairment of these assets. Management performed an impairment assessment, for both balances, and have concluded that an impairment in the year is required of £62.9 million. Therefore, we have assessed the valuation of investments and intercompany receivables to be a key audit matter due to the significance of these amounts in deriving the Parent Company's results and the degree of assumptions, judgment and estimation underpinning the impairment assessment.	In assessing the appropriateness of valuation of investment in subsidiaries and amounts owed by group undertakings, Management prepared a comparison of the overall carrying value of the investment and intercompany receivable to the group's market capitalisation. As the group's market capitalisation was lower than the carrying value of the investment and intercompany receivable at the year end, management identified a trigger for an impairment assessment to be performed. • Management performed a value in use calculation and we challenged the assumptions utilised within the model. • We recalculated historic growth rates and EBITDA margins, within management's impairment model. • We challenged management on their assumptions and we were provided with additional sensitivities, which were challenged further through the use of specialists in order to assess the appropriateness of the discount rate utilised within the value in use calculation. • We inspected the results of the two months post year end against forecast for the year to December 2025. **Key observations:** Based on the above procedures we concluded that management's impairment charge to the carrying value of the investments and intercompany receivables of £62.9 million was appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2024 GROUP FINANCIAL STATEMENTS	2024 PARENT COMPANY FINANCIAL STATEMENTS
Materiality	£1,250,000	£2,850,000
Basis for determining materiality	Set based on 1% of Revenue	Set based on 1.5% of total assets
Rationale for the benchmark applied	We consider revenue to be the most relevant measure for users of the financial statements.	We consider total assets to be the most relevant measure for users of the financial statements.
Performance materiality	£875,000	£2,137,500
Basis for determining performance materiality	70% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	This was considered appropriate based on: • Knowledge of the Group, • Degree of estimation in financial statements, • Historic misstatement levels	This was considered appropriate based on: • Knowledge of the Company, • Degree of estimation in financial statements, • Historic misstatement levels

The above table states the Parent Company statutory materiality for the current period, the component materiality allocated to the parent company is £787,500 which is 90% of the group performance materiality.

For the purposes of the Group Audit, we have performed audit procedures using Component performance materiality, being the lower of the Statutory performance materiality and Component performance materiality.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PEBBLE GROUP PLC

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 65% and 90% of Group materiality dependent on a number of factors including the size of the component and our assessment of the risk of material misstatement of that component. Component performance materiality ranged from £440,000 to £787,500.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £50,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled annual report other than the financial statements and our auditor's report thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and Parent Company and its 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PEBBLE GROUP PLC

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- our understanding and knowledge of the Group and the sector in which it operates;
- Discussion with management and those charged with governance and legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be:

- UK adopted international accounting standards;
- United Kingdom Accounting Standards, including Financial Reporting Standard 102 (The Financial Reporting Standard in the United Kingdom and Republic of Ireland) (United Kingdom Generally Accepted Accounting Practice);
- Companies Act 2006;
- UK tax legislation; and
- AIM Listing Rules

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be:

- the health and safety legislation;
- GDPR and data protection legislation; and
- Employment legislation.

Our audit procedures included, but were not limited to:

- Holding discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation;
- Reviewing minutes of Board meetings of those charged with governance for any instances of non-compliance with laws and regulation;
- Involvement of tax specialists in the audit;
- Review of financial statement disclosure and agreeing to supporting documentation; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, including the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition (revenue recognised before the completion of performance obligations and the completeness of customer rebate) and the capitalisation of development costs.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PEBBLE GROUP PLC

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management for bias in their significant accounting estimates; in particular, in relation to impairment considerations related to goodwill and other intangibles, the capitalisation of development costs and the fair value of share based payments;
- Identifying and testing journal entries to source documentation, in particular any journal entries posted with unusual revenue account combinations or including specific words in the journal description to supporting documentation;
- In relation to revenue, we:
  - vouched a sample of revenue recognised in the final month of the year to supporting documentation, confirming the performance obligation was met in the accounting period;
  - For a sample of customer rebates we vouched to rebate agreements and performed a recalculation of the amount; and
  - For a sample of customers with revenue in the year, we obtained their agreement to understand whether a rebate clause exists, and traced to the rebate schedule to verify the balance was complete.
- Incorporating an element of unpredictability into the audit procedures, by testing a sample of immaterial expenses incurred and assets capitalised in the period to supporting documentation to assess validity;
- Holding discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of Board meetings for instances of non-compliance with laws and regulation and fraud; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Wilbourn (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

17 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	4	**125,268**	124,171
Cost of goods sold	5	**(69,816)**	(69,988)
Gross profit		**55,452**	54,183
Operating expenses	5	**(46,829)**	(46,185)
Operating profit		**8,623**	7,998
Analysed as:			
Adjusted EBITDA[1]		**16,687**	15,978
Depreciation	14	**(2,206)**	(2,248)
Amortisation	13	**(6,316)**	(5,184)
Share-based payment credit/(charge)	24	**458**	(548)
Operating profit		**8,623**	7,998
Finance expense	7	**(545)**	(589)
Profit before taxation		**8,078**	7,409
Income tax expense	9	**(1,712)**	(1,614)
Profit for the year		**6,366**	5,795
Basic earnings per share	10	**3.83p**	3.46p
Diluted earnings per share	10	**3.82p**	3.45p

Note 1 Adjusted EBITDA, which is defined as operating profit before depreciation, amortisation and share-based payment credit/(charge), is a non-GAAP metric used by management and is not an IFRS disclosure.

All results derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024 £'000	2023 £'000
Profit for the year	**6,366**	5,795
Items that may be subsequently reclassified to profit and loss		
Exchange differences on translation of foreign operations	**504**	(2,068)
Other comprehensive income/(expense) for the year	**504**	(2,068)
Total comprehensive income for the year	**6,870**	3,727

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Intangible assets	13	**61,758**	61,307
Property, plant and equipment	14	**7,123**	8,306
Deferred tax asset	15	**285**	282
Total non-current assets		**69,166**	69,895
Current assets			
Inventories	16	**12,095**	11,852
Trade and other receivables	17	**30,651**	30,158
Cash and cash equivalents	18	**16,459**	15,898
Current tax asset		**49**	–
Total current assets		**59,254**	57,908
Total assets		**128,420**	127,803
Liabilities			
Non-current liabilities			
Lease liability	20	**5,185**	6,130
Deferred tax liability	15	**1,645**	2,365
Total non-current liabilities		**6,830**	8,495
Current liabilities			
Lease liability	20	**1,652**	1,494
Trade and other payables	19	**28,562**	28,965
Current tax liability		**–**	381
Total current liabilities		**30,214**	30,840
Total liabilities		**37,044**	39,335
Net assets		**91,376**	88,468

	Note	2024 £'000	2023 £'000
Equity			
Share capital	21	**1,648**	1,675
Share premium	21	**78,451**	78,451
Own share reserve		**(251)**	(227)
Capital reserve		**152**	125
Merger reserve		**(103,581)**	(103,581)
Translation reserve		**(701)**	(1,205)
Share-based payment reserve		**1,442**	2,005
Retained earnings		**114,216**	111,225
Total equity		**91,376**	88,468

The notes on pages 113 to 134 are an integral part of these financial statements.

The financial statements on pages 109 to 134 were approved by the Board of Directors and authorised for issue on 17 March 2025, and were signed on its behalf by:

Claire Thomson

Director

17 March 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £'000	Share premium £'000	Own share reserve £'000	Capital reserve £'000	Merger reserve £'000	Translation reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023		1,675	78,451	–	125	(103,581)	863	1,892	106,164	85,589
Profit for the year		–	–	–	–	–	–	–	5,795	5,795
Other comprehensive expense for the year		–	–	–	–	–	(2,068)	–	–	(2,068)
Total comprehensive (expense)/income		–	–	–	–	–	(2,068)	–	5,795	3,727
Dividend paid	12	–	–	–	–	–	–	–	(1,005)	(1,005)
Purchase of own shares by EBT		–	–	(395)	–	–	–	–	–	(395)
Employee share schemes – value of employee services	24	–	–	168	–	–	–	136	271	575
Deferred tax on employee share schemes	15	–	–	–	–	–	–	(23)	–	(23)
Total transactions with owners recognised in equity			–	(227)	–	–	–	113	(734)	(848)
At 31 December 2023		1,675	78,451	(227)	125	(103,581)	(1,205)	2,005	111,225	88,468
Profit for the year		–	–	–	–	–	–	–	6,366	6,366
Other comprehensive income for the year		–	–	–	–	–	504	–	–	504
Total comprehensive income	12	–	–	–	–	–	504	–	6,366	6,870
Dividend paid	21	–	–	–	–	–	–	–	(2,005)	(2,005)
Purchase of own shares	21	(27)	–	–	27	–	–	–	(1,416)	(1,416)
Purchase of own shares by EBT	21	–	–	(109)	–	–	–	–	–	(109)
Employee share schemes – value of employee services	24	–	–	85	–	–	–	(563)	46	(432)
Deferred tax on employee share schemes	15	–	–	–	–	–	–	–	–	–
Total transactions with owners recognised in equity		(27)	–	(24)	27	–	–	(563)	(3,375)	(3,962)
At 31 December 2024		**1,648**	**78,451**	**(251)**	**152**	**(103,581)**	**(701)**	**1,442**	**114,216**	**91,376**

The notes on pages 113 to 134 are an integral part of these financial statements.

The Group has an Employee Benefit Trust (EBT) to administer share plans and to acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes. At 31 December 2024, the EBT held 453,187 shares (2023: 412,637).

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit before taxation		**8,078**	7,409
Adjustments for:			
Depreciation	14	**2,206**	2,248
Amortisation	13	**6,316**	5,184
Share-based payment (credit)/charge	24	**(458)**	548
Profit on disposal of fixed assets		**–**	(18)
Finance expense	7	**545**	589
Cash flows from operating activities before changes in working capital		**16,687**	15,960
Change in inventories		**(285)**	3,595
Change in trade and other receivables		**(635)**	4,535
Change in trade and other payables		**(293)**	(7,422)
Cash flows from operating activities		**15,474**	16,668
Income taxes paid		**(2,655)**	(2,517)
Net cash flows from operating activities		**12,819**	14,151

	Note	2024 £'000	2023 £'000
Cash flows from investing activities			
Purchase of property, plant and equipment	14	**(203)**	(882)
Purchase of intangible assets	13	**(6,559)**	(7,648)
Net cash flows used in investing activities		**(6,762)**	(8,530)
Cash flows from financing activities			
Lease payments - capital		**(1,702)**	(1,600)
Lease payments - interest		**(357)**	(399)
Interest paid		**(86)**	(190)
Dividends paid	12	**(2,005)**	(1,005)
Share-based payments – cash-settled		**(7)**	–
Purchase of own shares	21	**(1,416)**	–
Purchase of own shares by EBT	21	**(109)**	(395)
Net cash flows used in financing activities		**(5,682)**	(3,589)
Net cash flows		**375**	2,032
Cash and cash equivalents at beginning of year		**15,898**	15,058
Effects of exchange rate changes		**186**	(1,192)
Cash and cash equivalents at end of year	18	**16,459**	15,898

The notes on pages 113 to 134 are an integral part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. General information

The principal activity of The Pebble Group plc (the "Company") is that of a holding company and the principal activity of the Company and its subsidiaries (the "Group") is the sale of technology solutions, products and related services to the promotional merchandise industry. The Group has two segments: Brand Addition; and Facilisgroup. For Brand Addition, this is the sale of promotional products internationally, to many of the world's best-known brands. For Facilisgroup, this is the provision of digital technology, consolidated buying power, and community learning and networking events to SME promotional product distributors in North America, its Partners, through subscription-based services.

