



From a British start-up
to a global brand builder

THG

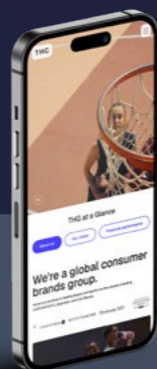
Annual Report
and Accounts | 2025

What we do

THG PLC is a global retailer and brand owner, headquartered in Manchester, UK, operating through two leading digital-first online consumer businesses: **THG Beauty** and **THG Nutrition**.

THG Beauty operates prominent online platforms including Lookfantastic, Cult Beauty and Dermstore, offering a valued route to market for over 1,000 third-party brands, alongside a specialist portfolio of owned brands.

THG Nutrition, led by Myprotein, the world's largest online sports nutrition brand, spans multiple health and wellness categories, delivering its products both directly to consumers and through strategic offline partnerships worldwide.



More information online

Our website gives you fast, direct access to a wide range of Company information

[thg.com](https://www.thg.com)

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Financial highlights

Statutory revenue

£1,717.9m
2024: £1,751.4m

Continuing CCY revenue growth percentage

+2.3%

Adjusted gross profit

£698.9m
2024: £727.5m

Adjusted gross profit margin

40.7%
2024: 41.5%

Adjusted EBITDA

£76.6m
2024: £83.3m

Adjusted EBITDA margin

4.5%
2024: 4.8%

Statutory operating profit

£8.1m
2024: Loss £(147.9)m

Statutory loss after tax

£(63.7)m
2024: £(180.6)m



Our business model

Our business model enables us to achieve our purpose: to create iconic retail experiences in the beauty, health and wellness markets.

How we operate

THG was born from a digital-first, UK D2C model, strategically expanding into high-growth territories and selective physical retail.

Curated products and merchandising

We continually refine and evolve our product offering and brand assortment to remain current and competitive.

Our D2C websites and mobile apps are designed to offer an engaging, frictionless environment to browse, discover and purchase.

Retail and distribution

The majority of our revenue is generated via ecommerce from a range of distinct beauty and health and wellness destinations.

Our core customers are beauty and wellness enthusiasts seeking to enhance their regime, treat concerns and improve performance.

Partners

Relationships with our global brand partners and retailers are imperative to our success, underpinned by brand investment, pricing value and access to a broad, engaged customer base.

Product discovery and innovation

We collect millions of insights from our global customer base, feeding our innovation pipeline and brand curation.

Engaging with consumers and analysing trends supports our buying and trading strategies on a localised level.

What sets us apart

- Product curation**
Our sites have unique identities offering a fresh and relevant mix of own and third-party brands, with new product listings targeting trending segments within the beauty, health and wellness industry.
- Digital capabilities**
We use data insights to continually evolve the retail experience, personalising the customer journey, while leveraging AI to improve customer retention and lifetime value.
- Brand strength and reputation**
We act as a voice of trust and authority within the beauty, health and wellness industry. Our reputation is built on quality and value, the foundations of our partnerships with category-leading brands.
- Channel breadth and strategy**
Our channel strategy is rooted in a powerful digital-first model. We amplify our extensive ecommerce presence through strategic online partnerships that enhance brand visibility and engage new audiences. This is complemented by a targeted expansion into physical retail, further diversifying our revenue streams and building brand awareness.
- Financial discipline**
Our financial priorities are embedded in our operating model and we are committed to maintaining a strong balance sheet while growing our revenue sustainably.

[read more on what enables us to create value in our investment case on pages 4 and 5](#)

[see our Chief Financial Officer's Review on pages 22 to 31 for more information](#)

Our vision is to be the global online leader in beauty and sports nutrition.

How we generate value

We generate financial and non-financial value through our two businesses.

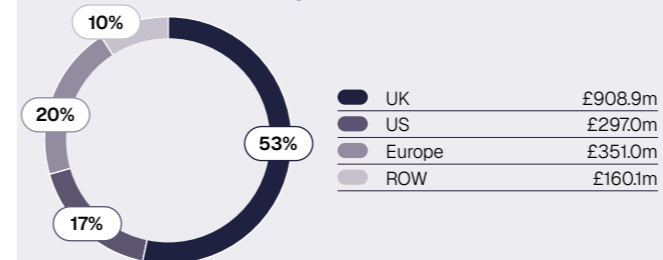
THG Beauty
Retailer of prestige beauty brands through online retail websites with digital leadership in key markets: the UK and the US.

THG Beauty's ambition is to be the global digital partner of choice across the beauty industry, supporting the channel shift to online.

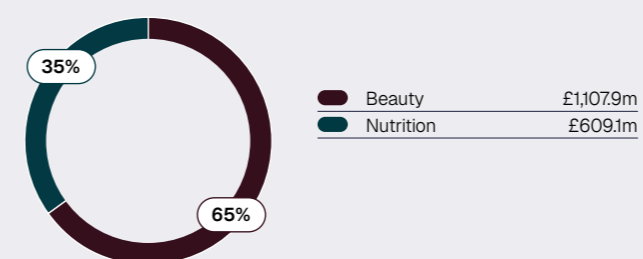
THG Nutrition
Retailer of sports nutrition supplements and health and wellness products, led by the world's largest online sports nutrition brand, Myprotein.

THG Nutrition's ambition is to maintain its global recognition as a trusted multi-channel nutrition and wellness brand for consumers, renowned for quality, value and innovation.

Group revenue by region



Group revenue by business



Who we create value for

We aim to deliver sustainable growth for our stakeholders.

- Suppliers**
We promote open and transparent working practices with fair terms of business.
- Our People**
We have an experienced and dedicated workforce, and we aim to ensure THG is an inclusive and supportive environment with career development opportunities.
- Partners**
We collaborate for mutual commercial success through new routes to market, category expansion and distribution of our own-brand product.
- Society and Communities**
We adhere to evolving ESG best practice and make steps to understand and address our impact to drive positive change.
- Customers and Consumers**
We establish a relationship of trust through frictionless, high-quality retail experiences, supporting health and wellness regimes and product discovery.
- Shareholders**
We create value for Shareholders through a focus on sustainable growth, responsible capital allocation and balance sheet stewardship.

[read more about our stakeholder engagement on pages 32 to 38](#)

Underpinned by our values

Ambition
We think BIG.

Innovation
We do things differently.

Collaboration
We work together.

Decisiveness
We make bold decisions.

Leadership
We lead by example.

Our investment case

1

Sustainable long-term growth opportunity from sizeable consumer end markets

- **Global megatrends** continue to underpin sustained growth in health and wellness categories
- **Addressable market** growth in both established and emerging territories



2

Digital-first and vertically integrated consumer brands group, comprising two market-leading businesses

- **THG Beauty:** Number one pure-play online specialty beauty retailer
- **THG Nutrition:** World's largest online sports nutrition brand, Myprotein

3

Active global customer base with increasing loyalty and lifetime value driven by high-repeat categories

- **Multi-channel distribution** increases brand awareness, trust and access
- **Direct-to-consumer** model enables greater customer insights, supporting further market penetration and product discovery

4


Utilising organic levers and new product innovation to accelerate market share growth

- **In-house** manufacturing facilities expediting speed to market
- **Penetration of existing markets** and expansion into adjacent categories

5

Free cash flow outlook provides capital allocation optionality

- Targeting continued progression to a neutral net cash position
- Reinvestment in selective strategic growth opportunities

 see Chief Financial Officer's Review on pages 22 to 31



Chair's Statement



“Innovation remains at the heart of THG and was a critical driver of our success during 2025.”

It is with great pleasure that I report on 2025, a year characterised by both delivery and stability. We not only delivered on our strategic priorities and returned the Group to profitable continuing CCY revenue growth, but also cemented the stability of our simplified business model and, in turn, established a robust platform for future progress. We finished the year as a member of the FTSE 250, enhancing our market visibility and liquidity.

A focus on delivery

Our primary objective for 2025 was clear: to deliver tangible results. I am pleased to confirm that we executed our plans with discipline and achieved that goal. Underpinned by the strategic repositioning and brand refresh previously undertaken, we delivered a significant strategic turnaround in THG Nutrition and saw the Myprotein brand return to strong revenue growth.

In THG Beauty, our focused execution on profitable categories and key markets has continued to drive a market-leading performance and further strengthen our position as a global online leader in prestige beauty.

Across the Group, our commitment to financial discipline has delivered a markedly improved future cash flow profile, lower borrowings and a more secure long-term balance sheet following the refinancing in April.

Establishing stability

Building on the transformative changes which took place at the start of the year, notably the demerger of THG Ingenuity, the focus in 2025 was on embedding stable foundations across the Group to support the simplified business model. Largely due to the commitment and hard work of CEO Matthew Moulding and his Senior Management team, the simplification of our structure into a focused beauty and nutrition business is now complete, providing a clear and understandable proposition for investors.

This structural stability is underpinned by a rigorous approach to financial management, a disciplined focus on delivering Shareholder value and a commitment to the highest standards of corporate governance. The Board and its Committees ensure that a robust oversight framework is in place which provides the platform required for sustainable, long-term growth.

Driving innovation

Innovation remains at the heart of THG and was a critical driver of our success during 2025. Our omnichannel strategy for THG Nutrition, particularly the expansion into physical retail, has unlocked significant new avenues for growth and demonstrated our ability to adapt to changing consumer behaviours.

In THG Beauty, our innovation has been focused on the customer experience, leveraging data and technology to develop a unified loyalty programme. This programme serves to deepen our customer relationships and provides a powerful engine for personalised engagement.

With the customer front of mind, we remain invested in our quality and speed of delivery commitments, an important retention and acquisition tool.

We continue to innovate in both our product development and brand partnerships, ensuring our brands remain at the forefront of the wellness and beauty industries. Aligning our proposition with category-leading brands introduces us to new audiences, broadens our addressable market and enhances our overall visibility.

New ways of working

The achievements of 2025 were made possible by our evolving ways of working. A culture of collaboration, agility and accountability has been essential and the partnership between the Board and the Senior Management team has been highly effective, supporting swift and decisive strategic action when required.

I would like to commend all our colleagues for embracing these new ways of working; their dedication and adaptability have been instrumental in ensuring that we execute and deliver against our objectives. We remain committed to fostering a culture that empowers our people to innovate and excel.

Outlook for 2026

We look ahead during the current year with confidence, and we will continue to build upon the solid foundations established in recent years. Our focus will remain firmly on delivering against our strategic priorities, underpinned by the operational and financial stability we have secured.

We will continue to invest in innovation to stay ahead of the curve in our core markets and, most importantly, we will continue to nurture our effective ways of working, ensuring we remain an agile and execution-focused organisation.

I am confident that by continuing to focus on these core themes, we will deliver significant and sustainable value for our Shareholders in the year ahead and beyond.

**Charles Allen,
Lord Allen of Kensington, CBE**
Independent Non-Executive Chair

25 March 2026

➔ see the Corporate Governance Report on pages 71 to 78 for more information

➔ see S172 on pages 32 to 38 for more information

Stability and Strength

Chief Executive Officer's Review



“A deliberate strategy to simplify the Group, enhancing our operational focus on the high-growth markets within Beauty and Nutrition.”

Our 21st year in business has been a ‘coming of age’ moment: A year of accelerating momentum, marked by a return to continuing CCY revenue growth, decisive strategic actions, and a clear validation of our long-term vision. We have simplified our structure, sharpened our focus on our key territories and brands, and strengthened our financial foundations.

- We delivered our first full year of Group continuing CCY revenue growth since 2021, supported by an encouraging second half and clear exit momentum. This reflects the impact of strategic changes across the business, the resilience of our brands and the work of our dedicated teams.
- We significantly simplified the Group. Following the demerger of THG Ingenuity at the start of the year, we completed the disposal of Claremont Ingredients, delivering a strong return on our investment and accelerating progress towards a net cash balance sheet.
- THG Beauty delivered a robust second-half recovery, reflecting our focus on prioritising higher-margin territories and categories. Concentrating resources where we have a distinct advantage has delivered impressive UK market share gains and returned the business to revenue growth.
- It was a landmark year for THG Nutrition, where our strategy to build an omnichannel presence is delivering phenomenal results. I am particularly pleased with our offline expansion, which is putting increasing numbers of Myprotein products on shelves and reaching millions of new customers.
- Licensing agreements with category leaders including Müller, Iceland and Jimmy’s Coffee drove sales of over 43 million Myprotein units into retail during 2025, extending the brand into new categories and reinforcing our reputation for quality and innovation.
- We secured our long-term capital structure by refinancing our debt facilities, materially reducing gross debt while retaining the liquidity to continue investing in the exciting growth potential of our Beauty and Nutrition businesses.

On remuneration, I am pleased to confirm that, consistent with each of the past five years since becoming a public company, the Executive Directors refused to accept any salary increases during the 2025 financial year. This approach has continued into 2026, with no increases applied to either my role or that of the Group’s CFO.

As has been my practice since IPO, I again waived the maximum amount of my annual salary permissible by law, resulting in me receiving only the UK’s annual minimum wage. Over the past five years, the cumulative value of salary waived now totals £3.63m, before taking into account bonus and share-based awards that have also been waived during this period.

During 2025, the Group again made a charitable donation equivalent to the value of the salary I sacrificed in the year. The donation supported the development of accommodation for people experiencing homelessness across Manchester.

For the fifth consecutive year, the Executive Directors also waived any participation in the 2025 annual bonus plan.

THG Beauty: Brand curation and market leadership

Beauty retail has demonstrated both discipline and agility. A clear focus on profitable sales and core UK and US markets drove a strong return to growth in the second half of the year, culminating in our strongest Q4 revenue performance since Q4 2021. This result reflects our commercial discipline and commitment to progressing customer value.

The UK, our largest territory, was a standout performer, with Lookfantastic delivering exceptional growth and market share gains, supported by our record-breaking Advent season and the successful launch of over 80 new brands. This underscores our position as the prestige beauty destination of choice for a growing and increasingly loyal customer base.

Alongside driving our retail platforms, we undertook a significant life cycle investment across our own brand portfolio.

This was a deliberate programme to refine formulations, enhance product appeal and strengthen long-term brand positioning. While this project constrained growth in parts of the portfolio during the first half of the year, the clear benefits were evident as the year progressed. The successful relaunch of the Ameliorate range and the improved second-half performance at Perricone MD demonstrate the value of this work. We also expanded the reach of our luxury spa brand, ESPA, by launching in over 100 M&S stores, building greater brand visibility with a new audience.

THG Nutrition: Accelerating momentum through omnichannel strategy

A fourth consecutive quarter of revenue growth was delivered following the transitional prior year and rebrand. While the year presented challenges and margin pressure with record whey commodity prices, we made the strategic decision in the second half to absorb some of these costs. This was a deliberate choice to support our customers, protect our market-leading position, and invest in long-term loyalty and market share growth.

Our move into offline channels is transforming the scale and awareness of Myprotein. From a standing start only a few years ago, we now have a presence in over 40,000 doors globally.

A cornerstone of this success is our ‘6-aisle strategy,’ designed to integrate Myprotein into every part of our customers’ daily lives and shopping habits. This has been brought to life through exciting collaborations with category-leading partners. Our partnership with global confectionery giant Mars allows customers to enjoy iconic flavours in their favourite protein products. In the freezer aisle, our long-term partner Iceland expanded its exclusive range to 25 innovative Myprotein products, including high-protein ice creams and even breakfast omelettes. Our collaboration with Müller created the UK’s No.1 protein dessert, and looking ahead, our recently announced agreement with Greencore, a European leader in convenience, will see Myprotein branded food-to-go launch across major supermarkets.

These partnerships take the Myprotein brand far beyond its core D2C offering, placing us in the hands of millions more consumers.

Strategic simplification while overcoming challenges

The key decisions taken to demerge THG Ingenuity, refinance and de-gear, and subsequently divest Claremont Ingredients have been transformative. These actions represent a deliberate strategy to simplify the Group, enhance our operational focus on the high-growth markets within our Beauty and Nutrition businesses, and create greater transparency and value for our Shareholders.

The significant cash proceeds from the Claremont sale have strengthened our balance sheet and highlight the substantial value embedded across the Group’s portfolio.

We have proven our ability to build, scale and monetise valuable assets while protecting our core operational capabilities through long-term supply agreements.

While the year was defined by revenue growth in our key markets, we also faced headwinds. The record whey prices in Nutrition and the strategic pivot in Beauty required disciplined execution. Our team’s ability to navigate these challenges, while balancing customer support with our long-term financial health, has been instrumental in the robust performance we delivered in the second half of the year.

Looking ahead

We enter 2026 with powerful trading momentum and a clear focus to deliver sustainable, profitable growth and increase free cash generation.

We will continue to build on the incredible success of Myprotein’s global offline and licensing strategy and leverage our digital leadership in Beauty to deepen customer relationships through innovation and personalisation.

In closing, I would like to express my profound gratitude to our employees. Their passion, dedication and resilience have been central to our success in a year of significant change and progress.

Matthew Moulding
Executive Director and CEO

25 March 2026

➔ see the Chief Financial Officer’s Review on pages 22 to 31 for more information

➔ see our strategy on pages 10 and 11 for more information

Our strategy

Our goal is to deliver sustainable growth for our stakeholders, through a focused strategy on priority territories and high-growth categories and channels where we have a right to play.

Build leadership positions in core territories and categories

What it means
Sustainable Group revenue growth and margin expansion

THG Beauty

- Maintain online leadership in UK and US home markets
- Build brand affinity through accessible authority in prestige skincare

THG Nutrition

- Return the business to growth
- Diversify territory, channel and category mix to reflect the record global consumer demand for protein, taking intentional trading decisions to protect margins and retain market share while whey commodity prices remain elevated

2025 progress

THG Beauty

- UK market outperformance in Q4, supported by growth in new and LTM Active Customers
- Medium-term Adjusted EBITDA margin achieved
- Completion of international reset strategy, de-emphasising sales in parts of Europe and Asia

THG Nutrition

- THG Nutrition delivered its fourth consecutive quarter of revenue growth in Q4 2025 (+12.2% (excluding Asia)), largely driven by selective product pricing and strong growth in adjacent categories notably offline retail and gross margin accretive activewear and creatine
- The strategic use of social commerce and marketplace channels have also contributed to online growth, fuelled by the brand repositioning which unlocked multiple new revenue streams offline

Launch innovative and relevant products to global consumers

What it means
Develop effective, high-quality products suitable for local tastes and markets

THG Beauty

- Differentiate by securing exclusive products and gift edits
- Enhance own-brand beauty portfolio with science-backed innovation

THG Nutrition

- Expand category presence where usage occasions are growing
- Further growth in licensing ranges and formats including Myprotein x Jimmy's Iced Coffee, and Myprotein x Vimto

2025 progress

THG Beauty

- Biggest ever year for new brand launches
- Biggest ever own-brand launch: Blossance eye serum

THG Nutrition

- The growth in MP Activewear indicates a broadening of our appeal beyond the traditional sports nutrition market, further diversifying both revenue and the addressable customer base. Over half a million women's leggings were sold during the year with activewear c.12% of Myprotein online sales (c.8% FY 2024)
- No.1 brand for loyalty in chilled protein ready meals: Myprotein x Kirsty's lunch pots¹



Myprotein x Müller

Partnership momentum delivering record sales in June 2025, with extension of the range playing a valuable part in generating brand visibility.

- Voted No.1 protein dessert (UK retail): Myprotein x Müller Protein Mousse³

Grow the Active Customer base and drive loyalty

What it means
Increase the online customer numbers through retention and new customer acquisition

THG Beauty

- Grow the number of Lookfantastic loyalty programme members

THG Nutrition

- Develop physical footprint by increasing the number of doors where Myprotein products can be purchased

2025 progress

THG Beauty

- Revenue from returning customers (89%) reflects continued loyalty programme success and its effectiveness in encouraging and rewarding purchases with spend per account >30% higher than non-loyalty members²

THG Nutrition

- The growth of our multi-channel approach continued at pace with new retail listings secured both in the UK and internationally. Myprotein products are now available in over 40,000 doors worldwide
- We have made significant strides on our licensing strategy unlocking category credibility in dairy (Myprotein x Müller) and on-the-go lunch pots (Myprotein x Kirsty's)



Ameliorate enters a bold new era

While the look has evolved, the science remains the same: **science-led skincare with results you can trust.**

Ameliorate entered a bold new era, officially launching their rebrand with a fresh new look, and smarter, future-proof packaging:

- Sustainable packaging – Ameliorate has moved to Prevented Ocean Plastic (POP), reducing our plastic footprint while protecting oceans for the future.
- Streamlined range and global compliance – focused on hero products for stronger global consistency, opening the door to expansion in EU and US markets
- Improved quality and value – refreshed and elevated packaging, with improved componentry.

Enhance brand equity through D2C channels

What it means
Improve brand awareness and customer trust

THG Beauty

- Growth in brand awareness across all platforms, with customers increasingly recognising us for brand assortment, convenience and value for money

THG Nutrition

- Maintain Myprotein's position as the world's largest online sports nutrition brand

2025 progress

THG Beauty

- THG Beauty UK outperformed the market following a strong Q3 2025, supported by growth in new and LTM active customers

THG Nutrition

- We have successfully leveraged new platforms to enhance the customer experience and drive revenue. Myprotein claimed the title of the highest-growth brand on TikTok Shop across the entire health and wellness category in Q1, a channel that continues to deliver exceptional results
- Developing an omnichannel experience to support brand awareness has been fundamental in enabling us to enhance the long-term margin and growth potential of the business, further developing Myprotein's position as a globally prominent active nutrition brand

1. Nielsen panel data taken from total outlets, for the latest 24 week period ending 06.09.2025 vs previous 24 week period.
2. Circana Market Growth; Circana UK Total Market 04/01/2025 – 27/12/2025.
3. IRI data of GB average units sold per store during the 12 week period ending 27.09.2025.

Our marketplace

Beauty

The global total addressable market for beauty and personal care was valued at £455bn in 2025, growing by c.5% year on year. The premium segment, valued at £135bn in 2025, is set to expand at a CAGR of c.5% between 2025 and 2029 and is anticipated to be valued at £173bn by 2029¹.

Key trends

The UK online beauty market continues to perform strongly, with the UK premium beauty market delivering double-digit growth in 2025². As the leading online beauty retailer in the UK with an emphasis towards prestige brands, we are well positioned in this fast-growing market, with THG Beauty outperforming the UK market in the critical fourth quarter trading period². Another of our key markets, the US, is leading the way with ecommerce accounting for 41% of all beauty and personal care sales³, ahead of its overall online retail penetration rate. The online global beauty and personal care market continues to grow, supported by digital penetration. Consumers are also utilising digital platforms to research ingredients, to compare formulations and review guidance on skincare routines and product usage. Technological developments underpin an immersive experience that increasingly surpasses physical retail, aiding product discovery.

Recent trends also highlighted accelerating consumer interest in skin-first complexion formats, at-home beauty devices and Korean beauty, each reflecting the same underlying shift towards efficacy, routine-building and results-driven purchasing.

Beauty spending remains robust as consumers consider beauty products an integral part of their daily routine, providing a high degree of resilience to purchases through the economic cycle. The well-documented 'lipstick effect', whereby consumers facing economic headwinds maintain beauty spending rather than cutting back, treating premium products as an accessible form of everyday indulgence, means the category has historically strengthened during downturns.

Due to the factors above, growth in the premium beauty market has outpaced that of the mass market in recent years¹. With its focus on the premium segment of the beauty market, THG Beauty is ideally placed to benefit from further premiumisation.

Our position

Through our retail sites and owned beauty brands, we build deep, long-term relationships with both brand partners and consumers.

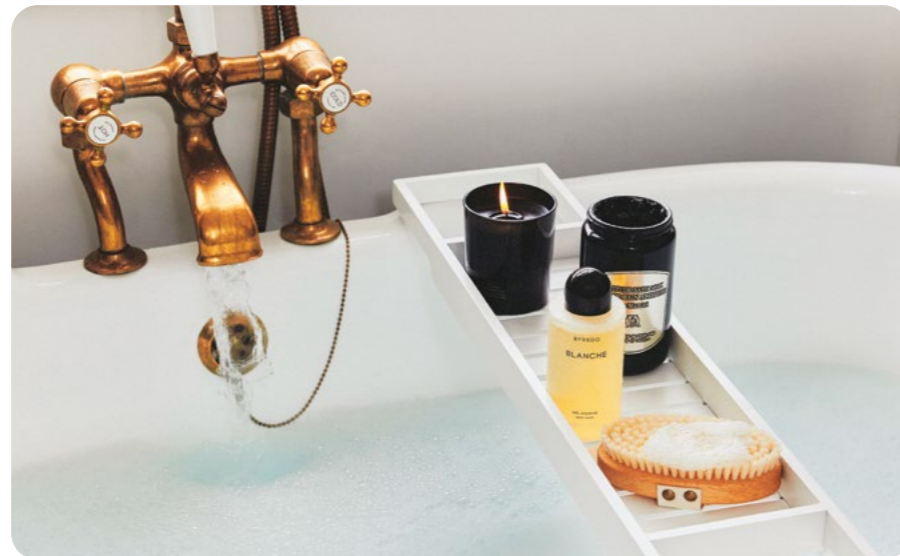
Our scale and platform capabilities enable us to operate across multiple international markets, accelerate new product development, and introduce customers to products through discovery-led shopping journeys.

This underpins our leading positions in our core territories, the UK and the US, while providing a strong foundation for further international growth.

In addition, the breadth and quality of data generated by our digital customer base is a meaningful differentiator. These data-driven insights inform everything from merchandising and content strategy to product innovation and brand curation – particularly for emerging brands seeking targeted exposure and rapid feedback loops. The regimen-based nature of our key categories, especially skincare and haircare, further strengthens our proposition: consumers often build custom routines suited to their own needs, creating opportunities to deepen engagement through education, expert-led guidance and personalisation.

Finally, we benefit from the structural advantages of ecommerce. Our platforms provide effectively unlimited shelf space, enabling a significantly wider assortment than traditional bricks-and-mortar retailers can offer. This breadth, powered by our content, community and personalisation, positions us as a destination for discovery and education, supporting higher conversion, repeat purchase behaviour and lifetime value.

Our integrated beauty ecosystem, combining retail platforms, own brands, product development capability and manufacturing, enables us to deliver a differentiated digital beauty experience for consumers and a compelling, performance-driven route to market for brands.



Future outlook

Looking forward, we anticipate the following key trends to shape the beauty market in 2026 and beyond:

- Consumers increasingly demanding high performance formulations, with search growth seen for peptides, retinol and niacinamide, as well as emerging active ingredients such as PDRN, indicating rising ingredient literacy among consumers.
- In 2025, searches for skin-first complexion products surged, with these products significantly outperforming traditional colour cosmetics formats. In 2026 we expect to see increased focus on these skin-first cosmetics formulas.
- Sales of LED devices rose significantly in 2025, reflecting growing overlap between beauty and wellness. As consumers are increasingly looking for value and convenience, at-home beauty devices are expected to continue growing in 2026.
- Lash serums and treatments were the fastest-growing cosmetics category for THG Beauty in 2025, signalling a shift away from high-maintenance extensions and false lashes, and we expect this trend to continue in 2026.
- Korean beauty ("K-Beauty") continues to grow strongly in the Western Europe and US markets, with broad-based growth across suncare, serums and sets, driven by efficacy, price accessibility and formulation leadership. In 2026, K-Beauty is expected to have a major influence on global formulation standards due to significant levels of product awareness.

Nutrition, health and wellness

The global nutrition and wellness sector is valued at over £245bn¹, with THG Nutrition's primary focus expanding beyond the £24bn² sports nutrition market to adjacent segments including activewear (£179bn) and vitamins (£27bn).

Key trends

The global nutrition market continues to be shaped by several powerful trends. Consumers are increasingly health-conscious, seeking nutritionally balanced products and protein-enhanced options. While higher-income countries currently lead in adopting these products, growing economic development in lower-income regions is expected to drive future demand.

Weight management drugs, including GLP-1 receptor agonists, are also influencing consumer behaviour. As these treatments become more widely used, they are reshaping purchasing decisions – accelerating interest in higher-protein, nutrient-dense products, and reinforcing wider shifts toward healthier lifestyles and functional nutrition. Furthermore, government and industry directives continue to advocate increased daily protein intake.

Digital growth remains another structural tailwind, particularly in developing markets where ecommerce penetration remains relatively low. In addition, consumers are not only purchasing online, but are also using digital platforms to research ingredients and seek guidance on product choice and usage.

In parallel, short-form media has become a significant driver of discovery and conversion. Brands that can translate product efficacy into clear, engaging and educational content are increasingly well placed to win attention, build trust and convert demand across a broad set of consumer segments.

Our position

The sports nutrition industry remains highly fragmented, comprising a small number of scaled global brands alongside a long tail of smaller, locally focused players. As the largest online sports nutrition brand globally, and amongst the most internationally diversified, Myprotein is optimally positioned to benefit from the continued shift to ecommerce across markets. The depth of localisation embedded within our technology, marketing and operating platform, further positions Myprotein to reach new audiences.

Our direct-to-consumer model also remains a core strength. It enables direct engagement with consumers, a personalised end-to-end shopping experience, and rich data insights into customer behaviour. These data advantages inform merchandising, content and product innovation, helping us to respond quickly to emerging trends and refine our proposition by market and customer segment.

These advantages are further complemented by our vertical integration in product development and manufacturing, which enables shortened launch cycles, high control over product quality, improved availability and the agility to adapt to changes in demand.

Alongside our D2C leadership, we have broadened our route-to-market in recent years through selective expansion into traditional retail channels. This diversification has broadened our revenue mix, increased brand visibility and enabled us to reach a wider range of consumers and purchasing occasions, including those who prefer in-store shopping or convenience formats. Together, these initiatives strengthen our presence across both online and offline channels and position the brand to capture a wider set of category and distribution opportunities.



Future outlook

Looking ahead, we anticipate the following key trends to shape the nutrition, health and wellness market in 2026 and beyond:

- A global shift towards health-focused protein intake could cause demand to rise by +37%. This would equate to an incremental market value of approximately \$650bn. Protein is evolving from a generic health claim to a multifunctional driver of wellness – it is no longer niche, but mainstream. 70% of global consumers believe they are proactive in managing their health, and 57% say they prioritise 'ageing well' more than they did five years ago¹.
- Weight management drugs are increasingly influencing consumer behaviour, reinforcing structural shifts towards protein-rich and nutrient-dense products – a demand tailwind for Myprotein.
- Consumers are increasingly adopting 'on-the-go' routines, accelerating growth in convenience formats such as bars, snacks, ready-to-drink and single-serve offerings. Myprotein is well placed to win here through innovation in taste, nutrition and accessibility, supported by increasing brand awareness and the capability to develop and scale products quickly across markets.
- Digital-first education and short-form media are reshaping how consumers discover and evaluate nutrition products. Brands that simplify complex nutrition through clear, verified product claims, quality content and practical guidance stand to gain share – an advantage for Myprotein given our D2C first model, rigorous focus on product quality and testing, and influencer-led marketing approach.
- Rising ecommerce penetration and improving incomes in developing markets, alongside growing investment in health and wellness, provide a tailwind for sports nutrition and wellness demand. Myprotein is ideally positioned to capture this demand through strong localisation and international infrastructure.

1. NielsenIQ's Global State of Health & Wellness 2025.

1. Euromonitor – Passport – 2025 market size data, Beauty & Personal Care.
2. Circana Market Growth; Circana UK Total Market 04/01/2025 – 27/12/2025.
3. Nielsen.

1. Euromonitor – Passport – 2025 market size data, Performance Apparel, Sports Nutrition, Vitamins and Dietary Supplement, Weight Management and Wellbeing.
2. Euromonitor – Passport – 2025 market size data, Sports Nutrition.

THG Beauty

THG Beauty operates in the prestige segment of the global beauty market, which comprises a number of brands owned by global beauty and consumer groups alongside a range of independent brands. Prestige brands are generally characterised by a higher price point, more selective distribution channels, a high level of active ingredients, a more curated product offering and richer brand heritage than mass-market beauty brands.

With an unparalleled attention to detail, we act as a trusted source for product discovery and education, alongside offering a frictionless purchasing experience. We strive to maintain digital and category leadership by constantly evolving to meet customer needs and shifting beauty trends.

Revenue growth of +0.2% (continuing CCY) and EBITDA margins within medium-term guidance delivered through strategic product curation and exclusive launches, driving long-term profitability.

Business overview

- Owner and operator of three major online beauty retailers: Lookfantastic, Cult Beauty and Dermstore.
- Critical route to market for over 1,000 brands in high-repeat, regime-based categories with a focus on the prestige segments of skincare, haircare, fragrance and cosmetics.
- Own brand portfolio with clinically proven ingredients focused on the more prominent growth opportunities in prestige skincare, spa and specialist products.
- New product development through in-house, vertically integrated manufacturing capabilities in the UK and US for own brand and third-party brands.
- Highly loyal customer base with 89% of THG Beauty revenue generated from returning customers.

THG Beauty's strategy is to deliver a leading digital customer experience, product assortment and elevated brand positioning, while generating sustainable, profitable growth.

Its strategic priorities are:

1. to maintain its position as the world's largest online pure-play prestige beauty retailer;
2. to support global beauty brands in addressing the channel shift in marketing spend from offline to online;
3. to develop a digitally focused portfolio of prestige owned brands, providing margin enhancement and differentiation; and
4. to provide innovation and product development services directly to the beauty industry.

Beauty edits

Beauty boxes and specialist edits serve as a strategic tool for enabling product discovery and reaching new, dedicated audiences, particularly through successful collaborations with our influencer networks. By creating limited-edition curated boxes featuring products across categories, we offer customers unparalleled value and innovation.

The category, which includes our highly popular beauty advent calendars, is margin-enhancing and delivered over 20% revenue growth in the year, supported by an increase in UK subscriptions for monthly edits. Beauty boxes also remain a powerful and effective tool for customer acquisition and retention.



Operational overview

This year, our core priority was to sharpen our focus on meeting our customers' needs. We accomplished this by using our loyalty programmes to offer unmatched value and by improving our website and mobile applications to aid product discovery and streamline the purchasing experience. In addition, through the year our territory mix shifted to focus on home markets, where fulfilment efficiencies created higher margin, the effect of which decreased Active Customers and total orders. Now with a healthier and more engaged customer base we have seen continuing CCY revenue growth and sustained margins, with 89% of our revenue now generated by existing customers.

Across categories we saw growth in fragrance, haircare, cosmetics and skincare, each at a rate that outperformed the total UK beauty market¹. This achievement comes from a relentless focus on category curation. By ensuring we balance newness with established and reputable brands, we have successfully deepened our market penetration in both established and high-growth segments.

In parallel, we strengthened our relationships with suppliers to create mutually beneficial partnerships. Our industry-leading retail media proposition provided suppliers a direct platform to connect with a large, engaged audience, helping strengthen supplier relationships. Furthermore, events like our Beauty Supplier Summit have fostered collaboration and shared insights into the future of the beauty industry. These initiatives have enabled us to secure Lookfantastic exclusives from trending brands, further strengthening our overall proposition.

Active Customers overall reduced YoY due to the intentional strategy to de-prioritise parts of Europe, Asia and Australia. Focusing on the UK, we're seeing a more engaged customer base, with an increase in AOV, order frequency and total orders providing evidence for a healthy and engaged customer base in that territory.

Ameliorate completed a full rebrand in 2025, including changes to their whole packaging range, and now participates in the Prevented Ocean Plastic™ ("POP") scheme, ensuring that:

- Packaging is sourced from manufacturers using Prevented Ocean Plastic™; so where you see the POP symbol on our packaging, it means one or more packaging components include at least 30% post-consumer recycled content ("PCR").
- Over 50,000 tonnes of plastic have been prevented from entering oceans using this scheme; that's more than 2.5 billion bottles.

1. Circana Market Growth; Circana Total Market 04/01/2024 – 27/12/2025.
2. Active Customers is defined as customers who have purchased at least once within the period.
3. Number of orders is defined as orders fulfilled within the period.
4. Average order value is defined as the average order value per customer order on a gross revenue basis, inclusive of any shipping revenue.
5. Sales of all orders from customers shopping more than once with THG.
6. Percentage of revenue made through mobile applications.

Revenue
£1,107.9m
2024: £1,171.1m

Continuing CCY growth rate
+0.2%
2024: +4.6%

Gross margin
39.3%
2024: 40.0%

Adjusted EBITDA
5.9%
2024: 6.1%

Active Customers²
7.5m
2024: 7.9m

Total orders³
15.9m
2024: 16.1m

Revenue from returning customers⁵
c.89%
2024: 85%

Average order value⁴
£66
2024: £66

App participation⁶
c.29%
2024: 27.5%

Lookfantastic loyalty members
3.5m
2024: 2.8m

THG Beauty continued

Own brand portfolio

Our own brand proposition is supported by manufacturing capabilities in the UK and US, led by our flagship skincare brands – Perricone MD, Biossance and ESPA.

We have seen sustained momentum through 2025, with brand investments in packaging and formulation in Perricone MD and ESPA yielding results. B2B and global spa listings have helped to build on brand visibility and awareness and leveraged access to new markets.

Perricone MD showed improved performance following strategic investment in brand and formulation. The ESPA brand also saw a significant increase in visibility, with 60 SKUs launched across more than 100 M&S stores and online. In line with our sustainability goals, the Ameliorate product line was successfully relaunched, now featuring Prevented Ocean Plastic™ in its packaging.

Revenue by channel

Retail	81%
Own brand	10%
Manufacturing	9%

Online retail by territory

UK	60%
US	22%
Europe	16%
ROW	2%

Online category split

Skincare	39%
Haircare	16%
Cosmetics	22%
Fragrance	11%
Body	7%
Other	5%

Financial performance

During 2025, THG Beauty delivered revenue of £1,108m (-5.4% YoY; +0.2% Continuing CCY). Following a slower than anticipated start to the year, THG Beauty gained momentum through the second half, delivering H2 revenue growth of +5.4%.

As part of our intentional strategy to de-prioritise parts of Europe, Asia and Australia, the UK and Ireland delivered revenue growth of 6.3%. This standout performance was underpinned by strong customer health metrics. We have effectively leveraged our established distribution network and strong brand recognition to provide a market-leading online proposition and high-margin sales in home territories.

Although Adjusted EBITDA decreased, our margin remained in line with medium-term guidance, establishing a more refined foundation for future performance. The strategic actions implemented in 2025 are expected to deliver sustained revenue and EBITDA in 2026, as we continue to prioritise our home markets to drive sustainable growth towards our target margin.

Strategic highlights

During 2025 we undertook strategic investment to keep our proposition fresh and to aid product discovery. As part of this we saw a record-breaking sale of our 2025 advent calendar campaign and launched over 80 new brands, including the prestigious Gucci Beauty. Revenue from new brands increased by +40% compared to the previous year.

By the end of 2025, the Lookfantastic loyalty programme had grown significantly, with membership increasing by 0.6 million to over 3.5 million customers. This programme offers exclusive benefits like early access to sales and the ability to earn points on purchases, providing valuable insights into customer spending habits. The data reveals that loyalty customers spend approximately 32% more than non-loyalty customers, with higher order frequency and AOV. We also enhanced our mobile applications with a more intuitive and personalised interface, implementing AI tools to improve product discovery and streamline the purchasing process. These mobile app improvements, which have led to a year-on-year increase in app revenue, have been instrumental in deepening our understanding of customer purchasing habits and ensuring we can meet their evolving needs.

Across our manufacturing businesses we're taking responsible action to minimise our impact on the environment and innovate for the future of the beauty industry. Through our partnership with Clean Food Group, THG Labs has launched CLEAN OIL™ 25, the first sustainable alternative to traditional oil and fat ingredients to be approved in the United Kingdom, Europe and United States. The approval marks a major milestone in the commercialisation of this technology, unlocking access to the high-value global personal care and cosmetics sector.



Retail media

THG Beauty Media enables brands to connect with a large and engaged audience through bespoke, data-driven campaigns.

Brand partners gain access to crucial data and insights that unlock significant growth opportunities. By leveraging our strategic partnerships with data experts like Criteo, LiveRamp and Zitcha, partners can understand brand loyalty, optimise purchase frequency, and turn shopper data into actionable strategies that measurably drive market share.

By launching THG Beauty Media, we are tapping into the rapidly growing retail media market, which is projected to exceed £1bn in the UK by 2025. This creates a significant new revenue stream for the business and strengthens our relationships with key brand partners and helps them grow, fostering a more collaborative and successful ecosystem.

"We're excited to see the evolution of THG Beauty Media over the next 12 months as we continue to grow and enhance our offering, providing better ROAS for our partners."

Tom Mills-Webb
Chief Commercial Officer,
THG Beauty

Lookfantastic x Uber

In December, we launched a landmark partnership with Uber Eats to introduce same-day delivery across selected London postcodes. The initiative was designed to remove 'December delivery anxiety' by offering customers certainty, speed and convenience at the height of the festive season. Using Uber Eats's hyper-local fulfilment network, we enabled shoppers to order from a curated edit of our most sought-after products for delivery in as little as one hour, right up to and including Christmas Day.

Customer convenience is proven time and time again as a lucrative customer acquisition tool. With this partnership we were able capture the last-minute festive shopping window and gain a competitive edge. The collaboration drove incremental sales by meeting our customers exactly where they are, reinforcing Lookfantastic's market leadership in beauty and delivering iconic luxury products in record time.



Dermstore x Flex

During 2025 Dermstore partnered with Flex, a payment infrastructure provider, to allow US customers to use their Health Savings Account ("HSA") and Flexible Spending Account ("FSA") funds at checkout. This makes Dermstore one of the first major beauty ecommerce sites in the US to offer this payment method for dermatologist-recommended skincare.

The goal of the partnership is to make dermatological products more accessible by allowing consumers to pay with pre-tax healthcare dollars. For customers, this simplifies the purchasing process for eligible items, as they can shop and pay directly without needing to submit claims or manage paperwork after the transaction.

This initiative aligns with Dermstore's focus on supporting customers in their skin health journeys by providing more convenient and affordable access to recommended products.

"Accepting HSA/FSA cards at checkout is a key milestone for us in our commitment to supporting beauty shoppers to invest in their own skin health routines, and we are proud to be among the first beauty-focused ecommerce platforms to do so."

James Bonner
President of US Retail at Dermstore



2026 priorities

THG Beauty strives to be the leading online beauty retailer by leveraging digital innovation and be the brand partner of choice to drive sustainable market share growth

Building on our progress and focus on home markets, we aim to:

- Maintain THG Beauty's position as the world's leading online pureplay premium beauty retailer, with an expanding share in key online markets.
- Grow our global beauty community across all key social channels, increasingly being trusted as a source of education, expertise and authority within the industry.
- Continue to evolve our brand and category assortment to ensure we are offering our customers the most complete online beauty shopping experience.
- Deepen customer loyalty through further enhancements to our loyalty programme and personalisation capabilities.
- Implement tools to create an intuitive and personalised interface across websites and mobile applications.
- Strategically expand our own brands' global distribution through new and existing partners.

THG Nutrition

THG Nutrition operates within the expansive and rapidly growing global nutrition and wellness sector, encompassing sports nutrition, vitamins, supplements, hydration and activewear. This market offers significant growth potential for Myprotein through category and channel penetration, in addition to product innovation.

Myprotein has expanded its appeal in high-growth performance and wellness categories, broadening the brand appeal and awareness to a more diverse 'active lifestyle' audience.

Revenue growth has been delivered through a combination of category expansion, growth in the offline retail footprint and pricing evolution.

Business overview

- Increasingly omnichannel model, with a growing offline presence building on a market-leading D2C position.
- Vertically integrated manufacturing capabilities to power new and improved product development and speed to market.
- Presence in major territories with a proven localisation model, enabling rapid scaling in emerging territories.
- Operating across multiple categories in the growing global wellness space, with consumers taking greater control, prioritising products and services which enhance wellbeing.
- Unique to the category licensing model, monetising the brand IP and building awareness through multi-year, multi-territory agreements.

We offer a broad range of products and convenient formats, with this breadth allowing us to serve multiple consumer needs and occasions, from everyday wellness and lifestyle support through to performance and sports-focused routines.

The primary distribution channel is D2C, enabling deeper customer engagement and insights.

In recent years, we have focused on growth in retail channels and through licensing partnerships, enabling us to reach an even wider addressable market.

Myprotein's strategy is to build category leadership in both online and offline spaces across developed and emerging markets, capitalising on the long-term trend of consumers becoming increasingly health-conscious.

Its strategic priorities are:

- maintaining Myprotein's position as the world's largest online sports nutrition brand;
- increasing offline presence to enhance customer reach through retail, gyms and experiences;
- developing Myprotein's customer base from 'specialist gym-goer' to a broader 'active lifestyle' audience; and
- evolving the brand to broaden appeal, earning the right to play in high-growth performance and wellness categories.

The global wellness market is growing steadily, driven by a long-term shift towards greater health awareness among consumers. This is a competitive space, with both new and established brands vying for market share, often focusing on specific regions or product categories. Within this landscape, THG Nutrition aims to stand out through three key strengths: a vertically integrated business model (meaning it controls much of its own supply chain and production), a strong direct-to-consumer digital platform, and a growing presence across multiple sales channels. This combination gives it a meaningful and lasting edge over competitors.

Performance spotlight: MP Activewear

2025 was undoubtedly MP Activewear's year, now representing 12% of online revenue. This exceptional performance was driven by a strategic shift to core, evergreen products, a stronger brand perception aligned with the broader Myprotein repositioning, and focused marketing to drive both demand and higher-margin sales.

The exceptional growth in this category demonstrates our ability to evolve the brand and broaden its appeal into high-growth wellness categories, while creating incremental purchase opportunities.

A year of renewed vigour and strategic advancement

In 2025, THG Nutrition executed a significant strategic repositioning, enabling a return to robust revenue growth and reinforcing its market leadership in the global nutrition and wellness sector. Our performance was underpinned by a renewed focus on brand strength, disciplined channel strategy, and product innovation.

Operational review

Guided by a clear and long-standing mission to 'empower those who demand more', our flagship brand, Myprotein, returned to revenue growth, powerfully leveraging the benefits of its brand repositioning. Our focus on refining the D2C channel as the ultimate consumer destination, coupled with a dynamic omnichannel strategy, has solidified our market-leading position.

Category expansion has been an ongoing priority, and we are seeing healthy demand in areas outside of our core protein categories including vitamins, hydration and activewear. Offline channels have enabled us to stretch this further with measured investment. Through a combination of B2B retail and licensing, we have taken Myprotein into new markets, engaged new customers and broadened brand awareness and preference.

This strategic pivot dramatically improved unaided brand awareness, brand consideration, and brand preference, setting a new trajectory for sustainable growth in both D2C and offline channels.

While we have expanded our retail footprint and acquired new audiences, our D2C channel remained the heart of our customer relationship and brand experience, enabling customers to shop frictionlessly at their convenience, while discovering new products to complement their health and wellness regime.

The positive momentum sparked by the brand repositioning is underpinning recovery of our Active Customer database and supporting new customer acquisition.

Strong engagement and loyalty are clearly reflected across our customer database, with 39% of our audience choosing to download and shop via the app. This is a particularly powerful indicator of customer commitment, with those who take the step of downloading the app actively demonstrating a higher level of investment in the brand, signalling long-term loyalty and a deeper connection with our offering.

- Active Customers is defined as customers who have purchased at least once within the period.
- Number of orders is defined as orders fulfilled within the period.
- Average order value is defined as the average order value per customer order on a gross revenue basis, inclusive of any shipping revenue.
- Sales of all orders from customers shopping more than once with THG.
- Percentage of revenue made through mobile applications.

Revenue
£609.1m
2024: £580.3m

Continuing CCY growth rate
+6.4%
2024: -8.7%

Gross profit margin
43.2%
2024: 44.6%

Adjusted EBITDA margin
4.7%
2024: 5.9%

Active Customers¹
5.9m
2024: 6.1m

Revenue from returning customers⁴
84%
2024: 85%

Total orders²
11.0m
2024: 11.3m

Average order value³
£49
2024: £47

App participation⁵
39%
2024: 31%

Offline doors
>40,000
2024: c.34,000

THG Nutrition continued

Financial performance

THG Nutrition achieved its strongest revenue growth in over two years, with sales rising 5.0% YoY. This was driven by the omnichannel expansion strategy, alongside gradual price increases and better alignment across customer channels. The sale of Claremont Ingredients reduced full-year revenue growth by 50bps.

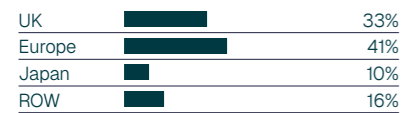
The business continued to broaden its mix of territories, sales channels and product categories, reflecting growing global demand for protein products. However, the cost of whey has remained high, driven by strong global demand meeting new supply capacity. This has pushed up consumer prices across the nutrition industry as a whole and added pressure on gross margins. We continue to manage this dynamic, balancing margin protection with customer retention.

Distribution and payroll efficiencies helped to offset marketing investment in support of new customer acquisition and retention, with Adjusted EBITDA of £28.8m (-16.5%) primarily impacted by the gross margin decline (-140bps).

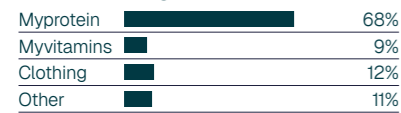
Revenue by channel



Online retail by territory



Online category split



Introducing: Brands at Myprotein

This year marked the launch of Brand Hub, a curated marketplace designed to elevate the Myprotein customer experience by bringing together a carefully selected range of third-party products, all vetted and approved by a brand our community knows and trusts.

Brand Hub represents a significant evolution of our digital presence, transforming the Myprotein website and app from a single-brand store into a comprehensive health and wellness destination. By welcoming innovative and complementary brands onto the platform, we are broadening the available offering, giving customers greater choice and convenience across their favourite categories – all in one place.

1. B2B, manufacturing.
2. D2C, marketplaces.

Strategic highlights

Breaking down the barriers of the fitness industry and empowering consumers to live a healthier, more active lifestyle remains fundamental to the brand. Myprotein now provides a wide array of products across various segments of the global nutrition market, with our 2025 performance reflecting a disciplined execution of our core strategies, particularly in increasing our offline presence to enhance customer reach.

Delivering excellence across all channels

Selective product pricing has driven online growth, complemented by a targeted approach to social commerce and marketplace channels. These channels have been selectively used to launch exclusive products, creating excitement and reaching new demographics. A notable success was Myprotein claiming the title as the highest growth brand on TikTok shop across the health and wellness category in Q1.

Together, marketplaces (e.g. Amazon), B2B retail, licensing and social commerce (e.g. TikTok) delivered double-digit revenue growth.

Offline

The growth of our physical retail approach continued at pace throughout 2025, with new retail listings secured both in the UK and internationally. Myprotein products are now available in over 40,000 doors worldwide, principally in the UK, US and Asia. This expansion has been accelerated by key strategic partnerships. Walmart provided a boost to the growth strategy in the US, while 7-Eleven in Asia has provided similar growth momentum alongside Costco and Decathlon. This physical presence enhances brand visibility and provides new touchpoints for customer acquisition.

The US represents one of our biggest growth opportunities. With a large, health-conscious and well-educated consumer base, we are strategically positioning Myprotein to become a more significant player in the market over the medium term. To capture this opportunity, we are taking a bold approach to rapidly build brand awareness, anchored by a focused portfolio of locally manufactured products. By leaning into an offline-first strategy, we are actively closing the visibility gap and laying the foundations for Myprotein to establish a meaningful brand presence.

Retail expansion

We are targeting an installed base globally of 100,000 doors, and within many doors in multiple aisles. We are over a third of the way there through partnerships with major retailers and category-leading partners, all of which have been carefully curated to align with our brand principles at a positive contribution level with room to scale.

We now sell across six distinct categories including dairy, frozen foods, healthy snacking and food to go.

The focus will now turn to replicating this licensing-out model into wider regions, particularly in Korea and Japan, cementing brand presence through offline and marketplace distribution.

Licensing and strategic collaborations

The continued expansion of our capital-light licensing strategy extended Myprotein into new categories and occasions.

A hero Mars collaboration, which saw the launch of Snickers-flavoured Impact Whey Protein, proved to be an instant success. The wider roster, including global IP from Marvel and Chupa Chups, continued to extend our brand reach.

Our licensing-out strategy also matured significantly. Myprotein x Müller Mousse ranked as the number one protein dessert in UK retail, and Myprotein x Kirsty's lunch pots ranked as the number one brand for loyalty in chilled protein ready meals. The Iceland range continued to develop, demonstrating brand strength and adaptability.

Licensing agreements with category leaders led to sales of over 43 million Myprotein units into retail during 2025. This strategy leverages its global brand recognition alongside specialised manufacturing and distribution.

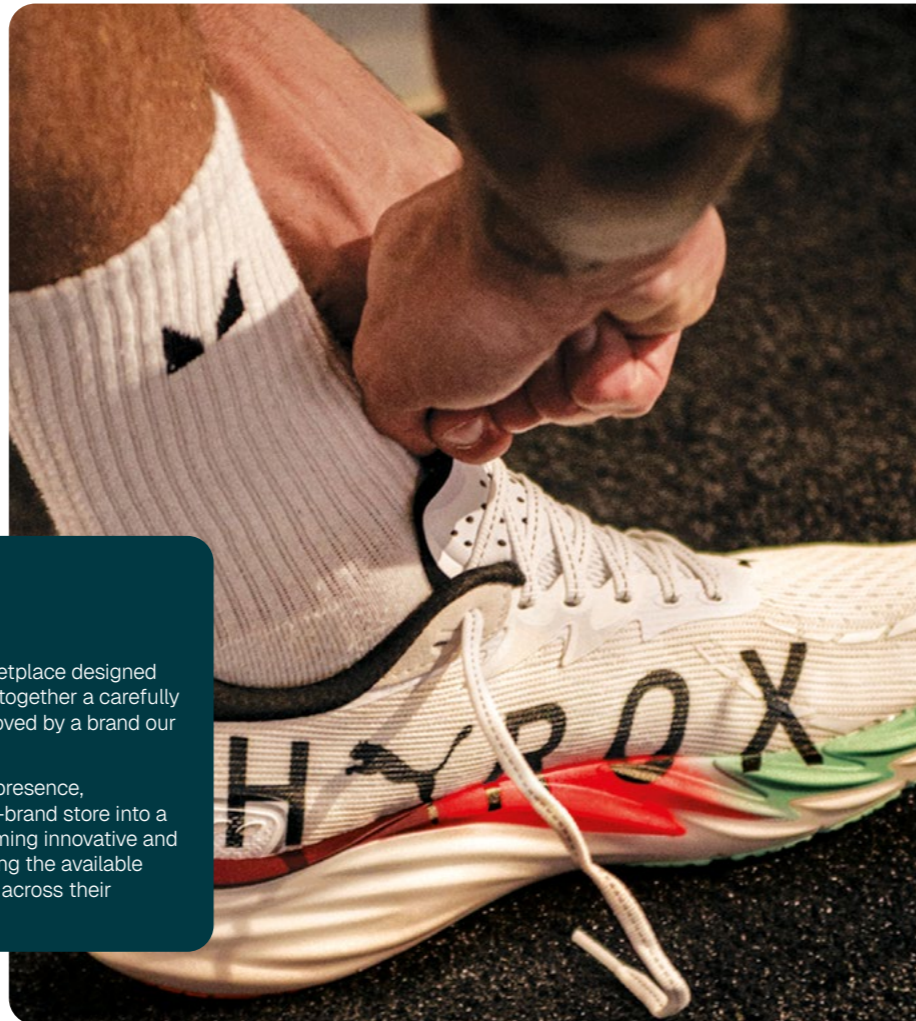
Our commitment to quality:

Myprotein Performance Advisory Board

The Myprotein Performance Advisory Board has been established to bring together leading global experts in fitness and nutrition to drive innovation and ensure that Myprotein products are grounded in scientific evidence. The board is comprised of a distinguished group of academics, scientists and elite athletes who are leaders in the field of sports nutrition.

The primary objective of the Performance Advisory Board is to combine innovation, evidence-based research and emerging science with practical, real-world application to create effective nutrition solutions.

The board's experts collaborate with Myprotein's team to ensure every supplement is evidence-based and scientifically validated, from formulation development to research-backed validation. The insights from the board directly influence Myprotein's product innovation and communication of the science behind its products.



2026 priorities

THG Nutrition aims to maintain its global recognition as a trusted multi-channel nutrition and wellness brand, renowned for quality, taste and as a source of education.

Building on trading momentum and acknowledging market developments, we aim to:

- Maintain Myprotein's position as one of the world's largest online sports nutrition brands, further enhancing brand reach through offline retail, gyms and experiences.
- Expand appeal in high-growth performance and wellness categories and develop Myprotein's customer to a broader 'active lifestyle' audience, alongside our focus on run, lift and hybrid athletes, utilising efficient and effective marketing initiatives supported by our international network of influencers and affiliates.
- Leverage the long-term trend of increased consumer health consciousness and demand for nutritional products across multiple adjacent categories to increase brand usage occasions.
- Broaden and deepen licence and retail partner relationships through product and category expansion, alongside progress against our 100,000 doors target.
- Utilise our vertically integrated in-house manufacturing capabilities to develop innovative products to an industry-leading quality standard and bring them to market at pace.
- Progress towards our medium-term Adjusted EBITDA margin target of c.12.0%.

We are confident that by continuing to execute our proven multi-channel strategy, the brand will broaden its appeal, deliver sustainable growth and further enhance its position as a global leader in high-growth performance, nutrition and wellness categories.

Chief Financial Officer's Review



“For THG, 2025 was a transformational year. The successful demerger of THG Ingenuity at the start of the period has reshaped the Group, creating a more focused and agile consumer brands business poised for future cash generation. Our refinancing materially strengthened the balance sheet by reducing external borrowings. With £333m of liquidity and strong momentum across THG Beauty and THG Nutrition, we enter 2026 well positioned to deliver sustainable profitable growth.”

Overview of FY 2025 result

Key highlights include:

- THG Beauty delivered improving momentum throughout the year, culminating in a record final quarter of revenue. While statutory revenue decreased to £1,107.9m, this is largely reflective of the annualisation of the exit of non-core brands and territories. The business enters 2026 supported by the strong underlying growth momentum built in Q4 2025, particularly in the UK and US and delivered an Adjusted EBITDA margin of 5.9%, in line with our medium-term guidance.
- THG Nutrition demonstrated remarkable resilience, returning to revenue growth of +5.0%, (Continuing CCY +6.4%) despite facing exceptionally elevated whey commodity prices and unprecedented weakness in the Japanese yen that has resulted in a decision to change the economic model in this territory.

This performance was driven by the successful global expansion of our offline retail and licensing channels, alongside strong growth in adjacent categories such as activewear and creatine.

- The Group focused on driving sustainable growth in its core UK and US markets in 2025, while reshaping its approach in Asia and Europe to prioritise higher margin sales and improved operating models. The UK delivered strong double digit growth and market share gains across both divisions, while the US remained a key strategic market despite softer first half consumer sentiment and currency headwinds.
- The Group ended the year in a highly liquid position, with c.£333m of cash and available facilities, providing substantial financial flexibility and a solid foundation for the future.

The strategic transformation was supported by a well-executed refinancing, which has extended our debt facilities to 2029 and significantly reduced our external borrowings. Our focus on optimising the Group's portfolio delivered a powerful proof point for the underlying value of our assets, demonstrated by the disposal of Claremont Ingredients for £103m – more than double our initial investment. The proceeds have been used to accelerate our deleveraging plans.

Throughout the year, we maintained rigorous financial discipline and cost control, delivering savings through a combination of automation, procurement efficiencies, and the removal of approximately 500 roles. These actions have created a leaner operating model and helped mitigate significant external headwinds, positioning the Group for sustainable, profitable growth.

Total Group overview¹

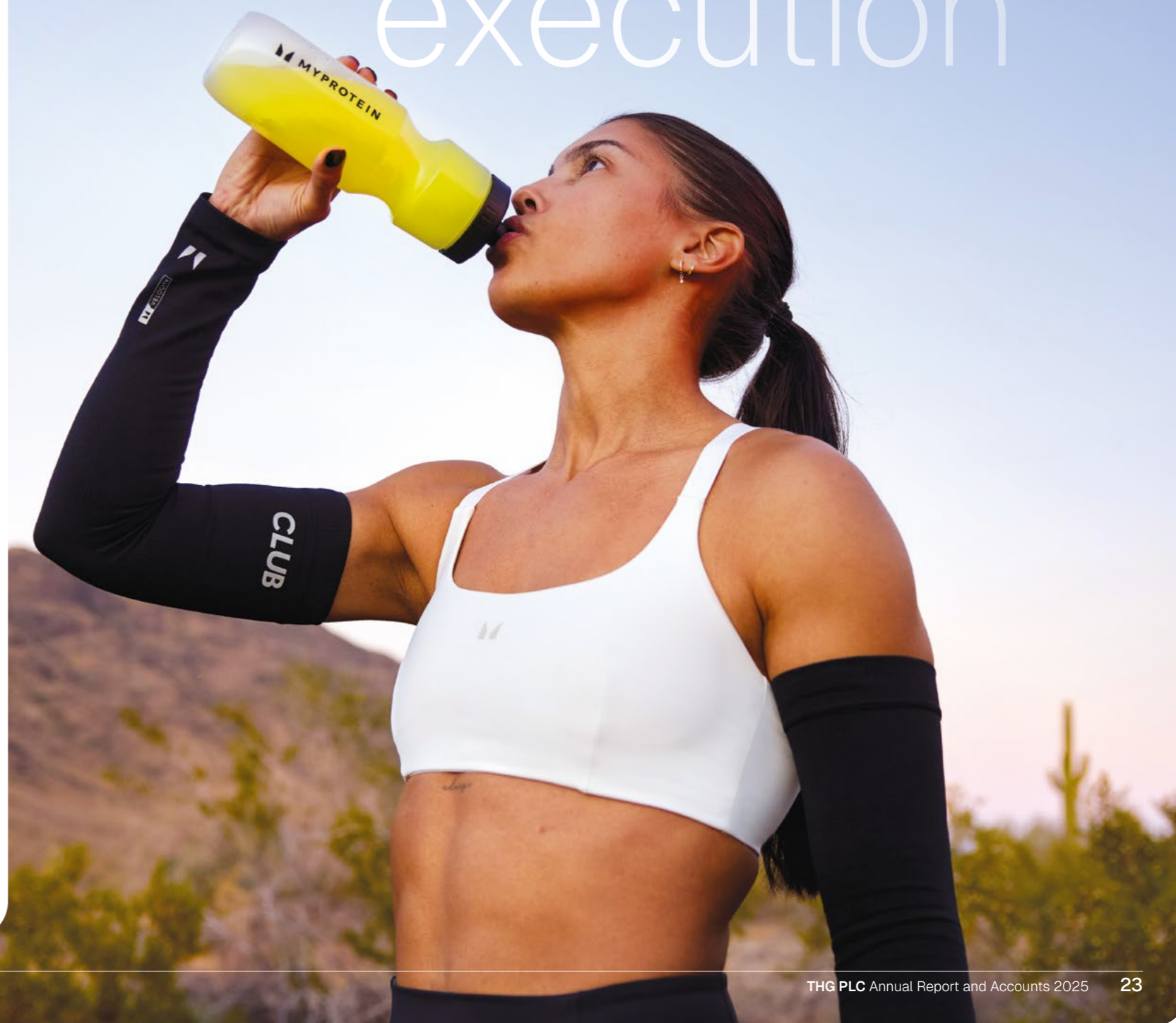
2025 £m	THG Beauty	THG Nutrition	Central	Total 2025
Adjusted revenue	1,107.9	609.1	—	1,717.0
Adjusted gross profit	435.6	263.3	—	698.9
Margin	39.3%	43.2%	—	40.7%
Adjusted EBITDA	65.8	28.8	(18.0)	76.6
Margin	5.9%	4.7%	—	4.5%

2024 (Restated ²) £m	THG Beauty	THG Nutrition	Central	Total 2024
Revenue	1,171.1	580.3	—	1,751.4
Adjusted gross profit	468.9	258.6	—	727.5
Margin	40.0%	44.6%	—	41.5%
Adjusted EBITDA	71.2	34.4	(22.2)	83.4
Margin	6.1%	5.9%	—	4.8%

1. The numbers in this report are subject to roundings throughout. This report includes a number of non-GAAP measures and alternative performance measures. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. See more information within the reconciliations to statutory measures within this report.

2. 2024 has been restated to reflect the demerger of THG Ingenuity and the inclusion of the result from 'discontinued categories' which were previously presented separately. See more information and a reconciliation within the financial statements. No other adjustments have been made.

Disciplined strategy execution



Chief Financial Officer's Review continued

THG Beauty

THG Beauty demonstrated improving momentum and strategic progress throughout 2025, culminating in a record revenue performance in the second half of the year. The strategic initiatives undertaken have successfully repositioned the business for sustainable, profitable growth, with the division delivering a resilient financial performance in a year of transition.

Adjusted revenue for the year was £1,107.9m (2024: £1,171.1m), a -5.4% decrease. However, this was significantly impacted by the planned strategic changes to the portfolio. After accounting for foreign exchange movements, revenue on a continuing CCY basis grew by +0.2%, reflecting the underlying health and growth of the core business. The walk from our statutory sales performance to the continuing CCY position reflects several deliberate, value-accretive actions:

- Discontinued categories: The largest driver of the statutory revenue decline was the annualisation of exited non-core and loss-making operations. This included the disposal of the luxury portfolio and the discontinuation of the Australian beauty retail business, European subscription box services, and non-core brands such as Grow Gorgeous. These actions accounted for a drag of 460bps on full-year statutory revenue growth but were critical in improving the margin profile of the ongoing business.
- Strategic territory prioritisation: A conscious decision was made to reduce lower-margin sales activity and pull back on promotional intensity in parts of Europe and Asia. This focus on higher-quality revenue streams created a headwind of 70bps but ensures a more profitable and sustainable footprint in these regions. The drag from this activity sequentially reduced throughout the year and has now largely annualised.
- Own brand repositioning: Ongoing life cycle investment to enhance formulations, range and product appeal across our own-brand portfolio caused a short-term drag on revenue, contributing a further 190bps. A key part of this was the migration of the Perricone MD brand from a first-party ("1P") to a third-party ("3P") distribution model on Amazon, which, while impacting short-term sales, positions the brand for greater long-term strength.

The year was a tale of two halves. A challenging first quarter, set against a tough comparative period, gave way to accelerating momentum, culminating in the strongest quarter of the year in Q4 (+6.3% Continuing CCY). This was driven by a particularly strong Cyber trading period and exceptional performance in core markets. The UK was a standout, with Lookfantastic UK delivering +16.2% growth during the key Cyber period, driving market share gains. Performance in the US market also saw progressive improvement through the year, with the introduction of new payment methods on Dermstore driving sales momentum and excellent new customer acquisition into year end.

Adjusted gross profit margin for the year stood at 39.3% (2024: 40.0%). This slight moderation reflects the mix impact from the repositioning of the higher-margin own-brand portfolio during the year. The performance remains firmly within our medium-term guided range of 38%–40%, demonstrating disciplined management of our pricing and promotional strategies.

Adjusted EBITDA was £65.8m, delivering a 5.9% margin (2024: 6.1%). This performance is in line with our medium-term guidance of c.6% and reflects the portfolio simplification completed in 2025, which removed structurally loss-making territories. These benefits have now annualised, partly offsetting revenue headwinds. The profitability was supported by marked operational efficiencies, most notably in distribution costs, which improved by 70bps as a percentage of revenue to 9.6%. This was driven by a favourable territory mix from stronger UK performance, where our automated facilities are concentrated. Furthermore, disciplined cost management and automation-led payroll savings helped to offset inflationary pressures and planned strategic marketing investments aimed at driving brand awareness and high-quality customer acquisition.

We enter 2026 with strong trading momentum and high confidence, having successfully executed our strategic priorities for THG Beauty in 2025.

THG Nutrition

THG Nutrition returned to sales growth, despite significant external headwinds, reporting revenue of £609.1m (2024: £580.3m), representing statutory sales growth of +5.0%. This performance reflects the successful pivot towards an omnichannel strategy and the growing momentum from the global Myprotein rebrand.

After accounting for the disposal of Claremont Ingredients, which created a drag of 40bps, and significant foreign exchange headwinds, primarily from the sustained weakness of the Japanese yen, which impacted growth by a further 100bps, the Continuing CCY revenue growth was +6.4%.

The performance was materially stronger excluding Asia, where the combination of elevated whey prices and the adverse currency environment rendered the D2C model uneconomic, prompting a strategic transition towards a partnership-led distribution model in the region for which the Group will transition in H1 2026. Excluding Asia, H2 revenue growth was +13.3%, driven by strong progress in offline channels, including B2B retail and licensing, alongside a resilient performance in the UK and notable growth in Central and Eastern Europe. Growth was also strong in categories such as creatine, activewear and hydration, which helped to reduce dependency on whey-based products.

Adjusted gross profit margin was 43.2% (2024: 44.6%), a decrease of 140bps, which was a resilient performance in the face of two significant, persistent external headwinds. The higher-for-longer whey pricing environment continued throughout the year, with input costs remaining materially above historical levels, creating substantial margin pressure. This was compounded by the continued weakness of the Japanese yen, which made the cost of business in one of Myprotein's largest historical markets increasingly challenging. These pressures were partially mitigated by a disciplined approach to pricing, a mix shift into higher-margin categories including activewear, which represented 15% of sales in Q4, and the growth of high-margin licensing revenue.

Consequently, the Adjusted EBITDA margin for the year was 4.7% (2024: 5.9%), a decrease of 120bps. This reduction was a direct result of the gross margin pressures from the unprecedented whey costs and adverse currency movements. The Group's significant cost-saving programme, which delivered payroll efficiencies through automation and process improvements, helped to partially offset these headwinds. The business enters 2026 with strong momentum, having delivered four consecutive quarters of revenue growth, and is well positioned to capitalise on its expanded omnichannel presence and diversified product portfolio.

VAT update

The Group notes the First Tier Tribunal decision in Global By Nature Limited, selling protein products under the 'Sunwarrior' brand. The Tribunal ruled that protein powder products sold by Sunwarrior should be subject to 0% UK VAT, and accordingly, Sunwarrior was eligible for a retrospective VAT repayment and is able to apply 0% VAT on the associated products from the date of the ruling (January 2025).

Since the VAT rules in relation to sports drinks were implemented in 2012, THG has paid UK VAT against its powdered products in line with market practice and HMRC guidance relating to the VAT treatment of protein powders. THG has submitted Error Correction Notices to HMRC, who have stated they will provide a substantive update by the end of Spring 2026.

Central costs

Central costs for the year reduced to £18.0m (2024: £22.2m), representing approximately 1.0% of Group sales. These costs relate primarily to the PLC Board remuneration, insurance, professional services fees, Group finance, corporate development and governance costs that are not recharged to the businesses as they principally relate to the operations of the PLC holding company. This sustained improvement is the direct result of a Group-wide cost-saving programme, a simplified group post demerger and the Group automating through the use of AI.

Geographical review of revenue

The following table provides an analysis of revenue by region (by customer location):

	2025 £m	2024 £m	Movement
UK	908.9	820.5	+10.8%
US	297.0	362.9	-18.2%
Europe	351.0	362.5	-3.2%
Rest of the world	160.1	205.5	-22.1%
Adjusted revenue ¹	1,717.0	1,751.4	

1. Revenue less adjusted items.

The Group's strategic focus in 2025 was centred on driving sustainable growth in our core markets of the UK and US, alongside a deliberate repositioning in Asia and Europe. This involved prioritising higher-margin sales and evolving our operating models, a process that has now largely cycled through, setting a strong foundation for future performance but which also shifted the regional mix of sales.

The UK continues to be the largest and most concentrated market for the Group, accounting for 53% of revenue (2024: 47%) and growing +10.8% in the year. The year saw a standout performance in the UK, with market share gains across both divisions. THG Beauty delivered an especially strong performance, with Lookfantastic UK achieving impressive growth of +16.2% in the final quarter, driven by strong new customer acquisition and a record-breaking festive trading period. THG Nutrition also delivered a solid performance, maintaining its position as the UK's number one sports nutrition brand.

The US remains a key strategic market with significant growth potential. The first half of the year presented challenges due to cautious consumer sentiment and US dollar headwinds, the weakness in the dollar and other factors led to statutory sales falling -18.2%. A strong improvement was seen as the year progressed, THG Nutrition's expansion into US retail was a highlight, with new listings in major retailers such as Walmart and GNC significantly expanding our offline presence.

In Europe and the Rest of the World, revenue declined as a direct result of strategic actions. Within THG Beauty, we consciously reduced promotional activity and exited certain low-margin sales activities across Europe and Asia. For THG Nutrition, performance in Asia was significantly impacted by the sustained and adverse weakness of the Japanese yen, combined with elevated whey protein costs, which rendered the direct-to-consumer model uneconomic and was the largest factor behind the 20.3% sales decline in the region. In response, we are finalising a transition to a more profitable partnership-led distribution and licensing model in the region.

Chief Financial Officer's Review continued

Group financial review

Statutory results

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Continuing operations		
Revenue	1,717.9	1,751.4
Cost of sales	(1,029.9)	(1,057.8)
Gross profit	688.0	693.6
Distribution costs	(215.4)	(231.0)
Administrative costs	(525.0)	(610.5)
Profit on disposal of subsidiary	60.5	—
Operating profit/(loss)	8.1	(147.9)
Finance income	2.5	9.0
Finance costs	(80.1)	(63.6)
Loss before tax	(69.4)	(202.4)
Income tax credit	5.7	21.9
Loss for the financial year from continuing operations	(63.7)	(180.6)
Discontinued operations		
Profit/(loss) for the financial year from discontinued operations, net of tax	117.8	(145.6)
Profit/(loss) for the financial year	54.1	(326.1)

Adjusted profit measures with reconciliation to statutory result

Management have presented alternative performance measures to provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is monitored and reported through internal Management reporting to the Board. To ensure that stakeholders can reconcile this to the statutory information presented, the below table has been included:

	Management adjusted view £m	Adjusted items £m	Amortisation and depreciation £m	Share-based payments £m	Statutory £m
2025					
Revenue	1,717.0	0.9	—	—	1,717.9
Cost of sales	(1,018.1)	(11.0)	(0.8)	—	(1,029.9)
Gross profit	698.9	(10.1)	(0.8)	—	688.0
Distribution costs	(211.4)	(0.7)	(3.3)	—	(215.4)
Administrative costs	(410.9)	(19.4)	(86.8)	(7.9)	(525.0)
Profit on disposal of subsidiary	60.5	—	—	—	60.5
Operating profit	137.1	(30.2)	(90.9)	(7.9)	8.1

	Management adjusted view £m	Adjusted items £m	Amortisation and depreciation £m	Share-based payments £m	Statutory £m
2024					
Revenue	1,751.4	—	—	—	1,751.4
Cost of sales	(1,023.9)	(33.6)	(0.4)	—	(1,057.8)
Gross profit	727.5	(33.6)	(0.4)	—	693.6
Distribution costs	(229.5)	(1.3)	(0.2)	—	(231.0)
Administrative costs	(414.6)	(89.6)	(89.6)	(16.6)	(610.5)
Operating profit/(loss)	83.4	(124.5)	(90.2)	(16.6)	(147.9)

Revenue

Group statutory continuing revenue decreased by -1.9% to £1,717.9m (2024: £1,751.4m), a result directly impacted by strategic decisions to exit non-profitable businesses and territories, which reduced full-year growth by 320bps. Macroeconomic challenges in Asia, notably the weak Japanese yen and elevated whey prices, also necessitated a shift to a partnership-led model for THG Nutrition in the region.

This was significantly offset by a record second-half performance (+6.8% CCY), which while on a statutory basis revenue declined, on a constant currency basis, when the impact of the discontinued categories are removed increased by +2.3%. This recovery was fuelled by the success of THG Nutrition's offline and licensing expansion and a marked acceleration in THG Beauty, which delivered a very strong final quarter with robust momentum in the UK and US markets.

Gross profit

Adjusted gross profit was £698.9m (2024: £727.5m) equating to an adjusted margin of 40.7% (2024: 41.5%), a reduction of 80bps compared to 2024.

The YoY margin reduction was driven by the significant external headwinds faced by THG Nutrition. The business contended with a higher-for-longer whey price environment, with input costs remaining at exceptionally elevated levels, creating near-term margin pressure. This was compounded by the sustained weakness of the Japanese yen, which rendered the D2C model in Asia uneconomic. The division has actively worked to mitigate these impacts through targeted price increases, product reformulation, and a successful mix-shift towards higher-margin categories such as hydration, creatine and clothing.

THG Beauty delivered margins in line with its medium-term guidance range of 38-40%, despite the repositioning of its own-brand portfolio earlier in the year.

Gross profit on a statutory basis totalled £688.0m, delivering a margin of 40.0% (2024: 39.6%). In addition to the factors above, the statutory position in 2025 was impacted by adjusting items relating to the Group's continued strategic review and portfolio optimisation.

Distribution costs

Adjusted distribution costs of £211.4m (2024: £229.5m) equate to 12.3% of revenue (2024: 13.1%). This significant improvement of 80bps is a result of an improved regional mix, with stronger growth in the UK where sales concentration and warehouse automation is highest. The continued focus on improving average order values across both divisions also drove further efficiency into the Group's distribution network.

Distribution costs on a statutory basis were £215.4m, being 12.5% of revenue (2024: 13.2%). The statutory result for 2025 also reflects changes to the Group's lease portfolio and associated depreciation following the demerger of THG Ingenuity, alongside the impact of adjusting items.

Administration costs

Adjusted administrative costs as a percentage of revenue totalled 23.9% (2024: 23.7%). Throughout 2025, the Group executed a significant cost-saving programme which has right-sized the cost base of the business, with payroll costs improving by 100bps year-on-year, driven by the removal of c.500 roles through a combination of restructures, attrition and the accelerated adoption of AI to automate and improve business processes.

These substantial savings were delivered despite headwinds from national insurance and national minimum wage increases, which added c.£8m of cost. Furthermore, a conscious investment was made in marketing during the year to support the successful return to growth in the second half, driving new customer acquisition and brand awareness. Adjusted administrative costs reduced by £3.7m to £410.9m (2024: £414.6m), reflecting the successful cost-saving initiatives more than offsetting the planned investment in marketing and inflationary pressures.

Administrative costs on a statutory basis totalled £525.0m (2024: £610.5m), decreasing year on year due to a significant reduction in adjusted items.

Adjusted EBITDA and Adjusted EBITDA margin

	2025 £m	2024 £m
Reconciliation from operating profit/(loss) to Adjusted EBITDA		
Operating profit/(loss)	8.1	(147.9)
Adjustments for:		
Amortisation	16.5	19.9
Amortisation of acquired intangibles	41.9	45.5
Depreciation on fixed assets	12.0	13.1
Depreciation on right-of-use assets	20.4	11.7
Adjusted items – cash	14.3	24.6
Adjusted items – non-cash	6.4	42.4
Adjusted items – non-cash impairment	9.5	57.5
Share-based payments	7.9	16.6
Profit on disposal of subsidiary	(60.5)	—
Adjusted EBITDA	76.6	83.3
Adjusted EBITDA %	4.5%	4.8%

Chief Financial Officer's Review continued

Adjusted items

In order to understand the underlying performance of the Group, certain costs included within cost of sales, distribution and administrative expenses have been classified as adjusted items. Adjusted items decreased significantly year on year, totalling £30.2m in 2025, representing a reduction of almost £95m compared to 2024 (£124.5m).

Adjusting items in the current year primarily comprise one-off costs associated with strategic reviews as the Group continues to pivot towards a simpler economic model and adapt to the prevailing macroeconomic environment, alongside restructuring costs arising from headcount reductions as processes are simplified and the Group further embraces AI.

The significant reduction relative to the prior year is principally driven by a reduction in the level of impairment charges, with £57.5m recognised in 2024 (£9.0m in 2025). For full details of each category of adjusted items, see note 4 to the financial statements.

Profit on disposal of subsidiary

The strategic disposal of Claremont Ingredients completed in August 2025 for cash proceeds of c.£103m, generating a profit on disposal of £60.5m. This accounting gain, which represents the excess of proceeds over the carrying value of the divested net assets, marks an excellent return on the initial investment of c.£52m in late 2020.

Depreciation and amortisation

Statutory depreciation and amortisation costs were £32.5m and £58.4m respectively (2024: £24.8m and £65.4m). Included within amortisation is £41.9m (2024: £45.5m) of amortisation on acquired intangibles (see below) relating to historic acquisitions.

Amortisation has reduced following disposal of intangible assets as part of the sale of Claremont Ingredients. The increase in depreciation is due to the new leases entered into following demerger which has led to an increase in depreciation on right-of-use assets.

Amortisation on acquired intangibles £41.9m (2024: £45.5m)

When an acquisition is made, the accounting standards (IFRS 3: Business Combinations) require that an exercise is undertaken to value any brands, trade names or other intellectual property (such as customer lists). Following recognition of these assets, they are amortised over a period of 2-20 years.