The Company was incorporated on 27 September 2019 in the United Kingdom and is a public company limited by shares registered in England and Wales. The registered office of the Company is Broadway House, Trafford Wharf Road, Trafford Park, Manchester, England M17 1DD. The Company registration number is 12231361.

Forward-looking statements

Certain statements in this Annual Report are forward looking with respect to the operations, strategy, performance, financial condition, and growth opportunities of the Group. The terms "expect", "anticipate", "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, by their nature these statements are based on assumptions and are subject to a number of risks and uncertainties. Actual events could differ materially from those expressed or implied by these forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, without limitation: general economic conditions and business conditions in the Group's markets, customers' expectations and behaviours, supply chain developments, technology changes, the actions of competitors, exchange rate fluctuations, and legislative, fiscal and regulatory developments. Information contained in these financial statements relating to the Group should not be relied upon as a guide to future performance.

Alternative performance measures

Throughout the Annual Report, we refer to a number of alternative performance measures (APMs). APMs are used internally by management to assess the operating performance of the Group. These are non-GAAP measures and so other entities may not calculate these measures in the same way and hence are not directly comparable. The APMs that are not recognised under UK-adopted international accounting standards are:

- Adjusted EBITDA;
- Adjusted operating profit;
- Adjusted profit before tax;
- Adjusted earnings; and
- Adjusted earnings per share (EPS) (note 10).

A reconciliation of the APMs can be found in note 11.

The Board considers that the above APMs provide useful information for stakeholders on the underlying trends and performance of the Group and facilitate meaningful year on year comparisons.

2. Accounting policies

(a) Basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Company financial statements have been prepared under FRS 102. Both financial statements have been prepared on the historical cost basis with the exception of certain items which are measured at fair value as disclosed in the principal accounting policies set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial information is presented in Sterling and has been rounded to the nearest thousand (£'000).

(b) Going concern

The Group meets its day-to-day working capital requirements through its own cash balances and committed banking facilities. The Group refinanced its £10m revolving credit facility in February 2025 for a four-year period to February 2029. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the Directors have prepared cash flow forecasts and projections up to 31 December 2026. The Directors have considered the principal risks and uncertainties with respect to their assessment, none of which in the opinion of the Directors give rise to specific risk to the going concern basis of the operating segments or Group.

The forecasts and projections, which the Directors consider to be prudent, have been further sensitised by applying reductions to revenue growth and margin, to consider a severe but plausible downside. Under both the base and sensitised case, the Group is expected to have headroom against covenants, which are based on interest cover and net leverage, and a sufficient level of financial resources available through existing facilities when the future funding requirements of the Group are compared with the level of committed available facilities. In addition, the Directors have prepared a severe downside scenario to determine the level of revenue decline required for the Group to no longer be considered a going concern. The analysis demonstrates that revenue would need to fall by 27% from forecast levels with no remedial action for this to occur. Even in this extreme scenario, the Group would retain sufficient liquidity to meet its obligations and continue operations beyond 31 December 2026.

Based on this, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Group and Company financial statements.

(c) New standards, amendments and interpretations

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

The amendments listed above do not have any impact on the amounts recognised in prior periods and are not expected to significantly affect current or future periods.

New standards and interpretations not yet adopted

Standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

- Lack of Exchangeability (Amendments to IAS 21);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements issued; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on these financial statements together with estimates with a significant risk of material adjustment in the next year are discussed in note 3.

(d) Basis of consolidation

Subsidiaries are defined as entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Employee Benefit Trust (EBT)

The Group established an EBT (The Pebble Group Employee Benefit Trust) on 2 May 2023 to enable shares to be bought in the market to satisfy the demand from share awards under the Group's employee share schemes. The EBT is a separately administered trust and is funded by contributions from Group companies in the form of a loan or a gift. The assets of the trust comprise shares in The Pebble Group plc and cash balances. The Group recognises the assets and liabilities of the trust in the consolidated financial statements and shares held by the trust are recorded in the own share reserve as a deduction from shareholders' equity.

(e) Revenue

Revenue arises from the provision of services through digital technology and a global infrastructure that enables the efficient sale and distribution of products to support corporate marketing activity and consumer promotions of businesses in Europe, North America and Asia.

To determine whether to recognise revenue, the Group follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT, refunds, customer rebates and other sales related taxes.

Revenue is recognised either at a point in time, or over-time as the Group satisfies performance obligations by transferring the promised goods and services to its customers as described below. Variable consideration, in the form of customer rebates, is recognised at a point in time.

Facilisgroup provision of digital technology, consolidated buying power and community learning through subscription-based services

Services are provided through signed annual Partner agreements. There is one distinct performance obligation, being the provision of access to the Facilisgroup network. The transaction price is set on 1 January each year by reference to the previous year sales volumes and is fixed for the financial year. For new Partners, the transaction price is calculated by reference to forecasted sales for the year the Partner joins. Revenue is recognised over time on a monthly basis as the Partners receive the benefits of being part of the network. Payments are received on a monthly basis as the performance obligations are satisfied over time.

Revenue earned from Preferred Suppliers is recognised over time on a monthly basis in line with orders placed by Partners with these suppliers. Payments are received bi-annually.

Brand Addition sale of promotional products

Contracts with customers take the form of customer orders under a framework agreement. There is one distinct performance obligation, being the design, sourcing and distribution of products to the customer, for which the transaction price is clearly identified. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from the Group to the customer. This tends to be on receipt of the product by the customer.

Customer invoices tend to be raised when the goods are despatched and the performance obligation is satisfied. These invoices are shown within trade receivables and payment is usually made within 60 days (being the common payment terms). In cases where the goods have been delivered and an invoice cannot be raised at that time, the income is accrued and presented within other receivables in the statement of financial position. A small number of customers are invoiced in advance and these amounts are deferred and presented within contract liabilities.

(f) Supplier rebates

In the Brand Addition segment, amounts due under rebate agreements are recognised based upon volumes of products purchased during the period to which the rebates relate at the relevant rebate rates, per supplier agreements. Amounts are credited to the cost of purchase of goods for resale and any accrued income is included in other receivables.

(g) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on: the initial recognition of goodwill; the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A net deferred tax asset is regarded as recoverable, and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Intangible assets

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately, or which arise from legal or contractual rights regardless of whether those rights are separable and are initially recognised at fair value.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. Other intangibles are stated at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Customer relationships
Customer relationships acquired in a business combination are recognised at fair value at the date of acquisition. Customer relationships have a finite life and are subsequently carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives of 20 years.

Development costs
Research costs are charged to the income statement in the year in which they are incurred and are presented within operating expenses. Internal development costs that are incurred during the development of significant and separately identifiable new technology are capitalised when the following criteria are met:

- it is technically feasible to complete the technological development so that it will be available for use;
- management intends to complete the technological development and use or sell it;
- it can be demonstrated how the technological development will develop probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- expenditure attributable to the technological product during its development can be reliably measured.

Capitalised development costs include costs of materials and direct labour costs. Internal costs that are capitalised are limited to incremental costs specific to the project.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred and presented within operating expenses, together with any amortisation which is charged to the income statement on a straight-line basis over the estimated useful lives of development intangible assets.

Assets classified as "work in progress" are not amortised as such assets are not currently available for use at the year end. Once available for use, assets will be recategorised and amortised at the rate appropriate to their classification.

Computer software
Computer software purchased separately, that does not form an integral part of related hardware, is capitalised at cost.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite and is presented within operating expenses. All intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships – 20 years; and
- Software and development costs – 3-5 years.

(i) Impairment losses
The carrying amounts of the Group's assets are tested for impairment. Assets with an indefinite useful life are not depreciated or amortised but are tested for impairment at each reporting date. Assets subject to amortisation/depreciation and impairment losses are tested for impairment every time events or circumstances indicate that they may be impaired.

Impairment losses are recognised in the income statement based on the difference between the carrying amount and the recoverable amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates expected future cash flows and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each asset and reflect current market assessments of the time value of money and asset-specific risk.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics; they have been grouped based on the days past due.

(j) Financial instruments
Financial assets
Non-derivative financial assets are classified as either financial assets at amortised cost or fair value through profit or loss. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The basis of classification depends on the Group's business model and the contractual cash flow characteristics of the financial asset. The majority of financial assets of the Group are held at amortised cost.

Financial assets include trade and other receivables and cash and cash equivalents. Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Cash and cash equivalents comprise cash balances held in banks.

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. 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.

The Group considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses. 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 income statement within operating expenses.

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 operating expenses in the income statement. Only when amounts are confirmed irrecoverable, are they written off to the income statement.

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

2. Accounting policies (continued)

Financial liabilities
Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Group's borrowings, leases, trade, and most other payables fall into this category of financial instruments.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial derivatives
The Group uses derivative financial instruments to hedge its exposure to risks arising from operational activities, principally foreign exchange risk. In accordance with the treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. The Group does not hedge account for these items. Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists. At certain times the Group has foreign currency forward contracts that fall into this category.

(k) Foreign currencies
Items included in the financial statements are measured using the currency of the primary economic environment in which the parent company operates (the "functional currency"). The functional and presentational currency is Sterling.

The functional currency of a subsidiary is determined based on specific primary and secondary factors including the principal currency of the cash flows and the primary economic environment in which the subsidiary operates. Once determined, the functional currency is used and translated for consolidation purposes.

Foreign currency items are translated using the transaction date exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Foreign currency differences are taken to the income statement. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the transaction date exchange rate.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at closing rates. The income and expenses of foreign operations are translated at the average exchange rate of the year which approximates to the transaction date exchange rates. Exchange differences arising on consolidation are presented within other comprehensive income.

(l) Property, plant and equipment and depreciation
Property, plant and equipment are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation is calculated using straight-line method so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Fixtures and fittings – 3 - 15 years; and
- Computer hardware – 5 years.

(m) Inventories
Inventories are valued at the lower of cost and net realisable value on a First In, First Out basis. Cost comprises purchase price plus associated freight and duty costs for imported goods. Inventories are regularly assessed for evidence of impairment. Where such evidence is identified, a provision is recognised to reduce the value of stock to its selling price after incurring any future costs to sell.

(n) Leases
The Group applies IFRS 16 to account for leases. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to restore the underlying asset, less any lease incentives received. Extension and termination options are included in a number of property and equipment leases across the Group and so lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Group's incremental borrowing rate, which is based on the Group's financing facilities, and adjusted where necessary for the specific terms of the lease.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right-of-use asset is zero.

The Group presents right-of-use assets within property, plant and equipment in note 14.

Short-term leases and low value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term. Any expense for short-term and low value leases is not material and has not been presented.

(o) Segmental reporting
The Group reports its business activities in two areas being:

- Brand Addition - sale of promotional products through services provided under framework contracts on an international basis; and
- Facilisgroup - provision of digital technology, consolidated buying power and community learning and networking events to SME promotional product distributors in North America through subscription-based services.

This is reported in a manner consistent with the internal reporting to the Executive Directors, who have been identified as the Chief Operating Decision Maker.

(p) Employee benefits
The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans
The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are included in other payables within trade and other payables in the statement of financial position. The assets of the plans are held separately from the Group in independently administered funds.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Share-based payments

Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the income statement spread over the vesting period. Fair value of the awards are measured using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model. The fair value of the options, appraised at the grant date, includes the impact of market-based vesting conditions if applicable.

Share-based remuneration is recognised as an expense/credit in profit or loss with the credit/debit side of the entry being recorded in equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

(q) Equity, reserves and dividend payments

Share capital

Share capital represents the nominal (par) value of shares that have been issued.

Share premium

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Own share reserve

Own share reserve represents Ordinary Shares in the Company held by the Employee Benefit Trust set up in 2023 to administer share plans and acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes.

Capital reserve

The capital reserve was created in 2021 as a result of the purchase by the Company of all deferred shares in issue.

Merger reserve

The merger reserve was created as a result of the share for share exchange under which The Pebble Group plc became the parent undertaking prior to the Initial Public Offering (IPO). Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group financial statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

Translation reserve

The translation reserve includes foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses. When share capital recognised as equity is repurchased by the Group, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are subsequently cancelled and classified as a deduction in Share capital with a corresponding increase in Capital reserve.

All transactions with owners of the parent are recorded separately within equity.

Dividends

Dividends are recognised when approved by the Group's shareholders or, in the case of interim dividends, when the dividend has been paid. No interim dividend has been paid in the year (2023: £nil). The Directors recommend the payment of a final dividend for 2024 of 1.85 pence per share (2023: 1.2 pence per share).

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the Group financial statements, the Directors, in applying the accounting policies of the Group, make some judgements and estimates that affect the reported amounts in the financial statements. The following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements:

(a) Accounting estimates

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Goodwill impairment

The Group tests goodwill for impairment every year in accordance with the relevant accounting policies. The recoverable amounts of cash-generating units are determined by calculating value in use.

Goodwill relates to the various acquisitions made and amounts to £36,015,000 as at 31 December 2024 (2023: £35,964,000). The estimates used in the impairment calculation are set out in note 13. There is no significant risk of material adjustment to the carrying amount of the goodwill within the next 12 months. The sensitivities applied are explained in note 13.

Useful economic lives of intangible assets

The Directors have estimated the useful economic lives of the acquired customer intangible assets to be 20 years based upon attrition rates and the Directors' judgement. These lives are reviewed and updated annually. There is no significant risk of material adjustment to the carrying amount of the intangible assets within the next 12 months. No reasonable sensitivity performed in relation to the useful economic lives assumption would result in a material change in the carrying value of intangible assets.

During the year, the Directors made the decision to align the useful lives of certain acquired intangible assets with those that are internally generated. The impact of this change is explained in note 13.

Share-based payment charge/credit

Fair values used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. These fair values are calculated by applying a valuation model, which is in itself judgemental, and takes into account certain inherently uncertain assumptions. The basic assumptions that are used in the calculations are explained further in note 24. No reasonable sensitivity performed in relation to the share-based payment assumptions would result in a material change to the charge/credit in the consolidated income statement.

(b) Accounting judgements

The following are the areas requiring the use of judgement that may significantly impact the Group financial statements:

Capitalisation of internal development costs

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. There is also some judgement required in relation to the proportion of time capitalised for employees working on the development of internally generated intangible assets. After capitalisation, management monitors whether the recognition requirements continue to be met and at what point amortisation should commence, in addition to whether there are any indicators that capitalised costs may be impaired.

Capitalised development expenditure is analysed further in note 13.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

4. Segmental analysis

The Chief Operating Decision Maker (CODM) has been identified as the Executive Directors. The Directors have determined that the operating segments, based on these financial statements, are:

- Brand Addition - sale of promotional products through complex services provided under framework contracts on an international basis;
- Facilisgroup - provision of technology solutions, consolidated buying power and community learning and networking events to SME promotional product distributors in North America through subscription-based services; and
- Central operations – certain central activities and costs that are not directly related to the activities of the operating segments.

Segment information about the above businesses is presented on the following pages.

The Executive Directors assess the performance of the operating segments based on Adjusted EBITDA and operating profit. Other information provided to the Directors is measured in a manner consistent with that in the financial statements. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment assets exclude centrally held cash at bank and in hand.

Major customers

In 2024, there was one major customer that individually accounted for at least 10% of total revenues (2023: one). In 2024, the revenue relating to this customer was £13,787,000 (2023: £12,511,000) and related to the Brand Addition segment.

Analysis of revenue by geographical destination

	2024 £'000	2023 £'000
United Kingdom	**18,193**	21,710
Continental Europe	**41,944**	41,896
North America	**42,713**	39,924
Rest of World	**22,418**	20,641
Total revenue	**125,268**	124,171

The geographical revenue information above is based on the location of the customer.

Included within Rest of World is £18,250,000 of revenue from China (2023: £14,378,000) and included within Continental Europe is £9,695,000 of revenue from Germany (2023: £8,917,000). No other individual countries represented more than 5% of total revenues and therefore are not considered by management to be individually material.

All £17,595,000 of revenue related to the Facilisgroup segment is included within North America (2023: £17,895,000).

All the above revenues are generated from contracts with customers and are recognised at a point in time or over time as follows:

	2024 £'000	2023 £'000
At a point in time	**108,407**	107,128
Over time	**16,861**	17,043
Total revenue	**125,268**	124,171

All £107,673,000 of revenue related to the Brand Addition segment is recognised at a point in time (2023: £106,276,000).

All non-current assets of the Group reside in the UK, with the exception of non-current assets with a net book value of £31,248,000 (2023: £31,525,000) which were located in North America and £2,091,000 (2023: £2,006,000) located in other foreign countries.

Income statement for the year ended 31 December 2024

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Revenue	107,673	17,595	-	**125,268**
Cost of goods sold	(69,816)	-	-	**(69,816)**
Gross profit	37,857	17,595	-	**55,452**
Operating expenses	(29,979)	(14,125)	(2,725)	**(46,829)**
Operating profit/(loss)	7,878	3,470	(2,725)	**8,623**
Analysed as:				
Adjusted EBITDA	10,771	8,760	(2,844)	**16,687**
Depreciation	(1,612)	(552)	(42)	**(2,206)**
Amortisation	(1,499)	(4,817)	-	**(6,316)**
Share-based payment credit	218	79	161	**458**
Operating profit/(loss)	7,878	3,470	(2,725)	**8,623**
Finance expense	(292)	(60)	(193)	**(545)**
Profit/(loss) before taxation	7,586	3,410	(2,918)	**8,078**
Income tax expense	(1,094)	(597)	(21)	**(1,712)**
Profit/(loss) for the year	6,492	2,813	(2,939)	**6,366**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

4. Segmental analysis (continued)

Statement of financial position as at 31 December 2024

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Assets				
Non-current assets				
Intangible assets	38,593	23,165	–	**61,758**
Property, plant and equipment	4,522	2,373	228	**7,123**
Deferred tax asset	187	–	98	**285**
Total non-current assets	43,302	25,538	326	**69,166**
Current assets				
Inventories	12,095	–	–	**12,095**
Trade and other receivables	24,649	5,726	276	**30,651**
Cash and cash equivalents	11,435	1,207	3,817	**16,459**
Current tax asset	10	39	–	**49**
Total current assets	48,189	6,972	4,093	**59,254**
Total assets	91,491	32,510	4,419	**128,420**
Liabilities				
Non-current liabilities				
Lease liability	3,269	1,788	128	**5,185**
Deferred tax liability	–	1,645	–	**1,645**
Total non-current liabilities	3,269	3,433	128	**6,830**
Current liabilities				
Lease liability	1,311	292	49	**1,652**
Trade and other payables	25,935	1,954	673	**28,562**
Total current liabilities	27,246	2,246	722	**30,214**
Total liabilities	30,515	5,679	850	**37,044**
Net assets	60,976	26,831	3,569	**91,376**

Income statement for the year ended 31 December 2023

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Revenue	106,276	17,895	–	124,171
Cost of goods sold	(69,988)	–	–	(69,988)
Gross profit	36,288	17,895	–	54,183
Operating expenses	(30,084)	(13,514)	(2,587)	(46,185)
Operating profit/(loss)	6,204	4,381	(2,587)	7,998
Analysed as:				
Adjusted EBITDA	9,491	8,851	(2,364)	15,978
Depreciation	(1,640)	(571)	(37)	(2,248)
Amortisation	(1,335)	(3,849)	–	(5,184)
Share-based payment charge	(312)	(50)	(186)	(548)
Operating profit/(loss)	6,204	4,381	(2,587)	7,998
Finance expense	(345)	(67)	(177)	(589)
Profit/(loss) before taxation	5,859	4,314	(2,764)	7,409
Income tax expense	(891)	(700)	(23)	(1,614)
Profit/(loss) for the year	4,968	3,614	(2,787)	5,795

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

4. Segmental analysis (continued)

Statement of financial position as at 31 December 2023

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Assets				
Non-current assets				
Intangible assets	38,472	22,835	–	61,307
Property, plant and equipment	5,269	2,803	234	8,306
Deferred tax asset	158	–	124	282
Total non-current assets	43,899	25,638	358	69,895
Current assets				
Inventories	11,852	–	–	11,852
Trade and other receivables	24,956	4,921	281	30,158
Cash and cash equivalents	12,906	1,607	1,385	15,898
Total current assets	49,714	6,528	1,666	57,908
Total assets	93,613	32,166	2,024	127,803
Liabilities				
Non-current liabilities				
Lease liability	4,161	1,969	–	6,130
Deferred tax liability	–	2,365	–	2,365
Total non-current liabilities	4,161	4,334	–	8,495
Current liabilities				
Lease liability	1,195	299	–	1,494
Trade and other payables	26,519	2,006	440	28,965
Current tax liability/(asset)	(202)	583	–	381
Total current liabilities	27,512	2,888	440	30,840
Total liabilities	31,673	7,222	440	39,335
Net assets	61,940	24,944	1,584	88,468

5. Expenses by nature

	2024 £'000	2023 £'000
Inventory recognised as an expense	**61,145**	61,777
Other cost of sales	**8,671**	8,211
Total cost of goods sold	**69,816**	69,988
Staff costs (note 6)	**27,177**	27,496
Depreciation of property, plant and equipment (note 14)	**2,206**	2,248
Amortisation of intangible assets (note 13)	**6,316**	5,184
Auditors' remuneration (note 8)	**450**	406
Share-based payment (credit)/charge (note 24)	**(458)**	548
Foreign exchange loss/(gain) and movement in foreign exchange derivative contracts	**23**	(146)
Increase in provision for expected credit losses	**129**	9
Other external charges	**10,986**	10,440
Total operating expenses	**46,829**	46,185
Total cost of goods sold and operating expenses	**116,645**	116,173

Depreciation and amortisation are charged to operating expenses in the income statement.