Given the number of significant acquisitions made across 2017 to 2022, primarily within THG Beauty, we consider this amount should be viewed separately to other amortisation to ensure comparability to those who undertook fewer or no acquisitions. This is a non-cash cost.

There were no additions here and the reduction in acquired amortisation year on year was largely driven by a combination of the prior year impairment reducing the carrying value of assets alongside some of the assets now being fully written down.

Adjusted EBITDA and operating profit/(loss)

Adjusted EBITDA for the year totalled £76.6m (2024: £83.3m). This resilient performance was delivered against significant, well-publicised external headwinds. The modest reduction year on year was principally driven by challenges within THG Nutrition, which faced sustained, record-high whey commodity prices and the persistent weakness of the Japanese yen. These factors impacted margins and prompted a strategic pivot away from the D2C model in Asia. Profitability was also temporarily constrained by a planned life cycle investment programme across THG Beauty's own-brand portfolio, a strategic decision taken to enhance and reposition key brands for future growth.

The Group's statutory operating profit/(loss) for the year showed a substantial improvement, swinging to a profit of £8.1m from a loss of £147.9m in 2024. This improvement of over £150m is directly attributable to a significant reduction in adjusting items, which fell to £30.2m from £124.5m in the prior year, combined with the profit generated on disposal of Claremont Ingredients totalling £60.5m (2024: £nil). The 2024 result was materially impacted by significant, non-recurring costs relating to the Group's strategic overhaul, which included losses on the disposal of discontinued categories, associated asset impairments and costs to complete the global Myprotein rebrand. The successful conclusion of these initiatives meant these costs did not recur to the same extent in 2025, revealing a much-improved underlying performance for the continuing Group.

Finance costs net of finance income

Finance costs for the year have benefited from the Group's substantial deleveraging following the successful debt refinancing completed in the first quarter of 2025.

This benefit, however, was partially offset by three main factors. Firstly, the Group faced a higher average cost of debt, a reflection of the higher interest rate environment relative to the original Term Loan B which was incepted in 2019. Secondly, the total finance cost includes approximately £3m of notional, non-cash interest related to the convertible loan issued as part of the refinancing and converted to equity in December 2025. Thirdly, the refinancing also resulted in non-cash accounting charges of approximately £11m, driven by the treatment of historic prepaid arrangement fees and the application of the revised effective interest rate on the new debt structure.

Despite the impact of these non-cash items on the income statement, the statement of cash flows indicates that net cash interest costs were broadly comparable year on year, highlighting the underlying operational benefits of the reduced external borrowings in an economic environment of increased interest costs.

Loss before tax from continuing operations and tax rate

Loss before tax from continuing operations was £69.4m (2024: £202.4m). The effective tax rate is -8.2% (2024: -10.8%), based on a total tax credit of £5.7m (2024: tax credit £21.9m). The effective tax rate differs from the average statutory rate of 25%. This is primarily due to an exempt gain on the disposal of a subsidiary (21.8%), offset by the movement in deferred tax not recognised (-41.5%). The non-deductible expenses principally comprise of the share-based payments charge and non-qualifying depreciation.

At 31 December 2025, the total net deferred tax liability is £43.8m (2024: £59.6m). The deferred tax liability in respect of intangible assets recognised on consolidation was £105.6m (2024: £123.0m). The deferred tax asset in respect of tax losses recognised was £32.8m (2024: £46.4m). There were £52.9m of unrecognised deferred tax assets in respect of tax losses at the balance sheet date. This non-recognition has an impact on the income statement tax charge, and this is one of the primary reasons for the effective tax rate being below the statutory rate.

Discontinued operations

On 2 January 2025, the Group successfully completed the previously announced demerger of THG Ingenuity into a standalone, independent private company. THG Ingenuity has been recognised as a discontinued operation and the 2025 results disclosed THG Ingenuity as discontinued. A profit on disposal of £117.8m was crystallised in 2025 (2024: £145.6m loss). The current year gain on distribution of THG Ingenuity (see more detail within note 12.2 of the financial statements) is calculated as the difference between the fair value and the book value of its net assets after finalisation of completion accounts. The loss in the prior year was primarily driven by the operating loss of THG Ingenuity.

Profit/(loss) for the financial year

The Group delivered a statutory profit for the financial year of £54.1m (2024: loss of £326.1m). This improvement of over £380m is principally attributable to more than a £260m positive swing in the result from discontinued operations, which generated a profit in 2025 versus a loss in 2024. The result was further aided by a c.£95m reduction in charges classified as adjusting items within continuing operations.

Earnings per share

Basic earnings per share were £0.04 per share (2024: loss of £(0.24) per share). This was primarily driven by the statutory profit noted above arising from the profit on discontinuation of THG Ingenuity and the profit on disposal of Claremont Ingredients.

Cash flow statement

	2025 £m	2024 (Post demerger) £m
Adjusted EBITDA	76.6	83.4
Working capital movements	(21.8)	17.9
Tax paid	(3.7)	(1.3)
Adjusted items	(17.8)	(21.2)
Net cash generated from operating activities	33.4	78.8
Purchase of property, plant and equipment	(4.0)	(7.5)
Purchase of intangible assets	(17.1)	(13.6)
Interest paid	(46.0)	(45.0)
Interest received	2.5	9.0
Lease repayments	(20.6)	(21.4)
Free cash flow	(51.8)	0.4
Proceeds from sale of subsidiaries net of cash disposed	101.4	—
Repayments of bank borrowings	(217.3)	(23.8)
Share placing, net of directly attributable costs	—	93.3
Proceeds from issuance of Ordinary Shares net of fees	21.4	—
Proceeds from the issue of convertible loans	67.5	—
Payments on distribution	(46.7)	—
Net (decrease)/increase in cash and cash equivalents	(125.5)	69.9
Cash and cash equivalents at the end of the year	183.1	308.6

Chief Financial Officer's Review continued

Cash flow statement continued

Free cash outflow in 2025 totals £51.8m (2024: £0.4m inflow). This is driven by a reduction in Adjusted EBITDA arising from the factors mentioned above and an adverse working capital movement of £21.8m. This reflects the normal seasonal outflow in the first half of the year, which partially reversed in the second half. The inflow in H2 was moderated by a conscious decision to invest in inventory for fast-moving THG Beauty lines to support the stronger-than-expected sales momentum in the fourth quarter. We view this as a temporary phasing impact and expect this position to unwind through 2026.

Capital expenditure has significantly reduced as guided post-demerger. The total spend in 2025 totalled £21.1m for the year (2024: £21.1m), reflecting the Group's disciplined capital allocation strategy.

The Group successfully completed a major refinancing in April 2025, providing enhanced balance sheet strength with facilities now extending to 2029. Cash flows from financing activities show a reduction in borrowings of £217.3m, which was largely funded by proceeds from the £88.9m equity raise and the £100.7m net proceeds from the disposal of Claremont Ingredients.

While cash interest paid remained consistent year on year, given the decrease in interest rates during the year, cash interest received decreased from £9.0m in 2024 to £2.5m in 2025.

The Group closed the year in a strong liquidity position, with cash and cash equivalents of £183.1m and a fully undrawn revolving credit facility ("RCF") of £150m, providing total cash and available facilities of approximately £333m at year end.

Balance sheet**Cash and cash equivalents and net cash before lease liabilities**

	31 December 2025 £m	31 December 2024 £m
Loans and other borrowings	(430.4)	(604.6)
Lease liabilities	(130.8)	(41.4)
Cash and cash equivalents	183.1	308.6
Sub-total	(378.1)	(337.3)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	14.3	(8.3)
Net debt	(363.8)	(345.6)
Net debt adjusted for demerger subleases	(363.8)	(422.5)
Net debt before lease liabilities	(233.0)	(304.3)

At 31 December 2025, the Group held £183.1m in cash and cash equivalents (2024: £308.6m). Total available liquidity stood at c.£333m, including the fully undrawn RCF of £150m.

As part of its ongoing strategy to reduce gross debt, the Group successfully completed a major refinancing of its debt facilities in the first half, extending key maturities to 2029 and providing long-term balance sheet stability following the demerger of THG Ingenuity. At the year end, total borrowings stood at £430.4m, a significant reduction from £604.6m at the prior year end. The Group's streamlined facilities now primarily comprise a €445m Term Loan B, with the previous Term Loan A facility having been fully repaid during the year.

The decrease in net debt before leases year-on-year has been driven by the reduction in borrowings following the refinancing outlined above and the associated equity raise.

The increase in net debt is driven by the increase in lease liabilities. The majority of the Group's material leases left the Group as part of the demerger, as they relate to THG Ingenuity's operations, however, new subleases were entered into in 2025 following the demerger totalling £76.9m reflecting THGs use of properties where the headlease is with Ingenuity. To compare on a like-for-like basis we have included net debt adjusted for subleases. On this basis, net debt has declined year on year reflective of the reduction in borrowings.

Non-current assets

Property, plant and equipment totalled £55.8m (2024: £64.9m). Intangible assets totalled £836.0m (2024: £958.3m) with the reduction in intangibles driven by a combination of the amortisation charge (see earlier), the sale of Claremont Ingredients and foreign exchange rates reducing the value of US dollar denominated assets.

Right-of-use assets totalled £116.8m (2024: £29.3m). The increase compared to the 2024 year end relates primarily to the subleases entered into as part of the demerger with no material new leases entered into during the financial year.

Going concern

The Group remains in a strong cash position following the demerger with cash and cash equivalents totalling £183.1m (2024: £308.6m).

At 31 December 2025, the RCF was undrawn, meaning the Group had £150m available in undrawn facilities, leaving THG with c.£333m in cash and available facilities.

Net debt before lease liabilities totalled £233.0m (2024: net debt before lease liabilities £304.3m).

In making their assessment of going concern, the Directors reviewed financial projections until 30 April 2027 and concluded that the Group was a going concern.

Stress test scenarios were modelled to take into account severe but plausible impacts of a combination of the principal risks occurring, including reducing sales for the two key businesses to levels below historic actuals and current budgets. A reverse stress test was also separately modelled. The results of stress testing demonstrated that the combination of mitigating actions available including existing cash resources, level of discretionary spend and ability to utilise the RCF were sufficient for the Group to withstand such impacts.

Damian Sanders

Executive Director and
Chief Financial Officer

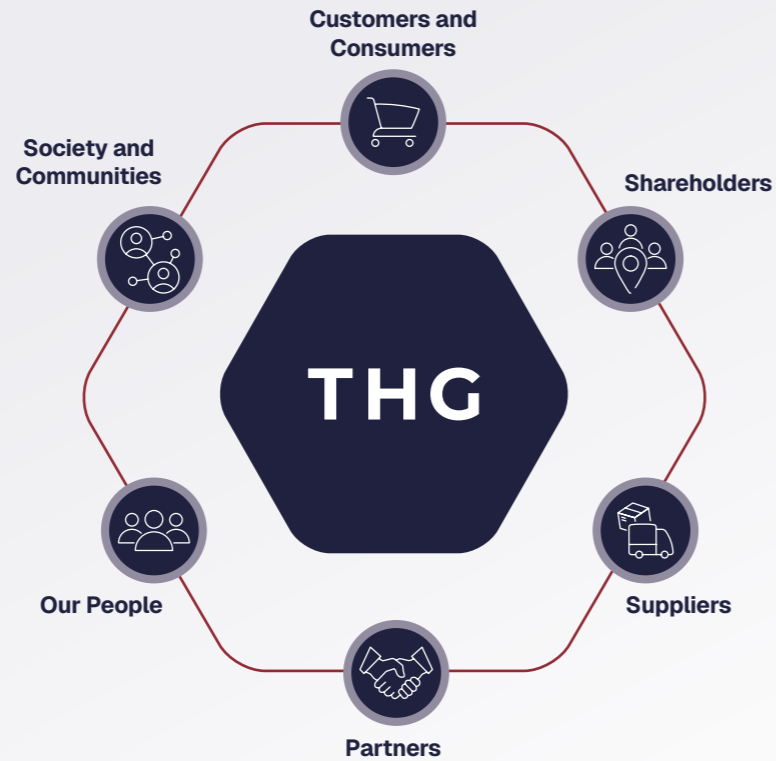
25 March 2026

Section 172 Statement: Stakeholder Engagement

Section 172 of the Companies Act outlines the duty of company directors to promote the success of the company. Directors must act in good faith to promote the company's long-term success for the benefit of its shareholders, while taking into account the impact of their decisions on a range of stakeholders.

THG's vision is to be the online leader in beauty and sports nutrition, and we have identified six key stakeholder groups who play a vital part in achieving this objective. Active engagement between the Board and these stakeholder groups is underpinned by our values and purpose. It is therefore critical to ensure that Board decision-making is appropriately informed by the relevant section 172 stakeholder considerations. Such engagement will, in turn, support the successful delivery of the Group's strategic priorities and promote sustainable value creation.

In addition to the engagement outcomes summarised in this statement, the table which follows details other areas of this Annual Report which contain section 172 related information.



Section 172 consideration	Further information can be found on
(a) The likely consequences of any decisions in the long term	Principal risks – pages 62 to 67
(b) Interests of employees	Our culture - pages 40 and 41
(c) Fostering business relationships with suppliers, customers and others	Our strategy – pages 10 and 11
(d) Impact of operations on the community and environment	Sustainability – pages 42 to 51
(e) Maintaining a reputation for high standards of business conduct	Supply chain standards – pages 48 and 49
(f) Acting fairly between Shareholders	Chair's Statement – page 6



Customers and Consumers

How THG engages

- Through its brands via social media and social commerce channels
- Physical shopping experience through the Lookfantastic store and strategic THG Beauty pop-ups
- THG Nutrition indirectly engages via supermarkets and convenience stores retailing Myprotein products in addition to other third-party retail channels
- Independent brand activations or in collaboration with brand partners
- Through the creation of global digital content to support brand awareness
- Customer and consumer insights provided to and analysed by Senior Management
- Continued expansion and refinement of loyalty programmes across THG Beauty and THG Nutrition
- Improvements to app personalisation user interface to deliver a frictionless discovery and purchase experience
- Award-winning customer contact centre and customer advisory teams
- Industry-leading service to our customers through next-day delivery options

How the Board engages

Indirect

- Regular updates from Senior Management on strategic priorities, including brand partnerships and new product development with a focus on meeting the ever-changing needs of customers and consumers
- Monthly updates by the commercial finance team and CFO on the financial performance of different sales channels
- Monthly updates by the THG Beauty and THG Nutrition Senior Management on customer KPIs including app participation, order frequency and conversion
- Regular review by THG Beauty and THG Nutrition Chief Executive Officers of operational performance to review areas to enhance and improve the customer experience
- Board presentations from Senior Management on customer satisfaction scores, brand perceptions and process improvements
- Regular reviews on key cyber security enhancements and regulatory compliance

Embracing social commerce channels

- In early 2025, THG Nutrition launched initiatives to enhance the customer experience by expanding into social commerce and marketplace channels. This strategic move was a direct response to listening to our customers, who expressed an interest in purchasing their favourite products through one seamless transaction.
- The initiative focused on key themes such as cross-selling, brand loyalty, and simplifying the customer journey. We leveraged our proprietary technology provider, THG Ingenuity, to create a unified purchasing experience across our social commerce channels, including TikTok Shop.
- This provided a platform to comprehensively monitor evolving customer behaviours and resulted in an increased sales, with >90% growth in social commerce channels, with a TikTok shop presence in the UK, US and Germany.
- By engaging with our customers through surveys and feedback channels, we've been able to deepen our relationships through a more customer-centric approach. This has allowed us to tailor our strategies to better meet customer needs and drive continuous improvement in how we serve our global community.
- Additionally, we've strengthened our customer partnerships through personalised recommendations and exclusive offers. By leveraging a data-led approach and advanced insights, we can anticipate customer needs and enhance mutual growth, delivering a truly integrated and convenient shopping experience.

With D2C channels being our largest and most direct route to customers, the retail experience is of paramount importance. To maintain consumer trust and strengthen relationships, we have enhanced how we engage directly, including increased social commerce activity, improvements to the app experience, and more tactile brand interactions including physical retail experiences and influencer-led brand activations.

Regular Senior Management updates allow for strategic priorities to be focused on better understanding the wants and needs of customers and consumers, and ensuring we are well positioned to execute them.

Outcomes of engagement

- Connecting more effectively with customers.
- Greater order accuracy and quicker delivery times in addition to proactive customer communications, reducing the requirement for post-order support.
- A more personalised and targeted customer experience with more efficient and tailored marketing.

Contact rates
7.8%
2024: 10.4%

Trustpilot reviews
182k
2024: 213k

Section 172 Statement: Stakeholder Engagement continued

Shareholders

How THG engages

- Annual Report and Accounts
- RNS announcements
- Scheduled investor presentations and conference calls
- Corporate website
- Head office and site tours
- One-to-one and group investor meetings on site and attendance at investor conferences
- Regular engagement through meetings with analysts across THG's coverage base

By regularly engaging with our Shareholders, we ensure that they are well informed of the Group's strategic and financial priorities, business performance, market environment and sustainability commitments. The judgement and opinions of our Shareholders influence the strategic decisions made by the Board, driven ultimately by the aim of maximising Shareholder value.

We have actively communicated with stakeholders through various channels during 2025, including virtual roadshows and in-person meetings. Our Annual Report and Accounts provides a detailed overview of our financial performance and progress against strategic objectives. As a publicly listed company, our purpose, vision, values and strategy are all focused on the single objective of creating long-term, sustainable value for our Shareholders.

Outcomes of engagement

- Enhanced Shareholder perception by effectively communicating the Group's strategy and addressing concerns if raised.
- Kept Shareholders informed through financial and strategic RNS updates, and direct engagement.
- Analysts and investors can provide feedback on trading performance and strategic direction through interactions during each financial year.
- Support for all resolutions at the 2025 AGM.

➔ read more in the Chief Financial Officer's Review on pages 22 to 31

How the Board engages

Direct

- General meetings, including the Company's annual general meeting
- The CEO and CFO have an ongoing programme of meeting institutional Shareholders, supported by Senior Management
- The Chair and SID are available to meet Shareholders upon request
- The CEO and CFO host webcasts following trading statements
- The CEO hosts fireside calls available to the investing community
- Institutional Shareholder feedback considered in key decision-making influencing strategic direction

Indirect

- The Board reviews and approves material market communications, such as the Annual Report and Accounts and trading and other updates

Fireside interview with CEO Matthew Moulding

- In late 2025, Matthew Moulding participated in a fireside chat with a Peel Hunt equity research analyst. The event aimed to provide investors with a detailed understanding of THG Nutrition's performance and its strategic evolution towards offline channels via licensing and partnership deals.
- The fireside chat offered investors a unique opportunity to deepen their understanding of THG Nutrition's strategy and the operating model changes implemented to broaden its channel approach in response to market changes and opportunities.
- It also provided a platform for a Q&A session with the Group CEO, allowing investors to raise their questions directly.
- By hosting this event, THG provided Shareholders with a clearer understanding of the business and its outlook. The fireside chat has since become one of Peel Hunt's most successful investor videos, with significant traffic and engagement (including subsequent views on LinkedIn).



Suppliers

How THG engages

- Annual anti-bribery training undertaken by procurement function
- Risk assessment undertaken for all suppliers and processes in place for reviewing and enhancing audit for higher-risk suppliers
- Strategic suppliers identified and engaged on carbon reduction matters
- Risk assessments undertaken for all suppliers for reviewing CSR alignment
- We operate under the THG Supply Chain Standards applicable to all supplier relationships
- Regular engagement with key strategic suppliers with enhanced reporting aimed at identifying working efficiencies and strengthening relationships

As a global business, it is essential that we hold ourselves to the highest ethical standards when dealing with our suppliers to ensure business is conducted with complete integrity and in a manner which ensures compliance with all applicable laws and regulations.

Our Board is dedicated to building supplier relationships that support our brands while addressing societal and environmental challenges, following the THG Group's Supplier Manual to ensure high standards of business conduct.

We strive to build productive, fair and lasting partnerships with suppliers, ensuring long-term value creation for Shareholders while respecting suppliers' business needs.

The Group works closely with THG Ingenuity, a key third-party supplier, across a number of services. Through active, multi-level stakeholder engagement, we ensure the relationship is both productive and commercially successful.

Outcomes of engagement

- Improvements to stakeholder engagement and relations.
- Increased transparency in procurement decisions, including in contractual terms, sustainability claims and onboarding.
- Improved supplier on-time payment performance.
- Significant cost savings per unit and maintenance of delivery standards throughout peak trading periods.

How the Board engages

Indirect

- Regular review of key raw material prices and buying strategy
- Site visits undertaken by Risk Committee Chair on an ad hoc basis as and when considered appropriate
- Members of the Executive Leadership Team available to meet major suppliers
- Regular review of supplier payment terms and metrics
- Regular updates on laws and regulations to ensure business compliance
- Regular review of key suppliers' default risk and contingency planning to reduce supply chain risk

THG Beauty Supplier Summit

- In late 2025, we hosted our annual THG Beauty Supplier Summit, welcoming over 100 suppliers from across the beauty industry. Attendees included established global leaders, emerging trend-setters, and fast-growing indie brands.
- The event focused on key industry themes such as the growing adoption of AI and technologies, emerging product categories, and evolving customer shopping behaviours.
- It provided a platform for the THG Beauty Executive team to share how these trends are shaping our strategic direction across product categories and marketing channels across different sites, while reinforcing how the THG Beauty proposition remains a strategically valuable partner for our suppliers.
- By engaging with our suppliers in this format, we've been able to deepen our relationships through a more forward-looking approach, tailoring strategies to better meet supplier needs and drive continuous improvement in how we collaborate.
- Additionally, we've strengthened co-dependent partnerships through retail media agreements, enabling suppliers to benefit from THG's data-led approach and advanced insights to enhance mutual growth.

"A strong relationship with our suppliers is a cornerstone of our global success, and the Beauty Supplier Summit is a testament to that collaborative spirit. By deepening these relationships and leveraging our combined strengths, we can navigate the evolving beauty landscape and work to actively shape it, ensuring mutual growth and continued innovation with our partners."

Billie Faricy-Hyett
Chief Buying Officer



Section 172 Statement: Stakeholder Engagement continued

Partners

How THG engages

- Regular reviews with license-out partners to assess sales performance, new product development and joint marketing strategy
- Regular reviews with license-in partners to share performance of existing ranges, assess opportunities for range expansion and coordinate joint marketing
- Strategic partners identified and engaged on carbon reduction matters
- Due diligence undertaken on all potential licensed-out partners to ensure branding consistency across ranges

SG Safety

During 2025, Myprotein announced the launch of a long-standing partnership agreement with SG Safety Corporation, a subsidiary of leading Korean conglomerate CJ Group. The partnership welcomes a range of seven Myprotein licensed high protein RTDs and meal replacements, designed to support consumers' healthy lifestyles through convenient daily protein intake.

In addition, joint local brand activations have helped to spark demand for the collaboration in country, including the 'Fitness Wonderland' pop-up store event. The event saw over 2,000 visitors attend, including prominent influencers in fitness, health and lifestyle, helping to foster a sense of unity between the brand and its fans. The partnership has served as a key strategic initiative for THG Nutrition, helping to raise awareness for the brand in Korea, while also providing opportunities for further expansion, including the opening of Myprotein Official Brand Store on NAVER, providing customers with a certified and trusted channel to purchase the full range of products.

"Korea is one of the key markets in our global growth strategy and, through our collaboration with SG Safety, we aim to further enhance brand accessibility and consumer trust within the country."

Neil Mistry
THG Nutrition CEO

How the Board engages

- Indirect**
- Members of the Executive Leadership Team available to meet major partners
 - Regular reviews of partnership revenue performance and product launch pipeline
 - Regular review of partnership and licensing commercial arrangements
 - Revenue review meetings and agreement assessments to ensure sustainable and profitable partnerships

Strategic partnerships have become increasingly important to Myprotein, with curated product ranges enabling access to categories outside of and adjacent to our core range.

Myprotein currently partners with multiple established brands including Müller and Jimmy's iced coffee (license-out model), and Marvel, Hyrox and Mars (license-in model).

During the initial consultation period and after establishing brand partnerships, THG engages regularly with partnering brands to ensure alignment in product branding, to assess commercial agreements and track the performance of each range. This ensures that partnerships are mutually beneficial and informs decisions on extending agreements and ranges.

Outcomes of engagement

- Partnerships enhance our ability to engage with customers through product and brand collaborations, increasing usage occasions.
- Ensuring partner brands align with our values helps maintain Myprotein's brand image and reputation.
- Quarterly reviews assess marketing efforts, partnership performance and inform future collaboration decisions.



Our People

How THG engages

- Development of employee networks, each supported by dedicated Executive Sponsors
- Launch of the employee wellbeing hub
- Colleague engagement and culture surveys
- Evolution of Learning and Development offering including introduction of in-house management programme and upskilling programmes including the AI Academy in partnership with Multiverse
- Regular leadership town hall meetings
- Introduction of dedicated reward and recognition platform
- Development of best-in-class onboarding programmes

By investing in our people, we have been able to cultivate an environment that is not only a great place to work but also a catalyst for our growth and expansion. We believe that a supportive and development-focused culture equips our teams to excel and drive our business forward.

Through 2025 we have continued to develop our employee networks, with the goal of creating an environment where employees can connect with those who share passions, backgrounds, interest or lived experiences. These networks are colleague-led groups and aim to provide a space where people can connect and support each other to make real impact. By joining networks, our employees can benefit by:

- Taking on leadership opportunities and growing professionally alongside their day job.
- Learning from leaders who help guide, mentor and develop members.
- Acting as a representative voice to support decision-making.

read more in Our culture on pages 40 and 41, in Sustainability on pages 50 and 51 and in the Corporate Governance Report on pages 71 to 78

How the Board engages

- Direct**
- End-of-year colleague presentation delivered by Executive Directors
 - Annual business strategy updates with Senior Management
 - Sponsorship and attendance at employee network events
 - Through workforce engagement initiatives
- Indirect**
- Review of attrition and key recruitment matters by the Chief People Officer at Board meetings
 - Refreshed and approved updated Board Members role profiles

- Getting involved in things they care about and seeing results.

Senior Management engage on a regular basis through sponsorship of employee initiatives and regular reviews of feedback from other employee development schemes. By doing so, we're able to refine our employee offering, while ensuring the desired skills are being developed to meet the needs of the business.

The Board engages by overseeing and sponsoring employee initiatives to ensure that people have every opportunity to succeed. Employees are also recognised for their efforts each year through the Company's year-end awards. This also provides Board members with the opportunity to engage with staff and gain feedback.

Strategy updates with Senior Management are undertaken on a regular basis to allow the Board to engage and provide feedback and guidance to the Chief People Officer. Indirectly, the Board also engages through reviews of recruitment and attrition matters with the Chief People Officer.

Outcomes of engagement

- Employees gain access to networks, training and leadership opportunities.
- Fostering a culture of hard work and recognition.
- Managers enhance critical skills such as communication, negotiation and performance management.
- Sponsorship from senior leaders provides employees with valuable networking opportunities and career insights.
- Recognition programmes and benefits improve morale and commitment.
- Leadership town halls and Executive Sponsors provide coaching and careers guidance.
- Monthly reviews on attrition and recruitment help refine people strategies.
- The Board's involvement ensures alignment with the Group's strategic aims and objectives, supporting its long-term success.

Society and Communities

How THG engages

- Implementation of the Group's Social Impact Strategy
- Charity partnership with The Christie
- Supporting a number of charities through the year
- Supporting local independent businesses through THG Loves Local

How the Board engages

- Indirect**
- Quarterly review of progress against the 2030 Sustainability Strategy
 - ESG matters discussed in Sustainability Committee meetings and thereafter updates provided at monthly Board meetings

We are dedicated to being social stewards in our local communities, with the goal of creating a net positive impact. In collaboration with our employee networks, we empower our staff to drive meaningful change with the full support of the business.

Throughout 2025, we have engaged with our community in several ways, including partnerships with local businesses and charities.

Our 'THG Loves Local' event series, for example, has provided a platform for employees to support local businesses by inviting them to our Icon campus, fostering engagement and contributing to their growth.

In addition, we have partnered with numerous charities to improve our local communities, including:

- Movember
- The Christie
- Smart Works Greater Manchester
- Alzheimer's Society

Outcomes of engagement

- You can read more about the outcomes from our engagement work in Society and Communities in the Sustainability section on pages 50 and 51.

Section 172 Statement: Stakeholder Engagement continued

Principal decisions

Below are examples of the key discussions and principal decisions taken by the Board during 2025, alongside relevant strategic priorities and stakeholders considered.

Sale of Claremont Ingredients

Stakeholders considered:



Strategic priorities considered:



In August 2025, the Group agreed to sell Claremont Ingredients to the Nactarome Group, a fast-growth international flavour specialist, for c.£103m in cash. Proceeds from the sale contributed towards reducing net leverage and borrowing costs, in line with the Company's capital allocation strategy.

Claremont was acquired in late 2020 for £52m (excluding cash acquired) to enhance new product development and accelerate the launch of a global licensing range for Myprotein.

The Executive Leadership Team considered the financial and operational impact of the disposal given Claremont's importance to Myprotein's flavour development, and as a result a long-term supply contract was established to ensure continuity and preserve the working relationship post-sale.

The decision to sell aligned with the Group's broader strategy to streamline operations, simplify the Company, and concentrate on its core strengths and competencies. The disposal delivered value for Shareholders by strengthening the Company's balance sheet.

Overall, the acquisition and subsequent disposal was considered a major success, playing a pivotal role in developing Myprotein's global franchise, and delivering a significant return on the initial investment.

THG Ingenuity relationship framework

Stakeholders considered:



In December 2024, Shareholder support was received for the demerger of THG Ingenuity. Significant planning across many Group functions had been undertaken in order that the new operating model could be implemented effectively from the outset of the financial year.

The demerger was a highly complex transaction with multiple critical workstreams. The resulting relationship and service agreement was required to be robust and commercially attractive to both parties.

The risk and control environment was reviewed as a priority to ensure independence between the two businesses, while minimising the impact on broader stakeholders, mainly customers and suppliers.

The Board also considered the market communications on the implications of the demerger and the strategic priorities for the remaining Group.

Debt refinancing and equity placing

Stakeholders considered:



Strategic priorities considered:



In March 2025, the Company initiated a significant refinancing to establish a long-term capital structure. This strategic move followed the demerger of THG Ingenuity and was designed to position the Company for its next phase of development in its growing consumer markets.

The key components of the refinancing included:

- Extending debt maturity for the Term Loan B to December 2029, and the maturity of the revolving credit facility to May 2029.
- An equity contribution of £90m.
- A combination of balance sheet cash and the equity contribution was used to repay a portion of the existing Term Loan A and a portion of the Term Loan B.

The refinancing reduced the Group's total leverage, strengthened its balance sheet, while offering greater financial flexibility, supporting progress towards its target net cash position.

The Group's founder and major Shareholder, Matthew Moulding, played a pivotal role by committing £60m of the equity raise. This formed another significant funding commitment, having already invested £50m in THG shares since IPO. The equity raise included a placing of new shares, of which the offering was oversubscribed, indicating strong support from existing and new investors.

When considering the refinancing, the Board acknowledged the Group's financial priorities and strategic growth objectives, together with its stated intention to create a more simplified debt and equity investment case for THG as a cash-generative global retailer and brand owner.

The successful completion of the refinancing demonstrated the banks' and credit lenders' continued support for the Company.

Myprotein strategic partnerships

Stakeholders considered:



Strategic priorities considered:



During the year, Myprotein entered into and expanded a number of strategic partnerships with category-leading brands and specialist retailers. The primary driver for these agreements was to expand the brand's presence across categories and channels.

By entering physical retail spaces, the brand can tap into the offline retail and convenience market, which is considerably larger than the online nutrition market. This strategy is a core component of a broader brand repositioning to appeal to a wider demographic beyond performance nutrition to include 'everyday active consumers'.

While considering the broader objective of raising brand profile and awareness, the Board also took into account the reputational and financial impact of the partnerships, in particular those comprising third-party manufacturers and suppliers.

Additional factors determining the selected partners included revenue diversification and market category growth, for example the faster-growing segments within the dairy and desserts market.

These partnerships increase customer touchpoints, broaden brand appeal and credibility, ultimately supporting global revenue and market share growth.

Link to strategic priorities key:

- Build leadership positions in core territories and categories
- Deliver innovative and relevant products to global consumers
- Develop Active Customer base and drive loyalty
- Enhance brand equity through D2C channels

Non-Financial and Sustainability Information Statement

Full details of our commitment to sustainability can be found on pages 42 to 51 of this report. In addition, the table below sets out where stakeholders can find information relating to the specific non-financial matters as required under the Non-Financial Reporting Directive:

Our approach	Relevant policies and statements	Where to read more
Reporting requirement: Environmental matters (page 66)		
THG is committed to doing business responsibly and reducing any adverse impacts of our operations on the environment, in alignment with relevant legal and regulatory obligation.	<ul style="list-style-type: none"> • Environmental Sustainability Policy 	<ul style="list-style-type: none"> • Sustainability Committee Report • TCFD disclosures • Principal Risks – Climate Change, Environmental and Social Responsibility, Legal and Regulatory Compliance
Our Environmental Sustainability Policy outlines the commitments and steps THG will take to reduce any adverse impact on the planet, both through the actions we take within our own operations and throughout our supply chain.		
Reporting requirement: Employees (pages 50 and 51)		
Our people are our greatest asset and we aim to foster a supportive environment for all our colleagues.	<ul style="list-style-type: none"> • People-related policies 	<ul style="list-style-type: none"> • Chair's Statement • 'Our culture' • Section 172 Statement • Diversity – Nomination Committee Report • Principal Risks – Talent, Culture, Health and safety
We nurture world-class talent from all over the globe and create career-defining opportunities for people at all levels.		
Reporting requirement: Human rights (pages 48 and 49)		
THG has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business and working relationships.	<ul style="list-style-type: none"> • Modern Slavery Statement • Supply Chain Standards • Health and Safety Policy • Whistleblowing Policy • People-related policies 	<ul style="list-style-type: none"> • Section 172 Statement • 'Strengthening our supply chain and circularity' • Principal Risks – Climate change, environmental and social responsibility, Culture, Health and safety, Product safety and quality
Reporting requirement: Social matters (pages 50 and 51)		
We invest our time and energy into the people and communities who need our help the most.	<ul style="list-style-type: none"> • People-related policies • Environmental Sustainability Policy • Social Impact Strategy – THG in the Community • Supply Chain Standards 	<ul style="list-style-type: none"> • Section 172 Statement • 'Our culture' • 'Empowering people and communities' • Principal Risks – Climate change, environmental and social responsibility
Reporting requirement: Anti-bribery and corruption (page 49)		
THG is committed to conducting its business with complete integrity and in a manner which ensures compliance with all applicable laws and with the highest ethical standards. As a company, we use our best endeavours to ensure that all those acting on our behalf, whether they are employees, contractors, third-party intermediaries or agents, are aware of and share our commitment to conducting business ethically.	<ul style="list-style-type: none"> • Anti-Bribery Policy • Gifts and Hospitality Policy 	<ul style="list-style-type: none"> • Section 172 Statement • Principal Risks – Culture, Legal and regulatory compliance
Reporting requirement: Diversity (pages 50 and 51)		
THG strongly believes that having a diverse workforce and an inclusive workplace creates more innovative and successful businesses.	<ul style="list-style-type: none"> • Diversity & Inclusion Policy 	<ul style="list-style-type: none"> • 'Our culture' • Nomination Committee Report • 'Empowering people and communities' • Principal Risk – Culture
This commitment to diversity and inclusion is a key part of our strategy and reflects our ongoing dedication to equal opportunity.		

A review of each of the above policies is considered on an annual basis and updates are made where appropriate. An integrated training and policy platform continues to be maintained, which facilitates the rollout of policies to appropriate audiences.

This platform allows subsequent monitoring of completion rates for the reading and acceptance of these policies at an individual level, promoting awareness and conformance to our policies.

For our business model – see pages 2 and 3

For sustainability and TCFD – see pages 42 to 59

For principal risks and uncertainties – see pages 62 to 67

Our culture

Our culture has always been a source of competitive advantage at THG. It shapes how we make decisions, how we innovate for customers, and how we scale with pace and discipline. In a business defined by continual evolution, our ability to adapt, learn fast, and keep moving forward remains a constant. This is reflected in THG's DNA – eight behaviours that define how we work and win together.

Building an employee experience that drives high performance

We design our employee experience to empower people to perform at their best. Clear goals, real-time feedback, and development opportunities that support colleagues to step up, take ownership, and grow – reflecting our belief in talent over tenure and our commitment to developing people with drive, curiosity and ambition.

From structured onboarding to wellbeing initiatives, we combine high expectations with high support, ensuring colleagues can move fast, solve problems and deliver exceptional results. This balance enables teams to thrive in a culture where pace fuels progress and impact is earned through action, not hierarchy.

Listening to our people

In 2025, we strengthened our listening strategy by introducing always-on feedback channels and hosting listening groups across multiple sites. Insights from colleagues drove meaningful action – from AI adoption training to enhanced onboarding. By asking questions, listening, and acting on what we hear, we continue building trust and transparency across the organisation.

100% You

When colleagues feel respected and able to bring their full selves to work, collaboration and innovation strengthen. Our internal campaign, 100% You, invited colleagues worldwide to share what matters most to them at work – leading to the relaunch of six employee-chosen networks, each supported by Senior Sponsors and Executive Advocates.

This work reinforces our commitment to creating an environment grounded in respect, support and shared accountability. It reflects how we support one another, uphold high standards in how we work together, and create opportunities for every colleague to progress.

Learning, growth and the future of work

The future of work is shaped by technology, agility and human-centred leadership – and we're preparing our people to lead it. In 2025, we delivered 6,408 hours of in-house training, hosted more than 558 L&D sessions for over 3,900 delegates, and achieved a +78% Net Promoter Score.

Whether learning new skills, navigating emerging technologies or taking ownership of their development, colleagues are encouraged to step forward and figure things out along the way.

Partnerships like the THG AI Academy with Multiverse and expanded in-house programmes ensure our teams develop the capabilities required for the future.

We're proud to have built a culture over two decades that blends innovation, pace and opportunity – enabling people to push boundaries and make a lasting impact.



Read Alise's blog on how she shapes operational excellence and culture at one of THG's biggest manufacturing sites.



Read Laetitia's blog, 'Leading with Curiosity'

Embedding the THG DNA

Towards the end of 2025, we created the THG DNA – eight behaviours that capture how we deliver, collaborate and grow together. These behaviours aren't new; they've always been what makes THG different.

In 2026 and beyond, THG DNA will guide how we operate at every level – woven into onboarding, leadership development, recognition frameworks, performance conversations, and everyday decision-making. It reinforces a culture where:

We move fast and figure it out along the way.

We don't have time to wait for perfection. We test, learn, and adapt quickly.

We work hard. Really hard.

The office is where we show up, step up, and deliver – together. It's where standards are set, pace fuels progress, and the drive to win brings out the best in all of us.

No egos.

We've got high standards – for the work we do and for each other. Leave your ego at the door. Work together, respect each other, and deliver. That's how we win.

We care about your talent, not your experience.

Your experience doesn't define you here – your drive does. Show us what you can do, and the rest will follow.

No passengers.

See a problem? Fix it. Make a mistake? Own it. Got an idea? Run with it. Want to grow? Step up. Progress here isn't given – it's earned.

We stay curious.

We're always learning. We ask questions, we listen, we share opinions. We never get complacent.

We embrace the chaos.

We move fast, sometimes sideways, occasionally backwards. But we're always moving. Change isn't scary, it's fuel.

We back each other.

Loud and proud. When one of us wins, we all win. We celebrate hard and we support even harder.

These behaviours form the foundation of how we build, scale, and succeed – today and in the future.

Sustainability

THG x Planet Earth is our strategy for a better, sustainable future together.

Guided by the United Nations' Sustainable Development Goals ("SDGs"), our plan focuses on three key pillars: Protecting climate and nature, Strengthening our supply chain and circularity, and Empowering people and communities. We have set ambitious goals and targets under the key priorities that we aim to achieve by 2030. We are pledging to use our global scale, our world-class talent and our dedication to innovation, to act as a force for good.

In 2025, we continued to focus our sustainability efforts on delivery of the Sustainability Strategy, recognising that changes were required following the demerger of Ingenuity at the start of the year. We focused our attention on reassessing our sustainability data and developed a clear roadmap for updating our Strategy in 2026, following the completion of the Double Materiality Assessment.