6. Staff costs

Personnel costs are analysed below.

	2024 £'000	2023 £'000
Staff costs (including Directors) consist of:		
Wages and salaries	**23,764**	23,744
Social security costs	**2,565**	2,972
Other pension costs	**848**	780
Total staff costs	**27,177**	27,496

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

6. Staff costs (continued)

Additional staff costs of £5,367,000 (2023: £6,626,000) have been capitalised as intangible assets (see note 13) as follows:

	2024 £'000	2023 £'000
Wages and salaries	**4,860**	6,055
Social security costs	**388**	455
Other pension costs	**119**	116
Total staff costs	**5,367**	6,626

Defined contribution scheme

The amount recognised in the income statement as an expense in relation to the Group's defined contribution schemes is £848,000 (2023: £780,000). Included within accruals and other payables is £98,000 (2023: £98,000) for outstanding contributions to the defined contribution schemes.

During the year, the monthly average number of the Group's employees (including Executive Directors and temporary employees) was as follows:

	2024 No.	2023 No.
By function:		
Management	**21**	21
Sales and distribution	**312**	316
Administration	**190**	240
Total employees	**523**	577

Key management compensation

Key management of the Group is considered to be the Board of Directors. Details of Directors' remuneration is disclosed in the Remuneration report on pages 84-95. Remuneration paid to these individuals on an aggregated basis is as follows:

	2024 £'000	2023 £'000
Salaries including bonuses	**768**	758
Social security costs	**98**	97
Short-term benefits	**34**	21
Share-based payment (credit)/charge	**(234)**	167
Total remuneration	**666**	1,043

Key management compensation also includes amounts in respect of the LTIP, as disclosed in the Remuneration report on pages 84-95. Key management compensation for the amount of £212,000 (2023: £nil) relating to bonuses has been included in staff costs but not paid as at the year end.

7. Finance expense

	2024 £'000	2023 £'000
Other interest	**188**	190
Unwind of discount finance expenses on lease liabilities	**357**	399
Total finance expense	**545**	589

8. Auditors' remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's auditors for the audit of The Pebble Group plc	**185**	161
Fees payable to the Company's auditors in respect of:		
Audit of the Company's subsidiaries	**265**	245
Total auditors' remuneration	**450**	406

The above amount includes £60,000 (2023: £35,000) of auditors' remuneration incurred in the current year relating to the previous year's audit. Non-audit related fees of £6,000 (2023: £6,000) for payroll and other assurance services were incurred in respect of the current auditors.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

9. Income tax expense

	2024 £'000	2023 £'000
Current income tax		
– UK corporation tax charge for the year	**994**	575
– Adjustments in respect of prior years	**(170)**	(337)
– Foreign tax	**1,362**	1,652
Total current income tax	**2,186**	1,890
Deferred tax		
– Origination and reversal of temporary differences	**(355)**	(413)
– Adjustments in respect of prior years	**(403)**	137
– Changes in tax rates	**284**	-
Total deferred tax	**(474)**	(276)
Total income tax expense	**1,712**	1,614

The expected corporation tax charge for the year is calculated at the UK corporation tax rate of 25% (2023: 23.5%) on the profit before taxation for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions in which the Group operates.

The charge for the year can be reconciled to the profit in the consolidated income statement as follows:

Analysis of charge in year	2024 £'000	2023 £'000
Reconciliation of total tax charge:		
Profit before taxation	**8,078**	7,409
Profit before taxation multiplied by the rate of corporation tax in the UK of 25% (2023: 23.5%)	**2,020**	1,741
Effects of:		
Adjustments in respect of prior years	**(573)**	(200)
Non-deductible income	**(64)**	(27)
Differences in tax rates in overseas jurisdictions	**47**	100
Unrecognised for deferred tax	**(2)**	-
Impact of rate change on deferred tax	**284**	-
Total income tax expense	**1,712**	1,614

Factors that may affect future tax charges

As a Group with worldwide operations, The Pebble Group plc is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms.

On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Pebble Group plc is continuing to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has performed an assessment of the impact of the UK's Pillar 2 rules and no Pillar 2 Income Taxes are expected to arise in the jurisdictions in which the Group operates.

Amounts recognised directly in equity

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly charged to equity:

	2024 £'000	2023 £'000
Deferred tax: charge relating to employee share schemes – value of employee services	**–**	23

10. Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of Ordinary Shares in issue during the year. The difference between the opening number of Ordinary Shares as at 1 January 2024 and the weighted average number of Ordinary Shares in issue during the year is due to shares repurchased under the Group's share buyback programme, as detailed in note 21.

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 Group Sharesave Plan (SAYE), 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 Pebble Group plc Long Term Incentive Plan (LTIP), 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 note 24, are satisfied at the end of the reporting period, irrespective of whether this is the end of the vesting period or not.

The impact of the potentially dilutive share options issued under the LTIP on 29 March 2022, 28 March 2023 and 26 March 2024 and the SAYE on 25 April 2023 and 11 October 2024 is: 0.01p (2023: 0.01p) in respect of statutory earnings per share; and 0.01p (2023: 0.01p) in respect of adjusted earnings per share.

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

10. Earnings per share (continued)

Statutory EPS

	2024	2023
Earnings (£'000)		
Earnings for the purposes of basic and diluted earnings per share being profit for the year attributable to equity shareholders	**6,366**	5,795
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share	**166,216,248**	167,412,949
Weighted average dilutive effects of conditional share awards	**441,975**	445,904
Weighted average number of shares for the purposes of diluted earnings per share	**166,658,223**	167,858,853
Earnings per Ordinary Share (pence)		
Basic earnings per Ordinary Share	**3.83**	3.46
Diluted earnings per Ordinary Share	**3.82**	3.45

Adjusted EPS

The calculation of adjusted earnings per share is based on the after-tax adjusted profit after adding back certain costs as detailed in note 11. Adjusted earnings per share figures are given to exclude the effects of amortisation of acquired intangible assets and share-based payment (credit)/charge, all net of taxation, and are considered to show the underlying performance of the Group.

	2024	2023
Earnings (£'000)		
Earnings for the purposes of basic and diluted adjusted earnings per share being adjusted earnings (note 11)	**7,693**	7,708
Number of shares		
Weighted average number of shares for the purposes of basic adjusted earnings per share	**166,216,248**	167,412,949
Weighted average dilutive effects of conditional share awards	**441,975**	445,904
Weighted average number of shares for the purposes of diluted adjusted earnings per share	**166,658,223**	167,858,853
Adjusted earnings per Ordinary Share (pence)		
Basic adjusted earnings per Ordinary Share	**4.63**	4.60
Diluted adjusted earnings per Ordinary Share	**4.62**	4.59

11. Alternative performance measures (APMs)

Throughout the consolidated financial statements, we refer to a number of APMs. A reconciliation of the APMs used are shown below.

Adjusted EBITDA:

	2024 £'000	2023 £'000
Operating profit	**8,623**	7,998
Add back/(deduct):		
Depreciation	**2,206**	2,248
Amortisation	**6,316**	5,184
Share-based payment (credit)/charge	**(458)**	548
Adjusted EBITDA	**16,687**	15,978

Adjusted operating profit:

	2024 £'000	2023 £'000
Operating profit	**8,623**	7,998
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 13)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Adjusted operating profit	**10,278**	10,447

Adjusted profit before tax:

	2024 £'000	2023 £'000
Profit before tax	**8,078**	7,409
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 13)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Adjusted profit before tax	**9,733**	9,858

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

11. Alternative performance measures (APMs) (continued)

Adjusted earnings:

	2024 £'000	2023 £'000
Profit for the year attributable to equity shareholders	**6,366**	5,795
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 13)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Tax effect of the above	**(328)**	(536)
Adjusted earnings	**7,693**	7,708

12. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year		
Final dividend of 1.2p (2023: 0.6p) per share proposed and paid during the year relating to the previous year's results	**2,005**	1,005
Proposed for approval at AGM (not recognised as a liability at 31 December)		
Final dividend for 2024 of 1.85p (2023: 1.2p) per share	**3,000**	2,005

As per the Trust Deed, the EBT has waived its entitlement to a dividend on the shares held by the trust.

13. Intangible assets

	Goodwill £'000	Customer relationships £'000	Software and development costs £'000	Work in progress £'000	Total £'000
Cost					
At 1 January 2023	36,139	11,322	24,877	4,085	76,423
Exchange differences	(175)	(554)	(672)	(195)	(1,596)
Additions	-	-	661	6,987	7,648
Disposals	-	-	(186)	-	(186)
Transfers	-	-	4,200	(4,200)	-
At 31 December 2023	35,964	10,768	28,880	6,677	82,289
Exchange differences	51	164	(130)	81	166
Additions	-	-	479	6,080	6,559
Disposals	-	-	(22)	-	(22)
Transfers	-	-	5,578	(5,578)	-
At 31 December 2024	**36,015**	**10,932**	**34,785**	**7,260**	**88,992**
Accumulated amortisation					
At 1 January 2023	-	2,372	14,049	-	16,421
Exchange differences	-	(123)	(345)	-	(468)
Charge for the year	-	550	4,634	-	5,184
Disposals	-	-	(155)	-	(155)
At 31 December 2023	-	2,799	18,183	-	20,982
Exchange differences	-	50	(92)	-	(42)
Charge for the year	-	537	5,779	-	6,316
Disposals	-	-	(22)	-	(22)
At 31 December 2024	**-**	**3,386**	**23,848**	**-**	**27,234**
Net book value					
At 31 December 2022	36,139	8,950	10,828	4,085	60,002
At 31 December 2023	35,964	7,969	10,697	6,677	61,307
At 31 December 2024	**36,015**	**7,546**	**10,937**	**7,260**	**61,758**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

13. Intangible assets (continued)

All additions were paid for in the year.

Staff costs of £5,367,000 (2023: £6,626,000) have been capitalised as intangible assets. The net book value of internally generated assets is £16,797,000 (2023: £13,785,000), which relates to all of the work in progress balance and the remaining amount is within software and development costs.

Individually material intangible assets held by the Group as at 31 December 2024 relate to the Facilisgroup technology platform with a net book value of £6,425,000 (2023: £7,031,000) included within software and development costs which had a remaining amortisation period of between 1 and 3 years (2023: 1 and 3 years) and £7,062,000 (2023: £5,820,000) included within work in progress.

The amortisation charge for the year ended 31 December 2024 includes £2,113,000 (2023: £1,901,000) in respect of acquired intangible assets. This includes a charge of £950,000 (2023: £494,000) which has been accelerated to align the useful lives of certain acquired intangible assets with those that are internally generated.

The remaining amortisation periods for customer relationships are between 12 and 14 years (2023: 13 and 15 years) and for software and development costs are between 1 and 5 years (2023: 1 and 5 years).

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

Goodwill is attributed to the respective cash-generating units (CGUs) within the Group (Brand Addition and Facilisgroup). The recoverable amounts of the assets within the CGUs is determined using value in use calculations. In assessing the value-in-use the estimated future cash flows of the CGU are discounted to their present value using a pre-tax discount rate. Cash flows are based upon budgeted cash flows covering a five-year period.

The key assumptions for value in use calculations are those regarding discount rate, growth rates and expected changes to revenues and costs in the period, as follows:

Brand Addition

- 2025 forecast with growth rates applied to revenue of 6% each year
- EBITDA margin of 10% (2023: 10%) was applied to all years
- Pre-tax market weighted average cost of capital (WACC) of 13.5% (2023: 12.6%)

Facilisgroup

- 2025 forecast with growth rates applied to revenue of 9% for 2026 and 11% for 2027 to 2029
- EBITDA margin of 50% (2023: 50-55%) was applied to all years
- Pre-tax market weighted average cost of capital (WACC) of 15.7% (2023: 13.9%)

Appropriate adjustments were also made for changes in working capital and other cash flows to both CGUs.

These growth rates are based on past experience and market conditions and discount rates are consistent with external information. The growth rates shown are the average applied to the cash flows of the individual CGUs and do not form a basis for estimating the consolidated profits of the Group in the future.

Sensitivities to revenue and margin, consistent with those used in the going concern analysis, were applied to each CGU. Additionally, the impact on headroom arising from a 2% increase in the WACC was also considered.

The value in use calculations described above, together with sensitivity analysis using reasonably possible changes in the key assumptions as set out above, indicate the Group has adequate headroom and therefore do not give rise to impairment concerns.

Having completed the impairment reviews at the date of transition and at each subsequent balance sheet date, no impairments were identified.

Goodwill is attributable to the following segments:

	2024 £'000	2023 £'000
Brand Addition	**33,057**	33,057
Facilisgroup	**2,958**	2,907
	36,015	35,964

The value in use, calculated as described above and attributable to each CGU, under both the base and sensitised cases are detailed below.

	2024			2023
	Base case £'000	Decrease in revenue growth and margin £'000	Increase in WACC £'000	Base case £'000
Brand Addition	**80,359**	**62,463**	**66,805**	102,824
Facilisgroup	**51,624**	**34,205**	**42,704**	98,560
	131,983	**96,668**	**109,509**	201,384

Under both sensitivities, there is headroom for both CGUs.

Management considers that no reasonably possible changes would reduce either CGUs headroom to £nil. The reduction from prior year is driven by revenue growth rates and phasing for Facilisgroup's new products and an increase in the WACC for both CGUs.

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

14. Property, plant and equipment

	Fixtures and fittings £'000	Computer hardware £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 January 2023	3,555	2,671	13,798	20,024
Exchange differences	(118)	(74)	(394)	(586)
Additions	245	626	516	1,387
Disposals	–	(350)	(477)	(827)
At 31 December 2023	3,682	2,873	13,443	19,998
Exchange differences	14	(22)	(46)	(54)
Additions	65	138	859	1,062
Disposals	(1)	(103)	(560)	(664)
At 31 December 2024	**3,760**	**2,886**	**13,696**	**20,342**
Accumulated depreciation				
At 1 January 2023	2,640	1,572	6,320	10,532
Exchange differences	(81)	(48)	(143)	(272)
Charge for the year	278	465	1,505	2,248
Disposals	–	(345)	(471)	(816)
At 31 December 2023	2,837	1,644	7,211	11,692
Exchange differences	16	(15)	(16)	(15)
Charge for the year	259	462	1,485	2,206
Disposals	(1)	(103)	(560)	(664)
At 31 December 2024	**3,111**	**1,988**	**8,120**	**13,219**
Net book value				
At 31 December 2022	915	1,099	7,478	9,492
At 31 December 2023	845	1,229	6,232	8,306
At 31 December 2024	**649**	**898**	**5,576**	**7,123**

All additions (excluding right-of-use assets) were paid for in the year.

Right-of-use assets – net book value

	2024 £'000	2023 £'000
Leasehold property	**5,112**	5,943
Fixtures and fittings	**393**	100
Computer hardware	**71**	189
Total right-of-use assets – net book value	**5,576**	6,232

15. Deferred tax assets and liabilities

Deferred tax assets/(liabilities) are analysed as follows:

	Accelerated depreciation £'000	Intangible fixed assets £'000	Deferred tax liabilities £'000	Share options £'000	Other temporary differences £'000	Transitional relief on IFRS 16 adoption £'000	Losses and unused tax relief £'000	Deferred tax assets £'000
At 1 January 2023	(1,696)	(1,680)	(3,376)	395	15	139	259	808
Tax credit/(charge) in respect of current year	262	102	364	(16)	138	(34)	(176)	(88)
Tax directly charged to equity	–	–	–	(23)	–	–	–	(23)
Exchange differences	156	92	248	(8)	–	–	(8)	(16)
At 31 December 2023	(1,278)	(1,486)	(2,764)	348	153	105	75	681
Tax credit/(charge) in respect of current year	(536)	(149)	(685)	(42)	1,243	(34)	(8)	1,159
Tax directly charged to equity	–	–	–	–	–	–	–	–
Exchange differences	22	224	246	–	8	–	(5)	3
	(1,792)	**(1,411)**	**(3,203)**	**306**	**1,404**	**71**	**62**	**1,843**
Set off tax	–	–	1,558	–	–	–	–	(1,558)
At 31 December 2024	**–**	**–**	**(1,645)**	**–**	**–**	**–**	**–**	**285**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

15. Deferred tax assets and liabilities (continued)

Analysed in the consolidated statement of financial position, after offset of balances within countries, as follows:

	2024 £'000	2023 £'000
Deferred tax assets	**285**	282
Deferred tax liabilities	**(1,645)**	(2,365)
Net deferred tax	**(1,360)**	(2,083)

The above amounts reflect the differences between the carrying and tax amounts as at each year end.

Other temporary differences include adjustments in relation to pensions, accrued expenses where tax relief is available when the expense is paid and research and development expenses incurred by the US entities that must be capitalised for tax purposes and then amortised.

Of the deferred tax balances at 31 December 2024, £50,000 (2023: £214,000) of the deferred tax asset and £437,000 (2023: £788,000) of the deferred tax liability are expected to be utilised within one year.

There are unrecognised deferred tax assets relating to trading losses of £1,011,000 (2023: £657,000). The Directors have assessed at this time that there will not be sufficient taxable profits available in future periods, for the companies in the Group in which these losses reside, in order to utilise these losses.

16. Inventories

	2024 £'000	2023 £'000
Finished goods for resale	**12,095**	11,852
Total inventories	**12,095**	11,852

Inventories are stated after provisions for impairment of £481,000 (2023: £375,000).

There is no difference between the replacement cost of inventories and carrying value.

17. Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables unbilled	**3,280**	3,152
Trade receivables not past due	**16,762**	16,070
Trade receivables past due	**5,015**	5,782
Provision for trade receivables	**(104)**	(60)
Trade receivables net	**24,953**	24,944
Other debtors	**1,529**	2,060
FX derivative	**166**	–
Prepayments	**4,003**	3,154
Total trade and other receivables	**30,651**	30,158

Other debtors include amounts relating to other taxes and social security and supplier rebates.

Currency analysis

	2024 £'000	2023 £'000
Sterling	**4,392**	5,222
Euro	**9,493**	9,199
US Dollar	**13,820**	12,380
Chinese Renminbi	**1,720**	2,042
Other	**1,226**	1,315
Total trade and other receivables	**30,651**	30,158

Any fair value difference on trade and other receivables is not material. Trade and other receivables are considered past due once they have passed their contracted due date. Trade and other receivables are assessed for impairment based upon the expected credit loss model.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

17. Trade and other receivables (continued)

The Group's customer base is predominantly made up of high-quality organisations with a high credit rating. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The maturity analysis of certain financial assets (which comprise trade receivables and other debtors) is analysed below.

	2024			2023		
	Gross £'000	Provision £'000	Net £'000	Gross £'000	Provision £'000	Net £'000
Trade and other receivables:						
Not yet due	21,571	–	21,571	21,283	–	21,283
Up to 3 months past due	3,832	–	3,832	4,020	–	4,020
3 to 6 months past due	793	–	793	1,395	–	1,395
Over 6 months past due	390	(104)	286	366	(60)	306
	26,586	(104)	26,482	27,064	(60)	27,004

The Group uses historical evidence as well as considering forward-looking information, including macroeconomic factors, and the probability of default when calculating expected credit losses. No significant changes to estimation techniques or assumptions were made during the reporting period. The maturity of financial assets is therefore used as an indicator as to the probability of default. The maximum amount of exposure to credit risk is the total value of unprovided trade and other receivables as set out above. There are no amounts outstanding on financial assets that were written off during the reporting period and which are still subject to enforcement activity.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group uses the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Trade and other receivables are grouped based on the days past due. 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.

18. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	16,459	15,898

Currency analysis

	2024 £'000	2023 £'000
Sterling	4,977	1,592
Euro	5,512	7,363
US Dollar	4,808	5,616
Chinese Renminbi	106	620
Other	1,056	707
Total cash and cash equivalents	16,459	15,898

19. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	17,210	17,351
Other taxation and social security	524	279
Other payables	569	577
FX derivative	–	8
Accruals	5,222	5,022
Contract liabilities	5,037	5,728
Trade and other payables	28,562	28,965

Included in trade payables are amounts of £3,566,000 (2023: £2,273,000) related to Goods Received Not Invoiced.