Protecting climate and nature



Strengthening our supply chain and circularity



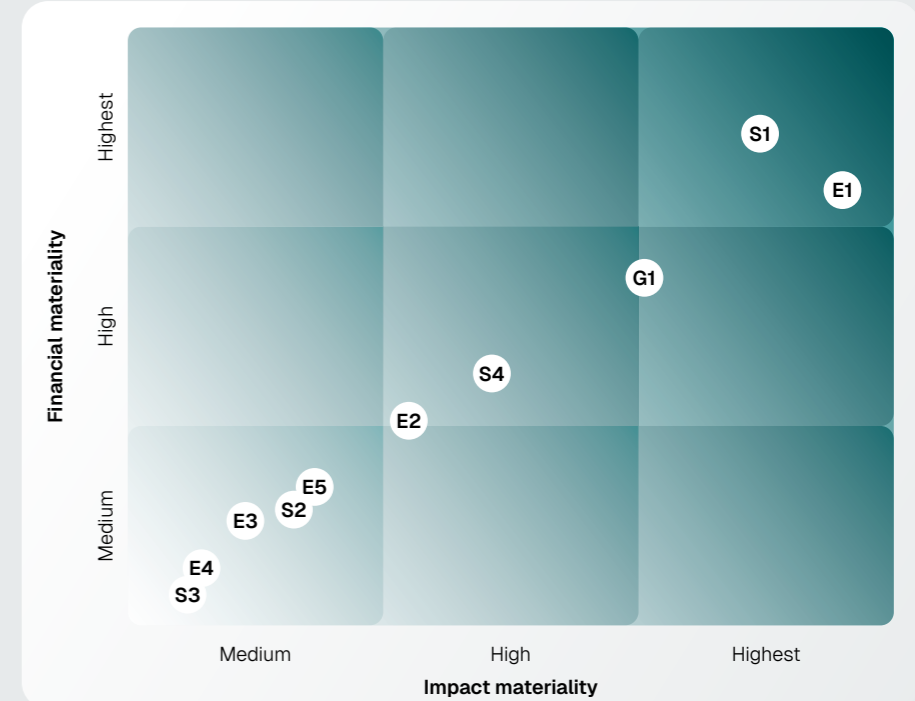
Empowering people and communities

UN SDGs our goals are addressing:



Double Materiality Assessment

Throughout 2025, THG maintained a forward-looking approach to sustainability reporting, closely monitoring developments to the Corporate Sustainability Reporting Directive ("CSRD") and proposed Omnibus amendments. Following the latest legislative updates in November 2025, revised thresholds indicate that THG is expected to fall within the scope of CSRD reporting for FY 2028, with disclosures due in the 2029 reporting year. THG has proactively aligned with the principles of the directive ahead of formal requirements, recognising the importance of its objectives; transparency, accountability, and the integration of sustainability into business strategy. During 2025, the Group completed a CSRD-aligned Double Materiality Assessment ("DMA"), in accordance with the European Sustainability Reporting Standards ("ESRS"), to identify and prioritise the sustainability topics most relevant to both our stakeholders and long-term success. This proactive stance ensures THG remains ahead of compliance obligations, with the systems, data processes and governance structures needed to meet evolving regulatory and stakeholder expectations.



The ESRS framework covers the following areas

Environment

- E1 Climate Change
- E2 Pollution
- E3 Water and Marine Resources
- E4 Biodiversity and Ecosystems
- E5 Resource Use and Circular Economy

Social

- S1 Own Workforce
- S2 Workers in the Value Chain
- S3 Affected Communities
- S4 Consumers and End Users

Governance

- G1 Business Conduct

Working in collaboration with an external consultancy, THG identified 144 relevant Impacts, Risks and Opportunities ("IROs") across our value chain.

These consisted of **59** Impacts, **42** Risks and **43** Opportunities across the ESRS. Each was evaluated alongside members of THG's ESG Working Group and relevant internal stakeholders using structured methodologies to assess both impact and financial materiality.

Assessing impact and financial materiality

The **impact materiality assessment** considered four key factors: scale, scope, remedy and likelihood. Using a keyword-based scoring framework, each IRO was given a score on a scale of one to five for each factor. This provided a consistent, evidence-based assessment of potential impacts, which was then refined using internal business knowledge. The approach ensured that the most significant environmental and social impacts were highlighted, allowing them to be prioritised for future management and disclosure.

Financial materiality was assessed using a complementary qualitative scale that evaluated both the potential impact on cost (for example, operational efficiencies, cash flow, fines or mitigation expenditure) and impact on revenue (for example, brand reputation, sales performance or growth opportunities). These two dimensions were combined to calculate an overall financial materiality score, providing a balanced view of where sustainability matters may influence THG's financial performance. Together, these assessments provide a clear understanding of how sustainability topics affect, and are affected by, our business model, strategy and value creation over time.

Embedding findings and next steps

The outcomes of the DMA will guide THG's sustainability priorities and shape our wider business strategy. By identifying the topics most material to both our stakeholders and our financial performance, we aim to strengthen the integration of sustainability within our decision-making, governance and risk management frameworks.

As CSRD and associated legislation continue to develop, THG remains focused on:

- Aligning our strategy and operations with emerging reporting standards.
- Embedding robust data systems and governance to support future disclosures.
- Using the DMA to strengthen transparency, resilience, and long-term value creation.

THG's early alignment with the CSRD principles demonstrates our commitment to responsible business practices. By embedding sustainability within our core operations, we will ensure that environmental and social considerations remain central to how we grow, operate and create value for all stakeholders.

Sustainability continued



Protecting climate and nature

We plan to leave the world a better place than we found it. A code red alert has signalled to the world that action needs to be accelerated to protect the planet's climate and natural ecosystems. And we need to act fast.



Our targets	Our progress
THG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.	In 2025 THG's market-based emissions were 2,351.46 tCO ₂ e.
THG commits to reduce absolute Scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year.	
THG commits to reduce absolute Scope 3 emissions 90% by 2040 from a 2020 base year.	In 2025 THG's Scope 3 emissions were 854,004.77 tCO ₂ e.
Powering all our geographical operations with 100% renewable electricity by 2030.	For 2025 we purchased 100% renewable electricity at all locations.
THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027.	We continue to work with our suppliers to monitor their progress towards net zero.
Accelerate decarbonisation of supply chain electricity through 100% carbon-free electricity ("CFE") by 2030.	We continue to work with our suppliers to monitor their progress towards net zero.
Achieve 6% carbon intensity reduction YoY of suppliers' full product carbon footprint, beyond just electricity, by 2030.	We continue to work with our suppliers to monitor their progress towards net zero.
All own brand key commodity raw materials to be deforestation free by 2030.	We are working with our suppliers to meet the requirements of the EUDR legislation which will support delivery of this target.

THG emissions and energy reporting

During 2025, THG PLC completed an emissions 'rebaselining' exercise to ensure our GHG inventory reflects our updated organisational structure following the demerger of THG Ingenuity. This process included revising our historic 2022–2024 emissions to align with current business boundaries. This integrated updated emissions factors and improved calculation methodologies, to enhance consistency and accuracy across all reporting years.

The following table presents our revised energy consumption and GHG emissions alongside our 2025 footprint, fulfilling our obligations under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Streamlined Energy and Carbon Reporting Regulations (2019).

We report in accordance with the GHG Protocol, and in 2024 we strengthened our Scope 3 calculation processes sufficiently to report Scope 1, 2 and 3 emissions for the same financial year for the first time. This year we have been able to do the same, applying our updated methodologies and boundaries to 2025 data. In addition, GHG analysis has been completed in-house for the first time, using AI-based technology to map products with associated emissions factors alongside a robust testing and assurance process. This ensures that the 2025 report presents a standardised and accurate emissions dataset to support long-term target setting and performance tracking.

Category	Unit	2025 ¹	2024 ²	2023 ²	2022 ²
Market based					
Scope 1	tCO ₂ e	2,351.46	2,583.65	2,692.18	2,956.66
Scope 2	tCO ₂ e	0	35.68	5,034.87	4,483.67
Scope 3	tCO ₂ e	854,004.77	874,214.90	796,044.76	731,810.64
Total Scope 1 & 2	tCO₂e	2,351.46	2,619.33	7,727.05	7,440.33
Scope 1 & 2 GHG intensity per £1m revenue³	tCO₂e/£m revenue	1.37	1.50	4.11	—
Total Scope 1, 2 & 3	tCO₂e	856,356.23	876,834.23	803,771.81	739,250.97
Scope 1, 2 & 3 GHG intensity per £1m revenue³	tCO₂e/£m revenue	498.50	500.65	427.58	—
Total Scope 1 & 2 UK	tCO₂e	1,072.73	1,421.03	1,132.22	1,585.81
Total Scope 1 & 2 Rest of the World	tCO₂e	1,278.73	1,198.30	6,594.83	5,854.52
Location based					
Scope 1	tCO ₂ e	2,351.46	2,583.65	2,692.18	2,956.66
Scope 2	tCO ₂ e	4,615.36	7,883.22	6,617.89	5,371.16
Scope 3	tCO ₂ e	854,004.77	874,214.90	796,044.76	731,810.64
Total Scope 1 & 2	tCO₂e	6,966.82	10,466.87	9,310.07	8,327.81
Scope 1 & 2 GHG intensity per £1m revenue³	tCO₂e/£m revenue	4.06	5.98	4.95	—
Total Scope 1, 2 & 3	tCO₂e	860,971.59	884,681.77	805,354.83	740,138.46
Scope 1, 2 & 3 GHG intensity per £1m revenue³	tCO₂e/£m revenue	501.18	505.13	428.43	—
Total Scope 1 & 2 UK	tCO₂e	2,501.43	3,464.19	2,657.48	2,775.53
Total Scope 1 & 2 Rest of the World	tCO₂e	4,465.39	7,002.69	6,652.59	5,552.29
Energy consumption					
Natural gas	kWh	11,913,842.05	11,600,991.01	11,823,197.30	12,348,615.52
Fleet and onsite fuel	kWh	486,224.00	500,254.24	669,165.76	2,245,802.53
Electricity	kWh	15,374,199.94	17,632,044.43	17,822,069.56	13,743,717.73
Total energy use	kWh	27,774,265.98	29,578,407.88	30,314,432.62	28,338,135.78
Energy intensity per £1m revenue³	kWh/£m revenue	16,167.78	16,888.44	16,126.41	—
Total energy UK	kWh	13,758,075.50	15,081,861.30	13,813,958.28	13,805,865.00
Total energy Rest of the World	kWh	14,016,190.49	14,496,546.58	16,500,474.38	14,532,270.78
Renewable purchased electricity					
Renewable	%	100	99	44	27

1. These figures are independently assured and were calculated to represent THG PLC footprint in 2025. Methodology details can be found in the Basis of Reporting.
 2. These figures are not independently assured and were calculated retrospectively to represent THG PLC footprint following the demerger of THG Ingenuity.
 3. Calculations have been revised for 2023 and 2024 reflecting statutory revenue after removing THG Ingenuity for comparability year-on-year.

External assurance

Forliance were appointed to undertake limited assurance of selected GHG and energy data points contained in this disclosure using the assurance standard ISAE 3000. Based on their review the 2025 Selected Information is properly prepared in accordance with the Reporting Criteria. They state that Scope 3.1 (Purchased Goods and Services) results are not comparable to previous rebase-line figures, due to the 2024 Ingenuity demerger and 2025 data quality changes; specifically, while product-level emission factor matching has improved, a higher proportion of products are now calculated using spend-based data. Their unqualified opinion on the data and their full assessment can be found in the Basis of Reporting document which is on our website.



[View online](#)
Basis of Reporting document

Sustainability | Protecting climate and nature continued

Science-based targets – progress report

THG's science-based targets were validated by the SBTi in 2023. These targets were set using 2020 as the baseline year.



Near-term

THG commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.



Near-term

THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027.



Long-term/net zero targets

THG commits to reduce absolute scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year. THG also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

As stated, we have revised our historic emissions data to reflect the changes to the business since 2022. As a result, we will revise the current targets in 2026 and resubmit an updated net zero plan to SBTi for validation. This report is based on existing targets, using the revised GHG emissions data to monitor progress.

THG commits to reduce absolute Scope 1 and 2 emissions 42% by 2030 – progress

In 2025 our energy consumption has decreased by 1,804,141.9 kWh, comprising of a 3% increase in scope 1 related activity and a 13% decrease in scope 2, when compared with our revised 2024 consumption. Scope 1 emissions increased by 5%. This was partly due to higher energy consumption and also because country-specific emission factors were used to more accurately calculate our energy footprint in each region. Scope 2 location-based emissions reduced by 41% and market-based emissions reduced to 0 tCO₂e. This is due to reduced consumption across the estate, country-specific emission factors and the renewable electricity purchase strategy.

Renewable electricity

The majority of our energy comes from purchased electricity from the grid and we have a target to power all our geographical operations with 100% renewable electricity by 2030. We have made significant progress, against our revised footprint, with renewable electricity procurement rising from 44% in 2023, to 99% in 2024. During 2025 we took significant steps forward in our renewable electricity purchasing strategy, with 100% of sites either using renewable electricity or covered by a form of Renewable Energy Certificate ("REC") or Guarantee of Origin ("GoO"). This meant we achieved the target five years ahead of schedule by devising actionable plans and managing the energy procurement strategy.

THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027 – progress

THG's Partnership in Action initiative ("PACT") was launched at the end of 2023 and has been instrumental in driving forward the progress against this target. The programme aims to drive collaboration, through the sharing of emissions data and setting clear expectations for suppliers to develop net zero goals. During 2025 we have engaged with suppliers from across our THG Nutrition and THG Beauty supplier base and have seen a significant increase in suppliers making externally validated commitments. Suppliers covering 50.88% of the spend of those in scope, have science-based targets that are either aligned to a robust framework or are approved by the SBTi (near-term and net zero both counted).



THG PLC also commits to reduce absolute Scope 3 GHG emissions 90% by 2040 – progress

Our Scope 3 GHG emissions have marginally decreased year on year when compared with our revised 2024 footprint. The reason for this varies between categories. Updated methodology, emission factors and improved data quality will account for the majority of the changes, this is further explored in the Basis of reporting document. The table below highlights our scope 3 footprint and the proportions of each category.

The emissions composition of direct purchases within category 1 can be seen in the chart below. These emissions are not comparable year on year due to an improvement in product-level emission factor matching and a variance in emission factors used.

Category 3 saw a decrease in emissions aligned with the reduction in electricity consumption across the THG estate.

Categories 2, 4, 11 and 12 also saw a year on year decrease in emissions, related to improved data quality, while the reduction for categories 6 and 7 is linked to reduced employee numbers.

Category 9 (Downstream transport and distribution) saw an increase of over half due to increased retail sales, paired with improved data availability from our manufacturing sites. Brand partnerships was an area of growth in 2025, being the first full calendar year with products on the market from five partnerships. This is therefore reflected in the emissions for category 14 (Franchises) which was the next largest increase in emissions year on year. Category 5 also saw a marginal increase.

Thanks to improved methodology and in-house calculations progress has been made across multiple categories. We recognise the continued reduction of category 1 remains pertinent in the reduction of our total footprint and so in 2026 we will continue our commitment to standardising methodologies and improving supplier engagement to drive collective efforts to reduce emissions across our value-chain.

Responsible sourcing and deforestation

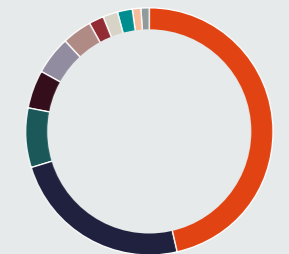
Every year, millions of hectares of forest are lost as land is cleared to produce global commodities like beef, soy, and palm oil. This rapid deforestation serves as a primary driver of climate change, increased loss of biodiversity, and disruption of ecosystems worldwide. THG remains committed to sourcing commodities responsibly, demonstrated through our memberships with the Roundtable on Sustainable Palm Oil ("RSPO") and Rainforest Alliance.

In 2025, we further strengthened our procurement processes, to embed compliance with EUDR, ahead of implementation and aim for all palm oil purchased to be RPSO certified.

Governance

The Board-level Sustainability Committee provides oversight on the progress made against THG's net zero targets. In addition, a number of working groups are in place to manage the relevant workstreams and projects required to drive progress. Further details on these can be found within the Task Force on Climate-related Financial Disclosures Report on pages 52 to 59.

Category 1 Direct purchase emissions (%)



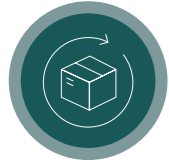
Category	Percentage
Soap, perfume and toiletries	47%
Whey	24%
Average amino acid	8%
Food and drink	5%
Clothing	5%
Hair Care	4%
Supplier Specific emissions factors	2%
Paper and board	2%
Other	2%
Plastic	1%
Vitamin average	1%
Plastic Shaker	0%
Electrical	0%
Metal Shaker	0%
Total	100%

Scope 3 Emissions by category

Emission source	Category	tCO ₂ e	Scope 3 Split 2025 %
Purchased goods and services	1	789,269.49	92.42%
Capital goods	2	810.51	0.09%
Fuel and energy related activities	3	371.45	0.04%
Upstream transportation and distribution	4	44,261.43	5.18%
Waste generated in operations	5	49.99	0.01%
Business travel	6	843.34	0.10%
Employee commuting	7	5,374.45	0.63%
Downstream transportation and distribution	9	83.03	0.01%
Use of sold products	11	9,223.90	1.08%
End of life treatment of sold products	12	1,088.50	0.13%
Franchises	14	2,628.69	0.31%
Total		854,004.77	100%

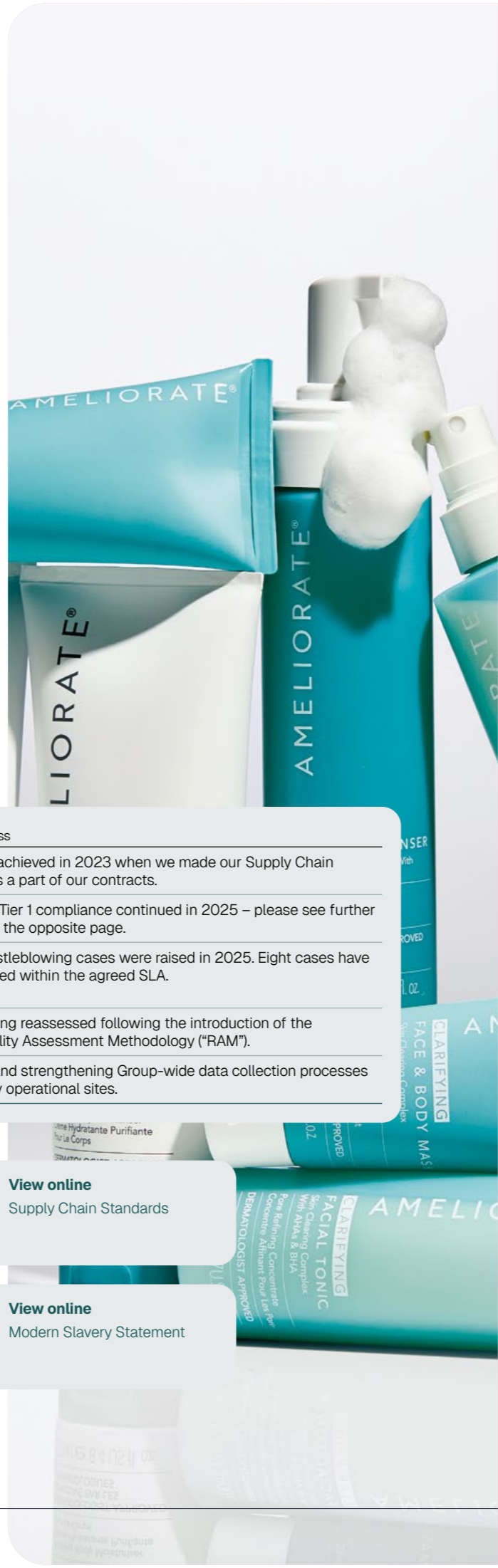


Sustainability continued



Strengthening our supply chain and circularity

We approach our responsibilities with utmost dedication, recognising the impact of everything we create and the livelihoods of those touched by our business. It is our obligation to uphold a supply chain that is not only responsible and ethical but also one that does not harm other individuals or the environment.



Our targets	Our progress
All suppliers to commit to THG's Supply Chain Standards by 2025.	This was achieved in 2023 when we made our Supply Chain Standards a part of our contracts.
100% of Tier 1 and Tier 2 suppliers to complete Sedex audit by 2025.	Focus on Tier 1 compliance continued in 2025 – please see further details on the opposite page.
THG will disclose 100% of whistleblowing reports YoY on the number of cases raised and closed within our agreed service level agreement ("SLA").	Eight whistleblowing cases were raised in 2025. Eight cases have been closed within the agreed SLA.
100% of own brand packaging to be recyclable and/or reusable by 2025.	This is being reassessed following the introduction of the Recyclability Assessment Methodology ("RAM").
100% of THG operations and Tier 1 suppliers to achieve zero waste across operations by 2030.	Building and strengthening Group-wide data collection processes within key operational sites.

Supply Chain Standards

Our Supply Chain Standards set out the minimum standards we require all suppliers to uphold and details the requirements around Labour Standards, Health and Safety, Environmental Impact and Business Ethics.

The Standards are reviewed on an annual basis and in 2025 were updated to reflect the enhanced Whistleblowing Policy which was published in the second half of the year (see opposite).

In addition, we added clarity around the requirement for suppliers to evidence their compliance to the Standards through the completion of Sedex Member Ethical Trade Audits ("SMETA") and provide this evidence through the Sedex platform. The updated Standards can be found on our website.



[View online](#)
Supply Chain Standards



[View online](#)
Modern Slavery Statement

Sedex in the supply chain and own operations

In 2025 we continued to track our suppliers' compliance with THG's Supply Chain Standards through the completion of SMETA, the results of which are published via the Sedex platform. The platform provides independently validated evidence of compliance within our suppliers' operations and enables us to identify non-compliances within our supply chain.

The scope of suppliers included in our programme has been expanded over the past year, and therefore we are unable to provide an accurate progress update against our target. We do, however, remain focused on Tier 1 manufacturing suppliers across our Beauty and Nutrition businesses and will continue to track suppliers' compliance with the Supply Chain Standards while monitoring audit completion rates.

Compliance with THG's Supply Chain Standards is a requirement of doing business with us and we remain committed to monitoring compliance against them and managing risk within our supply chain. This requirement forms part of our supplier management and procurement approach. Therefore, moving forward it will be removed as a target within our Sustainability Strategy and remain a part of our business as usual approach to supplier risk management.

During 2024 and 2025 we have completed audits across all operational sites, which are again uploaded to Sedex to share with our customers. This approach ensures an open and transparent relationship with our customers and demonstrates our commitments to upholding internationally recognised human rights in line with The Universal Declaration of Human Rights; the International Labour Organization's ("ILO") Core Conventions; and the UN's Guiding Principles on Business and Human Rights.

Whistleblowing and anti-bribery

THG is committed to integrity, protecting assets and people, and fostering an open culture. We strive to operate ethically and responsibly, promoting transparent communication with colleagues and suppliers and we recognise that having an effective, confidential process for employees to raise any concerns is a vital part of creating that culture.

THG's whistleblowing service is a free and independent service that enables employees and suppliers to raise concerns confidentially. The service is available to all THG employees, agency workers, contractors and suppliers. In 2025, this established process was expanded to include our supply chain too, and an updated policy was published detailing the options available for raising concerns via email, online or by telephone.

These arrangements are also reflected in our Supply Chain Standards, which require suppliers to have their own whistleblowing processes in place, in addition to access to THG's reporting mechanisms.

To safeguard the integrity of the Group, we maintain a comprehensive Anti-Bribery Policy that reinforces our commitment to conducting business ethically and responsibly. The policy applies to all employees, contractors, and third-party intermediaries or agents, ensuring they understand and uphold our zero-tolerance approach to bribery and corruption. It clearly sets out the Company's expectations and standards for ethical conduct, including the prevention of bribery in all business activities.



[View online](#)
Whistleblowing Policy

Responsible marketing

We recognise the importance of responsible marketing and take our commitment seriously and the Responsible Marketing Code was launched at the end of 2024.

The Code provides guidance to employees, brands, customers and partners on responsible marketing practices, including the ethical and transparent use of Artificial Intelligence in marketing activities. It ensures compliance with relevant local, national and international laws and regulations, and aligns with recognised industry standards such as the International Chamber of Commerce ("ICC") Advertising and Marketing Communications Code.

While the core principles, standards and commitments remain in place for THG, following the demerger of THG Ingenuity, we will update our Responsible Marketing Code in 2026 to reflect the new Group structure.

The updated Code will apply globally across THG Beauty and THG Nutrition, extending to external media partners, contractors, agencies and influencers.

Own brand packaging

THG is committed to increasing the recyclability of our packaging and we have assessed our own brand products against the UK Government's RAM. The final analysis will be included in the 2025 Extended Producer Responsibility packaging submission in April 2026. Following this, we will continue to identify practical solutions to increase the recyclability of all our packaging types.

Zero waste

In 2025, THG has continued its commitment to effective and responsible waste management.

Our alignment with the US Green Building Council's TRUE standard for zero waste in 2024 set a high benchmark and we reported waste data on a broader operational perimeter. This year has been one of focusing and strengthening Group-wide data collection processes and embedding the waste reduction programmes across key operational sites.

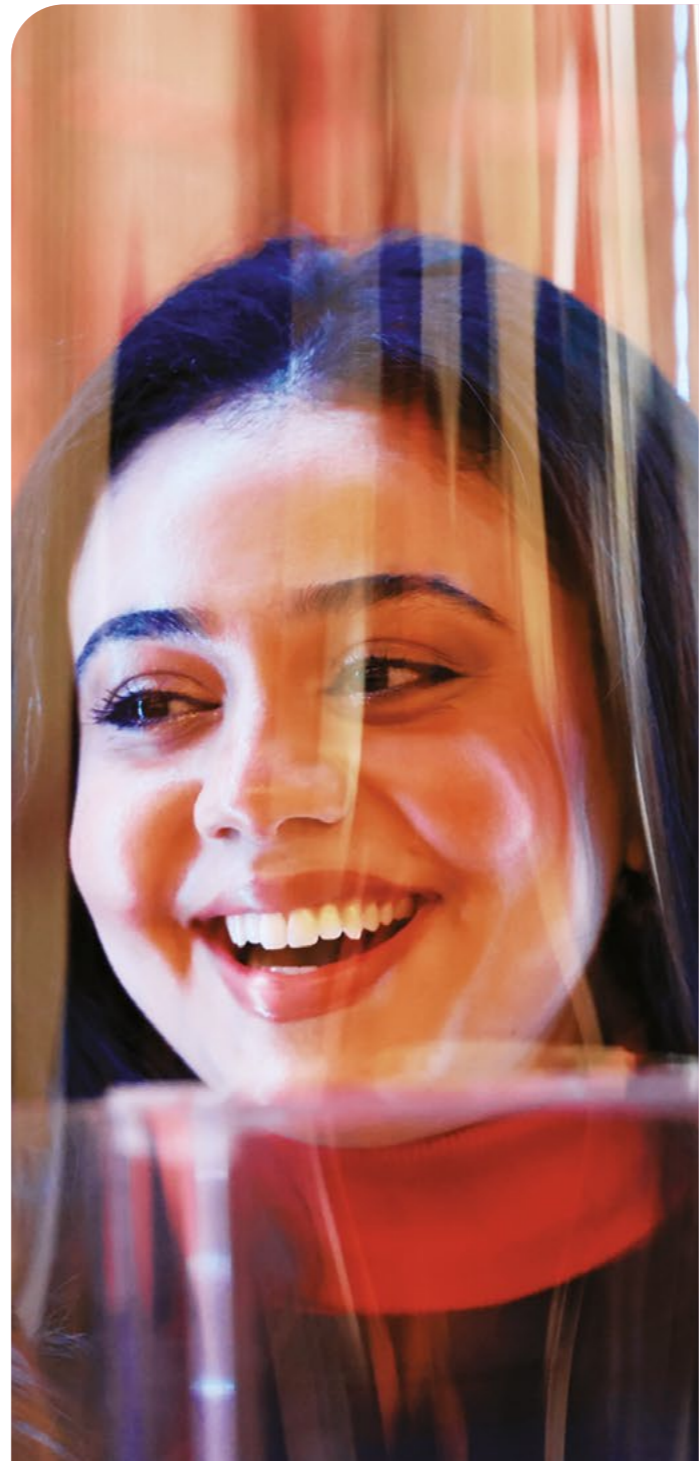


Sustainability continued



Empowering people and communities

We continue to nurture talent from all over the globe and create career-defining opportunities for people at all levels, at all stages of their careers. We're proud to drive progression at an exceptional rate so that our people can go further, faster.



Our targets	Our progress
Achieve 50% female representation and 20% ethnic minority representation across the entire workforce by 2030.	56.9% female (1.5% not disclosed) 18.4% ethnic minority (46.1% not disclosed)
Achieve 50% female representation and 15% ethnic minority on the Board and Senior Management by 2030.	Board: 44% female, 11.1% ethnic minority Senior Management: 29% female, 28.6% ethnic minority
Pay all employees and agency workers a Real Living Wage ("RLW") by 2030.	4.2% increase in colleagues receiving a Real Living Wage in 2025.
Achieve at least 15% improvement in employee engagement score by 2025.	Target achieved in 2023; engagement continues to be monitored through colleague surveys and listening groups.
Allow two days volunteering per year for every THG employee by 2025.	Formally launched in 2024. 458 days completed in 2025.
Provide 10,000 people in the community with technology and life skills training by 2030.	Target reviewed and removed following the demerger of THG Ingenuity.
To design, develop and maintain a THG Privacy Information Management System ("PIMS") aligned to ISO 27701 by the end of 2025.	Target under review following the demerger of THG Ingenuity.

Key achievements in 2025

Entire workforce

We continued to exceed our goal of achieving 50% female representation across the business, with women now representing 56.9% of our workforce, up from 50% in 2024 (with 1.5% choosing not to disclose their gender). Representation of colleagues from ethnic minority backgrounds stands at 18.4%, a slight increase from 17% in 2024, with 46.1% choosing not to disclose their ethnicity compared to 46.98% in the prior year. While the modest improvement in ethnic minority representation and ethnicity disclosure is encouraging, it highlights an ongoing opportunity to strengthen our approach to voluntary disclosure and to introduce additional diverse hiring initiatives in 2026.

Board and Senior Management

In 2025, ethnic minority representation increased across the Board and Senior Management Team, with the Board at 11.1% and Senior Management at 28.6%, reflecting changes in Board composition and adjustments to the Senior Management population during the year.

Female representation at Senior Management level remains below our ambition, largely due to changes to the Senior Management population following the demerger. However, the layer immediately below the Executive team is predominantly female, indicating a strong succession pipeline that is expected to support future improvements.

Gender and ethnicity pay gap

We report via the UK Government gender pay gap service every year. In our 2025 report, the mean average pay gap was 9.11% in favour of males and the median pay gap was 2.29% in favour of females. These figures reflect different aspects of our pay distribution — the mean is influenced by a small number of men in very senior, high-earning roles, while the median reflects our broader workforce, where women are the majority at every pay level and comprise 56.9% of employees overall.

On bonuses, 13.10% of females received a bonus compared to 10.42% of males. The mean bonus gap was 11.2% in favour of males and the median bonus gap was 55% in favour of females.

Real Living Wage

During 2025, we saw an increase in colleagues receiving a Real Living Wage, from 69.3% in 2024 to 73.5% in 2025. This metric currently covers UK-based staff directly employed by THG. In 2026 we are exploring options to close this gap.

Employee engagement

After achieving our goal to increase employee engagement by 15% in 2023, we continued to monitor and track employee engagement through divisional pulse surveys in 2025. To ensure consistency in approach and effective action planning, we are launching Group-level, global pulse surveys in 2026.

Making an impact in our local communities

Responsibility extends beyond our business. In 2025, we supported local communities through 474 days of volunteering and a series of fundraising initiatives, including a charity padel tournament for Wood Street Mission, a clothing drive for Smart Works, a Christmas gift collection for Manchester Youth Zone, and health and wellness challenges in support of Movember.

As part of our social impact strategy, we also launched THG Loves Local – a new initiative designed to spotlight and support small businesses. Since March 2025, Loves Local has showcased products and services across Manchester, giving colleagues the chance to shop at on-site pop-ups, access exclusive discounts, and discover what's on their doorstep. The programme has driven colleague engagement through in-person events and generated £37,158 for 42 businesses. Community impact is a core part of our culture, and we'll continue to grow these efforts in 2026 and beyond.



View online
Explore insights from our Beauty COO, Tom Mills-Webb, on the benefits of volunteering in his blog.

Employee and Board diversity information as at 31 December 2025 was as follows:

2025 Gender	Male	Female	Not disclosed	Total
Board	5	4	0	9
Senior Management	5	2	0	7
Other	1,127	1,513	14	2,654
Total	1,137	1,519	14	2,670

2025 Ethnicity	Ethnic minority	Non-ethnic minority	Not disclosed	Total
Board	1	8	0	9
Senior Management	2	5	0	7
Other	500	870	1,284	2,654
Total	503	883	1,284	2,670



Task Force on Climate-related Financial Disclosures

THG is committed to providing clear information on how climate-related risks and opportunities may affect the Group's strategy, operations and financial performance. Our disclosure aligns with the four pillars and 11 recommended disclosures of the TCFD and meets the requirements of UKLA9.8.6R and 14.3.27R, as well as the Companies Act.

Following the demerger of THG Ingenuity at the start of this year, we have reassessed and redefined our reporting boundary to reflect THG's revised structure. These changes are explained throughout the disclosure where relevant. Climate change creates physical risks to our operations and supply chain from acute and chronic weather events, as well as transition risks driven by regulatory, technological, economic and market shifts. For the reshaped Group, the material risks continue to relate to operational disruption, raw material availability, carbon-related cost exposure and reputation. The demerger has required us to revisit these risks and re-evaluate associated opportunities. Our Metrics and Targets have been reviewed in line with the new organisational structure. We have refined our emissions inventory, restated baselines where required and continued to develop performance indicators that support consistent, year-on-year assessment of progress. This second-year disclosure reflects the continued evolution of THG's climate-related reporting. It demonstrates our commitment to transparent governance, robust risk assessment and the proactive management of climate-related risks and opportunities as we position the Group for long-term, sustainable value creation.

TCFD recommendations	Consistent with TCFD framework?	Page number
Governance		
Describe the Board's oversight of climate-related risks and opportunities.	Yes	53
Describe Management's role in assessing and managing climate-related risks and opportunities.	Yes	53
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Yes	54-59
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Yes	54-59
Describe the resilience of the organisation's strategy, considering different climate-related scenarios (incl. 2°C or lower).	Yes	54-59
Risk Management		
Describe the organisation's processes for identifying and assessing climate-related risks.	Yes	54-59
Describe the organisation's processes for managing climate-related risks.	Yes	54-59
Describe how identifying, assessing and managing climate-related risks integrate into overall risk management.	Yes	54-59
Metrics and Targets		
Disclose metrics used to assess climate-related risks and opportunities.	Yes	54, 57, 59
Disclose Scope 1, 2 and, if appropriate, Scope 3 GHG emissions and related risks.	Yes	45, 57-59
Describe targets used to manage climate-related risks and opportunities and performance.	Yes	57-59



Governance

The Board

THG maintained the climate governance structure established in the previous year to ensure consistent oversight and a stable foundation for assessing and reporting climate-related risks and opportunities.

As the organisation evolved, including changes arising from the recent demerger, preserving this framework supported clear accountability and comparability across reporting periods. While the structure itself remained stable, the frequency of meetings and the mix of participants flexed to reflect operational needs, reporting cycles, and the progression of climate-risk work.

This balanced approach enables THG to maintain continuity while adapting governance processes to meet the needs of a developing business and an evolving climate context.

Governance	
The Board	The Board is responsible for overseeing the execution of THG's Sustainability Strategy, which covers climate-related issues and includes the progress towards our climate change goals and targets. The Board also approved our Net Zero Strategy in 2023 as well as the disclosures made in the Annual Report.
Sustainability Committee	The Sustainability Committee, which was chaired throughout 2025 by our SID Sue Farr, meets at least three times a year. The Sustainability Committee was established to ensure that the Group has appropriate and effective strategies, policies and operational controls in place to conduct its business in a responsible manner, ensuring accountability for sustainability targets. Key duties include reviewing and monitoring the Group's systems, strategies, policies and targets in relation to, amongst other things, energy and carbon management, and climate change. The Chair will communicate relevant ESG matters up to the Board through shared minutes and summarised updates. The Group Sustainability Team ("GST") also provides updates to this Committee towards the targets set in THG's Sustainability Strategy. You can find further details on the Committee within the Sustainability Committee Report on pages 93 and 94.
Audit Committee	The Audit Committee monitors the effectiveness of the control environment through the review of internal audit reports and other assurance activity.
Strategy	
Group Sustainability Team	The GST, which feeds up to the Sustainability Committee, manages the assessment and tracking of climate-related risks to THG. The GST has set up working groups comprising of management from the necessary functions, described below, to provide resource and governance over delivery of this TCFD disclosure. The GST also manages key metrics and mitigation measures, such as the reduction of Scope 1 and 2 emissions and ensuring compliance with ESG regulations.
Scope 1 and 2 Working Group	This working group brings together management representatives from the sustainability, property, projects, procurement and travel teams. The aim of this working group is to ensure we are taking steps to achieve our science-based targets, which in turn protects our reputation and reduces our exposure to financial risk such as carbon taxation.
ESG Working Group	To enable THG to undertake TCFD and ESG-related work, we created a working group that consists of representatives from sustainability, finance, risk and internal audit. The role of this group is to manage ESG horizon scanning and devise appropriate plans to ensure THG complies with upcoming legislation.
Sustainability Forum	The Sustainability Forum met throughout 2025, bringing together managers and directors from relevant business areas to review climate change and sustainability-related topics and projects. The Forum provides a platform for the sustainability team to ask Management from across the business to aid in overcoming barriers. It also enables Management to raise any climate change and sustainability-related issues that may come to light.
The Risk Team	The Risk Team holds regular risk update meetings with key business areas to ensure the risk register continues to reflect current risk exposure (you can find more details on risk and the risk register on pages 60 to 67). Within the meetings, any material risks identified by the GST are escalated to the Risk Team. The risk register is reviewed and confirmed to be up to date. Similar risk updates are held with other key business areas and are reviewed and escalated to the Risk Committee as appropriate.

TCFD continued

Strategy

Climate change, environmental and social responsibility are managed as one of our principal risks and are a core consideration in business strategy and decision-making. Within this principal risk THG identified three key areas of materiality: physical risk to raw materials, physical risk to operations, and transitional risk. During 2023, THG (pre-demerger) completed climate-risk modelling across the Group for the short term (up to 2030), medium term (2040), long term (2050) and very long term (2100 – only used for physical risk to operations).

This modelling allowed us to assess each climate risk and scope out the required analysis for the first time. Since then, there have been significant changes to THG’s organisational structure, leading to the re-evaluation of the modelling and its outputs. Therefore, in 2025, THG undertook an internal review to analyse how these previously modelled risks and opportunities now apply to the reshaped business. Drawing on internal expertise, the review considered revised reporting boundaries, operational priorities and shifts in our physical and strategic footprint to ensure that the risks and opportunities disclosed this year accurately reflect the current business.

Physical risk

We have undertaken a review of the physical climate risks identified in our 2024 TCFD report, by reviewing the original modelling, assessing changes to the business and analysing the impacts of them on the climate modelling results. The table below summarises each risk, possible mitigation measures, associated targets and any progress we’ve made against them.

Climate risk	Potential impacts and their severity	High-level mitigation	Time horizon	Associated targets	Metrics and progress
Supply chain disruption to raw material availability	Increased cost of supply or inability to source. Low projected impact. Increased availability projected in most cases.	Extensive and up-to-date knowledge of supplier base to understand sourcing regions. Continuous monitoring and forecasting of demand and availability to adjust intake accordingly. Continuous monitoring of supply chain activity and news through advanced web-scraping functionality.	M to L	All own brand key commodity raw materials to be deforestation free by 2030.	As modelling forecasted, we have not seen any climate-linked disruption to the supply chain or raw material availability. We have seen the cost of whey increase year on year as a result of increased demand, which is not a factor which was incorporated in the modelling. We are regularly monitoring EUDR legislative changes and have mapped the required raw materials across our supply chain in advance of reporting in December 2026. We will also publish our percentage of responsibly sourced palm oil in H2 of the same year.
Damage to physical assets caused by increased frequency or severity of climate perils	Cost of repairs and damage to stock. Low projected impact. With current flood mitigation in place, minimal impact is projected across the portfolio.	Properties are screened before they are purchased or a lease is signed. Increase climate resiliency of infrastructure at high risk if required. Robust business continuity plans are in place as well as insurance coverage.	M to L	—	We remained in four of eight high-risk sites in 2025 and entered ten new properties which sit within the same regions as the modelled portfolio. For this reason there has been no material changes in expected impact since the modelling was carried out in 2023.

Physical risk – raw materials

In 2023, THG completed a detailed internal study to understand how climate change could affect the availability of key raw materials used within THG Nutrition. We focused on THG Nutrition due to THG Beauty revenue split being weighted towards third-party sales, making commodity purchasing requirements materially lower when compared with Nutrition. As part of our strategic response to climate risk, we assessed how physical climate impacts might influence our sourcing regions over the short, medium and long term, in line with TCFD expectations. The assessment considered both the direct implications of more extreme and variable weather patterns on yields and the wider strategic consequences of global supply pressures and potential cost volatility.

As part of our 2025 climate risk review, we reassessed the key commodities identified in the 2023 modelling and confirmed that the same commodities remain material to THG Nutrition. We also reviewed our current sourcing regions and found them to be consistent with those used in the original assessment. The recent demerger did not affect this analysis, as the Ingenuity business was not material to raw-material-related climate risk and did not influence the sourcing footprint evaluated in 2023. On this basis, we considered the 2023 modelling to remain reflective of the reshaped Group and a reliable representation of our short, medium and long-term exposure to climate-related impacts on raw material availability.

A bespoke modelling approach was developed to quantify these risks. Six priority commodities were selected: cocoa, soybean, pea, broad bean, oats and whey. For the five crops, academic evidence on optimal growing conditions for temperature and precipitation was used to construct yield curves that allowed future climate projections to be compared against ideal conditions. For whey, a tailored model was developed based on wet-bulb temperature, capturing how heat and humidity influence dairy livestock productivity. These models were applied to the Group’s existing sourcing regions.

Climate projections were assessed using IPCC Representative Concentration Pathways (see figure), with multiple time horizons aligned to TCFD guidance. For each ingredient, changes in climatic conditions were modelled across short-term (5–10 years), medium-term (10–20 years) and long-term (20–30 years) intervals through to 2050. Due to data limitations, whey was modelled using only the RCP 4.5 pathway (the ‘most probable’ scenario). RCP 4.5 to 2050 was selected as the central scenario since it was the only pathway covering all six ingredients and represented the most robust basis for comparison. In 2026 we will reassess the data available for whey and its suitability to modelling across the wider pathways, with the view to improving comparability across the six key ingredients and commodities.

The results showed that THG’s raw material sourcing strategy appeared comparatively well insulated from climate-related yield impacts under the most probable scenario. Projected changes in yield across THG’s sourcing regions generally indicated lower exposure to climate deterioration than the global average, suggesting that our current procurement footprint was more resilient than other major growing regions worldwide. Even when assessed against more adverse climate outcomes (RCP 8.5), the modelling suggested that THG’s sourcing regions were likely to experience manageable impacts, with no commodities showing high levels of supply risk solely due to climate-driven yield reduction (table below).

Climate scenario	RCP	Approx. warming	Description	Likely temperature increase range
Paris-aligned	2.6	+1.0°C	Rapid, global move to decarbonise with aggressive climate action implemented.	0.3°C – 1.7°C
Most probable	4.5	+1.8°C	Global move towards decarbonisation with a less aggressive pace and intensity.	1.1°C – 2.6°C
Moderate mitigation	6.0	+2.2°C	Moderate global effort to limit climate impacts.	1.4°C – 3.1°C
Worst case	8.5	+3.7°C	Limited climate action taken by both governments and businesses globally.	2.6°C – 4.8°C



Ingredients and commodities	2050 Global Yield Change Model	
	RCP 4.5 (Most probable)	RCP 8.5 (Worst case)
Whey	0.84% increase	—
Cocoa	6.1% increase	9.5% increase
Broad bean	3.4% increase	3.2% increase
Oat	22% increase	26.5% increase
Pea	0.1% increase	0.1% increase
Soybean	13.5% increase	13.6% increase

1. See table above for definition.

While the modelling indicated a low likelihood that climate change would materially disrupt the availability of these key ingredients across the assessed time horizons, the analysis recognised that yield projections represent only one dimension of supply resilience. Although the modelling assessed the direct impacts of changes in temperature and precipitation, it did not capture the wider effects associated with an increased frequency of extreme weather events. In addition, broader factors such as geopolitical disruption, macroeconomic conditions, infrastructure capacity, and global supply chain constraints could still influence the availability and price stability of raw materials. We saw an example of this in 2025 where, despite remaining well insulated from climate-related yield impacts, the business saw an increase in whey prices. This was owing to an increase in the global demand. Accordingly, climate-related raw material risks continue to be monitored through THG’s Group risk management processes and are integrated into wider strategic planning.

Looking ahead, THG will continue to monitor climate-related impacts on key raw materials as part of our ongoing risk management processes. As global climate projections, sourcing conditions and market dynamics evolve, we will review the assumptions that underpin our 2023 modelling and update the analysis where material changes arise. This approach ensures that our understanding of short, medium and long-term risks remains robust and aligned to the needs of the business.

TCFD continued

Physical risk – operational

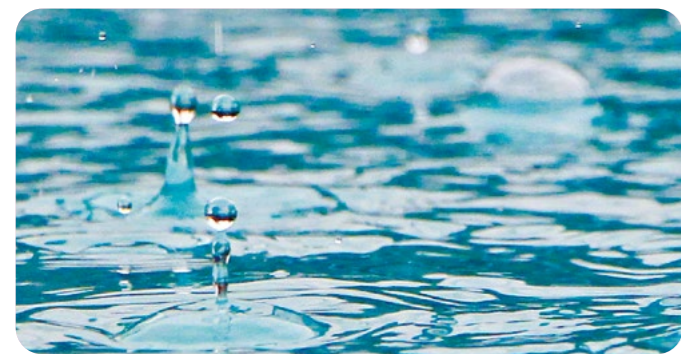
In 2023, THG undertook a comprehensive assessment to understand how physical climate change risks could affect the Group's operational sites over the short, medium and long term, in line with TCFD expectations. As climate change was anticipated to increase the frequency and severity of extreme weather events, the analysis focused on seven key climate-related perils and examined how these hazards could influence the condition, safety and financial exposure of our physical assets.

Each THG site was evaluated based on building type and local hazard exposure, and modelling was conducted under two climate scenarios with ten-year time steps extending to 2100. Unlike raw material modelling, which focused on 2050, a longer horizon was considered appropriate for physical assets given the lifespan and long-term nature of site-related investment. For every location, the model estimated annualised damage costs associated with climate-driven physical risk as a proxy for future insurance-related financial exposure.

RCP pathways 2.6 and 8.5 were modelled for today (2023), short term (2030), medium term (2040), long term (2050) and very long term (2100).

For all of the perils considered, neither the time horizon nor the scenario changes the estimated risk, except for Soil Movement which increased from very low to low under the RCP 8.5 pathway in 2100.

Risk	Definition
Very low	0 – 0.01% Damage value change
Low	0.01 – 0.2% Damage value change
Medium	0.2 – 1% Damage value change
High	1 – 5% Damage value change
Very high	>5% Damage value change



Peril	Scenario	Risk
Coastal Inundation	2.6	Low
	8.5	
Extreme Wind	2.6	Very low
	8.5	
Forest Fire	2.6	Very low
	8.5	
Freeze Thaw	2.6	No risk
	8.5	
Riverine Flooding	2.6	Very low
	8.5	
Soil Movement	2.6	Very low
	8.5	(2100 – low)
Surface Water Flooding	2.6	Low
	8.5	

The modelling covered the 86 sites that remained within the Group's portfolio at the end of 2024. Of these, eight were initially identified as being at high or very high unmitigated risk under current climate conditions. Six sites were exposed primarily to surface water flooding, while two were exposed to coastal inundation. THG undertook further investigation of the UK and US sites using national flood-mapping resources provided by the Environment Agency and FEMA. This review indicated that, once existing mitigations and local flood-defence infrastructure were considered, the UK sites were assessed as low or very low risk, while the US sites fell within or below the 0.2% annual chance flood-hazard category.

As part of our 2025 review, we reassessed the operational sites that remained under THG PLC following the demerger and confirmed that the geographical footprint of the retained estate was consistent with, or closely aligned to, the locations assessed in the 2023 modelling.

Four of the initial eight sites identified as high or very high risk under current climate conditions remained part of the THG PLC portfolio. This consists of one UK site which was exposed to coastal inundation and three in the US, two exposed primarily to surface water flooding and the other to riverine flooding, which for all four identified as very high risk.

Ten new sites were added to the portfolio which were situated within the same regions as those previously modelled. On this basis, the demerger did not materially alter our exposure to physical climate risk, and no new risks beyond those already identified in the 2023 assessment were expected to arise.

Looking forward through the medium and long term, the model indicates that no additional sites were expected to enter the high or very high-risk categories by 2050 or 2100. Importantly, all four sites identified as higher-risk locations, as well as the ten new sites, are leased or third-party operated, which provides THG with flexibility regarding long-term occupation.

Overall, the modelling suggested that physical climate risks to operational sites were concentrated in a limited number of locations and that the Group's current footprint appeared broadly resilient across the short, medium and long term. Continued monitoring and the planned site-specific investigations remain an important part of ensuring the long-term strategic robustness of THG's operational estate.

In 2026 THG will continue to monitor physical climate risks across the operational estate and reassess site exposure to account for changes in the property portfolio, scientific evidence and updated hazard data. This process ensures that our understanding of physical climate risks remains current and that strategic decisions regarding site selection, investment and resilience planning remain aligned with the Group's evolving risk profile.

Transition risk

We have undertaken a review of the transition risks identified in our 2024 TCFD report, by reviewing the 2023 modelling, assessing changes to the business and analysing the impacts of them on the climate modelling results. The table below summarises each risk, possible mitigation measures, associated targets and any progress we've made against them.

Climate risk	Potential impacts and their severity	High-level mitigation	Time horizon	Associated targets	Metrics and progress
Litigation brought by plaintiffs against ecommerce or health and beauty companies for their liabilities in causing harm through climate change or making misleading claims	Increased cost.	Set science-based targets and continue to make progress against these.	M		
	Based on the current policies of THG PLC, and the continuation of current trends, this is a low impact risk.	Created PACT, our supplier outreach programme, to ensure suppliers are setting science-based targets and making progress towards net zero.			
		Increasing the use of recycled materials in our packaging.		THG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.	THG PLC has seen a decrease in emissions year on year in Scope 1 when compared with our 2024 footprint, which was adjusted to remove any emissions associated with THG Ingenuity. THG PLC market-based Scope 2 emissions have reduced to zero as a result of meeting our renewable energy target five years ahead of schedule. Scope 3 has also seen a reduction from the revised 2024 footprint. New comparable targets will be set and submitted to SBTi in 2026, alongside a new climate modelling assessment.
Carbon costs due to legislation enacted by national and local governments to price and penalise GHG emissions	Increased operating costs.	Set science-based targets and continue to make progress against these.	M		
	Based on the current policies of THG PLC, and the continuation of current trends, this is a low impact risk.	Progressing towards our goal of 100% renewable purchased electricity.		THG commits to reduce absolute Scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year.	Our green claims guidance and committee has ensured that in 2025 THG PLC saw no litigation as a result of misleading green claims. This, combined with our clear and consistent sustainability communication across brand websites, has meant there hasn't been a market change as a result of perceived climate change inaction.
		Created PACT, our supplier outreach programme, to ensure suppliers are setting science-based targets and making progress towards net zero.		THG commits to reduce absolute Scope 3 emissions 90% by 2040.	
Additional economic depreciation impacts and resulting investment requirements on assets in response to changing energy needs and to reduce emissions	Increased capital and operating costs.	Continuing with identification and rollout of energy efficiency measures, both in improving processes and by transitioning to lower energy consuming equipment.	M to L		
	Based on the current policies of THG PLC, and the continuation of current trends, this is a low impact risk.	Create TPT-aligned transition plan in 2026 to build a longer-term capital expenditure plan.		Powering all our geographical operations with 100% renewable electricity by 2030.	We have seen no carbon cost as a result of legislation to penalise GHG emissions but are committed to maintaining our renewable electricity purchasing strategy and supplier engagement.
					We are investigating alternative renewable energy solutions to reduce Scope 1 emissions, particularly at manufacturing sites where business growth has required an increase in energy consumption.
Market change due to a company's perceived inaction to limit climate change	Loss of market share and revenue.	Creating sustainability pages on our brand websites to ensure active communication with our customers on our commitments.	S		
	Based on the current policies of THG PLC, and the continuation of current trends, this is a low impact risk.				

TCFD continued

Transition risk continued

In 2023, THG modelled transition-related risks and opportunities to understand how the global shift to a lower-carbon economy could affect the business over the short, medium and long term, in line with TCFD expectations. Transition modelling explored the potential implications of policy, litigation, market shifts and reputational change, recognising that both risk exposure and strategic opportunity could increase as governments, consumers and investors place greater emphasis on decarbonisation.

Given the greater forecasting certainty of shorter time horizons, the assessment modelled the period from 2024 to 2029. The work was underpinned by the Resilience model developed by the Cambridge Centre for Risk Studies (table below), which has been used widely by multinational companies to support TCFD disclosures.

This analysis helped the Group understand how carbon-related policy changes, litigation trends and market preferences might influence its operating model, cost base and competitive positioning.

Climate scenarios used in risk modelling process

Decarbonisation pathway	Corresponding Shared Socioeconomic Pathway ("SSP")	Global temperature rise by 2100 above pre-industrial levels	Description
No policy	SSP5-85	>4°C	Assumes policy reversals and increased energy consumption and emissions
Current policy	SSP3-70	3°C	Continuation of current trend, without any further or additional change in policy
Stated policy	SSP2-45	2.5°C	Incorporates today's policy intentions and targets i.e. those defined by countries' Nationally Determined Contributions
Paris aspiration	SSP1-19	1.5°C	Radical and urgent policy response requiring rapid and systemic energy and behaviours shifts and major technology innovation

A core focus of the modelling was carbon policy and taxation risk. The analysis indicated that THG could begin to experience indirect carbon-related costs under certain policy pathways, with most exposure arising from Scope 3 emissions due to their materiality within our footprint. Although carbon taxes were unlikely to apply directly to THG, the modelling suggested that suppliers could pass costs on through their pricing. To mitigate this risk, THG advanced supplier engagement through the PACT programme, launched in 2024, supporting suppliers to adopt science-based targets. At the same time, progress towards our SBTi-validated net-zero targets continued to reduce potential exposure under Scope 1 and 2 emissions pathways.

Following the demerger, THG Ingenuity is now THG PLC's key supplier for logistics and distribution. This means that Scope 3 transport and distribution-related emissions (THG's second largest category) are now concentrated within a smaller group of suppliers. As a result, Ingenuity's emissions profile and decarbonisation strategy will have a material impact on this category. Given the longstanding relationship between the businesses, THG anticipates continued alignment and collaboration in support of its decarbonisation objectives and science-based targets.

Litigation risk was also assessed across three categories: greenwashing, directors' and officers' liability, and public nuisance or pollution claims. Exposure was found to vary non-linearly across scenarios, with higher public-nuisance risk modelled in environments where policy action remained limited.

To mitigate legal and reputational risks, THG strengthened its governance over sustainability-related claims, including a Group-wide green claims process requiring evidence-based substantiation. This process was extended to third-party beauty platforms through our partnership with Provenance, supporting claim validation across Cult Beauty and Lookfantastic.

The following table demonstrates the outputs of the carbon policy and litigation modelling, demonstrating the potential cost to the business through taxation or litigation.

Impact scores for each transition risk with 1 = low impact and 5 = high impact

Decarbonisation pathway	Carbon policy		
	Scope 1 & 2	Scope 3	Litigation
No policy	0	0	2
Current policy	0	0	1
Stated policy	1	4	1
Paris aspiration	1	5	2

As a next step, THG will continue to monitor transition-related risk drivers across policy, markets, technology and consumer expectations, ensuring our assessment remains up to date as global decarbonisation efforts accelerate. We will periodically evaluate supplier readiness, review the resilience of our net-zero strategy and assess how changes in regulation or stakeholder expectations could influence short, medium and long-term outcomes. Where material developments arise, the Group will update the modelling and integrate insights into strategic planning, product innovation and engagement with suppliers and customers to help capture opportunities associated with the transition.

Opportunities

Market-shift analysis explored how changing consumer preferences might influence demand for lower-impact products. Research undertaken in 2023 indicated that plant-based and lower-emission alternatives were well positioned to gain traction as the transition progressed. THG acted on these insights through product innovation, including the development of Myprotein Superblend, which repurposed spent barley from the brewing sector into a functional protein product. Brand-level sustainability communication was also enhanced, with new public-facing sustainability pages introduced across several of THG's largest brands to improve transparency and support consumer trust.

Climate opportunity	Potential impacts and their severity	High-level action	Time horizon	Metrics and progress
Market disruption, changes in consumer preference trends and demand projections caused by shifts towards green products	Increase of market share and revenue.	Undertaking product-level life cycle assessments ("LCAs") to understand hotspots so we can reduce the impact of our products. Using innovation to develop new product ranges such as Myprotein's Superblend, and changing product formulation materials and processes. Ensuring customers can find products which align with their priorities through our Provenance programme.	S	There hasn't been any increase in market appetite for new product ranges year on year, however this will remain monitored in 2026.
Market change due to a company's perceived action to limit climate change	Increase of market share and revenue.	Creating sustainability pages on our brand websites to ensure active communication with our customers on our commitments.	M	While there hasn't been notable market change due to the presence and consistency of our sustainability messaging across brand websites, there have been no negative market changes and so this communication will be continued into 2026.

Risk Management

The identification and management of climate-related risks follow the Group's existing risk management framework. However, the methodology applied to climate risk themes differs as follows. To reflect the nature of climate change, the time horizon applied to velocity was short term at 2030, medium term at 2040 and long term at 2050. Our assessment of 'likelihood' is incorporated into the different climate scenarios that we analyse. For example, where there is a similar outcome under all scenarios, the likelihood of the risk or opportunity is deemed high. Conversely, where the outcome is only expected under stress scenarios the likelihood or opportunity is deemed low.

The standard Group approach in considering risks and future prospects is an assessment period of up to three years (aligned to the viability assessment period). When assessing the likelihood of risk, we measure this as a percentage of possible occurrence in the next 12 months. The Directors consider these deviations from the standard risk framework to be appropriate given the nature of this specific risk. Additionally, for our climate-related risks and associated disclosures, the Group engaged several external partners during the year to assist with risk assessment over the parts of the business over which THG has operational control.

The Risk Committee remains responsible for providing oversight of the Group's risk management, but for climate-related risks is supported by the Sustainability Committee. Climate-related presentations provide the Committees with the opportunity to perform more in-depth reviews of the associated risk. The updates received by the Sustainability Committee during 2025 are detailed in the Sustainability Committee Report on pages 93 and 94.

Risk management and informed decision-making

THG’s risk management framework is designed to protect the interests of key stakeholders and enhance the quality of decision-making, enabling the effective management of our strategic, financial, operational, compliance, change and emerging risks. The framework is integral to our day-to-day activities, helping us achieve our strategic objectives through risk-informed decision-making and managing risk effectively.

A changing risk landscape

The current macroeconomic and geopolitical environment continues to present a challenging risk landscape for all organisations. The effects of these conditions on the business are explained in various sections of the Strategic Report and consequently the narrative included in the Chief Executive Officer’s Review and Chief Financial Officer’s Review. These sections should be read together with the disclosures below to allow for an overall understanding of the risks and challenges which will continue in 2026.

Our risk profile continues to evolve, and we regularly reassess our view of principal risks; however, no changes have been made to the principal risks during the year. They are outlined under ‘Principal risks’ below.

How we identify risks

Our risk identification process follows an enterprise-wide ‘top-down, bottom-up’ approach, which seeks to identify:

- principal risks that may affect our ability to achieve our strategic objectives, or pace by which we achieve them, with these risks representing the risks that most threaten the achievement of our strategy;
- strategic, financial, operational, compliance and change risks that occur across all our businesses. These risks are those that pose the greatest threat to the success of business activities across the Group and may also feed into our principal risks.

The bottom-up approach involves a rolling programme of workshops across the business, facilitated by the Risk team. Current and emerging risks identified by management teams are then added to risk registers, which are owned by the respective divisional and functional teams, and reviewed regularly. These registers are consolidated and aggregated into a Group risk register, which provides organisational visibility to strategic, financial, operational, compliance, change and emerging risks. The Group risk register underpins both the principal and emerging risks, and the associated Committee updates prepared by the Risk team.

The top-down approach involves the Board and Risk Committee assessing these updates and outputs. At each meeting, the Committee reviews the principal risks, associated risk metrics and updates presented by senior executives, functional heads and the Risk team. As part of the risk identification process, the Committee will also make reference to updates provided by the internal and external audit teams in the Audit Committee.

Emerging risks

We define emerging risks as uncertainties identified through the principal and operational risk processes, whose full extent and associated implications are not yet completely clear. Emerging risks are identified using internal and external sources, via our rolling programme of workshops, and through discussions with business leaders and subject-matter experts.

By the very nature of emerging risks, it is common to identify false leads, and conflicting signals and messages. Irrespective, these risks are logged and then investigated and understood by the allocated risk owner, working with the Risk team.

How we assess risks

We assess all identified risks for likelihood and impact using a range of financial and non-financial criteria. The assessment considers risk before any mitigations (inherent risk) and after current mitigations (residual risk). The key benefit of assessing inherent risk is to highlight potential risk exposure in the event of control or mitigation failure.

We continue to consider risks both individually and collectively to fully understand our risk landscape. By analysing the correlation between risks, we can identify those that have the potential to cause, affect, or increase another risk.

This exercise informs our scenario analysis, particularly in scenarios used in the Viability Statement, see pages 68 and 69.

While the identification and management of climate-related risks follows the Group’s existing risk management framework, the methodology applied to the assessment of climate risk themes differs. See the risk management section on pages 54 to 59 of the TCFD report.

How we manage risks

Eliminating risk is often not feasible or desirable, so we use our risk appetite statement and risk appetite metrics to inform our decisions on risk treatment.

Our risk appetite reflects our ability and desire to accept a certain level of risk to be able to achieve our strategy.

We monitor each principal risk metric against risk appetite targets and tolerances, to ensure an acceptable level of risk for the Group and to ensure these remain aligned with our strategic objectives. We also monitor the current and emerging risks identified by management teams in their risk registers.

Roles and responsibilities

Our Three Lines Governance Model defines clear roles and responsibilities for all employees and establishes accountability for actions and decisions. It also describes how appropriate oversight, challenge and assurance are provided over business activities and associated risks.

Three Lines Governance Model

Risk ownership and control – 1st line
The first line represents all employees, who are responsible for identifying risks and procedures to maintain effective controls day-to-day. They hold the necessary skills and knowledge to help with identifying and managing risks within our business.

Monitoring and compliance – 2nd line
The second line consists of teams including Risk, Technology, Health & Safety, Environmental, Legal, Regulatory, Compliance, and Finance. These teams are responsible for establishing frameworks and policies, while also providing the tools and techniques to enable the first line to manage risk effectively.

The Risk team has overall responsibility for facilitating and implementing a consistent risk management approach across THG, including the provision of appropriate risk reporting for the Risk Committee, Audit Committee and the Executive.

Independent assurance – 3rd line
The Internal Audit team and external assurance providers give independent assurance and help to assess whether the first two lines are operating effectively. The purpose and activities of the Internal Audit team are set out in the relevant section of the Audit Committee Report on pages 79 to 83.

Governance and oversight

Board
The Board retains overall responsibility for setting Group risk appetite and for risk management and internal control systems. In accordance with Principles M, N and O of the 2024 Code the Board is responsible for reviewing the effectiveness of the risk management and internal control systems and confirms that:

- there is an ongoing process for identifying, evaluating and managing the emerging risks faced by the Company;
- the systems have developed throughout the year under review and up to the date of the approval of the Annual Report and Accounts; and
- they are regularly reviewed by the Board.

There were no instances of significant control failing or weakness during the year.

We acknowledge changes to Provision 29 which will apply to financial years beginning on or after 1 January 2026, which will ask Boards to make a declaration in relation to the effectiveness of their material internal controls. We have provided further details on how our risk management processes are evolving to support this in the ‘Evolving our risk management processes’ section.

Risk Committee
The Risk Committee supports the Board in setting the Group’s risk appetite and ensuring processes are in place to identify, manage and mitigate the Group’s principal risks.

At each meeting, the Committee is provided with updates on each principal risk and reviews the associated risk metrics to assess whether they remain aligned to risk appetite targets and tolerances. Any risk metric that is outside of appetite and tolerance is escalated by the Committee to the Board. The Committee also considers any relevant sources of assurance relating to the key controls and mitigations for each principal risk. These presentations provide the Committee with the opportunity to review the overall impact on residual risk, and whether this falls within risk appetite.

The updates received by the Committee during 2025 are detailed in the Risk Committee Report on pages 91 and 92.

Audit Committee
The Audit Committee monitors the effectiveness of the control environment by reviewing internal Audit reports, relevant reporting from management and the External Auditor, and any other relevant assurance activity.

Further information on the Committee’s activity in 2025 is set out in the Audit Committee Report on pages 79 to 83.

Risk management and informed decision-making continued

Roles and responsibilities

continued

Evolving our risk management processes

One of our ongoing aims is to promote greater risk awareness across the Group and ensure that all employees remain clear on their roles and responsibilities. In support of this, during 2025, we replaced our existing software and platforms to ensure that we have a more integrated and workflow-driven approach to risk, control and assurance, and an improved line of sight through each of these areas. Introducing the new software has created a more interactive process for all stakeholders and was used as an opportunity to refresh risk registers across all key areas.

As required by Provision 29 of the 2024 Code, which applies to financial years beginning on or after 1 January 2026, the Board will need to make additional declarations regarding the effectiveness of their material controls. In relation to this, during 2025, we have reassessed how we capture and present information to the relevant Committees, to support the disclosures the Board will ultimately need to make.

In 2025, we committed further investment into our technology and cyber risks by establishing a formal co-source assurance partnership with a professional services firm. This will ensure we maintain an adequate level of assurance across both our 'Cyber security and data privacy' and 'THG Ingenuity reliance' principal risks.

Throughout 2026, the relevant Committees will continue to receive updates on Provision 29 in the lead-up to the new disclosures required within the FY 2026 Annual Report and Accounts. We will also continue to embed and develop our new software platform, in support of both the Provision 29 initiatives and our continuing aim to promote greater risk awareness across the Group.

Principal risks

The Board and the Risk Committee carry out an ongoing assessment of the principal and emerging risks facing the Group throughout the year. The assessment considers risks that would threaten THG's business model, future performance, solvency or liquidity, and ensures the risks continue to align with our business strategy.

We continue to monitor and report on 12 principal risks.

As detailed in the following table, a range of measures are in place, or are being deployed or developed, to manage and mitigate our principal risks.

Principal risks	Direction of travel
1. Cyber security and data privacy	Stable
2. THG Ingenuity reliance	Stable
3. Culture	Stable
4. Talent	Stable
5. Customer needs	Stable
6. Infrastructure, supply chain and critical partners	Stable
7. Climate change, environmental and social responsibility	Stable
8. Health and safety	Stable
9. Legal and regulatory compliance	Stable
10. Product safety and quality	Stable
11. Geopolitical and economic uncertainty	Increased
12. Liquidity and funding	Stable

Cyber security and data privacy

Risk description

Failure to responsibly collect, process and store data, together with not ensuring an appropriate standard of cyber security across the business, will result in us not meeting our regulatory obligations, and losing the trust of our stakeholders.

Link to strategic priorities



Direction of travel



Risk context

Information is the lifeblood of a digital company – protecting the confidentiality, integrity and accessibility of this data is critical for a data-driven business. Failure to do so can have significant financial and regulatory consequences in the General Data Protection Regulation ("GDPR") era. In addition, we also need to use our data efficiently and effectively to improve business performance.

Management and mitigation

Continuously improving data-protection strategy, framework and methodology, ongoing data mapping and impact assessment procedures.

Formally deployed information security risk management methodology to provide objective reviews and monitoring of our assets and systems.

Multi-year cyber security programmes supporting continuous improvement and reducing cyber risk across technology, business processes and culture.

All employees are required to undertake awareness training for information management and data protection, with a focus on the GDPR requirements.

Internal and external validation of compliance through auditing, including risk-based audits of suppliers and other third parties.

Comprehensive disaster recovery and business continuity plans in place across the Group

Robust change-management processes and incident management protocols adhered to for all products and services.

Our cybersecurity policies outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

THG Ingenuity reliance

Risk description

If THG Ingenuity fails to maintain service levels, it will impact our ability to meet demand, attract customers and deliver on our strategy.

Link to strategic priorities



Direction of travel



Risk context

THG is reliant on THG Ingenuity for providing platform hosting, warehouse fulfilment, courier services and marketing services which underpin the ecommerce offering. The loss of or any interruption to these services could have a material impact on the business and operations of THG and could result in significant financial liabilities and losses.

Management and mitigation

Service level agreements including uptime, responsiveness and mean time to repair objectives.

A strategic partnership with Google enhances platform resilience through the ongoing migration of hosting infrastructure to Google Cloud. Google's participation in THG Ingenuity's capital structure further strengthens this relationship.

Comprehensive disaster recovery and business continuity plans for platform and THG Ingenuity.

Robust change-management processes and incident management protocols adhered to for all products and services.

Contract management and validation of compliance with long-term agreements and transitional services agreement.

Assurance through internal and external compliance auditing.

As part of its standard operational and commercial oversight, the Group periodically reviews the financial performance and position of THG Ingenuity, reflecting its significance as a key supplier.

Link to strategic priorities key:

- Build leadership positions in core territories and categories
- Deliver innovative and relevant products to global consumers

- Develop Active Customer base and drive loyalty
- Enhance brand equity through D2C channels

Risk management and informed decision-making continued

Culture

Risk description

If we do not fully empower our employees and enable accountability in line with our shared values and behaviours, we will be challenged to create a culture that meets THG's business ambitions.

Link to strategic priorities



Direction of travel



Risk context

The development of a shared behavioural competency that encourages employees to always do the right thing, put customers at the heart of the business and drive innovation, is critical in THG's success. Devolution of decision-making, and the acceptance of accountability for decisions, is fundamental to our continued development and to sustain our shared values and behaviours. THG also supports a culture of empowered leaders that develops ideas and solutions, and provides employees with a safe environment, allowing for honest disclosures and discussions. Such a trusting and empowering environment can help sustain innovation, enhance customer success and drive the engagement that results in increased market share.

Management and mitigation

Whistleblowing and incident-reporting mechanisms in place to allow issues to be formally reported, investigated and monitored. These are continually refreshed to ensure they remain relevant.

Our Equity, Diversity and Inclusion ("EDI") strategy is delivered through clear policies, colleague networks, and targeted training, with performance continuously measured against key metrics. Engagement surveys to enhance workplace culture and employee engagement.

Ongoing refinement of processes to improve the overall employee journey, enhance engagement, the quality of feedback and subsequent actions.

Integration of values and behaviours into all our core colleague priorities including objectives, performance management, appraisals, talent attraction, selection and development, leadership development and onboarding.

Risk-based compliance training delivered across our business units.

Talent

Risk description

If we fail to attract at pace, and/or retain employees with the critical skills, capabilities, motivation and capacity we need to deliver on our strategy, we will not be successful.

Link to strategic priorities



Direction of travel



Risk context

As we continue to evolve our priorities, the capacity, knowledge and leadership skills we need will continue to change. THG will not only need to attract the talent and experience required to help navigate this change, we will also need to provide an environment where employees can develop to meet these new expectations, an environment where everyone can perform at their very best. By continuing to empower employees and leaders to make decisions, be innovative and be bold in meeting our commitments, THG will continue to create an attractive working environment, increasing employee engagement and aligned high-performing teams.

Management and mitigation

Reviews of our remuneration requirements and mechanisms designed to incentivise and drive the right behaviour, with a focus on ensuring fair and equitable pay across the business.

Focused development of staff, through specific learning and development tools, to ensure they create the environment that enables colleagues to thrive and perform at their very best.

Strategic workforce planning and talent management, including the refinement of job architectures, to create greater visibility of critical talent to manage succession pipelines, and align our workforce with future business needs.

Our people policies, updated in line with legislative changes, outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

Customer needs

Risk description

If we fail to anticipate, understand and deliver against the capabilities and experiences our current and future customers need in a timely manner, they will find alternative providers.

Link to strategic priorities



Direction of travel



Risk context

As THG continues to grow its business and brand, an understanding of how to continually attract new customers while retaining existing customers is essential. This requires a deep and continuous flow of insights supported by processes and systems. By understanding the needs of our customers, THG will continue to differentiate itself from competitors, build compelling value propositions and offers, use key drivers to identify opportunities, decrease churn and generate revenue more effectively.

Management and mitigation

Customer service levels and complaints are monitored, and internet sites are reviewed for customer opinion.

Use of customer activity data and insights (across acquisition, retention, churn and satisfaction) to be more targeted and strategic in how we gain new customers and maximise the loyalty and lifetime value of existing customers.

Developments in ecommerce trends are monitored through industry horizon scanning, competitor analysis and benchmarking to keep abreast of the latest developments and innovations.

Highly competent buyers and merchandisers are adept at interpreting and delivering desirable brands.

Investment in delivery, marketing, brand, customer experience and growing our retail proposition to keep our customer appeal.

Managed international customer service – 24/7 customer service for a global audience across live chat, calls, email and social.

Demand forecasting process and continuous monitoring of availability to adjust intake accordingly.

Innovation informed through demand insights, consumer data and feedback from our global retail customer base.

A fully vertically integrated business model, with full control over new product development, branding and design capabilities, which significantly reduces development timelines.

Collaboration with partners to complement and enable accelerated innovation.

Infrastructure, supply chain and critical partners

Risk description

If we fail to maintain our infrastructure, wider supply chain and critical partners, this will impact our ability to meet demand, attract customers and deliver on our strategy.

Link to strategic priorities



Direction of travel



Risk context

THG places reliance on its worldwide infrastructure and partners across the supply chain globally.

Any interruption to these services or relationships could have a profound impact and could result in significant financial liabilities and losses.

Management and mitigation

Oversight by projects teams to support and monitor transformation programmes, including management of programme risks and dependencies.

Business continuity strategies, including dual sourcing for most supply categories and in all business units, reducing dependencies on sole suppliers.

Comprehensive disaster recovery and business continuity plans in place.

Continuous monitoring of supply chain activity and news through advanced web-scraping functionality.

Continuous monitoring and forecasting of demand and availability to adjust intake accordingly.

Extensive and up-to-date knowledge of supplier base to ensure we can scale our supply chain appropriately and quickly.

Assurance on our key third-party suppliers and service providers through internal and external compliance auditing.

Contract life cycle management.

Risk management and informed decision-making continued

Climate change, environmental and social responsibility

Risk description

Failure to achieve our sustainability-related aims, objectives and obligations will impact our ability to deliver our Sustainability Strategy and result in us failing to meet our regulatory obligations and public commitments, losing the trust of our stakeholders.

Link to strategic priorities



Direction of travel



Risk context

We invest in our people, partners, technology and communities to give individuals, businesses and our planet the opportunity to thrive. Our vision is to act as a force for good in leaving the world a better place than we found it.

If we do not act on climate change, associated governmental actions and energy transition could disrupt our operations and increase our costs.

Management and mitigation

External third-party assurance of our operational energy and emissions data.

Oversight from our team of sustainability experts, the ESG Working Group and independent oversight from the Sustainability Committee.

THG Supply Chain Standards outline the minimum expectations for our suppliers.

Our policy on human rights, including our Modern Slavery Statement, outlines our approach and commitments, detailing the expectations for managers, the leadership team, and all colleagues.

Multiple workstreams designed to respond to specific risks and opportunities as part of our Sustainability Strategy.

Climate-impact modelling in line with TCFD recommendations to identify and manage the climate-related risks and opportunities THG is exposed to.

Sustainability data platform ensures regulatory compliance and performance measurement.

Health and safety

Risk description

Failure to implement and monitor appropriate policies and procedures and support a continually improving safety culture across all parts of the business could lead to accidents or incidents resulting in loss of life or serious injury.

Link to strategic priorities



Direction of travel



Risk context

Health and safety is of paramount importance, and THG must provide a safe environment for all stakeholders.

Failure to implement and monitor stringent health and safety procedures and policies across all parts of the business could lead to accidents or site-related incidents, resulting in loss of life or serious injury to employees, subcontractors, visitors, customers or members of the public.

Our global footprint and evolving infrastructure further compound this risk.

Management and mitigation

Oversight from our Health, Safety and Environment ("HSE") professionals both in the UK and internationally, with oversight by the Board and regular review of safety reports and safety performance.

Global HSE Strategy and roadmaps aligned to risk and risk appetite.

Regular and documented engagement and training across the Group.

Clear, effective and regular communications of all relevant safety updates.

Ongoing updates to our risk assessments and safe systems of work by trained and competent staff to raise awareness and knowledge.

Health and safety compliance reviews are an established part of the annual assurance plans provided by both our second and third lines of defence.

Our health and safety management policies outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

Legal and regulatory compliance

Risk description

Failure to anticipate, understand and implement our legal and regulatory requirements will result in us failing to meet our obligations, impacting our ability to deliver our strategy and losing the trust of our stakeholders.

Link to strategic priorities



Direction of travel



Risk context

We continue to operate in a global market with numerous legal and regulatory requirements. Remaining aware of changing regulation, and ensuring compliance, is key to ensuring we protect THG and our customers and partners.

Management and mitigation

Defined risk-appetite metrics and key risk indicators which are monitored and updated at each Risk Committee meeting.

Oversight from our extensive team of legal and regulatory compliance experts.

Emerging risk processes, including horizon-scanning, to anticipate potential changes in the legal and regulatory landscape.

Legal and regulatory compliance reviews are an established part of the annual assurance plans provided by our third line of defence.

Product safety and quality

Risk description

Failure to manufacture and provide safe, compliant and quality products to our consumers may prevent them from making informed purchasing decisions, compromise their safety and result in us failing to meet our obligations, negatively impacting our brand and reputation.

Link to strategic priorities



Direction of travel



Risk context

Ensuring the ongoing quality and safety of our product portfolio is vital for our brands and our reputation.

The quality and safety of the products within our portfolio are at risk of becoming compromised at any stage in the supply chain if we fail to adequately monitor the associated processes.

Management and mitigation

Product safety and quality is established in our processes and controls, from product design to customer.

Product safety, quality and regulatory compliance training programme for all relevant employees.

Oversight from our extensive team of product quality, regulatory compliance and technical experts across each of the markets we operate in.

Rigorous testing and regularly monitoring performance indicators that support improvement activities.

Regular monitoring and quality controls over material received to ensure that it meets THG product safety and quality standards.

Activation of incident management teams in the event of an incident relating to the safety of our consumers or the quality of our products.

External certification and auditing of key suppliers and other third parties consistent with our own standards and risk appetite.

Geopolitical and economic uncertainty

Risk description

Failure to anticipate, understand and successfully respond to changes in geopolitical and economic uncertainty on a timely basis may impact our ability to meet our strategy.

Link to strategic priorities



Direction of travel



Risk context

Adverse changes to economic conditions could affect one or more countries and result in reduced customer spending, higher interest rates, adverse inflation in our cost base, adverse FX movements and limited debt refinancing options.

All the above could negatively affect our operating cash flow.

Management and mitigation

Diverse product portfolio and geographic reach that mitigates our exposure to any localised risks and uncertainties.

Adaptable portfolio of existing products and an ability to develop new products that suit consumers' and customers' changing needs when economic conditions change.

An ability to respond to the inflationary pressures on both inputs and product pricing.

Financial resilience and liquidity with significant cash on hand at year end and our undrawn revolving credit facilities.

Regular forecasting of business results and cash flows, and rebalancing of investment priorities where necessary.

Currency and interest rate hedging arrangements in line with the Group's Treasury Policy.

Liquidity and funding

Risk description

Failure to adequately manage our cash, debt and overall liquidity and funding requirements over the short, medium and long term could negatively impact our ability to deliver our strategy.

Link to strategic priorities



Direction of travel



Risk context

Our ability to generate and manage our cash, control expenditure and other expenses underpins our ability to repay debt and fund working capital investment.