Revenues totalling £4,423,000 were recognised in the year ended 31 December 2024 that were included in the contract liabilities balance as at 31 December 2023 (£4,537,000 recognised in the year ended 31 December 2023 that were included in the contract liabilities balance as at 31 December 2022).

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

19. Trade and other payables (continued)

The Group expects to complete its remaining performance obligations in respect of the closing contract liabilities balance and recognise the full amount as revenue in 2025 with the exception of £2,537,000 relating to gift cards.

Currency analysis

	2024 £'000	2023 £'000
Sterling	**10,771**	7,681
Euro	**7,665**	8,313
US Dollar	**8,772**	11,332
Chinese Renminbi	**1,080**	1,234
Other	**274**	405
Total current liabilities	**28,562**	28,965

The fair value of financial liabilities approximates to their carrying value due to short maturities.

20. Leases

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	£'000
At 1 January 2023	7,478
Exchange differences	(251)
New leases recognised in the year	516
Disposals	(6)
Depreciation charge for the year	(1,505)
At 31 December 2023	6,232
Exchange differences	(30)
New leases recognised in the year	859
Depreciation charge for the year	(1,485)
At 31 December 2024	**5,576**

These are included within property, plant and equipment in the statement of financial position.

Lease liability

	2024 £'000	2023 £'000
Not more than one year		
Minimum lease payments	**1,998**	1,807
Interest element	**(346)**	(313)
Present value of minimum lease payments	**1,652**	1,494
Between one and five years		
Minimum lease payments	**5,046**	5,621
Interest element	**(340)**	(563)
Present value of minimum lease payments	**4,706**	5,058
More than five years		
Minimum lease payments	**504**	1,104
Interest element	**(25)**	(32)
Present value of minimum lease payments	**479**	1,072
Current	**1,652**	1,494
Non-current	**5,185**	6,130
Total present value of minimum lease payments	**6,837**	7,624

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

20. Leases (continued)

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Depreciation charge – leasehold property	**1,330**	1,365
Depreciation charge – fixtures and fittings	**129**	86
Depreciation charge – computer hardware	**26**	54
	1,485	1,505
Interest expense (within finance expense)	**357**	399

The above leases relate to office space, computer equipment and motor vehicles. The net book value by category is set out in note 14.

21. Share capital

The authorised, issued and fully paid number of shares are set out below.

	Ordinary Shares Number	Share capital £	Share premium £
Ordinary Shares of 1p each:			
At 1 January 2023 and 31 December 2023	167,450,893	1,674,509	78,451,312
Purchase of own shares	(2,674,539)	(26,745)	–
At 31 December 2024	**164,776,354**	**1,647,764**	**78,451,312**

The Ordinary Shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable.

In May 2024, the Group commenced a share buyback programme to repurchase up to £5 million of its own shares. During the year, 2,674,539 Ordinary Shares with a total nominal value of £26,745 were bought back by the Company for a total consideration, including transaction costs, of £1,415,570, charged to retained earnings. The Company subsequently cancelled these shares which resulted in a reduction in share capital of £26,745, with a corresponding increase in the capital reserve. Details of the individual transactions can be found in the RNS announcements section of the Company's website.

During the year, the EBT purchased a total of 194,085 Ordinary Shares at an average price of £0.56 per share, which were used to satisfy the exercise of 153,535 LTIP options. The EBT did not sell any shares and the remaining 453,187 shares are held by the Trust.

22. Analysis and reconciliation of net cash/(debt)

	Cash at bank and in hand £'000	Lease liability (note 20) £'000	Borrowings £'000	Net cash/(debt) £'000
At 1 January 2023	15,058	(9,059)	–	5,999
New leases	–	(505)	–	(505)
Lease disposals	–	60	–	60
Lease payments – capital	–	1,600	–	1,600
Lease payments – interest	–	399	–	399
Interest expense	–	(399)	–	(399)
RCF drawdown	–	–	(3,100)	(3,100)
RCF repayments	–	–	3,100	3,100
Cash flow	2,032	–	–	2,032
Exchange differences	(1,192)	280	–	(912)
At 31 December 2023	15,898	(7,624)	–	8,274
New leases	–	(859)	–	(859)
Lease disposals	–	–	–	0
Lease payments – capital	–	1,702	–	1,702
Lease payments – interest	–	357	–	357
Interest expense	–	(357)	–	(357)
RCF drawdown	–	–	(500)	(500)
RCF repayments	–	–	500	500
Cash flow	375	–	–	375
Exchange differences	186	(56)	–	130
At 31 December 2024	**16,459**	**(6,837)**	**–**	**9,622**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

23. Financial risk management and financial instruments by category

The Group uses various financial instruments. These include cash, issued equity instruments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. In this instance, price risk has been ignored as it is not considered a material risk to the business. The Group's policies for managing interest rate risk are set out in the subsection entitled "Interest rate risk" below.

Currency risk

The Group contracts with certain customers and suppliers in Euros and Dollars and manages this foreign currency risk using forward foreign exchange contracts. Hedge accounting is not applied. The Group's exposure to foreign currency risk at the end of the reporting period is set out in notes 17, 18 and 19.

As the Group derives an amount of its earnings from overseas operations, the Group is affected by movements in exchange rates. This would affect both the statement of financial position and the income statement. It is estimated that, with all other variables held equal (in particular other exchange rates), a general change of 10% in the value of each foreign currency in the table below against Sterling would have had the following impact on the Group's current year profit after tax and on net assets.

	2024		2023	
	USD £'000	**EUR £'000**	USD £'000	EUR £'000
Reasonable shift				
Impact on profit before tax if currency strengthens against GBP	**374**	**(57)**	466	21
Impact on profit before tax if currency weakens against GBP	**(372)**	**13**	(383)	(18)
Impact on net assets if currency strengthens against GBP	**3,553**	**538**	3,103	712
Impact on net assets if currency weakens against GBP	**(2,909)**	**(442)**	(2,537)	(581)

Interest rate risk (including cash flow interest rate risk)

As at the year end the Group had no external borrowings and therefore was not exposed to a material interest rate risk on borrowings.

Credit risk

The Group's principal financial assets are cash, trade receivables and other debtors. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from the Group's trade receivables. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The credit losses historically incurred by the Group have been negligible as detailed in note 17.

Liquidity risk

The Group seeks to manage the risk of being unable to meet its obligations as they fall due by ensuring sufficient liquidity is available and by closely managing the cash balance.

The Group policy throughout the year has been to ensure continuity of funding. Short-term flexibility is achieved by revolving working capital facilities.

The Group has a cross-guarantee banking arrangement, which is a revolving credit facility of £10,000,000. The facility was refinanced in February 2025 for a four-year period to February 2029. Interest was charged at a rate of SONIA + 2.0%. As at 31 December 2024, the balance on the facility was £nil (2023: £nil). There is also revolving credit facility of 10,000,000 RMB for Brand Addition (Shanghai) Trading Co. Limited. As at 31 December 2024, the balance on the facility was £nil (2023: £nil).

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

	2024 £'000	2023 £'000
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	**26,482**	27,004
Cash and cash equivalents	**16,459**	15,898
	42,941	42,902
Financial assets measured at fair value through profit or loss		
FX derivative asset	**166**	–
Total financial assets	**43,107**	42,902

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

23. Financial risk management and financial instruments by category (continued)

	2024 £'000	2023 £'000
Financial liabilities		
Financial liabilities measured at amortised cost		
Non-current:		
Lease liability	(5,185)	(6,130)
Current:		
Lease liability	(1,652)	(1,494)
Trade and other payables	(17,779)	(17,928)
Accruals	(5,222)	(5,022)
	(29,838)	(30,574)
Financial liabilities measured at fair value through profit or loss		
FX derivative liability	–	(8)
Total financial liabilities	(29,838)	(30,582)
Net financial assets and liabilities	13,269	12,320

The maturity analysis for lease liabilities is presented in note 20. All other financial liabilities have a maturity of less than 12 months (i.e. are all current).

Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

This is achieved through close management of working capital and regular reviews of pricing. Decisions on whether to raise funding using debt or equity are made by the Board based on the requirements of the business.

Capital for the reporting period relates to cash and cash equivalents as disclosed on the previous page.

The Group is subject to interest cover and net leverage financial covenants over its £10,000,000 revolving credit facility. The covenants are monitored as part of regular forecasting. The only derivative financial instruments used by the Group are foreign currency forward contracts that are disclosed in the table above. These derivatives are only used for economic hedging purposes and not as speculative investments. They are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The gross value of foreign currency forward contracts held at the end of the reporting period was $8,368,000 and €3,354,000. The contracts mature within 1 to 12 months of the year end.

24. Share-based payments

In the year ended 31 December 2024, the Group operated equity-settled share-based payment plans as described below.

During the year, the Group recognised a total credit of £458,000 (2023: charge of £548,000) in respect of share-based payment transactions. The credit in the current year arose due to the reversal of costs previously charged relating to the non-market performance conditions of the options granted under the 2022 and 2023 Long Term Incentive Plans offset in part by expenses recognised for the 2024 plan. The difference between the above and the amount recognised in the share-based payment reserve is due to options exercised during the year, cash-settled options and associated social security costs.

The weighted average remaining contractual life of options outstanding at the end of the year is 1.84 years (2023: 1.33 years).

The Pebble Group plc Long Term Incentive Plan (LTIP)

Certain employees of the Company, along with other Group employees, have been granted share options on 29 March 2022, 28 March 2023 and 26 March 2024 under the LTIP.

The vesting of most of these awards is subject to the Group achieving certain performance targets under the LTIP, measured over a three-year period, as set out in the Remuneration report. The options are split into two parts with the amount of Part 1 options that will vest depending on achievement of the Group's Basic Adjusted EPS (AEPS) whilst Part 2 depends on absolute total shareholder return (TSR) that will vest depending on performance of the Company's Absolute TSR:

	Proportion of award
Part 1 options – Basic AEPS	70%
Part 2 options – TSR	30%

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

24. Share-based payments (continued)

Details of the maximum total number of Ordinary Shares which may be issued in future periods in respect of LTIP awards outstanding at 31 December 2024 are shown below.

	Number of share options
At 1 January 2023	3,357,530
Granted in the year	1,655,496
Exercised in the year	(303,558)
Lapsed in the year	(1,494,515)
At 31 December 2023	**3,214,953**
Granted in the year	3,009,191
Exercised in the year	(153,535)
Lapsed in the year	(1,424,394)
Outstanding at 31 December 2024	**4,646,215**
Exercisable at 31 December 2024	**419,118**

The shares exercisable at 31 December 2024 are split as follows:

	Number of share options
2020 LTIP	347,477
2021 LTIP	71,641

All options which were granted or exercised during the year had a nil cost exercise price. The weighted average share price of all options exercised during the year was 53.9p (2023: 52.1p).