Management and mitigation

Maintenance of cash reserves and equivalents, together with access to undrawn revolving credit facilities.

Broader working capital management to continually improve cash flow and reduce reliance on bank facilities, while meeting our risk-appetite metrics.

Frequent engagement and dialogue with the market and rating agencies.

Through our Profit Improvement and Capex Committees, there is ongoing scrutiny and challenge of discretionary expenditure and capital spending.

Treasury operations are managed and monitored in line with a Board-approved Treasury Policy.

Close monitoring and stress-testing of projected cash, debt capacity and overall liquidity, including sensitivity analysis, to assess the impact of the changing economic environment.

Risk management and informed decision-making continued

Assessment of the going concern assumption

The Group remains in a strong cash position following the demerger. As at the balance sheet date, the Group had a total of £150m in an undrawn revolving credit facility ("RCF"), along with £183m readily available cash held on the balance sheet.

Net debt at 31 December 2025 was £364m (31 December 2024: £346m), with net debt of £233m (31 December 2024: £304m) before the inclusion of IFRS 16 lease liabilities that mature over a period of up to 25 years. During 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to deliver, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was repaid in full during October 2025. The RCF (undrawn at year end) totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise during the year. The demerger of THG Ingenuity has materially reduced the cash outflows of the Group with substantial reductions in lease commitments (c.£20m per annum) and capex requirements, which in turn mean that the Group requires smaller banking facilities.

Additional liquidity was also obtained through asset-backed lending facilities drawn on a monthly basis. There are no key covenants attached to the Term Loan B facility which is drawn down. Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above 20%, which is not anticipated to occur on test dates (biannually).

This covenant requires the Group to maintain the ratio of net debt over Adjusted EBITDA to below 4.50 – 3.50 (over the course of the term), which is reviewed regularly, although as noted the facility is not drawn at the balance sheet date. This facility provides the Group liquidity optionality to manage seasonal working capital movements. These covenants are effective from 31 December 2025; prior to this, the existing covenants remain in place (gross debt over Adjusted EBITDA below 7.60 only in respect of the RCF).

The going concern assessment period is the 13 months from the date of this report to 30 April 2027. In order to satisfy the going concern assumption, the Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions. The Directors have considered the Budget and forecast prepared through to 30 April 2027. Refer to the Viability Statement for further information on the stress test scenarios that have been applied to the Group's forecast.

Going concern statement

As a result of the analysis performed, including potential severe but plausible downside scenarios, the Board believes that the Group is able to adequately manage its financing and principal risks and that the Group will be able to operate within the level of its facilities and meet the required covenants for the going concern assessment period. Based on the above activity, the Directors are satisfied that it is appropriate to prepare the financial statements of the Group on a going concern basis.

Viability Statement

The Directors have adopted the UK Corporate Governance Code, in which the Directors are required to issue a Viability Statement declaring whether they believe the Group is able to continue to operate and meet its liabilities for the period to December 2028, taking into account its current position and principal risks. The Directors assessed the prospects of the Group by reference to its current financial position, its recent and historical financial performance, its forecasts for future performance, its business model (pages 2 and 3), strategy (pages 10 and 11) and its principal risks and mitigating factors (pages 60 to 67).

Viability assessment period

In considering the viability of the Group, the Directors felt that an appropriate period of time was the three-year period between 31 December 2025 to December 2028 over which to assess the Group's prospects. This is consistent with the Group's business model and strategic planning period approved by the Board. A roll forward from the three-year assessment period is performed for the purposes of impairment.

The Group has applied financial modelling to the assessment of going concern and viability to assess the base case and apply stress testing.

The base case

The Group's strategic planning cycle includes an annual Budget process, which is reviewed by the Board. This planning process involves modelling under a series of assumptions. Severe but plausible downside scenarios were also modelled setting out impacts of a combination of the principal risks, as well as a reverse stress test to identify what would be required to either breach covenants or run out of liquidity. This process is led by the Group CFO and Deputy Group CFO along with the Board and Chair and CEO providing further direction to align strategic initiatives. Forecasts have been prepared on a divisional level. The Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions.

In considering the Group's financial position the Directors have considered:

- expected future growth of trading businesses;
- margins expected to be achieved in the future; and
- wider market and industry-specific factors.

There is sufficient liquidity throughout the forecast period in respect of the base case. This is even before any mitigating actions which could be implemented by management and excludes a full drawdown of the RCF facility.

Stress tests

Several stress test scenarios have been applied to the Group's forecast, including, but not limited to:

- THG Beauty and THG Nutrition revenue decline by 5%; and
- THG Nutrition gross profit margin remains at FY 2025 levels.

A severe but plausible downside modelled the impact of all scenarios above occurring simultaneously.

From this scenario, a reverse stress test was modelled to identify the point at which liquidity is exhausted. The model would have to see a significant decline in revenue and margins compared with the stress test set out above.

Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote. While the occurrence of one or more of the principal risks has the potential to affect future performance, none of them are considered likely either individually or collectively to give rise to a trading deterioration of the magnitude indicated by the reverse stress testing and to threaten the viability of the Group over the assessment period.

Assessment of viability

In making the Viability Statement, the Board, supported by the Audit and Risk Committees, carried out a robust assessment of the Group's viability and the principal risks and uncertainties facing THG for the next three years, as described on pages 60 to 67, which could impact the business model, taking into account:

Factor

Stress test scenarios involving a depression in revenue and margins within THG Nutrition and THG Beauty have been run together to show an unlikely but plausible worst case downside scenario including an assessment of the Group's longer-term prospects. We anticipate that these scenarios would include any further uncertainties that may come from the impact of the current macroeconomic environment with high inflation and various global recessions.

Link to principal risks

No associated potential impacts were considered within the following principal risks review.

The worst case scenario outlined above did not include any mitigating actions available. There are a number of actions that management would take to protect working capital and strengthen the balance sheet if any of the scenarios outlined above were encountered as included above (see Stress test).

Based upon the assessment of the sensitivity built into the scenarios tested, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation to meet its liabilities as they fall due over the period up until December 2028.

Approval of Strategic Report

This Strategic Report was approved and issued by the Board and signed on its behalf by

Matthew Moulding

Executive Director and Chief Executive Officer

25 March 2026

Governance

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Corporate Governance Report



Dear Shareholders,

It is my pleasure to introduce our Corporate Governance Report for the 2025 financial year and update you on the Company's governance framework and practices.

In light of the Company's transfer to the ESCC category of the Official List on 6 January 2025 (the "Effective Date") and its subsequent inclusion in the FTSE 250 Index, our corporate governance arrangements were subject to detailed oversight and review throughout the year to ensure THG's governance infrastructure remained appropriately mature and robust.

We believe the enhancements made during 2025 demonstrate our ongoing commitment to the principles of good corporate governance and reflect our conviction that a strong governance framework is fundamental to the Group's long-term, sustainable success and, ultimately, the creation of Shareholder value.

Code compliance

Since Admission and prior to the Effective Date, the Company voluntarily reported against the 2018 Code, despite its application being mandatory only for those companies with an ESCC-category classification (formerly premium-listed issuers). The 2018 Code was considered the most appropriate framework for the Company to adopt, providing a strong foundation to establish, develop and inform its governance infrastructure and, in turn, foster stakeholder confidence.

From the Effective Date reporting against the 2024 Code – applicable to financial years beginning on or after 1 January 2025 – became mandatory. I am pleased to confirm that the Company fully complied with its provisions during the 2025 reporting period.

In preparation for the new Code Provision 29 requirements coming into effect on 1 January 2026, the Audit Committee, together with the Risk Committee, considered the ongoing development and enhancement of the Group's internal control framework to ensure that appropriate governance and assurance structures are embedded across the organisation. This is discussed further in the relevant Board Committee Reports.

Board composition

As discussed within the Nomination Committee Report, Board composition continued to be closely monitored throughout 2025, with an ongoing focus on the Chair's stated mandate to refresh and strengthen the Board by enhancing independence and diversity, in line with the FCA's diversity targets and the Group's broader EDI vision.

Significant progress was made in this regard and, following John Gallemore's resignation from the Board and as COO, effective upon completion of the demerger of THG Ingenuity on 2 January 2025, we welcomed Milyae Park as an independent NED.

It is particularly pleasing that, with this appointment, the Company achieved full compliance with the FCA's diversity requirements.

From 28 January 2025 to the date of this Corporate Governance Report, one of our four senior Board positions has been held by a woman (i.e. Sue Farr, who has served as SID since her appointment to the Board), over 40% of our Board have been women and the Board has included one Director from a minority ethnic background.

Further information on these Board changes, and on the Board's consideration of EDI matters more generally, can be found in the Nomination Committee Report.

Our people

Workforce engagement was a priority focus for the Board during 2025, and remains so in 2026. Following the demerger of THG Ingenuity and the implementation of cost-rationalisation programmes to right-size the Group's cost base, the Board has been keen to ensure that, in compliance with the Code, engagement mechanisms remain effective.

As considered in further detail in the 'Workforce engagement' section which follows, these measures were subject to ongoing review throughout the year and developed and enhanced as appropriate.

Notably, the decision was taken to formally appoint Helen Jones as the designated workforce NED, with effect from 9 July 2025.

This appointment was made to both strengthen existing engagement mechanisms and ensure that the views of the workforce within the reshaped Group continued to be appropriately reflected in Board discussions and decision-making.

AGM

We remain committed to fostering effective, ongoing communication with all stakeholders and view the Company's annual general meetings as a key opportunity to engage openly with our Shareholders. Details of the forthcoming AGM will be included in the Notice of Meeting and, as always, we very much look forward to meeting with those Shareholders who are able to attend.

**Charles Allen,
Lord Allen of Kensington, CBE**
Independent Chair

25 March 2026

Corporate Governance Report continued

Our Board

Charles Allen, Lord Allen of Kensington, CBE | Independent Non-Executive Chair



Date of appointment
22 March 2022

Key external appointments

- Chair of Balfour Beatty plc
- Chair of Classic FM
- Chair of the Invictus Games Foundation
- Senior non-executive director of Global Media & Entertainment Limited

Board Committee membership

N (Chair)

Charles possesses a depth of corporate experience across a number of sectors, including finance, media, hospitality and retail, and, having played a key role in the creation of ITV, is recognised for his significant contribution to the television industry. Former positions include chief executive of Granada Group plc and ITV plc, chair of Granada Media plc, EMI Music, Endemol and The British Red Cross and advisory chair of Moelis & Company. Charles has also served on the boards of Tesco plc, Virgin Media and GET AS and as chief adviser to the Home Office and a senior adviser to Goldman Sachs.

Charles was vice chair of the London 2012 bid company, a non-executive director of the London Organising Committee of the Olympic and Paralympic Games and chair of the 2002 Manchester Commonwealth Games. In 2002 he was awarded a CBE for his services to Sport and Community and in 2012 he was appointed a Knight Bachelor for his services to the 2012 Olympic and Paralympic Games. Charles received the Freedom of the City of London in 2006 and in 2013 was awarded a peerage and now sits on the Labour benches.

Matthew Moulding | Executive Director & CEO



Date of appointment
24 June 2008

Key external appointments

None

Board Committee membership

n/a

Matthew has been instrumental in THG's growth, leading its evolution from an entertainment reseller to a global ecommerce group and brand owner. Prior to founding THG, he served an eight-year term as chief financial officer of 20:20 Mobile (the Distribution Division of the Caudwell Group) before leading its sale to private equity for £365m. Matthew studied Industrial Economics at the University of Nottingham before qualifying as a chartered accountant with Arthur Andersen in 1998. His deep ecommerce knowledge and insight, combined with his proven entrepreneurial skills, ensure Matthew is well positioned to drive THG's strategic direction and objectives while working in alignment with its Shareholder base.

Damian Sanders | Executive Director & CFO



Date of appointment
24 January 2023
(having previously served as an independent NED from 17 November 2020)

Key external appointments

Senior independent director of Victorian Plumbing Group plc

Board Committee membership

n/a

Damian is a member of the Institute of Chartered Accountants in England and Wales and was a Senior Audit Partner at Deloitte LLP for over 20 years. He has extensive knowledge of the retail and technology sectors and has acted as an adviser and corporate governance specialist to a number of international listed companies. Damian brings considerable expertise to the Board across audit, accounting, commercial and risk matters and also business strategy. His strong financial background, depth of advisory experience and knowledge of the Group - acquired during his two-year tenure as a NED, including serving as interim SID and as a chair/member of various Board Committees - make him well qualified to serve as CFO.

Sue Farr | SID



Date of appointment
24 April 2023

Key external appointments

- Senior independent director of Helical plc
- Non-executive director of Ebiquity plc
- Non-executive director of Vistry Group PLC

Board Committee membership

A N RP (Chair) **Rem R S**

Having enjoyed an executive career spanning a number of senior marketing and communication positions in both agency and private and public sector organisations, Sue brings comprehensive marketing, branding and corporate communication knowledge and expertise to the Board. Former roles include Marketing Director at the BBC, Corporate Affairs Director at Thames Television, Communications Director at Vauxhall Motors and a director of Chime Communications plc. Sue has previously served as senior independent director of British American Tobacco p.l.c. and as a non-executive director of Accsys Technologies PLC, Dairy Crest plc, Lookers plc, Millennium & Copthorne Hotels plc and New Look. She is also a former trustee of the Historic Royal Palaces and former chair of both The Marketing Society and the Marketing Group of Great Britain. Sue was awarded an Honorary Doctorate by the University of Bedfordshire in 2010.

Edward Koopman | NED



Date of appointment
3 May 2016

Key external appointments

- Director of Sofina Capital
- Director of Nuxe Group
- Director of Grupo Proeduca

Board Committee membership

n/a

Edward was a founding partner of Electra Partners/Cognetas Private Equity (now known as Motion Equity Partners LLP) and previously a Manager at Bain & Company, having worked in investment banking at both Baring Brothers and BNP Paribas. He is a member of the Leadership Council of Sofina, a family-controlled investment company listed on Euronext Brussels, investing patient capital in growing companies. Edward holds a degree from Ecole de Management de Lyon (EM Lyon) Business School and brings a wealth of knowledge to the Board through his international business experience and well-honed management skills.

Gillian Kent | Independent NED



Date of appointment
15 September 2022

Key external appointments

- Non-executive director of Crest Nicholson Holdings plc
- Non-executive director of Mothercare plc
- Non-executive director of STV Group plc

Board Committee membership

A N RP Rem R (Chair)

Gillian has had a far-reaching career in software, internet, digital media and mobile technology businesses and formerly held various senior roles at Microsoft, including Managing Director MSN UK. Both here and in other roles, including as chief executive officer of the real estate portal Propertyfinder, she established her expertise in building markets and brands for products and services. Gillian previously served as a non-executive director of Ascential plc, Dignity plc, NAHL Group PLC, Pendragon PLC and SIG plc and as a director of Portswigger Ltd., a leading software solution company within the web security industry. Gillian's expansive executive career and broad plc experience serve to enhance the knowledge base and overall skill sets of the Board.

Dean Moore | Independent NED



Date of appointment
15 September 2022

Key external appointments

- Non-executive director of Griffin Mining Limited

Board Committee membership

A (Chair) **RP Rem R**

Dean is a chartered accountant and, with over 35 years of public company experience, brings a depth of City and finance knowledge to the Board, together with significant expertise in the financial services and retail sectors. Dean was previously chief financial officer of N Brown Group plc, T&S Stores PLC and Graham Group plc; interim chief financial officer of Cineworld Group plc, De La Rue plc and Dignity plc; senior independent director of Cineworld Group plc and Volex plc; and non-executive chair of Tuxedo Money Solutions Limited. Dean is a skilled and experienced financial professional who possesses wide-ranging technical, business and people expertise which is founded upon a commercially orientated outlook.

Helen Jones | Independent NED



Date of appointment
21 June 2023

Key external appointments

- Non-executive director of Premier Foods plc
- Non-executive director of Virgin Wines UK plc

Board Committee membership

A RP Rem (Chair) **R**

Helen has enjoyed a highly successful executive career building premium food and beverage brands across FMCG, multi-site retail and hospitality businesses, while gaining extensive marketing, commercial and operational experience in the consumer sector, both in the UK and internationally. Having launched a pioneering soft drinks start-up with International Distillers and Vintners (IDV), Helen went on to lead the introduction of the Ben & Jerry's brand in the UK - its first market entry outside of the US. Following the brand's acquisition by Unilever, she then oversaw its expansion across 19 European countries before moving into senior transformation and international roles within hospitality. Helen's former positions include vice chair of the Ben & Jerry's Independent Board of Directors USA, senior independent director of Halfords Group plc and non-executive director of Fuller, Smith & Turner PLC.

Milyae Park | Independent NED



Date of appointment
28 January 2025

Key external appointments

- Non-executive director of Alliance Witan PLC
- Non-executive director of Fidelity European Trust PLC
- Non-executive director of Faber and Faber Ltd.

Board Committee membership

A R S (Chair)

Milyae has extensive experience in the consumer, retail, technology and financial services sectors, having worked as both an executive and adviser in digital and commercial transformation and growth in more than 40 countries. After an early career as a qualified accountant with PwC in Silicon Valley, Milyae joined Goldman Sachs on Wall Street as an investment banker. She subsequently moved to Accenture where she became a Partner in its EMEA M&A and Strategy practice, before serving as both a Business Development Director and a Commercial Director at Tesco, latterly joining Marks & Spencer as the Director for Europe. Milyae is a former Governor of the London Museum and the former chair of its Trading Board. Milyae holds an MBA from Wharton.

Board Committee membership key: **A** Audit **N** Nomination **RP** Related Party **Rem** Remuneration **R** Risk **S** Sustainability

Corporate Governance Report continued

Board composition and independence

As detailed overleaf, the Board currently comprises two Executive Directors (i.e. the CEO and the CFO) and seven NEDs, six of whom (including the Chair) are considered to be independent in both character and judgement. Following an assessment of his individual circumstances against Code Provision 10, NED Edward Koopman is not deemed to be independent.

Edward Koopman was appointed to the Board prior to Admission to represent Sofina SA (“Sofina”), a major Shareholder who has continued to hold Ordinary Shares following Admission, and has a tenure exceeding nine years. Edward Koopman is both an employee of Sofina and a member of its Leadership Council and, while he has remained on the Board, his continued THG directorship is not in a Shareholder-representative capacity. Edward Koopman is regarded as an effective Board member and his robust challenges and wealth of business knowledge and experience are considered to add value to Board discussions.

As the Company has previously disclosed, the holding of Ordinary Shares by NEDs is not considered to impair their independence but is viewed as aligning their interests with those of Shareholders more generally and, in turn, with the long-term interests and success of the Company. Consequently, NEDs may purchase Ordinary Shares at market value via a broker and facilitated by the Company if required. Directors’ holdings are set out within the Directors’ Remuneration Report.

On an analysis which incorporates the strict letter of the Code and excludes the Chair, the Code Provision 11 requirement that at least half the Board are independent NEDs was satisfied throughout the whole of the 2025 financial year.

Excluding the Independent Chair from the calculations, the position was as follows:

- prior to John Gallemore resigning from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025, the Board comprised three Executive Directors (i.e. the CEO, the CFO and the COO), non-independent NED Edward Koopman and four independent NEDs (i.e. Sue Farr, Dean Moore, Gillian Kent and Helen Jones);
- in the period 3 January 2025 to 27 January 2025, the Board comprised two Executive Directors (i.e. the CEO and the CFO) and, again, one non-independent NED and four independent NEDs; and
- following the appointment of independent NED Milyae Park on 28 January 2025 and in the period to 31 December 2025, the Board comprised two Executive Directors, one non-independent NED and five independent NEDs.

No further Board changes have been implemented since Milyae Park’s appointment. Accordingly, as at the date of this Corporate Governance Report, Board composition remains in alignment with Code Provision 11.

A summary of the principal responsibilities of all Board members is contained within the Nomination Committee Report.

Board role and responsibilities

In satisfaction of Code Provision 14, the Company has published a formal Schedule of Matters Reserved to the Board (“Schedule of Reserved Matters”), which is available on its website at: https://fcdn.thg-corporate.com/thg/schedule_of_matters_reserved_to_the_board_252472_4_31689_v4_0_7ef1125a06.pdf.

This document details the Board’s primary responsibilities and identifies those items of business – such as strategic, financial reporting and corporate and capital structure matters – which are expressly reserved for the Board’s collective consideration, oversight and/or ratification (as appropriate).

Under the terms of this Schedule of Reserved Matters, and in accordance with the Code, the Board retains ultimate responsibility for the management of risk within the Group and is required to, amongst other matters, maintain and monitor the Group’s risk management and internal control systems (including financial, operational and compliance) and, at least annually, review their effectiveness.

In fulfilling these responsibilities, the Board also approves organisational risk appetite statements and undertakes a robust assessment of the principal and emerging risks facing the Group.

During 2025 the Board was supported in these activities by the Audit Committee and the Risk Committee, further details on which can be found within the respective Board Committee Reports.

Full details of the Group’s risk management framework, risk appetite and risk identification process are provided within the ‘Risk management and informed decision-making’ section of the Strategic Report.

This section includes confirmation that, during the 2025 financial year, the Board – assisted, as appropriate, by the Audit Committee and the Risk Committee – reviewed the effectiveness of the risk management systems and internal control frameworks and identified no significant control failings or weaknesses.

More broadly, the Board remains mindful of its overarching duty under the Code to promote the long-term, sustainable success of the Company, generating value for Shareholders and contributing to wider society.

This responsibility continues to underpin all Board discussions and is one which the Board seeks to discharge through the ongoing oversight and successful delivery of the Company’s strategic priorities which, in turn, flow from its stated purpose “to create iconic retail experiences in the beauty, health and wellness markets”.

THG’s purpose, together with its vision and values, are considered further within the ‘Our business model’ section of the Strategic Report. In the present context it is noteworthy that the purpose has been determined with reference to the diversity of the Company’s stakeholder base and formulated to drive and guide a strategy which aims to deliver long-term, sustainable growth, while simultaneously promoting environmental and social responsibility.

The Group’s commitment to these objectives may be clearly evidenced through, for example, the key function which the Sustainability Committee plays within THG’s governance infrastructure i.e. overseeing the delivery of the Group’s Sustainability Strategy and, in turn, embedding sustainability at the heart of all THG operations.

The implementation of the Group’s Board-approved Social Impact Strategy, focused on maximising THG’s impact on, and driving positive change within, its local communities, further demonstrates THG’s social conscience and underlines its robust commitment to act as a force for good and create a better, more sustainable future for all.

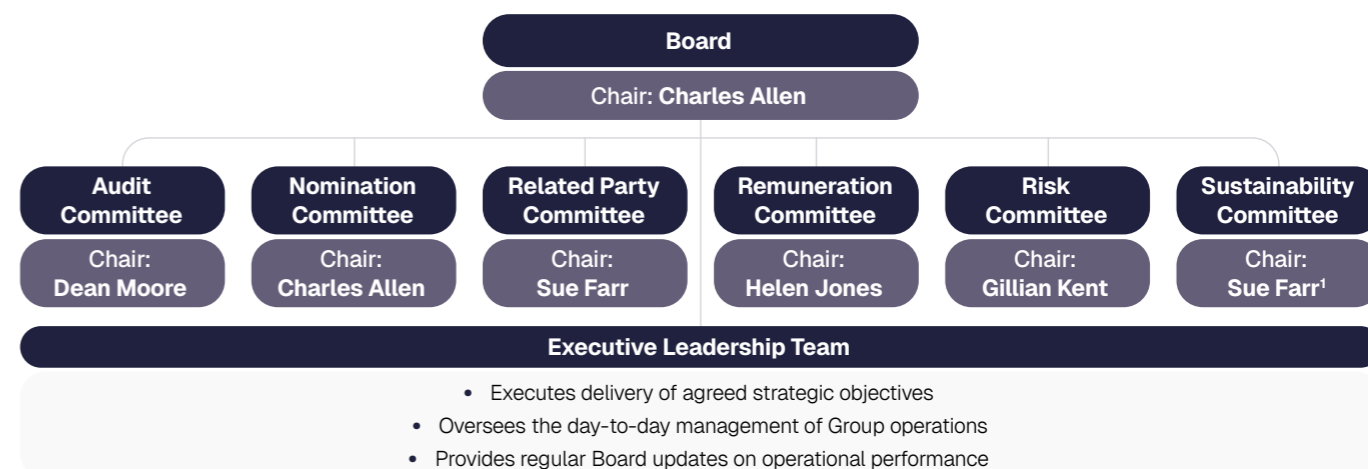
In seeking to provide the effective and entrepreneurial leadership expected under the Code, and acknowledging the Company’s responsibilities to both Shareholders and its broader stakeholder base, the Board recognises the importance of active engagement to ensure it remains fully apprised of stakeholder views and is appropriately informed in its deliberations.

To this end, six stakeholder categories have been identified as critical to THG’s future success and these, together with engagement mechanisms and outcomes, are discussed further within the ‘Section 172 Statement: Stakeholder Engagement’ section of the Strategic Report.

Governance overview

A robust governance framework has been established within the Group to ensure the Board is properly supported in the effective discharge of its duties. At the time of Admission, the Audit Committee, Nomination Committee and Remuneration Committee were constituted, followed by the Related Party Committee, the Risk Committee and the Sustainability Committee. Further details on the role, composition and activities of each of these Board Committees are provided within the respective Board Committee Reports.

Accordingly, the Company’s governance structure during 2025 was as follows (and remains so at the date of this Corporate Governance Report):



1. Sue Farr stepped down as Sustainability Committee Chair, remaining as a member of the Committee, on 26 January 2026 and was replaced by Milyae Park.

Board meetings and activities

While nine core Board meetings were scheduled to take place during 2025, additional meetings were arranged on an ad hoc basis to ensure the effective consideration and oversight of time-sensitive business, including key strategic items such as the wholly unsolicited and non-binding proposal from Selkirk to acquire the Myprotein business from THG Nutrition and the disposal of Claremont Ingredients (further details on which follow).

The Board ultimately convened on 15 occasions, with Board member attendance set out in the table which follows. Director attendance at Board Committee meetings is detailed within each of the Board Committee Reports.

Board, and Board Committee, documentation continues to be issued in advance of meetings via a leading third-party, cloud-based governance platform which provides a secure and efficient means by which to manage and distribute Board information. This platform also serves as a centralised document storage facility through which information can be accessed by Directors on an ongoing basis.

The monthly Board packs incorporate the prior month’s financial results, on a Group and individual business basis, together with key non-financial information relating to areas of Board focus such as People (including workforce engagement and EDI matters), Investor Relations and Technology.

To ensure Directors have sufficient time to review and consider documentation, papers are now typically issued no later than five working days in advance of a meeting (as discussed further within the ‘Board performance review’ section of the Nomination Committee Report).

	Attendance at FY 2025 scheduled meetings	Attendance at FY 2025 ad hoc meetings
Director		
Charles Allen	9/9	6/6
Matthew Moulding	9/9	6/6
Damian Sanders	9/9	6/6
Edward Koopman	8/9	5/6
Gillian Kent	9/9	6/6
Dean Moore	9/9	6/6
Sue Farr	9/9	6/6
Helen Jones	9/9	6/6
Milyae Park	9/9	6/6
Former Director		
John Gallemore ¹	n/a	n/a

1. John Gallemore resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025.

Corporate Governance Report continued

Board meetings and activities continued

In addition to the reserved business detailed within the aforementioned Schedule of Matters, a number of other key topics were considered by the Board during the year, including (but not limited to) the following:

Corporate activity:

- Overseeing the completion of the demerger of THG Ingenuity from the Group at the start of the year.
- Considering and approving:
 - the refinancing of the Company's debt, including extending the maturity of the existing £150m RCF from May 2026 to May 2029 and a partial 'amend and extend' of the existing Term Loan B from €600m to €445m with maturity extended by three years to December 2029; and
 - the oversubscribed equity fundraise which took place in conjunction with the refinancing and pursuant to which the Company received gross proceeds of £90m, comprising £22m raised from the equity placing and an equity contribution of £68m from Matthew Moulding structured by way of a non-interest-bearing convertible loan agreement entered into between the Company and FIC Shareco Limited (a Guernsey-registered corporate entity wholly owned by Matthew Moulding) ("Convertible Loan").

Governance:

- Ongoing consideration of certain governance arrangements within the Group in light of the Company's transfer from the Transition category to the ESCC category of the Official List, effective from 6 January 2025, and its subsequent inclusion within the FTSE 250 Index.
- Ongoing oversight of post-demerger arrangements between the Company and THG Ingenuity, including with reference to the arm's length contracts between the parties for various services across technology, fulfilment and marketing.
- Further to the Nomination Committee's recommendations, considering and approving the appointment of Milyae Park to the Board, with effect from 28 January 2025, and the appointment of Helen Jones as the Company's designated NED for workforce engagement, with effect from 9 July 2025.
- Given that, as a Director, Matthew Moulding is deemed to be a related party under the UKLRs and entry into the Convertible Loan constituted a Related Party Transaction, considering and concluding that the proposed entry into the Convertible Loan was fair and reasonable from a Shareholder perspective (and as so advised by Rothschild & Co in its role as the Company's sponsor in connection with the transaction).

Strategy:

- Ongoing consideration of the Group's strategic aims and objectives in light of, amongst other matters, macroeconomic conditions, geopolitical uncertainties, high inflation and global recessions.
- Considering the wholly unsolicited, largely unfunded, highly conditional and non-binding proposal from Selkirk to acquire Myprotein and unequivocally rejecting it on the basis it was considered to fundamentally undervalue Myprotein and its prospects and, in addition, carried significant execution complexity and risks (in particular the ability of Selkirk to raise sufficient funding).
- Following a highly competitive process and pursuant to the stated strategy to simplify the Group and expedite progress towards a net cash balance sheet, considering and approving the disposal of Claremont Ingredients to the Nactarome Group, fast-growth international flavour specialists, for c.£103m in cash.

General:

Ongoing oversight of:

- the Group's market guidance and consensus;
- the progress being made against the stated strategies of the individual businesses to drive sustainable, profitable growth, deepen customer relationships and lead with innovation, supported by a programme of cost savings and strong cash discipline; and
- the review and enhancement of workforce engagement measures and the People agenda more generally in light of the demerger of THG Ingenuity (as discussed further in the 'Workforce engagement' section which follows).

Further information on the main discussions and principal decisions taken by the Board during 2025, including relevant stakeholder considerations, can be found within the 'Section 172 Statement: Stakeholder Engagement' section of the Strategic Report.

Board commitments and conflicts

The Board, in conjunction with the Nomination Committee, keeps the time commitment expected of, and expended by, NEDs under ongoing consideration. As at the date of this Corporate Governance Report, it is satisfied that NEDs' current external commitments, as detailed within their biographies, do not compromise their effectiveness or performance.

To ensure that Board members have sufficient time to discharge their duties and responsibilities, and in recognition of Code Principle H and Provision 15, NEDs' Letters of Appointment ("Appointment Letters") require that, prior to appointment, they disclose all significant business (and other) interests and a broad indication of the time associated with those interests. The Board must thereafter be kept informed of any changes to such commitments and at least seven days' written notice must be provided to the Chair before a NED accepts an additional external commitment which may impact the time they are able to commit to their Board role.

While it is accepted that NEDs may have business interests outwith those of the Company, NEDs must not put themselves in a position where their duties to any other person, firm or company conflict with their duties to the Company or the wider Group. A NED must disclose any actual or potential conflict of interest to the Board as soon as it becomes apparent and at least seven days' written notice must be provided to the Chair before a NED accepts an appointment as a director, agent, employee or consultant of any company or firm engaged in a business competing with, or similar to that of, the Company or any Group company.

Appointment Letters further provide that, in addition to attending standard Company meetings (including Board meetings, Board Committee meetings and the Company's annual general meeting), NEDs are expected to commit sufficient time to the appropriate preparation ahead of such meetings and, overall, devote at least two days per month to their role. More generally, NEDs must be prepared to commit additional time as circumstances require, and particularly when the Company is undergoing a period of increased activity.

This was the case during 2025 when a number of additional Board meetings took place to ensure that due and timely consideration was given to, amongst other matters, the proposals to refinance the Company's debt to establish a long-term capital structure in support of THG's strategic growth targets and launch the associated equity raise (as discussed in further detail in the 'Board meetings and activities' section opposite).

As previously disclosed, following Admission and pursuant to arm's length leases, the Group has continued to occupy and utilise property assets which are owned by the Propco Group, which itself is wholly owned by the CEO (who is also a major Shareholder).

As a result of these arrangements, the Board-constituted Related Party Committee was established to oversee and approve Related Party Transactions and provide the requisite governance structure within which any actual or potential conflicts of interest could be considered and appropriately addressed.

Further information on the responsibilities of the Related Party Committee and its principal activities during 2025 can be found within the Related Party Committee Report.

Board effectiveness and performance review

In compliance with Code Principle I, the Company is committed to ensuring that the Board and the Board Committees have access to the resources necessary to operate effectively and properly discharge the responsibilities incumbent upon them. The Company Secretary plays a central role in this regard, providing assistance to Board members, as required, and advising on legal, regulatory and governance matters.

The wider Senior Management team also provides ongoing support, comprising colleagues who have progressed through the internal talent framework and who, in turn, possess a deep knowledge and 'on the ground' awareness of/practical insight into the Company and its operations.

Reflecting its belief that the evaluation process is a critical tool within the Group's corporate governance arrangements, and in accordance with Code Principle L and Provision 21, the Company has conducted formal Board performance reviews on an annual basis since Admission.

The annual reviews consider, amongst other matters, the effectiveness of the Board and the Board Committees. While further information on the 2025 performance review can be found within the 'Board performance review' section of the Nomination Committee Report, in the present context it is notable that the Board is considered to function in a collaborative and effective manner and each Director is regarded as making an effective contribution.

More generally, Board relations and, in turn, effectiveness are cultivated on an informal basis via the discussions and interactions which take place amongst Board members outwith the formal confines of the boardroom.

This continues to be encouraged through, for example, the operational site visits which are arranged for NEDs throughout each financial year and the various Board dinners which have now become embedded within the annual Board planning cycle i.e. full Board, NED-only, Chair and CEO and Board and Senior Management dinners.

Additionally, an in-person, 'closed-door' session has been introduced between the CEO and the NEDs prior to each monthly Board meeting. Such engagement plays a vital role in fostering and strengthening effective and cohesive Board relations.

Board training and induction

A range of measures are in place to address the continuing professional development needs of the Board, on a collective and individual basis, and ensure Directors possess the necessary knowledge and insight – market, operational, regulatory and otherwise – to monitor and oversee delivery of the Group's strategic aims and objectives and, in turn, secure sustainable value creation for Shareholders.

For example, during 2025 each scheduled monthly Board meeting included a deep dive into either THG Beauty, THG Nutrition or a key Group function or business area. Embedding these sessions within the annual Board meeting cycle ensures that NEDs remain fully informed of key Group and individual business matters, including operational and financial performance, market challenges and landscape and priority focus areas such as Sustainability, People, Culture and Succession and Cyber Security.

Training and update sessions are also arranged at the request of Board members. For instance, following the Marketing deep dive in September 2025 it was agreed that – given the scope of the topic and the interest and queries generated – a follow-up Marketing/AI workshop would be arranged for NEDs the following month.

The Company's corporate brokers and legal advisers attended various Board meetings throughout the year to provide advice and support on key areas of strategic focus and, where appropriate, deliver relevant teach-in sessions. In such cases, associated briefing materials were included within Board packs for Directors' ongoing reference.

The brokers and legal advisers also presented at the Board's annual Strategy Session in June 2025, which was additionally attended by THG's media advisers.

Corporate Governance Report continued

Board training and induction continued

From an induction perspective, a structured onboarding programme remains in place for all new Board members and this is tailored, as appropriate, to the needs of the incoming Director – as was the case for Milyae Park upon her appointment in January 2025. The programme is designed to familiarise new Directors with the Group and the individual businesses while reinforcing the duties and responsibilities incumbent upon them as THG Directors and Board Committee members.

The programme includes the provision of briefing memoranda on core regulatory and legislative matters, such as the UK Market Abuse Regulation, inside information and insider dealing, alongside interactive training and update sessions with relevant external advisers e.g. legal and remuneration.

One-to-one sessions are typically arranged with Executive Directors and members of Senior Management to provide a general introduction to principal areas of the business and its operations, with further tailored sessions offered to address specific interests and/or where more detailed insight is requested. Key Company policies are also shared and appropriate site visits arranged to enhance organisational understanding.

The Company continues to arrange membership of the Non-Executive Directors' Association for all Board members, including Executive Directors, and through this membership Directors have access to a comprehensive suite of technical knowledge updates and a monthly programme of seminars and briefings (including networking events). The Company is fully supportive of, and indeed encourages, Directors' attendance at any events which may be of interest to them and/or which address particular training needs.

Workforce engagement

The Board seeks to promote an entrepreneurial and values-led culture which is informed by THG's core values of ambition, collaboration, innovation, decisiveness and leadership (details on which can be found in the 'Our business model' section of the Strategic Report). These values have been formulated to, collectively, support the successful delivery of the Company's strategic aims and objectives and provide a framework within which THG can nurture a diverse, inclusive and supportive workplace culture where all employees have an equal voice.

THG remains committed to placing its People at the heart of the organisation and recognises the value of regular and transparent workforce engagement to ensure the most salient workforce issues and concerns are properly understood, discussed and addressed.

It is considered that a truly engaged and empowered workforce will contribute to an enhanced workplace culture which, in turn, will strengthen operational resilience and long-term growth.

Following the demerger of THG Ingenuity at the start of the year, the Board was keen to ensure that, as required under the Code, engagement mechanisms remained effective for the reshaped Group. Workforce engagement was therefore high on the Board agenda throughout 2025 and represented a combined priority focus area for the People team and the Sustainability Committee (falling as it does within the scope of the Group's Sustainability Strategy).

Engagement measures were subject to continued review during the year and developed and enhanced as considered appropriate. Key initiatives included:

- launching new and refreshed Employee Networks to promote belonging, community and psychological safety within the workplace (further details on which can be found in the 'Equity, diversity and inclusion' section of the Nomination Committee Report);
- reviewing the Employee Value Proposition to ensure it remained fit for purpose and positioned the Group competitively within the market;
- introducing global pulse surveys via the Group's re-launched intranet and a physical suggestion box at Head Office; and
- implementing 'stay' interviews with top talent to understand drivers of engagement and retention.

Directors were kept fully informed of all material workforce matters through a variety of means, including the incorporation of a People section within the main deck of Board packs and the attendance of the Chief People Officer, who has ultimate oversight of the Group's workforce engagement initiatives, at monthly Board meetings.

Additionally, as Board Committee updates are an established agenda item at monthly Board meetings, the NED Sustainability Committee Chair had the opportunity to update the wider Board on those People (including engagement) matters which fell within the remit of the Sustainability Committee.

Such alternative engagement mechanisms have been adopted by the Company since Admission, as permitted under the Code, and have been monitored by the Board on an ongoing basis to ensure they remain effective (as confirmed in previous Annual Reports and Accounts).

Following the demerger of THG Ingenuity and the implementation of cost-rationalisation programmes to right-size the Group's cost base, the decision was taken to formally appoint Helen Jones as the designated workforce NED, with effect from 9 July 2025. This appointment supplemented and strengthened existing engagement mechanisms and ensured that workforce views within the reshaped Group continued to be appropriately reflected within Board discussions and decision-making.

As designated workforce NED, Helen Jones assumed chairship of the employee 'listening groups' which were launched during 2025 and held at various locations and sites across the business. The wider Board received direct updates from Helen Jones following each of these sessions and, pleasingly, feedback has confirmed that the groups are delivering positive results and providing a safe forum for open and transparent discussion on a range of topics.

In November 2025 the inaugural quarterly collective meeting of the refreshed Employee Networks took place, at which key themes, insights and learnings were exchanged and discussed by the Networks' Senior Sponsors and Executive Advocates. Helen Jones attended this meeting, underlining the high value which the Board places upon fostering effective and meaningful workforce engagement strategies and its commitment to the People agenda more generally.

The Board considers that the engagement arrangements outlined above provide a framework which encourages regular, transparent and comprehensive dialogue amongst the workforce, Senior Management and the Board. These arrangements are subject to ongoing review to ensure that, in accordance with Code Provision 5, they remain effective as the Company continues its plc evolution.

Based on insights and data generated by the various engagement channels, the decision was taken to refrain from running a more fulsome annual engagement survey during 2025 and, instead, focus on shaping a purposeful People plan for 2026.

This plan, informed by a detailed review of all engagement output, aims to embed a high-performance culture within the business, strengthen leadership pipelines and align THG's talent strategy with future business priorities – ensuring that the Group has the right people, in the right roles, with the right capabilities, to drive and deliver success and long-term, sustainable growth for Shareholders.

Audit Committee Report



“With the Code Provision 29 updates coming into effect on 1 January 2026, the Audit Committee maintained a strong focus during the year on supporting the continued enhancement of THG's control environment, ensuring that robust governance structures, assurance activity and oversight remain firmly embedded.”

Dean Moore
Chair of the Audit Committee

Members and attendance

Committee member	Position	Attendance
Dean Moore	Chair ¹	4/4
Gillian Kent	Member ²	4/4
Sue Farr	Member ³	3/4
Helen Jones	Member ⁴	4/4
Milyae Park	Member ⁵	2/2

1. Dean Moore was appointed as a member upon his appointment to the Board on 15 September 2022 and subsequently assumed the position of Interim Audit Committee Chair on 24 January 2023. He was appointed Audit Committee Chair on a permanent basis on 21 July 2023.
2. Gillian Kent was appointed as a member upon her appointment to the Board on 15 September 2022.
3. Sue Farr was appointed as a member on 21 July 2023.
4. Helen Jones was appointed as a member on 21 July 2023.
5. Milyae Park was appointed as a member on 9 July 2025.

I am pleased to introduce the 2025 Audit Committee Report and to confirm that the Committee has continued to operate effectively throughout the year, delivering against its Terms of Reference.

The Group's internal control frameworks – including financial, operational and compliance – and risk management systems were subject to rigorous oversight and review by the Committee to ensure their continued effectiveness and integrity.

In conjunction with the Risk Committee, the Audit Committee gave robust consideration to the ongoing evolution of the Group's control and risk management environment in advance of the Code Provision 29 updates taking effect at the start of 2026.

Further, following a general review of Board Committee membership, the Committee's composition was bolstered with the appointment of Milyae Park as a member in July 2025.

Role and activities

The Terms of Reference of the Audit Committee confirm that its purpose is to support the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- the independence and effectiveness of internal and external audit functions;
- the integrity of the Group's financial and narrative statements; and
- the Group's internal financial controls, internal controls and, as appropriate and in conjunction with the Risk Committee, risk management framework.

Throughout 2025, the Audit Committee Chair – and other Committee members where appropriate – maintained an ongoing dialogue with key individuals involved in the Group's governance, including the Independent Chair, the CEO and the Director of Internal Audit and Risk.

In addition to attending all Audit Committee meetings, the External Auditor continued to meet with Committee members in the absence of Senior Management and held private meetings with the Audit Committee Chair to discuss the scope of the audit plan, the remit of the external audit, and to challenge, as they considered appropriate, the findings of the audit process. This included (but was not limited to) any material issues identified, areas of significant judgement and the overall effectiveness of the audit process.

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Audit Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company's website at: https://fdn.thg-corporate.com/thg/Audit_Committee_Terms_of_Reference_211313fa56.pdf.

The Terms of Reference were considered by the Board in December 2024 and updated to reflect the provisions of the new Code and the associated FRC Guidance. The updated Terms of Reference took effect on 1 January 2025.

Audit Committee Report continued

Role and activities continued

The key areas of review which the Audit Committee considered during the 2025 financial year are summarised as follows:

Financial reporting

- Reviewed the Annual Report and the final half-year statement, including key accounting judgements, materiality and the External Auditor's report on the interim statements
- Reviewed key judgements and estimates in preparation for year-end reporting
- Reviewed year-end matters, including the draft Annual Report (and assessed the processes to ensure it is fair, balanced and understandable), significant accounting judgements, the draft and final full-year results announcement, the Going Concern Statement and the viability model
- Considered the impact of climate risks on the financial statements
- Reviewed other reports and papers from Senior Management around key accounting judgements and transactions and updates relating to readiness for application of Code Provision 29

External audit

- Reviewed EY's plan for the audit of this Annual Report and the progress of the audit to date
- Reviewed EY's report on the scope of the audit relating to this Annual Report, including key audit risks
- Disclosed relevant audit information to the External Auditor and the required evidence in support of it
- Reviewed the final report from EY following completion of the audit of this Annual Report

Internal control and assurance

- Reviewed reports from Internal Audit on assurance and audit work
- Reviewed other updates from Internal Audit including the Recommendations Tracker and Whistleblowing Updates
- Re-approved the Internal Audit annual plan on a quarterly basis
- Reviewed the outputs of the fraud risk assessment

Significant financial reporting areas

A key role of the Audit Committee is to assess whether the judgements and estimates made by Senior Management are reasonable and appropriate. To assist in this assessment, the Finance team provide accounting papers to the Audit Committee which detail the financial aspects surrounding key accounting judgements and areas of focus for THG, including all significant issues outlined in the table which follows.

As part of the year-end reporting process, the Audit Committee considered this Annual Report, Senior Management's papers on key accounting estimates and judgements, the going concern and viability review, updates provided by the External Auditor and accounting and reporting matters (including representation letters from Senior Management in respect thereof).

The Audit Committee assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates that had been made by Senior Management.

Key accounting matters which received particular focus from the Audit Committee during 2025, and relating to the financial statements for the period, are as follows:

Area of focus	Audit Committee considerations and actions	Impact on financial information and disclosures
Gain on demerger of THG Ingenuity	<p>While the majority of the accounting for the demerger of THG Ingenuity was disclosed and recorded within the 2024 Annual Report, the demerger completed on 2 January 2025.</p> <p>The Audit Committee reviewed the gain on demerger recognised within discontinued operations including movements in 2025, primarily being in respect of the finalisation of completion accounts.</p> <p>The Audit Committee has reviewed the financial statement disclosures.</p>	The Discontinued operations note 12.2 is included within the consolidated financial statements.
Impairment of goodwill and intangible assets for THG Beauty CGU	<p>The Audit Committee reviewed Management's impairment paper in detail and challenged key judgements, including terminal growth rate, forecast cash flows and discount rate, and concluded these to be appropriate for THG Beauty.</p> <p>The Audit Committee has reviewed the financial statement disclosures.</p>	The Intangible assets note 11 is included within the consolidated financial statements.

Area of focus	Audit Committee considerations and actions	Impact on financial information and disclosures
Presentation and disclosure of adjusted items and APMs	<p>To allow the Audit Committee to assess the policy, presentation and disclosure applied, Management presented a detailed category-by-category analysis of adjusted items to the Committee in the year.</p> <p>The Audit Committee also considered the presentation of APMs throughout this Annual Report and whether this enables a clear and fair understanding of performance.</p> <p>This included the separate presentation and APMs of discontinued categories consistent with Management actions announced as part of the strategic review.</p> <p>The conclusion was that the adjusted items policy was appropriate and being applied consistently. The Audit Committee concluded that the use of APMs was satisfactory.</p>	The Adjusted items note 4 is included within the consolidated financial statements.
Related Party Transactions	<p>The Group leases a number of properties from a related party and, following the demerger, THG Ingenuity has been classified as a related party for FY 2025. A Related Party Committee is in place to review and approve any Related Party Transactions in the year.</p> <p>The Audit Committee has reviewed the related party disclosure within the financial statements to ensure this gives a true and fair view. This has included a review of whether there are any additional related parties outside of those already identified due to Board appointments and shareholdings in the year.</p> <p>The Audit Committee also approved the disclosure for inclusion within the financial statements.</p>	<p>More details on related parties are included within the Related Party Committee Report.</p> <p>Related party details are included within note 27 within the consolidated financial statements.</p>
Code Provision 29	Alongside the Risk Committee, the Audit Committee has reviewed the approach and progress Management has taken to the adoption of Code Provision 29 from 1 January 2026. More information is included within the Risk section of this Annual Report.	No impact in FY 2025.
Corporate Reporting Review by the FRC	The FRC completed a limited scope Corporate Reporting Review of our 2024 Annual Report, closing its enquiries in March 2026. Shareholders approved the demerger of THG Ingenuity on 27 December 2024, and the dividend in specie was recognised on that date. The Directors carried out an appropriate assessment of distributable reserves in line with the Companies Act at the time. Following the FRC review, it was identified that an administrative step of filing interim accounts as at 27 December 2024 had not been undertaken. Having taken legal advice, the Company has now filed those interim accounts at Companies House, and we expect a Shareholder resolution will be proposed at the forthcoming AGM. The Audit Committee is overseeing completion of these steps.	No impact on the financial statements.

In addition to these areas, the Audit Committee also discussed revenue recognition with the External Auditor and is satisfied that revenue has been recognised appropriately.

The preceding table is not a complete list of all the Group's accounting issues, judgements, estimates and policies, but, in the opinion of the Audit Committee, details the most significant items which were considered during the 2025 financial year.

Fair, balanced and understandable assessment

At the request of the Board and pursuant to its Terms of Reference, the Audit Committee has considered whether, in its opinion and when taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for Shareholders to assess THG's position and performance, business model and strategy.

THG has established internal controls in relation to the process for preparing the Annual Report, including the following:

- Senior Management regularly monitors and considers developments in accounting regulations and financial reporting and, where appropriate, reflects developments in the financial statements.
- The Annual Report is drafted by Senior Management, with overall coordination undertaken by a member of the Finance team and additional support provided by external advisers to ensure consistency across the relevant sections and inclusion of the necessary information for Shareholders to assess the Company's position and performance, business model and strategy.
- Comprehensive reviews of drafts of the Annual Report are undertaken by Executive Directors and Senior Management as part of an internal verification process which is carried out to ensure accuracy and assess whether the Annual Report is fair, balanced and understandable.
- The final draft of the Annual Report is reviewed by the Audit Committee prior to consideration by the Board.

Audit Committee Report continued

Fair, balanced and understandable assessment continued

Following its review, the Audit Committee advised the Board that the Annual Report was, when taken as a whole, considered to be fair, balanced and understandable and provided the information necessary for Shareholders to assess THG's position and performance, business model and strategy.

The Audit Committee was also satisfied that suitable accounting policies had been adopted, and appropriate disclosures made, within the financial statements.

The Viability and Going Concern Statements are contained on pages 68 and 69 of the Strategic Report.

Risk management and internal controls

While the Board retains ultimate responsibility for the Group's risk management systems and internal control frameworks, responsibility for their ongoing monitoring and review has been delegated to the Audit Committee, in conjunction with the Risk Committee. The Audit Committee also assists the Board with its annual review of the effectiveness of these systems and frameworks and in determining their adequacy.

The Audit Committee continues to work in support of the Board's risk management strategy. Further information on the Group's risk management framework can be found on pages 60 to 67 of the Strategic Report, together with details of the processes and controls which were in place throughout 2025 to manage and mitigate risk and provide the Board with assurance that sound systems of risk management and internal controls operate across the Group.

Internal Audit

The Audit Committee is responsible for reviewing and approving the role and mandate of the Internal Audit function, while monitoring and assessing the effectiveness of its work (including in the overall context of the Group's risk management systems).

To ensure the reporting line of the Internal Audit function is independent of Management and suitably positioned to exercise independent judgement, it has access to the Audit Committee, as and when required, and the Director of Internal Audit and Risk has a direct reporting line into the Audit Committee Chair.

When considered necessary or desirable to do so, the Audit Committee meets with the Director of Internal Audit and Risk, in the absence of Senior Management, to discuss the effectiveness of the function and to consider the actions taken by Senior Management to implement its recommendations and support its workings.

Internal audit plans include a range of financial and non-financial engagements, delivered in an assurance or advisory capacity. The internal audit plan is risk based and due consideration is given to each of the following areas during the planning process: principal risks; central functions; global site audits; and operations and commerce.

Audit engagements were undertaken in each of these areas during the 2025 financial year. The annual internal audit plan is subject to detailed review by the Audit Committee to ensure alignment with key business needs; regular progress updates are provided to the Audit Committee which oversees and approves the scope of the plan on a quarterly basis.

Following due and careful consideration of all relevant factors, the Audit Committee is satisfied that: (i) the Internal Audit function is equipped to properly and effectively discharge its duties and responsibilities in accordance with the relevant professional standards for internal auditors; and (ii) the internal audit plan itself provides appropriate assurances in respect of the financial and non-financial controls in place to manage and mitigate the principal and emerging risks facing the business (further details on which can be found on pages 60 to 67 of the Strategic Report).

Independence, performance and effectiveness of the External Auditor

The External Auditor confirmed its independence and objectivity from THG during the 2025 financial year. Both the Audit Committee and the Board are satisfied that the External Auditor has adequate policies and safeguards in place to ensure its objectivity and maintain its independence.

When assessing the independence of the External Auditor, the Audit Committee considered, amongst other matters, the value of fees received by the External Auditor for non-audit services, the relationship with the External Auditor as a whole and the annual disclosure from the External Auditor in respect of threats to its independence and the safeguards applied to mitigate such threats.

In overseeing the External Auditor relationship, the Audit Committee is responsible for making formal recommendations to the Board on the External Auditor's appointment, reappointment and removal and, in this regard, seeks views from Senior Management on the quality and effectiveness of the external audit process.

The effectiveness of the Lead Partner and the External Auditor's team, and their approach to audits, including planning and execution, communication, support and value, were assessed and discussed, and consideration was given to whether the External Auditor had achieved the agreed audit plan or otherwise explained the reasons for any departures from it, including any changes in perceived audit risks and the work undertaken by the External Auditor to address those risks.

The content of the External Auditor's Board report was also reviewed and monitored, together with other communications with the Audit Committee, in order to assess whether there was a good understanding of THG's business and establish whether recommendations had been acted upon and, if not, the reasons for this.

As part of the External Auditor assessment, the Audit Committee considered whether the External Auditor had exercised professional scepticism and an appropriate degree of challenge to Senior Management, particularly on key accounting and audit judgements. Additional feedback was sought from various participants in the process, including the CEO, the CFO and the Independent Chair, but primarily from the Audit Committee itself.

Overall, the effectiveness of the external audit process was assessed as performing as expected. The Audit Committee concluded that it was satisfied with the work undertaken by the External Auditor, including adequate levels of challenge, during 2025.

There are independent reporting lines from the External Auditor to the Audit Committee and the External Auditor is afforded the opportunity for sessions with the Committee throughout every financial year.

The Audit Committee is also responsible for considering and approving: the terms of engagement with, and remuneration of, the External Auditor, in respect of both audit and non-audit services; and, as appropriate, the removal of the External Auditor.

A resolution proposing the reappointment of EY was approved by Shareholders at the 2025 AGM. When considering whether to recommend the reappointment of the External Auditor, the Audit Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted and the ongoing independence and objectivity of the External Auditor.

The External Auditor has been appointed since the 2011 reporting period (to the date of this Annual Report), and the Lead Partner, Karl Havers, has been in post since the start of the audit for the 2021 financial year. This being so, financial year ending 31 December 2025 is the final year that Karl Havers can be appointed and the Company is in discussions with EY to ensure a smooth transition to an appropriate successor.

While the Audit Committee is aware that the initial engagement period for a statutory auditor should not exceed ten years, the Company tenure is counted from 1 January 2021 i.e. the first accounting period audited following Admission. The Audit Committee considers that it would be appropriate to conduct an external audit tender by no later than 2030.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order") applies to companies from the date on which they enter the FTSE 100 or FTSE 250 Index.

The Company became a constituent of the FTSE 250 Index on 21 March 2025. Accordingly, this Report includes, for the first time, the Company's statement of compliance with the provisions of the Order for the financial year.

The Audit Committee confirms that, for the financial year ended 31 December 2025, the Company has complied with all applicable provisions of the Order, including those relating to the mandatory use of competitive tender processes for the external audit and the responsibilities of the Audit Committee in overseeing the External Auditor and safeguarding auditor independence.

Fees payable to the External Auditor

The Audit Committee has reviewed and approved a policy regarding non-audit work and fees, in relation to which please see note 5 to the Group's financial statements.

In order to ensure that the provision of non-audit services does not impair the External Auditor's independence or objectivity, this policy requires that the Audit Committee pre-authorises any non-audit work proposed to be undertaken by the External Auditor or, if required urgently between Audit Committee meetings, the Audit Committee Chair is empowered to provide such authorisation.

There are certain services which cannot be provided by the External Auditor, or members of its network, due to the possibility that they may compromise its independence; it is therefore not permissible for the External Auditor to provide such services. Non-audit services prohibited under independence requirements will not be authorised.

The only non-audit services performed during the 2025 financial year related to the interim review procedures. The total fees were £0.1m, being a 1:17 ratio to the audit fees. As it is widely accepted that such procedures will be completed by a group's auditor, the Audit Committee concluded that the objectivity and independence of the External Auditor would be safeguarded.

Focus for 2026

During the current financial year, the Audit Committee will continue to:

- oversee both the internal controls and governance framework within THG to ensure its continued evolution, effectiveness and integrity;
- review Senior Management's regular updates of the control framework following Code Provision 29 taking effect from 1 January 2026;
- oversee the use of technology to enhance the operation of controls and harness potential opportunities to digitalise and automate controls as the framework matures further; and
- ensure the provision of relevant training, development and support to all Directors and the Executive Leadership Team, particularly with respect to applicable new legislation, regulation and guidance.

On behalf of the Audit Committee

Dean Moore

Chair of the Audit Committee

25 March 2026

Nomination Committee Report



“The Nomination Committee continues to closely monitor Board composition to ensure that the necessary skills, expertise and diversity exist within the Company’s leadership to support THG’s strategic direction of travel and, in turn, oversee the successful delivery of long-term, sustainable value for stakeholders.”

Charles Allen
Lord Allen of Kensington, CBE
 Chair of the Nomination Committee

Members and attendance

Committee member	Position	Attendance
Charles Allen	Chair ¹	3/3
Gillian Kent	Member ²	3/3
Sue Farr	Member ³	3/3

1. Charles Allen was appointed as Nomination Committee Chair on 10 June 2022.
2. Gillian Kent was appointed as a member upon her appointment to the Board on 15 September 2022.
3. Sue Farr was appointed as a member on 21 July 2023.

I am pleased to present the Nomination Committee Report for the 2025 financial year and update you on the Committee’s principal areas of focus during the period.

As we indicated in last year’s Report, the ongoing monitoring of Board composition was expected to remain a key priority throughout 2025, particularly in light of the demerger of THG Ingenuity at the start of the year. While mindful that future membership enhancements should continue to reflect the Group’s broader EDI vision and the FCA’s diversity targets, the Committee has sought to ensure that, supported by a robust and diverse succession pipeline, the necessary executive and non-executive leadership expertise is in place to guide THG’s strategic direction of travel.

Pleasingly, significant progress was made in this regard and, following John Gallemore resigning from the Board and as COO with effect from completion of the demerger on 2 January 2025, we were delighted to announce the appointment of independent NED Milyae Park with effect from 28 January 2025.

This appointment was in alignment with my stated mandate to enhance Board composition by improving independence and diversity and followed a rigorous recruitment process which commenced in 2024 (as considered further in the ‘Board composition’ section which follows).

As I stated in last year’s Nomination Committee Report, Milyae is regarded as a key addition to our leadership team, bringing extensive customer, commercial, digital and sustainability expertise to her position and a wealth of strategic and international capabilities gained from leadership and advisory roles in numerous countries.

Upon making this appointment the Company achieved full compliance with the FCA’s board diversity targets, further information on which can be found in the ‘Equity, diversity and inclusion’ section which follows.

Role and activities

The Nomination Committee has an important role within the Group’s governance infrastructure and, to ensure it is well placed to execute its principal functions, its Terms of Reference incorporate salient elements of the Code, including with respect to Board appointments and orderly succession planning.

Throughout 2025 the Nomination Committee considered and discharged, as appropriate, its mandated duties and responsibilities. As discussed in further detail in this Report, this included the ongoing review of the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and monitoring the Group’s leadership needs to ensure that the requisite skills and expertise existed to oversee the successful execution of THG’s strategic aims and objectives.

To allow it to do so effectively, and in accordance with its Terms of Reference, the Committee (and the wider Board) was kept fully informed of all key strategic and commercial issues affecting the Group and the markets within which it operates. This was achieved through a variety of means such as the inclusion of strategic and market updates within Board packs, the regular deep-dive sessions which took place at scheduled monthly Board meetings and in-person and online broker and adviser ‘teach-ins’ at appropriate times in the annual reporting cycle.

Board composition

As detailed in the 2024 Annual Report, the search to identify suitable candidates to enhance the composition and diversity of the Board remained an ongoing focus of the Nomination Committee during 2024 and into 2025, having regard to, amongst other matters, the FCA’s diversity targets. The Company engaged Audeliss, an international search firm which specialises in diversity and championing change from leadership level, to support the Nomination Committee in this exercise. Audeliss has no connection with the Company or individual Directors.

The parameters of the search reflected previous recruitment briefs which acknowledged the importance of promoting diverse and inclusive Board membership but which also sought to identify suitably skilled and experienced candidates who could be considered the ‘right THG fit’. In considering potential Board appointments, and as previously disclosed, the Company seeks to identify individuals who can thrive within a fast-paced, entrepreneurial culture; who possess the necessary skill sets to oversee the successful delivery of the Group’s strategy and also the broader knowledge and competencies expected of experienced plc directors; and who, more generally, can effectively support and steer the Company’s ongoing plc evolution.

As required under the updated Code Principle J, Board appointments and succession plans are based on merit and considered against objective criteria, with due regard to the promotion of diversity, inclusion and equal opportunity. Following a robust recruitment process – further information on which can be found in the 2024 Annual Report – and extensive deliberations around, for example, desired experience and skill sets and cultural alignment, the Nomination Committee agreed that Milyae Park be recommended to the Board for appointment as an independent NED. The Board thereafter approved Milyae Park’s appointment with effect from 28 January 2025.

As required under its Terms of Reference, the Nomination Committee discussed overall Board composition and the performance of individual Directors in advance of the 2025 AGM. Following due consideration, the Committee recommended that all Directors be put forward for annual election or re-election (as appropriate) by Shareholders. This recommendation was subsequently approved by the Board.

Accordingly, current Board composition, together with a summary of the principal responsibilities of Board members and the Company Secretary, is as follows:

Independent Chair

Charles Allen

- Provides leadership to the Board
- Facilitates constructive Board relations and the effective contribution of all NEDs
- Chairs Board meetings and promotes a culture of openness and debate
- Ensures effective and ongoing communication with Shareholders and other stakeholders
- Sets the agenda for Board meetings, in conjunction with the Company Secretary, and ensures Directors receive accurate and timely information

Chief Executive Officer

Matthew Moulding

- Provides leadership to the Executive Leadership Team and Senior Management
- Oversees the day-to-day management of Company and Group business
- Determines the strategic direction and business objectives of the Group
- Oversees the effective implementation of Group strategy, with the support of Senior Management
- Engages with key Shareholders and stakeholders

Chief Financial Officer

Damian Sanders

- Responsible for the Group’s financial matters and applicable legislative and regulatory compliance
- Works with the CEO to develop strategic objectives
- Monitors the Group’s financial performance
- Ensures the Group remains appropriately funded and the capital structure effectively managed

SID

Sue Farr

- Acts as a sounding board for the Chair and supports, as required, in the discharge of their duties and responsibilities
- Acts as an intermediary for the Directors as and when necessary
- Available to Shareholders with concerns which have not been resolved through the normal communication channels
- At least annually, meets with the NEDs, in the absence of the Chair, to appraise the Chair’s performance

NEDs

Edward Koopman, Gillian Kent, Dean Moore, Helen Jones and Milyae Park

- Provide active and constructive challenge and contribute to the development of strategy
- Monitor Executive Director performance against agreed objectives and ensure robust risk management
- Ensure the Board and Board Committees fulfil their responsibilities and are ably equipped to do so
- Ensure the Board is balanced and appropriate succession planning is undertaken, allowing it to provide clear and effective leadership across the organisation

Company Secretary

James Pochin

- Acts as secretary to the Board and relevant Board Committees and provides the requisite support
- Advises the Board on legislative, regulatory and governance matters
- Ensures the Board has the appropriate policies, procedures and resources in place to function effectively and align with best practice
- Assists with communication between the Board and Shareholders and is responsible for annual general meeting organisation

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Nomination Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company’s website at: https://fcdn.thg-corporate.com/thg/Nomination_Committee_Terms_of_Reference_2f3554b86b.pdf.

The Terms of Reference were considered by the Board in December 2024 and updated to reflect the provisions of the new Code and the associated FRC Guidance. The updated Terms of Reference took effect on 1 January 2025.

Nomination Committee Report continued

Role and activities continued

Board composition continued

The following matrix sets out the key competencies of individual Board members:

Name	UK listed plc	Technology/ ecommerce	Marketing/ branding	Retail industries	M&A	Global operations	Governance	Finance & accounting	Risk management	Strategy & development
Charles Allen	●	●	●	●	●	●	●	●	●	●
Matthew Moulding		●	●	●	●	●		●	●	●
Damian Sanders	●	●		●	●		●	●	●	●
Edward Koopman	●		●	●	●	●		●		●
Gillian Kent	●	●	●	●			●	●	●	●
Dean Moore	●	●		●	●	●	●	●	●	●
Sue Farr	●		●	●	●	●	●	●		●
Helen Jones	●	●	●	●		●	●	●		●
Milyae Park	●	●	●	●	●	●	●	●		●

The Nomination Committee will continue to monitor the Company's leadership during 2026 to ensure that it is properly constituted to support and drive delivery of the Group's strategy.

Acknowledging the benefits which diverse membership may bring to Board discussions and effectiveness, the promotion of diversity will remain an important consideration in all Board appointments together with the need to ensure that the necessary talent exists within the Group to effectively manage and exploit the challenges and opportunities which may arise over the short, medium and long term.

Board Committee composition

The Nomination Committee's Terms of Reference provide that, in consultation with the relevant Board Committee Chair, it is responsible for making recommendations to the Board in respect of Board Committee membership. Accordingly, Board Committee composition also remained subject to ongoing oversight by the Nomination Committee during 2025.

Following the appropriate deliberations, the Committee recommended the appointment of independent NED Milyae Park to the Audit, Risk and Sustainability Committees. Noting their experience serving on the equivalent committees of external companies and strong track record in promoting sustainability, diversity, equity and inclusion, the Nomination Committee considered that Milyae Park's knowledge, skills and expertise would complement the current membership of these Board Committees.

The Board accepted these recommendations and Milyae Park was appointed as a member of the Audit Committee and Risk Committee with effect from 9 July 2025 and as a member of the Sustainability Committee with effect from 23 May 2025.

Thereafter, the Nomination Committee considered it appropriate that, given Sue Farr's responsibilities as SID and Related Party Committee Chair, Milyae Park assume the position of Sustainability Committee Chair, replacing Sue Farr who would remain as a member of the Committee. The Board accepted these recommendations and the changes to Sustainability Committee membership took effect from 26 January 2026.

The Nomination Committee will continue to keep Board Committee composition under review during 2026, having regard to, amongst other matters, the skill sets and experience of individual NEDs and the time commitment expected of them.

Current Board Committee membership can be found within the respective Board Committee Reports.

Board performance review

The Company has conducted formal Board (including Board Committee) performance reviews on an annual basis since its Admission. While the requirement to do so is strictly applicable only to FTSE 350 companies, the annual review has always been considered a key governance tool by which to monitor and, as appropriate, enhance Board effectiveness and to ensure that the leadership team is appropriately constituted to drive delivery of the Group's strategy and, in turn, create value for Shareholders.

Performance reviews have been conducted via an online digital platform provided by BoardClic, an independent third-party board evaluation consultant. The BoardClic governance platform is a data-driven, time-efficient tool which makes use of comprehensive benchmarking resources and allows an organisation to track compliance, effectiveness and year-on-year alignment.

As this evidence-based framework provides a means by which to ensure evaluation outcomes and objectives are appropriately addressed and/or monitored, the decision was taken to continue to utilise this platform for the 2025 Board (including Board Committee) review which took place in December 2025 (the "2025 review").

Positively, the headline outcome for the 2025 review has improved year on year and the principal themes emerging from the results align closely with those already prominent on the Board's agenda. While these have been discussed by the Chair and the Company Secretary and recently presented to the full Board, the results remain subject to further interrogation and consideration.

Following the demerger of THG Ingenuity at the start of 2025 – and as disclosed in the 2024 Annual Report – the need to clearly articulate the strategy and re-educate the market on the 'reshaped' Group's investment proposition was identified as a priority focus area. While considerable progress was made in this regard during 2025 – evidenced, for example, by the Company's entry into the FTSE 250 – efforts will continue throughout 2026 to further strengthen investor and market engagement and understanding and thereby support Shareholder value creation.

The ongoing development and enhancement of workplace culture and the employee journey were identified as key outputs of the 2024 review process and were therefore the subject of detailed consideration during 2025.

While the 2025 review recognises the material progress achieved in these areas – as outlined within the 'Our culture' section of the Strategic Report and the 'Workforce engagement' section of the Corporate Governance Report – it also acknowledges that the initiatives launched to date will require time to fully embed and gain consistent traction across the Group. As such, these matters will remain core priorities for the Board and the People team during 2026.

Related to this, succession planning was identified within the 2025 review as a further area requiring continued focus. The Nomination Committee remains fully cognisant of its responsibilities in this regard and considers succession planning on an ongoing basis throughout each financial year, supported – as appropriate – by the Chief People Officer.

The Committee remains mindful of the need to maintain robust arrangements for both Board and Senior Management positions, ensuring the Group is suitably positioned to respond to potential leadership requirements. While a strong culture of meritocracy exists within THG, with colleagues encouraged to 'step up', the Company will continue to make strategic external hires where necessary to ensure the optimal balance of skills, experience and knowledge.

Broader workforce development and succession-related matters were considered as part of the People, Culture and Succession deep dive which took place at the April 2025 Board meeting. The Company's job architecture programme – currently being implemented on a phased basis – was highlighted as a key component of the broader employee strategy in addressing these matters.

The programme is expected to provide enhanced organisational and operational clarity; support managers in fostering a performance-led culture that identifies and promotes top talent; and deliver wider benefits from a development and succession planning perspective. These benefits include improved confidence in career pathways for employees; enhanced data-driven decision-making in relation to strategic workforce planning; clearer identification of critical skills gaps; and strengthened organisational resilience through an improved ability to attract, retain and develop high-quality talent.

Finally, the timing and content of monthly Board packs emerged as a follow-on theme from the 2024 review and, pleasingly, the significant improvements implemented during the reporting period are reflected in the 2025 review results.

Nonetheless, it is recognised that Board materials must continue to evolve to achieve an appropriate balance between information on key strategic priorities and financial or other operational data. Further enhancements are also required to the distribution process to ensure that Directors have adequate time to prepare for Board meetings.

Equity, diversity and inclusion

As previously detailed, the promotion of diversity is an important consideration in all Board appointments and the Nomination Committee recognises the value which a diverse Board may bring.

Diversity of membership is believed to promote more fulsome and enriched boardroom discussions – due to broader perspectives and insights; this, in turn, may promote enhanced decision-making and improved corporate governance and, ultimately, serve to optimise the effectiveness of the Board.

More generally, the Nomination Committee is fully aligned with, and commends, the Company's commitment to provide a diverse, inclusive and representative workplace throughout the employment life cycle and ensure that colleagues feel valued and included, irrespective of background, personal characteristics, experience, skills or motivations.

This commitment is captured within the Company's EDI Policy, which was launched during 2025 and which details the behaviours expected of all colleagues in support of this commitment.

Indeed, EDI remained a key focus area for the People team during the year and various Group-wide EDI initiatives were launched and implemented throughout the organisation.

One such initiative was the #CountMeIn survey which sought to establish an accurate view of the makeup and diversity demographics of the workforce following the demerger of THG Ingenuity. The output from this exercise has allowed data-driven and informed decisions to be made which promote equity and inclusion and which support the introduction of targeted initiatives for underrepresented colleagues.

The Group's Employee Networks are considered instrumental in driving positive change and engagement from an EDI perspective; created and championed by employees, they aim to promote connection and collaboration throughout THG. Their output actively contributes to THG's evolving culture and is used to inform People strategies and ensure that diverse voices are part of the conversation at every level of the business.

In response to employee feedback, the existing Employee Networks were reviewed during the year and a mix of new Networks and refreshed versions of the existing Networks were launched in H2 2025 (as discussed further within the 'Section 172 Statement: Stakeholder Engagement' section of the Strategic Report). All Networks now have dedicated Senior Sponsors who, in conjunction with their Executive Advocates – as appointed to support the Networks and their Senior Sponsors – are responsible for driving strategic change and championing the EDI agenda across the Group.

The Executive Advocates – including the Chief People Officer who has ultimate oversight of general workforce diversity – are members of Senior Management and, as such, attend the scheduled monthly Board meetings. This framework ensures that the Nomination Committee (and the Board collectively) remains fully informed of all material EDI – and broader People – matters, enabling it to effectively discharge its associated responsibilities.

As previously detailed, the parameters of the recruitment search for suitable independent NEDs took into account the importance of promoting diverse and inclusive Board membership, with specific reference to the Board diversity disclosures required under UKLR 6.6.6R(9)(a) that at least 40% of the individuals on the Board are women and at least one Board member is from a minority ethnic background.

Following the appointment of Milyae Park on 28 January 2025, the Company achieved full compliance with these diversity targets i.e. from 28 January 2025, at least 40% of the individuals on the Board have been women, a woman has held one of the senior positions on the Board and at least one Board member has been from a minority ethnic background. This remains the position as at the date of this Nomination Committee Report.

Nomination Committee Report continued

Equity, diversity and inclusion continued

Board and executive management data as at 31 December 2025, presented in accordance with UKLR 6.6.6R(10), is as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	55.6	3	5	71.4
Women	4	44.4	1	2	28.6
Non-binary	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	88.9	100	5	71.4
Mixed/Multiple Ethnic Groups	1	11.1	—	1	14.3
Asian/Asian British	—	—	—	1	14.3
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

The source data used in the foregoing tables is provided on a self-reporting basis through completion of an electronic survey which asks participants to confirm their name, the most accurate description of their gender identity and their ethnicity. The 'Sustainability: Empowering people and communities' section of the Strategic Report contains the diversity disclosures required pursuant to section 414C of the Companies Act.

AGM

The Nomination Committee is scheduled to convene ahead of the forthcoming AGM, to review overall Board composition and, pursuant to its Terms of Reference, the continuation (or otherwise) of individual Directors, with reference to their performance and ability to contribute to the Board in light of the knowledge, skills and experience required.

Following due and careful consideration of all relevant factors, including (but not limited to) the time committed to discharge the responsibilities incumbent upon them as Directors, the Committee will make its recommendations as to whether Directors should be put forward for re-election by Shareholders.

On behalf of the Nomination Committee

**Charles Allen,
Lord Allen of Kensington, CBE**
Chair of the Nomination Committee

25 March 2026

Related Party Committee Report



“Protecting Shareholder value remains the primary objective of the Related Party Committee. Reflecting this, the Committee increased its focus on its oversight responsibilities during 2025, particularly in light of THG Ingenuity being classified as a related party following the demerger at the start of the year.”

Sue Farr
Chair of the Related Party Committee

Members and attendance

Committee member	Position	Attendance
Sue Farr	Chair ¹	5/5
Dean Moore	Member ²	5/5
Gillian Kent	Member ³	5/5
Helen Jones	Member ⁴	5/5

- Sue Farr was appointed as a member upon her appointment to the Board on 24 April 2023 and, in her capacity as SID, assumed the position of Chair on 7 September 2023.
- Dean Moore was appointed as a member upon his appointment to the Board on 15 September 2022 and, in his capacity as interim SID, assumed the position of Chair on an interim basis on 24 January 2023. He stepped down from this position, but remained a member, when Sue Farr was appointed Chair on 7 September 2023.
- Gillian Kent was appointed as a member on 24 January 2023.
- Helen Jones was appointed as a member on 21 July 2023.

Welcome to the Related Party Committee's Report for the 2025 financial year. The Committee was established to oversee and, where appropriate, approve Related Party Transactions, ensuring that any actual or potential conflicts of interest arising from such arrangements are subject to robust challenge and evaluation.

The Committee recognises its key role within THG's governance framework and throughout 2025 remained committed to the principles of good corporate governance, and the spirit of the Code more generally, in its consideration of Related Party Transactions.

Our primary objective continues to be the preservation of Shareholder value and we remain confident that the governance arrangements in place provide for the rigorous oversight of all Related Party Transactions. The Committee met five times during the year, reflecting its strong commitment in this regard.

Prior to Admission, THG divested the Propco Group to a company which is wholly owned and controlled by Matthew Moulding, the CEO and a major Shareholder. As the Propco Group owns property assets which are occupied and utilised by the Group, the divestment was overseen, and approved, by the independent NEDs in office at that time to ensure the Propco Transaction took place on an arm's length basis and conflicts of interest arising from the Propco Transaction were appropriately managed and resolved. The lease arrangements which operated between the Propco Group and THG prior to the Propco Transaction were unchanged by the divestment.

Following completion of the demerger of THG Ingenuity, and in accordance with the updated Terms of Reference which took effect on 1 January 2025, the arrangements between THG and THG Ingenuity were subject to review and, as considered appropriate, approval by the Committee during 2025.

Role and activities

The principal function of the Related Party Committee is to oversee and, where appropriate, approve the terms of any Related Party Transaction, ensuring that such arrangements are fair, reasonable and in the best interests of the Group (including from the perspective of the Company and its Shareholders). In making this assessment, the Committee must ensure that any Related Party Transaction is conducted on standard commercial terms and on an arm's length basis.

As a general rule, a Related Party Transaction may not be authorised or implemented by the Board unless it has been positively recommended by the Related Party Committee. However, the Terms of Reference include a carve-out which provides that, if a transaction is deemed to be in the best interests of the Company, the Board may resolve that, for certain categories of Related Party Transactions, the Committee's views are recommendatory, rather than binding, in nature. No such action has been taken by the Board historically or during the reporting period under review.

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Related Party Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company's website at: https://fcdn.thg-corporate.com/thg/Related_Party_Committee_Terms_of_Reference_8573d4fbfc.pdf.

The Terms of Reference were considered by the Board in December 2024 and, in advance of the Company's transfer to the ESCC category of the Official List, updated to adopt the definition of 'Related Party Transaction' contained within Chapter 8 of the UKLRs. The updated Terms of Reference took effect on 1 January 2025.

Related Party Committee Report continued

Role and activities continued

In addition to its ongoing oversight and approval, where appropriate, of Related Party Transactions, the Related Party Committee considered a number of other matters during the 2025 financial year, including the following:

Propco Group

Capital expenditure incurred by THG on properties leased from the Propco Group is reviewed on a regular basis, with specific reference to the rationale for the spend incurred and the nature of the works completed, to ensure it is appropriate for a commercial tenant. The Committee concluded that the nature of the works and level of spend were appropriate for a commercial tenant.

The Committee regularly reviews the provisions recognised by the Group in respect of its dilapidations liabilities for properties leased from the Propco Group. During the year, three properties leased from the Propco Group reached the end of their lease terms; accordingly, the leases were exited by the Group. Following review of a dilapidations assessment conducted by a third-party property expert, the Committee approved the final dilapidations position for each of these three properties. The Committee concluded that the remaining provision was appropriate.

Rent reviews, as set out in the arm's length lease agreements, were also reviewed and approved by the Committee ahead of adoption.

THG Ingenuity

Following the demerger, THG Ingenuity has been designated as a related party. During the year, the Committee was provided with a comprehensive overview of the arrangements in place and reviewed the charges for services compared to forecast, alongside the controls, to ensure both parties were complying with their respective contractual obligations. As expected, the completion accounts were finalised following the transaction and the Committee reviewed and approved the final settlement.

Other items

The Committee approved the details of the Group's charitable donation to The Moulding Foundation. The charitable donation is paid by the Group in lieu of Matthew Moulding waiving as much of his annual salary as is legally permissible.

The related party disclosures within the consolidated financial statements of this Annual Report were reviewed and approved by the Related Party Committee.

On behalf of the Related Party Committee

Sue Farr

Chair of the Related Party Committee

25 March 2026

Risk Committee Report



“The Risk Committee’s oversight of the Group’s evolving risk and internal control framework remained crucial throughout 2025. Key focus areas included navigating the ongoing post-demerger landscape and advancing our preparations to ensure the Group’s readiness for the updated Code Provision 29 requirements taking effect at the start of 2026.”

Gillian Kent

Chair of the Risk Committee

Members and attendance

Committee member	Position	Attendance
Gillian Kent	Chair ¹	4/4
Dean Moore	Member ²	4/4
Sue Farr	Member ³	4/4
Helen Jones	Member ⁴	4/4
Milyae Park	Member ⁵	2/2

- Gillian Kent was appointed Risk Committee Chair upon her appointment to the Board on 15 September 2022.
- Dean Moore was appointed as a member on 6 December 2022.
- Sue Farr was appointed as a member on 21 July 2023.
- Helen Jones was appointed as a member on 21 July 2023.
- Milyae Park was appointed as a member on 9 July 2025.