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share based on the AIM Price Index over the past 3 years and the risk-free interest rate for the term of the option as shown below.

AEPS condition	2020 award	2021 award	2022 award	2023 award	**2024 award**
Number of share options	873,642	672,357	1,203,990	1,158,847	**2,106,434**
Grant date	21/12/2020	08/06/2021	29/03/2022	28/03/2023	**26/03/2024**
Share price at start of performance period	105.0p	130.0p	132.5p	88.5p	**60.2p**
Share price at grant date	110.5p	153.0p	101.5p	117.0p	**67.0p**
Exercise price	£nil	£nil	£nil	£nil	**£nil**
Expected volatility	–	–	–	–	**–**
Expected life	3 years	3 years	3 years	3 years	**3 years**
Expected dividend yield	–	–	–	–	**–**
Risk-free interest rate	–	–	–	–	**–**
Fair value per option	110.5p	153.0p	101.5p	117.0p	**67.0p**

TSR condition	2020 award	2021 award	2022 award	2023 award	**2024 award**
Number of share options	374,418	288,153	515,996	496,649	**902,757**
Grant date	21/12/2020	08/06/2021	29/03/2022	28/03/2023	**26/03/2024**
Share price at start of performance period	105.0p	130.0p	132.5p	88.5p	**60.2p**
Share price at grant date	110.5p	153.0p	101.5p	117.0p	**67.0p**
Exercise price	£nil	£nil	£nil	£nil	**£nil**
Expected volatility	17.2%	17.5%	17.9%	14.3%	**12.14%**
Expected life	3 years	3 years	3 years	3 years	**3 years**
Expected dividend yield	0%	0%	0%	0%	**1.78%**
Risk-free interest rate	0.53%	0.53%	0.53%	3.05%	**4.11%**
Fair value per option	22.3p	28.2p	29.6p	21.1p	**16.5p**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

24. Share-based payments (continued)

The Pebble Group plc Group Sharesave Plan (SAYE)

Certain eligible employees of the Company, along with other Group employees, have been granted share options on 25 April 2023 and 11 October 2024 under its Sharesave Plan and its sub-plan, the International Sharesave Plan.

The SAYE provides for an exercise price equal to the quoted mid-market price of the Company shares on the business day immediately preceding the date of grant, less a discount of 20 per cent. The vesting period under the scheme is three years with no performance conditions, other than remaining a Group employee, attached to the options.

In 2024 under the SAYE, the Group made awards of 1,322,186 (2023: 417,932) conditional shares to certain Directors and employees.

Details of the maximum total number of Ordinary Shares which may be issued in future periods in respect of SAYE awards outstanding at 31 December 2024 are shown below.

	Number of share options	Weight average exercise price (p)
At 1 January 2023	742,065	122.0
Granted in the year	417,932	94.0
Lapsed in the year	(481,650)	117.4
At 31 December 2023	678,347	108.0
Granted in the year	1,322,186	45.0
Lapsed in the year	(621,125)	109.3
At 31 December 2024	**1,379,408**	**47.0**

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share based on the AIM Price Index over the past 3 years and the risk-free interest rate for the term of the option as shown below.

	2021 award	2023 award	**2024 award**
Number of share options	937,223	417,932	**1,322,186**
Grant date	06/10/2021	25/04/2023	**11/10/2024**
Share price at grant date	152.5p	117.0p	**56.0p**
Exercise price	122.0p	94.0p	**45.0p**
Expected volatility	17.57%	13.4%	**12.07%**
Expected life	3 years	3 years	**3 years**
Expected dividend yield	0%	0%	**2.29%**
Risk-free interest rate	0.53%	3.05%	**4.39%**
Fair value per option	20.97p	16.0p	**8.6p**

25. Related party transactions

The Directors consider there to be no ultimate controlling party. During the current and prior year, related parties include representatives of major shareholders and parent and intermediate parent entities ultimately owned by the same shareholders.

Details of key management compensation are given in note 6. There are no other related party transactions to be disclosed for the current and prior year.

26. Commitments and contingencies

The Group had no known commitments or contingencies at 31 December 2024 (2023: none).

27. Subsequent Events

Subsequent to the balance sheet date, the Company continued its share repurchase program. Between the reporting date and the date of approval of this report, the Company repurchased 2,765,392 of its ordinary shares for a total consideration of £1.3m. As detailed in note 23, the Group refinanced its revolving credit facility in February 2025 for a four-year period to February 2029.

COMPANY BALANCE SHEET
As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Property, plant and equipment	7	**69**	90
Investments	8	**50,405**	113,617
		50,474	113,707
Current assets			
Trade and other debtors (including £72,966,000 (2023: £78,500,000) falling due after more than one year	9	**73,242**	78,713
Cash at bank and in hand		**3,810**	1,374
		77,052	80,087
Creditors: amounts falling due within one year	11	**(2,021)**	(821)
Net current assets		**75,031**	79,266
Total assets less current liabilities		**125,505**	192,973
Net assets		**125,505**	192,973

	Note	2024 £'000	2023 £'000
Equity			
Called up share capital	13	**1,648**	1,675
Share premium account	13	**78,451**	78,451
Own share reserve		**(251)**	(227)
Capital reserve		**152**	125
Merger relief reserve		**713**	713
Share-based payment reserve	14	**1,402**	1,970
Retained earnings		**43,390**	110,266
Total equity		**125,505**	192,973

The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to produce its own profit and loss account. The loss for the year dealt within the financial statements of the Company was £63,501,000 (2023: £304,000).

The Company financial statements on pages 135 to 142 were approved by the Board of Directors on 17 March 2025 and were signed on its behalf by:

Claire Thomson
Director
17 March 2025

The notes on pages 137 to 142 form part of these Company financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Note	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital reserve £'000	Merger relief reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023		1,675	78,451	–	125	713	1,842	111,304	194,110
Loss for the year		–	–	–	–	–	–	(304)	(304)
Total comprehensive expense		–	–	–	–	–	–	(304)	(304)
Dividends paid	6	–	–	–	–	–	–	(1,005)	(1,005)
Purchase of own shares by EBT		–	–	(395)	–	–	–	–	(395)
Employee share schemes – value of employee services	14	–	–	168	–	–	136	271	575
Deferred tax on employee share schemes	10	–	–	–	–	–	(8)	–	(8)
Total transactions with owners recognised in equity		–	–	(227)	–	–	128	(734)	(833)
At 31 December 2023		1,675	78,451	(227)	125	713	1,970	110,266	192,973
Loss for the year		–	–	–	–	–	–	(63,501)	(63,501)
Total comprehensive expense		–	–	–	–	–	–	(63,501)	(63,501)
Dividends paid	6	–	–	–	–	–	–	(2,005)	(2,005)
Purchase of own shares		(27)	–	–	27	–	–	(1,416)	(1,416)
Purchase of own shares by EBT		–	–	(109)	–	–	–	–	(109)
Employee share schemes – value of employee services	14	–	–	85	–	–	(563)	46	(432)
Deferred tax on employee share schemes	10	–	–	–	–	–	(5)	–	(5)
Total transactions with owners recognised in equity		(27)	–	(24)	27	–	(568)	(3,375)	(3,967)
At 31 December 2024		**1,648**	**78,451**	**(251)**	**152**	**713**	**1,402**	**43,390**	**125,505**

The notes on pages 137 to 142 form part of these Company financial statements.

The Group has an Employee Benefit Trust (EBT) to administer share plans and to acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes. At 31 December 2024, the EBT held 453,187 shares (2023: 412,637).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. General information

The Pebble Group plc (the "Company") was incorporated in the United Kingdom on 27 September 2019 and is a public company limited by shares, registered and domiciled in England and Wales. The registered office of the Company is Broadway House, Trafford Wharf Road, Trafford Park, Manchester, England M17 1DD. The company registration number is 12231361. The Company's principal activity is that of a holding company.

2. Accounting policies

(a) Reporting framework

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The financial information is presented in Sterling and has been rounded to the nearest thousand (£'000).

The principal accounting policies, which have been applied consistently to all the years presented, are set out below.

(b) Financial Reporting Standard 102 – reduced disclosure exemptions

The following exemptions from the requirements in FRS 102 have been applied in the preparation of these financial statements:

- the requirements of section 7 Statement of Cash Flows;
- the requirements of section 3 Financial Statement Presentation, paragraph 3.17(d);
- the requirements of section 11 Financial Instruments, paragraphs 11.41(b), 11.41(c), 11.41(e). 11.41(f), 11.42, 11.44 to 11.45, 11.48(a)(iii), 11.48(a)(iv),11.48(b) and 11.48(c);
- the requirements of section 12 Other Financial Instruments, paragraphs 12.26 to 12.27, 12.29(a), 12.29 (b) and 12.w9A; and
- the requirements of section 33 Related Party Disclosures, paragraph 33.7.

This information is included in the Group financial statements found earlier in this report.

(c) Going concern

The Company meets its day-to-day working capital requirements through cash generated from the Group in which it holds its investment and utilising its overdraft facility to fund peak seasonal demands. The Directors have prepared cash flow forecasts and projections for the two years ending 31 December 2026 for the Group; see the going concern disclosure within the Group financial statements. Based on this, the Directors are satisfied that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Company financial statements.

(d) Dividend distribution

The distribution of a dividend to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which it is approved by the Company's shareholders.

Dividends are recognised when approved by the Group's shareholders or, in the case of interim dividends, when the dividend has been paid. No interim dividend has been paid in the year (2023: £nil). The Directors recommend the payment of a final dividend for 2024 of 1.85 pence per share (2023: 1.2 pence per share).

(e) Investment in subsidiary undertakings

Investments in subsidiaries are stated at cost less accumulated impairment.

(f) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where events or transactions that result in an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(g) Share-based payments

Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the income statement spread over the vesting period. Fair value of the awards are measured using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model. The fair value of the options, appraised at the grant date, includes the impact of market-based vesting conditions if applicable.

Share-based remuneration is recognised as an expense in profit or loss in the employing company's income statement with the credit side of the entry being recorded in equity. Remuneration relating to subsidiary undertakings are recognised as an increase in investment to that subsidiary.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

(h) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

(i) Property, plant and equipment and depreciation
Property, plant and equipment are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation is calculated using straight-line method so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Fixtures and fittings – 3 – 15 years; and
- Computer hardware – 5 years.

(j) Share capital
Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

(k) Share premium
Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

(l) Own share reserve
Own share reserve represents Ordinary Shares in the Company held by the Employee Benefit Trust (EBT) set up in 2023 to administer share plans and acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes.

Employee Benefit Trust
The Company established an EBT (The Pebble Group Employee Benefit Trust) in May 2023 to enable shares to be bought in the market to satisfy the demand from share awards under the Group's employee share schemes. The EBT is a separately administered trust and is funded by contributions from Group companies in the form of a loan or a gift. The assets of the trust comprise shares in The Pebble Group plc and cash balances. The Company recognises the assets and liabilities of the trust in the Company financial statements and shares held by the trust are recorded in the own share reserve as a deduction from shareholders' equity. As at 31 December 2024, the EBT held 453,187 shares in the Company.

(m) Capital reserve
The capital reserve was created in 2021 as a result of the purchase by the Company of all deferred shares in issue.

(n) Merger relief reserve
The merger relief reserve was created during 2019 as a result of the share-for-share exchange under which The Pebble Group plc became the parent undertaking prior to the Initial Public Offering (IPO). The merger relief reserve includes the premium received on the issue of share capital in the share-for-share exchange.

(o) Retained earnings
Retained earnings includes all current and prior period retained profits and losses. When share capital recognised as equity is repurchased by the Group, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are subsequently cancelled and classified as a deduction in Share capital with a corresponding increase in Capital reserve.

All transactions with owners of the parent are recorded separately within equity.

3. Critical accounting estimates and judgements

In the preparation of the Company financial statements, the Directors, in applying the accounting policies of the Company, make some judgements and estimates that affect the reported amounts in the financial statements. The following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements.

Non-current asset impairment
The Directors are required to assess whether there are any indicators of impairment at each reporting date. All relevant potential indicators are considered, including the performance of the underlying trading Group and the results of the Group's impairment reviews performed as at the same date. The Directors exercise their judgement in determining whether any such indicators exist. Where an indicator of impairment is identified in relation to the Company's investments or intercompany receivable balances, a full impairment review is performed. This identified an impairment of £62,908,000.

4. Remuneration of directors and auditors

Details of Directors' remuneration are shown in the Remuneration report on pages 84-95. Details of auditors' remuneration are shown in note 8 to the Group financial statements.

A proportion of the emoluments of the Company's Directors are recharged to other companies in the Group. The total remuneration incurred by the Company in the year was £341,000 (2023: £315,000).

Highest paid Director
The highest paid Director's emoluments incurred by the Company during the financial year was as follows:

	2024 £'000	2023 £'000
Salaries including bonuses	**156**	150
Social security costs	**21**	20
Short-term benefits	**22**	10
Total remuneration	**199**	180

NOTES TO THE COMPANY FINANCIAL STATEMENTS
(CONTINUED)

5. Staff costs

Personnel costs are analysed below.

	2024 £'000	2023 £'000
Staff costs (including Directors) consist of:		
Wages and salaries	1,648	1,308
Social security costs	135	161
Other pension costs	38	29
Total staff costs	**1,821**	1,499

During the year, the monthly average number of the Company's employees (including Executive Directors and temporary employees) was as follows:

	2024 No.	2023 No.
By function:		
Management	2	2
Administration	7	7
Total employees	**9**	9

6. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year		
Final dividend of 1.2p (2023: 0.6p) per share proposed and paid during the year relating to the previous year's results	2,005	1,005
Proposed for approval at AGM (not recognised as a liability at 31 December)		
Final dividend for 2024 of 1.85p (2023: 1.2p) per share	3,000	2,005

As per the Trust Deed, the EBT shall waive its entitlement to a dividend on the shares held by the trust.

7. Property, plant and equipment

	Fixtures and fittings £'000	Computer hardware £'000	Total £'000
Cost			
At 1 January 2023	–	–	–
Additions	83	23	106
At 31 December 2023	83	23	106
Additions	–	1	1
At 31 December 2024	**83**	**24**	**107**
Accumulated depreciation			
At 1 January 2023	–	–	–
Charge for the year	13	3	16
At 31 December 2023	13	3	16
Charge for the year	17	5	22
At 31 December 2024	**30**	**8**	**38**
Net book value			
At 31 December 2022	–	–	–
At 31 December 2023	70	20	90
At 31 December 2024	**53**	**16**	**69**

8. Investments

	£'000
Cost and carrying amount	
At 1 January 2023	113,276
Movement relating to share options	341
At 31 December 2023	113,617
Movement relating to share options	(304)
Impairment	(62,908)
At 31 December 2024	50,405

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

8. Investments (continued)

The Company's market capitalisation of £74,973,000 on 31 December 2024 was less than total of the cost of investments and amounts owed by Group undertakings of £185,682,000. The Company evaluated its investments for impairment and following the completion of this impairment review, an impairment of £62,908,000 was recognised.

The basis of the calculation, key assumptions and estimates used for the impairment assessment can be found in note 13 of the Group financial statements with the exception of the discount rate. The calculation used a discount rate of 12.1% representing the Company's cost of equity.

The Company owns the whole of the issued Ordinary Shares of the following subsidiary undertakings:

Name	Registered address	Principal activity	Class of share	Percentage holding
Project Amber Bidco Limited	Broadway Trafford Wharf Road Manchester M17 1DD	Holding company	Ordinary	100%
H.I.G Milan UK Bidco Limited		Holding company	Ordinary	100%
Brand Addition Limited		Promotional merchandise	Ordinary	100%
Brand Addition Asia Limited	Unit 1605 16th Floor Tower 3 Enterprise Square No. 9 Sheung Yuet Road Kowloon, Hong Kong	Promotional merchandise	Ordinary	100%
Brand Addition Ireland Limited	Unit G2 Calmount Business Park Ballymount, Dublin 12	Promotional merchandise	Ordinary	100%
Brand Addition Reklam Urunleri Dagitim ve Ticaret Limited Sirketi	Buyukdere Caddesi Meydan Sokak Spring Giz Plaza Kat:13 Sisli-Istanbul, Turkey	Promotional merchandise	Ordinary	100%
Brand Addition (Shanghai) Trading Co., Limited	Unit 903-905 T2 Building, VIPARK 500 Xinlong Road Minhang District Shanghai, China	Promotional merchandise	Ordinary	100%
H.I.G. Milan Germany Bidco GmbH	Europastrasse 19a 45888 Gelsenkirchen, Germany	Holding company	Ordinary	100%
Brand Addition GmbH		Promotional merchandise	Ordinary	100%
The Pebble Group US Bidco Inc.	Corporation Trust Center, 1209 Orange St, Wilmington, DE 19801	Holding company	Ordinary	100%
Gateway CDI Inc.		Promotional merchandise	Ordinary	100%
Facilisgroup LLC	1600 S Brentwood Blvd., Ste 800, Brentwood, MO 63144	Promotional merchandise service provider	Ordinary	100%
Facilisgroup Canada Inc.	410 – 1900 City Park Drive Ottawa, ON K1J 1A3	Promotional merchandise service provider	Ordinary	100%

Other than Project Amber Bidco Limited, which is directly held by the parent, all subsidiaries are indirectly held.

All subsidiaries listed above are included in the Group financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

9. Trade and other debtors

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Prepayments	**242**	145
Capitalised refinancing fees	**34**	68
	276	213
Amounts falling due after more than one year:		
Amounts owed by Group undertakings	**72,868**	78,308
Capitalised refinancing fees	**–**	68
Deferred tax assets (note 10)	**98**	124
	72,966	78,500
Total trade and other debtors	**73,242**	78,713

Amounts owed by Group undertakings falling due after more than one year are unsecured, repayable in greater than one year and bear interest at market rates.

10. Deferred tax assets

Deferred tax assets are analysed as follows:

	2024 £'000	2023 £'000
Accelerated depreciation	**(7)**	(19)
Other short-term timing differences	**105**	143
Total deferred tax assets	**98**	124

The above amounts reflect the timing differences that have originated but not reversed at the balance sheet date where events or transactions that result in an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred at the balance sheet date. Of the deferred tax balances at 31 December 2024, £4,000 (2023: £2,000) of the deferred tax asset is expected to be utilised within one year.

Changes during each year are as follows:

	Accelerated depreciation £'000	Share options £'000	Short-term timing differences £'000	Total £'000
At 1 January 2023	–	155	–	155
Tax (charge)/credit in respect of current year	(19)	(6)	2	(23)
Tax directly charged to equity	–	(8)	–	(8)
At 31 December 2023	(19)	141	2	124
Tax (charge)/credit in respect of current year	12	(35)	2	(21)
Tax directly charged to equity	–	(5)	–	(5)
At 31 December 2024	**(7)**	**101**	**4**	**98**

11. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Accruals	**598**	364
Other payables	**14**	7
Other tax and social security	**55**	64
Amounts owed to Group undertakings	**1,354**	386
Total creditors	**2,021**	821

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

12. Leases

In 2024, the charge relating to rentals under operating leases was £53,200 (2023: £16,869).

The Company had minimum lease payments under non-cancellable operating leases as set out below.

	2024 £'000	2023 £'000
Less than one year	**59**	51
More than one year, less than two years	**53**	43
More than two years, less than three years	**84**	43
More than three years, less than four years	**1**	28
More than four years, less than five years	**–**	1
Total leases	**197**	166

13. Called up share capital

Details of movements in shares are set out in note 21 to the Group financial statements.

14. Share-based payments

Details of share-based payments are set out in note 24 to the Group financial statements.

15. Related party transactions

The Company has taken advantage of the exemption included in Section 33 of FRS 102 "Related Party Disclosures" to not disclose details of transactions with Group undertakings, on the grounds that it is the parent company of a Group whose financial statements are publicly available.

Directors' transactions

Details of the Directors' interests in the Ordinary Share capital of the Company are provided in the Directors' Report.

16. Commitments and contingencies

The Company is party to a Group cross-guarantee banking arrangement, which is a revolving credit facility of £10,000,000. The facility was refinanced in February 2025 for a four-year period to February 2029. Interest was charged at a rate of SONIA + 2.0%. As at 31 December 2024, the balance on the facility was £nil (2023: £nil). There is also a revolving credit facility of 10,000,000 RMB for Brand Addition (Shanghai) Trading Co. Limited, which is guaranteed by the Company. At 31 December 2024, the balance on the facility was £nil (2023: £nil). Details of financial risk management are set out in note 23 to the Group financial statements.

The Company had no other known commitments or contingencies at 31 December 2024 (2023: none).

17. Subsequent events

Subsequent to the balance sheet date, the Company continued its share repurchase program. Between the reporting date and the date of approval of this report, the Company repurchased 2,765,392 of its ordinary shares for a total consideration of £1.3m.

FINANCIAL CALENDAR

Financial year end	31 December 2024
Preliminary announcement of full year results	18 March 2025
Publication of Annual Report and financial statements	29 April 2025
Annual General Meeting	3 June 2025
Preliminary announcement of half year results	September 2025
Financial year end	31 December 2025

COMPANY INFORMATION

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