As Chair of the Risk Committee, I welcome you to the Risk Committee Report for 2025. During the year the Risk Committee continued to deliver against its Terms of Reference and ensure the continued effectiveness of the Group's risk management and internal control frameworks.

As noted in last year's Report, the Committee plays a critical oversight role, particularly in light of the challenges posed by the current macroeconomic and geopolitical environment, the ongoing evolution of the risk management framework following the demerger of THG Ingenuity and the updates to Code Provision 29 which took effect at the start of 2026.

Membership of the Committee was reviewed during the year and it was considered appropriate to enhance the Committee's skills and experience through the appointment of Milyae Park as a member in July 2025.

Role and activities

The duties and responsibilities of the Risk Committee are set out within its Terms of Reference, which confirm that its purpose is to:

- review and monitor: the principal risks, and identify emerging risks, facing the Group; the likelihood and impact of such risks materialising; and the way in which such risks are managed and mitigated (including the definition and execution of a risk management strategy and associated policies);
- assist the Board in its oversight of risk and advise on the Group's overall risk appetite, tolerance and strategy and the principal and emerging risks which the Group may be willing to accept to achieve its long-term strategic objectives; and
- monitor and maintain the robustness of the Group's risk management framework, policies and procedures and evaluate their adequacy against the Board's risk strategy and appetite.

In fulfilling its role, the Committee liaises, as appropriate, with other Board Committees, particularly in relation to the responsibilities it shares with the Audit Committee concerning risk management and internal controls. The Director of Internal Audit and Risk has open and direct access to the Risk Committee on an ongoing basis, an arrangement regarded as essential to ensuring the independence of the Director of Internal Audit and Risk reporting line from Management.

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Risk Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company's website at: https://fdn.thg-corporate.com/thg/Risk_Committee_Terms_of_Reference_f9ad98c203.pdf.

The Terms of Reference were considered by the Board in December 2024 and updated to reflect the provisions of the new Code and the associated FRC Guidance. The updated Terms of Reference took effect on 1 January 2025.

Risk Committee Report continued

Role and activities continued

In addition to the Risk Committee meetings detailed in the table overleaf, one-to-one meetings were held between the Director of Internal Audit and Risk and the Risk Committee Chair to discuss the continued development and embedding of the Group's risk management systems and internal control frameworks.

Furthermore, the Risk Committee Chair, together with other Committee members (to the extent considered appropriate), maintained ongoing dialogue with key individuals involved in the oversight of Group governance, including the Independent Chair. This ensured the necessary intra-function transparency and alignment throughout 2025 and in the period up to the date of this Risk Committee Report.

A summary of the key activities undertaken by the Risk Committee during 2025 is as follows:

- oversight of the management, reporting and evolution of principal and operational risks within the Group and application of risk appetite, together with the outcome of principal risk deep dives;
- monitoring the identification and quantification of emerging risks within the Group;
- remaining apprised of progress in relation to Code Provision 29 workstreams and the associated disclosure requirements at the relevant time;
- understanding relevant priorities, as applicable to the Group's risk landscape and risk management framework;
- reviewing the results and remedial actions arising from the annual Fraud Risk Assessment, together with any summary reports of escalated incidents and instances of fraud; and
- consideration of the role of THG Insurance in supporting risk mitigation activities.

Risk management and internal controls

In accordance with the 2024 Code, ultimate responsibility for the Group's systems of internal control and risk management framework rests with the Board. However, pursuant to the provisions of the Code and as reflected in its Terms of Reference, responsibility for the ongoing monitoring and review of the Group's risk management systems and internal control frameworks – including financial, operational and compliance controls – has been delegated to the Risk Committee, in conjunction with the Audit Committee.

Further information on the Group's risk management systems can be found on pages 60 to 67 of the Strategic Report, along with details of the processes and controls which were in place throughout 2025 to manage and mitigate risk and provide the Board with the assurance that sound systems of risk management and internal controls operate across the Group.

The Viability Statement is contained on pages 68 and 69 of the Strategic Report.

Focus for 2026

During the current financial year it is anticipated that key areas of focus for the Risk Committee will continue to be as follows:

- oversight of the risk management framework, risk appetite and emerging risk processes within THG to ensure their continued evolution, effectiveness and integrity and the ongoing development of the Risk function as the Group continues to grow and mature; and
- remaining updated on the Company's response to changes to Code Provision 29.

On behalf of the Risk Committee

Gillian Kent

Chair of the Risk Committee

25 March 2026

Sustainability Committee Report



“Throughout 2025, THG sharpened its sustainability focus, ensuring efforts were directed towards achieving real, measurable progress across key sustainability priorities. The Sustainability Committee remains steadfast in its commitment to drive meaningful improvements year on year, challenging the Group to further embed and enhance sustainable practices.”

Milyae Park

Chair of the Sustainability Committee

As the recently appointed Sustainability Committee Chair, I am delighted to present our Report for the financial year ended 31 December 2025. At the outset, I would like to express my sincere thanks to Sue Farr for her able leadership of the Committee prior to my appointment; I am pleased that Sue remains a valued member of the Committee.

2025 marked a year of significant change for THG, with the demerger of THG Ingenuity prompting a refocus of our sustainability priorities. We pivoted to concentrate on the areas most important to the remaining Group and this approach was validated through the completion of the Double Materiality Assessment (“DMA”), further details of which can be found within the Sustainability Report on page 43.

Progress was made across key areas of THG's Sustainability Strategy, including the recalculation and rebaselining of the Group's GHG data following the demerger and the launch of THG's EDI Policy and associated colleague engagement campaigns to enhance people data collation.

Role and activities

The Sustainability Committee's primary responsibility is to ensure that robust strategies, policies and operational controls are in place and effectively maintained across THG, supporting the Group in operating its business in a responsible and sustainable manner. This includes monitoring performance against THG's Sustainability Strategy and applicable ESG targets.

In addition to reporting any material sustainability-related risks – identified and managed through the Group's risk management process – to the Risk Committee, the Sustainability Committee's duties include reviewing and monitoring:

- Senior Management's assessment of the health, safety, security, environmental and social impacts arising from the Group's operations, with particular regard to employees, suppliers, contractors and host communities;
- the Group's systems for compliance with applicable sustainability-related legal and regulatory requirements and its performance against such requirements; and
- the Group's systems, strategies, policies and targets in relation to, amongst other matters, emissions, energy and carbon management, climate change, waste and recycling, ensuring that they reflect best practice and global developments.

In discharging such duties the Sustainability Committee may seek independent professional advice on any matter it deems necessary and may access other resources required to function effectively, including support and assistance from Group Secretariat.

Members and attendance

Committee member	Position	Attendance
Milyae Park	Chair ¹	3/3
Sue Farr	Member ²	5/5
Clare Clark	Member ³	5/5
Steven Whitehead	Member ⁴	1/5
Philip Pratt	Former member ⁵	2/2

- Milyae Park was appointed as a member on 23 May 2025 and subsequently assumed the position of Sustainability Committee Chair on 26 January 2026.
- Sue Farr was appointed Sustainability Committee Chair on 18 March 2024 but stepped down from this position on 26 January 2026, remaining as a member.
- Clare Clark serves as a member in her capacity as the Group's Director of Sustainability.
- Steven Whitehead serves as a member in his capacity as Group Commercial Director. While Steven was unable to attend certain meetings during 2025, he reviewed the relevant papers and provided comments to the Sustainability Committee Chair in advance of these meetings.
- Philip Pratt served as a member in the capacity of external sustainability adviser, stepping down from the Committee on 23 May 2025.

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Sustainability Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company's website at: https://fcdn.thg-corporate.com/thg/Sustainability_Committee_Terms_of_Reference_7b041f3a83.pdf.

The Terms of Reference were considered by the Board in December 2024 and updated to reflect the provisions of the FRC Guidance. The updated Terms of Reference took effect on 1 January 2025.

Sustainability Committee Report continued

Role and activities continued

A summary of the key activities undertaken by the Sustainability Committee during 2025 is as follows:

- review of the methodology of the DMA, the results of the DMA and the subsequent plans for future strategy development;
- review of the GHG rebaseline, including results, analysis and reporting methodology;
- annual review and update of the Group's Modern Slavery Statement and Environmental Sustainability Policy;
- annual review and update of the Group's Supply Chain Standards, including the extension of the Whistleblowing provisions to encompass both colleagues and suppliers;
- review of the Group's progress against its Sustainability Strategy, goals and targets;
- oversight of suppliers' compliance with the Supply Chain Standards, including completion of Sedex audits;
- oversight of the Group's EDI Policy launch and colleague engagement campaigns aimed at improving the collation of colleague data; and
- review of the Health, Safety and Environment ("HSE") Strategy and future plans to enhance governance and reporting of HSE metrics across the Group.

Focus for 2026

During the current financial year it is anticipated that key areas of focus for the Sustainability Committee will be as follows:

- review and approval of the Climate Transition Plan to support alignment with regulatory requirements and drive THG's future Net Zero Strategy;
- review and approval of an updated Group Sustainability Strategy which reflects the recent changes to the business and aligns with the Climate Transition Plan;
- ongoing oversight of the HSE Strategy, including delivery and progress;
- continuing to monitor progress in respect of colleague engagement, volunteering and collation of diversity data to inform future Sustainability targets and goals; and
- annual review and update of key Sustainability policies, including Supply Chain Standards and the Environmental Sustainability Policy.

On behalf of the Sustainability Committee

Milyae Park

Chair of the Sustainability Committee

25 March 2026

Directors' Remuneration Report



"Following the demerger of THG Ingenuity at the start of 2025, the Remuneration Committee has continued to focus on ensuring that the Group's remuneration framework operates in a manner which is fair and motivating for Executive Directors, while aligning with THG's broader strategy to maximise Shareholder value."

Helen Jones

Chair of the Remuneration Committee

Members and attendance

Committee member	Position	Attendance
Helen Jones	Chair ¹	4/4
Dean Moore	Member ²	4/4
Gillian Kent	Member ³	4/4
Sue Farr	Member ⁴	4/4

1. Helen Jones was appointed as a member on 21 July 2023 and subsequently as Remuneration Committee Chair on 8 December 2023.
2. Dean Moore was appointed as Remuneration Committee Chair upon joining the Board on 15 September 2022. He stepped down from this position, continuing as a member, following Helen Jones' appointment on 8 December 2023.
3. Gillian Kent was appointed as a member on 24 January 2023.
4. Sue Farr was appointed as a member on 21 July 2023.

I am delighted to introduce the Directors' Remuneration Report for the 2025 reporting period. Following the demerger of THG Ingenuity, the Group's business model continued to evolve during the year and, pleasingly, we achieved total revenue growth of 2.3% on a continuing constant currency basis and further strengthened our balance sheet, closing the year with over £330m of cash and available facilities. It is within this context that we operated our Remuneration Policy throughout 2025.

Our assessment of Executive Director and wider workforce remuneration was also informed by the regular updates the Committee received throughout the year on evolving remuneration trends and market practice, alongside updated guidelines from key investor and shareholder representative bodies.

This Directors' Remuneration Report has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the "Regulations"), the UK Listing Rules and the Code. It is divided into the following sections:

- this annual statement from me, as Remuneration Committee Chair;
- the Remuneration Policy, as approved by Shareholders at the 2024 AGM; and
- the Annual Report on Remuneration, which details payments made to Directors during 2025 and which is subject to an advisory Shareholder vote at the forthcoming AGM.

Role and responsibilities

As detailed within its Terms of Reference, a primary responsibility of the Remuneration Committee is to determine the remuneration packages of Executive Directors and the Independent Chair. More broadly, the Committee is responsible for ensuring that remuneration practices and policies support the Group's strategy and promote its long-term, sustainable success.

Other key duties of the Committee include:

- approving the design of, and determining targets for, any performance-related pay schemes operated by the Company and authorising payments under those schemes;
- exercising discretion, where appropriate, to override formulaic remuneration outcomes;
- reviewing the ongoing appropriateness and relevance of the Remuneration Policy (further details on which follow) and the approach to its implementation – considering pay policies and practices across the wider workforce and the meritocratic and values-led culture within the organisation – while consulting with, and seeking approval from, Shareholders and other stakeholders as appropriate; and

Terms of Reference:

Further information on the requirements relating to the composition and meetings of the Remuneration Committee, together with its duties and responsibilities, can be found within its Terms of Reference which are available on the Company's website at: https://fcdn.thg-corporate.com/thg/Remuneration_Committee_Terms_of_Reference_d347fe6535.pdf.

The Terms of Reference were considered by the Board in December 2024 and updated to reflect the provisions of the new Code and the associated FRC Guidance. The updated Terms of Reference took effect on 1 January 2025.

Directors' Remuneration Report continued

Role and responsibilities continued

- reviewing, and having regard to, pay and employment conditions across the Company and/or Group as a whole, particularly when determining annual salary increases.

Remuneration Policy

The current Remuneration Policy, which has a three-year term, was approved by Shareholders at the 2024 AGM.

The Committee acknowledges that the Remuneration Policy is due for Shareholder approval at the 2027 annual general meeting. In the intervening period, the Committee has commenced its review of the effectiveness of the current Remuneration Policy and intends to proactively engage with Shareholders at the appropriate time as it develops its proposals for a refreshed Remuneration Policy.

2025 remuneration

No salary increases were awarded to the Executive Directors during the 2025 financial year and, as was the case in financial years 2021 to 2024, Matthew Moulding waived as much as was legally permissible of his base salary in return for the Group making a charitable donation of similar value.

The Remuneration Committee operated the Remuneration Policy as intended during 2025. It should be noted that the Executive Directors opted to waive their entitlement to participate in the 2025 annual bonus plan.

No LTIP grants were made during 2025 while a broader review of the operation of incentives across the business is conducted. While this review is ongoing, it is expected that we will make a delayed 2025 LTIP award to Damian Sanders following the upcoming AGM, at which time a 2026 LTIP award is also expected to be made in line with the usual schedule.

Both awards will be made in line with the approved Remuneration Policy and will be subject to stretching financial and strategic performance targets which will be disclosed at the time of grant and measured over a three-year period, with a further two-year post-vesting holding period applying in line with the relevant Code requirement and market best practice.

No other discretion was exercised by the Remuneration Committee during the 2025 financial year in respect of the above remuneration outcomes, and no Director was involved in deciding their own remuneration outcome.

Remuneration for 2026

The Remuneration Committee intends to implement the Remuneration Policy for Matthew Moulding and Damian Sanders during 2026 as follows:

Base salary

While the Remuneration Committee initially proposed a salary increase for the Executive Directors in line with the wider workforce, the Executive Directors informed the Committee that they would forego any proposed salary increase for 2026 (as has been the case each year since 2021).

Annual bonus

In line with the Remuneration Policy, annual bonus awards will be granted with a maximum opportunity of 100% of base salary for each of the Executive Directors.

The measures and weightings for the 2026 bonus awards for Matthew Moulding and Damian Sanders will be:

- Free Cash Flow (50%);
- Adjusted EBITDA (25%); and
- Group Sales (25%).

LTIP

As outlined above, we expect to make LTIP grants to the CFO in respect of the 2025 and 2026 financial years following the upcoming AGM. As stated in the Remuneration Policy, Matthew Moulding is not eligible to participate in the LTIP.

Consideration of stakeholder views

Prior to its annual review of Executive Directors' remuneration, the Remuneration Committee considers pay, benefits and share scheme practices across the Group.

While no direct workforce engagement took place on Executive Director remuneration specifically during the reporting period, the implementation of an LTIP for Executive Directors is aligned with the wider business approach, which includes broad equity-based incentive plans.

The Group remains committed to promoting and maintaining positive relations with employees and, where relevant, their representative bodies as part of its broader workforce engagement strategy. Following the demerger of THG Ingenuity, 2025 was viewed as an opportunity to reset engagement goals for the reshaped Group; engagement measures, and the People proposition more generally, were therefore developed and enhanced as considered appropriate.

Priority focus areas included: progressing the job architecture programme to provide greater organisational clarity, build trust across the workforce and ensure a consistent approach to reward; and reviewing the Employee Value Proposition, encompassing a wide range of benefits from reward to health and wellbeing, to ensure it remained appropriate and positioned the Group competitively within the market.

Further information on workforce engagement measures and progress made during the year can be found within the 'Workforce engagement' section of the Corporate Governance Report.

AGM

I very much look forward to meeting with Shareholders at the forthcoming AGM to discuss any queries or comments on this Directors' Remuneration Report, the current Remuneration Policy or on Group remuneration matters more generally.

If Shareholders have any concerns or questions that they would like to discuss prior to the AGM, I can be contacted via the Company Secretary.

On behalf of the Remuneration Committee

Helen Jones

Chair of the Remuneration Committee

25 March 2026

Remuneration Policy

Remuneration Policy table

As previously detailed, the current Remuneration Policy was approved by Shareholders at the 2024 AGM, with 94.97% of votes cast in favour. The following table provides a summary of each element of the Remuneration Policy to assist with the understanding of this Directors' Remuneration Report. Full details of the Remuneration Policy can be found on pages 147 to 156 of the 2023 Annual Report.

Component and objective	Operation	Opportunity	Performance measures
Base salary To enable the Group to attract, motivate and retain the people it needs to maximise the value of the business	Generally reviewed each year, with increases effective 1 January. Salary levels take account of: <ul style="list-style-type: none"> salaries at FTSE companies of broadly similar size or sector to THG; salary increases across the rest of the UK business; role, personal performance and experience; and business performance and the external environment. There is no fixed maximum.	Salaries in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration. Salary increases for Executive Directors will normally not exceed those of the wider workforce over the period this Remuneration Policy applies. Where increases are awarded in excess of the wider employee population, the Remuneration Committee will provide the rationale in the relevant year's Annual Report on Remuneration (e.g. if there is a material change in the responsibility, size or complexity of a role).	n/a
Pension To provide a level of retirement benefit that is competitive in the relevant market	Executive Directors receive pension contributions either as a direct payment or a cash allowance. Base salary is the only element of remuneration that is pensionable.	Executive Directors receive a Company contribution of a maximum in line with the wider workforce for the relevant country. This is currently set at 3% of pensionable salary for UK Executive Directors. Pensionable salary is determined in line with the approach taken for the wider workforce which is currently in line with auto-enrolment levels.	n/a
Benefits To provide a level of benefits that is in line with relevant market practice	Executive Directors receive benefits set at an appropriate level taking into account total remuneration, market practice, the benefits provided to other employees in the Group and individual circumstances. This may include, but is not limited to, medical insurance benefits, permanent health insurance and life assurance. The Remuneration Committee reserves the right to introduce other benefits (e.g. in the event this is necessary to attract and/or retain key Executive Directors). Other benefits, including all employee share schemes, may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the needs and circumstances of the Group and individual Executive Directors.	Benefits may vary by role and the level is determined each year to be appropriate for the role and circumstances of individual Executive Directors. While the Remuneration Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Remuneration Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, the level of benefits provided for other employees in the Group and individual circumstances. The Remuneration Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation expenses or an expatriation allowance on recruitment) or in circumstances where factors outside the Group's control have changed materially (e.g. market increases in insurance costs).	n/a

Directors' Remuneration Report continued

Remuneration Policy table continued

Component and objective	Operation	Opportunity	Performance measures
<p>Annual bonus</p> <p>To focus Executive Directors on achieving demanding annual targets relating to Group performance</p>	<p>Performance targets are set at the start of each financial year and aligned with the annual budget agreed by the Board. At the end of the financial year in question, the Remuneration Committee determines the extent to which these targets have been achieved.</p> <p>50% of the total bonus payable is normally paid in cash with 50% deferred in nil-cost options over Ordinary Shares. These options are exercisable after three years, subject to continued employment and malus (in whole or in part) during the deferral period in the event of a material misstatement in accounting records, gross misconduct, calculation error or corporate failure. Cash bonuses may be subject to clawback over the deferral period in similar circumstances as identified above.</p> <p>A payment equivalent to the dividends that would have accrued on deferred bonus awards that vest may be made to participants on vesting.</p>	<p>Maximum opportunity: 200% of base salary (with 50% deferred into Ordinary Shares vesting after three years).</p> <p>Target opportunity: 50% of maximum opportunity.</p> <p>Threshold opportunity: at most, 25% of maximum opportunity.</p> <p>Matthew Moulding will have a reduced opportunity of 100% of salary which will be payable fully in cash.</p>	<p>The bonus will be based on the achievement of financial and non-financial performance targets which may vary year-to-year but at least 50% of the total opportunity will be based on financial performance.</p> <p>Details of the measures and weighting on which the bonus will be based will be disclosed in the relevant Annual Report on Remuneration. If the Remuneration Committee determines certain targets to be deemed commercially sensitive, the targets will be disclosed retrospectively.</p> <p>The Remuneration Committee has discretion to adjust the formulaic bonus outcomes (including down to zero) within the limits of the scheme if the formulaic outcome is not reflective of underlying business performance.</p>
<p>LTIP</p> <p>To incentivise Executive Directors while providing alignment with Shareholder interests</p>	<p>Awards are granted annually in the form of nil-cost options or conditional awards of Ordinary Shares. These will vest at the end of a three-year period subject to continued employment and satisfaction of the performance conditions.</p> <p>A further two-year holding period will apply post vesting.</p> <p>The Remuneration Committee may award dividend equivalents on awards to the extent that these vest.</p> <p>Malus and clawback provisions will apply to enable the Company to recover sums paid or withhold the payment of any sum in the event of a material misstatement resulting in an adjustment to the audited consolidated accounts of THG or action or conduct which, in the reasonable opinion of the Board, amounts to employee misbehaviour, fraud or gross misconduct.</p>	<p>Normally annual awards of up to 250% of base salary. In exceptional circumstances, such as to secure an external appointment or in specific retention scenarios, an award of up to 300% of base salary may be made.</p> <p>Matthew Moulding will not be eligible to participate in the LTIP.</p>	<p>The majority of the awards will be based on financial metrics, with the balance based on strategic metrics.</p> <p>The Remuneration Committee retains discretion, in exceptional circumstances, to change performance measures and targets and the weightings attached to performance measures part way through a performance period if there is a significant and material event which causes the Remuneration Committee to believe the original measures, weightings and targets are no longer appropriate.</p> <p>The Remuneration Committee also has discretion to adjust the formulaic vesting outcome (including down to zero) within the limits of the scheme if the formulaic outcome is not reflective of underlying business performance.</p>
<p>Shareholding requirement</p> <p>To align Executive Director and Shareholder interests and reinforce long-term decision-making, including for a period following cessation of employment</p>	<p>Matthew Moulding is required to retain at least 50% of any incentive awards that vest (net of tax) until he has built up a personal holding of Ordinary Shares worth at least 350% of salary.</p> <p>All other Executive Directors must build up and subsequently retain a shareholding of at least 200% of salary over a five-year period from the date of their appointment to the Board.</p> <p>A post-cessation shareholding requirement of 350% of salary to be held for two years after an Executive Director's employment is terminated in the case of Matthew Moulding, and 200% of salary for all other Executive Directors (or full actual holding if lower).</p>	n/a	n/a
<p>Chair and NED fees</p> <p>To attract and retain NEDs of the highest calibre with broad commercial experience relevant to the Group</p>	<p>NEDs are paid a basic annual fee. Additional fees may be paid to NEDs who chair a Board Committee and/or who sit on a Board Committee to reflect additional responsibilities.</p> <p>The fees paid to NEDs are determined by the Board and may be paid in a mix of cash and Ordinary Shares.</p> <p>Fee levels are reviewed periodically, with any adjustments effective 1 January. Fees are reviewed by considering external advice on best practice and fee levels at other FTSE companies of broadly similar size and sector to THG. Time commitment and responsibility are also considered when reviewing fees.</p>	<p>Fee increases will be applied considering the outcome of the review.</p> <p>The fees paid to NEDs in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.</p>	n/a

Annual Report on Remuneration

This section covers the reporting period from 1 January 2025 to 31 December 2025 and provides details of the implementation of the Remuneration Policy during this period, as well as the intended implementation during the current 2026 reporting period.

Single total figure of remuneration (audited)

The following table provides a single figure for total remuneration of the Directors for the financial year to 31 December 2025, together with comparative figures for the financial year to 31 December 2024. The values of each element of remuneration are based on the actual value delivered, where known. The value of the annual bonus includes both the cash element and the element deferred into Shares.

		Salary and fees (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed pay (£'000)	Annual bonus (£'000)	LTIP (£'000)	Other (£'000)	Total variable pay (£'000)	Total (£'000)
Executive Directors										
Matthew Moulding ¹	2025	24	9	1	33	0	0	0	0	33
	2024	23	9	1	32	0	0	0	0	32
John Gallemore ²	2025	4	0	0	4	0	0	0	0	4
	2024	450	4	1	455	0	0	0	0	455
Damian Sanders	2025	500	6	0	506	0	0	0	0	506
	2024	500	7	0	507	0	0	0	0	507
NEDs										
Charles Allen	2025	441	0	0	441	0	0	0	0	441
	2024	424	0	0	424	0	0	0	0	424
Edward Koopman	2025	38	0	0	38	0	0	0	0	38
	2024	36	0	0	36	0	0	0	0	36
Gillian Kent	2025	108	0	0	108	0	0	0	0	108
	2024	105	0	0	105	0	0	0	0	105
Dean Moore	2025	103	0	0	103	0	0	0	0	103
	2024	100	0	0	100	0	0	0	0	100
Sue Farr	2025	138	0	0	138	0	0	0	0	138
	2024	127	0	0	127	0	0	0	0	127
Helen Jones	2025	103	0	0	103	0	0	0	0	103
	2024	100	0	0	100	0	0	0	0	100
Milyae Park ³	2025	78	0	0	78	0	0	0	0	78
	2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Since Admission and subject to minimum statutory limits, Matthew Moulding has elected to waive his salary. The salaries and bonuses detailed here are the amounts received by Matthew Moulding in the periods. For the 2025 financial year, the salary waived by Matthew Moulding was £726,386. For the 2024 financial year, the salary waived by Matthew Moulding was £726,972.
2. With effect from the completion of the demerger of THG Ingenuity on 2 January 2025, John Gallemore resigned from the Board and as COO. John Gallemore's fixed remuneration was therefore paid until 2 January 2025, after which date he ceased to be employed by the Company.
3. The figures for the 2025 financial year have been pro-rated to reflect the appointment of Milyae Park to the Board from 28 January 2025.

Base salary (audited)

The base salaries of the Executive Directors are typically reviewed on an annual basis, with any increases effective from 1 January. As detailed within the Remuneration Policy summary, when determining any increases the Remuneration Committee compares the Group's remuneration packages for its Executive Directors with those of directors in FTSE companies of a similar size and/or sector to THG and also takes account of salary increases across the rest of the UK business, an individual's role and personal performance, business performance and the external environment.

No salary increases were awarded to Executive Directors during the 2025 reporting period. As such, the base salaries for the Executive Directors were as follows:

- Matthew Moulding: £750,000;
- Damian Sanders: £500,000; and
- John Gallemore: £450,000.

As previously stated, Matthew Moulding waived as much as was legally permissible of his base salary during 2025 in return for the Group making a charitable donation to The Moulding Foundation of a similar value. For the financial year ending 31 December 2025, the salary waived by Matthew Moulding was £726,386.

Directors' Remuneration Report continued

Pension (audited)

As part of their remuneration arrangements, the Executive Directors are entitled to receive pension contributions from the Company. Under these arrangements, they can elect for those contributions to be paid in the form of taxable pension allowance or direct payments into a personal pension plan or the Group's UK defined contribution scheme.

During 2025, £521 and £12 were paid into the personal pension plans of Matthew Moulding and John Gallemore respectively. These amounts represent 3% of pensionable salary, in line with the UK wider workforce (with the amount for John Gallemore reflecting his service until 2 January 2025). Executive Directors participate in a Qualifying Earnings scheme where employer contributions are capped at a monthly threshold, such that the effective contribution rate is less than 3% of salary in practice. Damian Sanders opted out of the Qualifying Earnings scheme in April 2023 (hence he did not receive any pension contributions from the Company during 2025). None of the Executive Directors participate in a Group defined benefit pension scheme.

Benefits (audited)

In line with the current Remuneration Policy, benefits in kind for each of the Executive Directors comprised medical insurance benefits, permanent health insurance and life assurance.

Bonus awards (audited)

The Executive Directors opted to waive their entitlement to participate in the annual bonus plan for the 2025 financial year (as in prior years). As such, no discretion was exercised by the Remuneration Committee during 2025 in respect of the annual bonus plan.

Scheme interests awarded (audited)

No awards were made to Directors during the 2025 financial year.

Payments to past Directors (audited)

No payments were made to past Directors during the 2025 financial year.

Loss of office payments (audited)

John Gallemore stepped down from the Board on 2 January 2025 and received his fixed remuneration until this date. No loss of office payments were made to John Gallemore, or any other Directors, during the 2025 financial year.

External appointments

Damian Sanders is a non-executive director of Victorian Plumbing Group plc. Neither Matthew Moulding nor John Gallemore held any external non-executive roles during 2025.

Directors' shareholdings (audited)

The tables below show the shareholdings of each Director as at 31 December 2025:

	Ordinary Shares	D1 Shares	D2 Shares	Deferred 1 Shares	Deferred 2 Shares	E Shares	F Shares	G Shares
Executive Directors								
Matthew Moulding ¹	307,682,946	50,550,450	360 (equivalent to 66,772 Ordinary Shares)	97,227,825	18,346,774	43,641,266	20,197,808	7,733,792
John Gallemore	682,947 ²	3,533,879	3,174 (equivalent to 588,702 Ordinary Shares)	0	813,345	185,476	2,666,963	4,000,537
Damian Sanders	358,487	0	0	129,000	0	0	0	0
NEDs								
Charles Allen ³	2,548,311	0	0	393,689	0	0	0	0
Edward Koopman	0	0	0	0	0	0	0	0
Gillian Kent ³	53,600	0	0	0	0	0	0	0
Dean Moore ³	53,143	0	0	0	0	0	0	0
Sue Farr ³	171,743 ⁴	0	0	0	0	0	0	0
Helen Jones ³	134,084	0	0	0	0	0	0	0
Milyae Park	0	0	0	0	0	0	0	0

1. 16,586,745 of the Ordinary Shares, 11,835,595 of the Deferred 1 Shares, 7,375,684 of the Deferred 2 Shares and all of the D1 Shares, D2 Shares and E Shares are owned directly by Matthew Moulding. 103,538,569 of the Ordinary Shares, 81,296,802 of the Deferred 1 Shares, 10,971,090 of the Deferred 2 Shares and all of the F Shares and G Shares owned by Matthew Moulding are held by FIC Shareco Limited, a Guernsey-registered corporate entity wholly owned by Matthew Moulding. Additionally, 181,818,181 of the Ordinary Shares are held by FIC Shareco Limited, an English-registered corporate entity, and 5,739,451 of the Ordinary Shares and 4,095,428 of the Deferred 1 Shares are held by Jodie Moulding, Matthew Moulding's spouse.

2. John Gallemore stepped down from the Board on 2 January 2025. 578,710 of these Ordinary Shares are held jointly with Joanne Gallemore, John Gallemore's spouse.

3. Charles Allen, Gillian Kent, Dean Moore, Sue Farr and Helen Jones hold Ordinary Shares. In consideration of these individual shareholdings and NED independence, the Board has applied its assessment criteria including, but not limited to, whether a NED has held a material business relationship with the Company in the last three years. Taking into account assessments of materiality and the 3% notification threshold under the DTRs' major shareholdings notification regime, the Board acknowledges that the shareholdings of these NEDs sit significantly below the notification threshold and therefore do not impair their independence.

4. 26,500 of these Ordinary Shares are held by Anthony Mair, Sue Farr's spouse.

Executive Director	Unvested and subject to performance conditions	Unvested and not subject to performance conditions	Vested and unexercised	Total interests as at 31 December 2025
Matthew Moulding ¹	0	0	0	0
John Gallemore ²	3,476,579	0	0	3,476,579
Damian Sanders ³	3,862,865	0	0	3,862,865

- The entries for Matthew Moulding are zero as he is not eligible to participate in the LTIP, as set out in the Directors' Remuneration Policy.
- John Gallemore stepped down from the Board on 2 January 2025. The entries reflect his 2023 and 2024 LTIP awards, as set out in the Directors' Remuneration Report included within the 2024 Annual Report.
- The entries for Damian Sanders reflect his 2023 and 2024 LTIP awards, as set out in the Directors' Remuneration Report included within the 2024 Annual Report.

There have been no other changes to Directors' holdings of Ordinary Shares between 31 December 2025 and the date of this Directors' Remuneration Report, with the exception of the increase in Matthew Moulding's equity interest announced on 24 February 2026 in the PDMR/PCA Shareholding & TR-1 Notification (the "Notification").

As detailed in the Notification, 24,395,170 Ordinary Shares were purchased by FIC Shareco Limited, a Guernsey-registered corporate entity wholly owned by Matthew Moulding. As a result and as further detailed within the Notification, Matthew Moulding's equity interest at the date of this Directors' Remuneration Report equates to approximately 25.4% of the Company's issued share capital on a fully diluted basis, comprising 332,078,116 Ordinary Shares and 122,190,088 unlisted ordinary shares (which figure, for the avoidance of doubt, excludes his Deferred 1 Shares and Deferred 2 Shares).

Directors' share ownership guidelines (audited)

Matthew Moulding is required to hold Ordinary Shares equal to at least 350% of his base salary, while Damian Sanders is expected to build up a holding in Ordinary Shares of at least 200% of salary over a five-year period from the date of his appointment to the Board. NEDs are not subject to any shareholding requirements.

Executive Directors' share ownership at 31 December 2025 was as follows:

Director	Shareholding requirement (%age of salary) ¹	Shareholding as at 31 December 2025 (%age of salary)	Shareholding requirement met?
Matthew Moulding	350	31,926.9% ²	Yes
Damian Sanders	200	42.8%	No

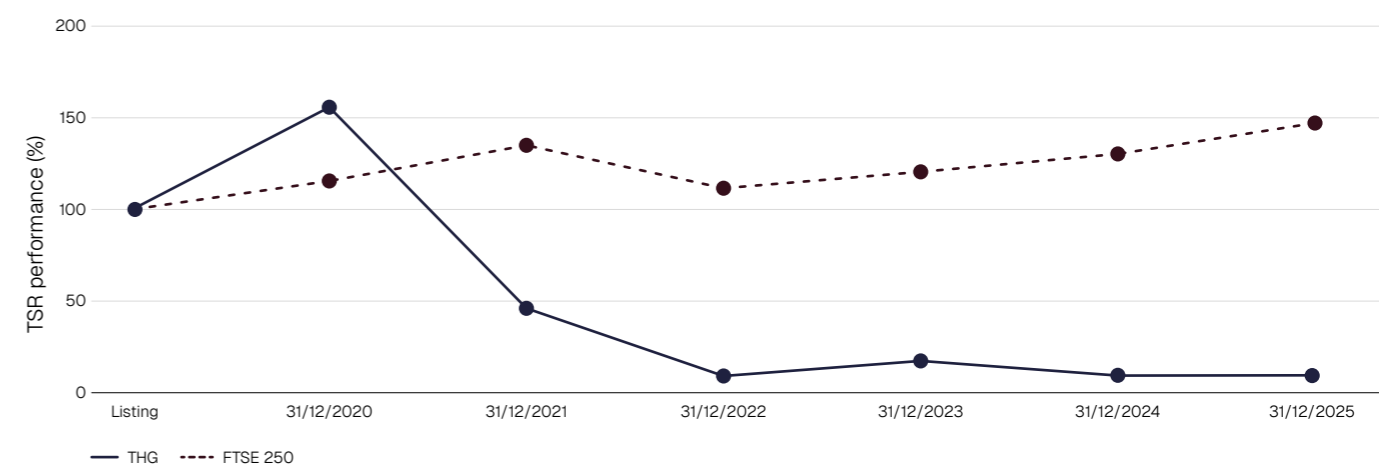
- Shareholding requirement is as set out in the Remuneration Policy approved by Shareholders at the 2024 AGM, summarised on pages 97 and 98 of this Directors' Remuneration Report.
- Matthew Moulding's aggregated shareholding includes all Shares (i.e. Ordinary Shares, D1 Shares, D2 Shares, E Shares, F Shares, G Shares, Deferred 1 Shares and Deferred 2 Shares) held by Matthew Moulding, his spouse, Jodie Moulding, FIC Shareco Limited, a Guernsey-registered corporate entity wholly owned by Matthew Moulding, and FIC Shareco Limited, an English-registered corporate entity.

Current shareholdings are based on Shares owned outright and valued using the average Ordinary Share price over the three months ended 31 December 2025 i.e. £0.439.

Performance graph and table

The following graph shows the TSR (i.e. total shareholder return) performance over the period from Admission to 31 December 2025 relative to the FTSE 250 Index. It illustrates the performance of a £100 investment in the Company in that period compared with the value of £100 invested in the FTSE 250 Index over the same period.

The FTSE 250 Index continues to be considered an appropriate comparator for this purpose as it is a broad equity index of which the Company is a constituent.



Directors' Remuneration Report continued

Chief Executive Officer's historical remuneration

The following table details the Chief Executive Officer's remuneration for each of the last six financial years:

	2020	2021	2022	2023	2024	2025
Single figure (£'000)	870,139	453	33	29	32	33
Bonus outcome as a percentage of maximum	100	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹
Long-term incentive outcome as a percentage of maximum	100	n/a ²	n/a ²	n/a ²	n/a ²	n/a ²

1. Matthew Moulding waived his entitlement to participate in the annual bonus plan for each of the 2021 to 2025 financial years.
2. No LTIP was eligible to vest in respect of each of the 2021 to 2025 financial years and Matthew Moulding does not participate in any ongoing LTIP.

Percentage change in Directors' remuneration

The Executive Directors are the only employees of the Company and therefore the UK workforce has been selected as the appropriate comparator group to provide a meaningful comparison since this is the geographical location in which all of the Executive Directors, and the majority of NEDs, are based.

Accordingly, the following table shows the percentage change in the Directors' salaries, benefits (excluding pension) and annual bonuses between financial years 2020 to 2021, 2021 to 2022, 2022 to 2023, 2023 to 2024 and 2024 to 2025, compared with the percentage change in the average of each of these components of pay for all UK employees for each of these periods. The comparison uses a per capita figure.

	2024 to 2025			2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive Directors															
Matthew Moulding ¹	2.5%	-0.9%	n/a	2.3%	45.6%	n/a	9.5%	-46.6%	n/a	5.5%	97.3% ¹	n/a	-95.8%	17.0%	-100%
John Gallemore ²	-99.2%	-99.3%	n/a	0.0%	-19.5%	n/a	91.5%	-5.2%	n/a	1,100.7% ²	2.6%	n/a	-91.6%	63.0%	-100%
Damian Sanders ³	0.0%	-3.8%	n/a	6.5%	1.5%	n/a	236.3% ³	n/a ³	n/a ³	18.8%	0%	n/a	780%	0%	n/a
NEDs															
Charles Allen	3.9%	0%	n/a ⁵	6.8%	0%	n/a ⁵	21.2% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4,5}	n/a ⁴	n/a ⁴	n/a ^{4,5}
Edward Koopman	4.0%	0%	n/a ⁵	6.2%	0%	n/a ⁵	-4.1%	0%	n/a ⁵	2.1%	0%	n/a ⁵	250%	0%	n/a ⁵
Gillian Kent	2.8%	0%	n/a ⁵	5.7%	0%	n/a ⁵	235.8% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4,5}	n/a ⁴	n/a ⁴	n/a ^{4,5}
Dean Moore	2.9%	0%	n/a ⁵	-2.8%	0%	n/a ⁵	247.9% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4,5}	n/a ⁴	n/a ⁴	n/a ^{4,5}
Sue Farr	8.0%	0%	n/a ^{5,6}	71.2%	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}
Helen Jones	2.9%	0%	n/a ^{5,6}	114.5%	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}	n/a ⁶	n/a ⁶	n/a ^{5,6}
Milyae Park	n/a ⁷	n/a ⁷	n/a ^{5,7}	n/a ⁷	n/a ⁷	n/a ^{5,7}	n/a ⁷	n/a ⁷	n/a ^{5,7}	n/a ⁷	n/a ⁷	n/a ^{5,7}	n/a ⁷	n/a ⁷	n/a ^{5,7}
Wider workforce															
Average employee ⁸	7.5%	10.7%	59.1%	8.4%	24.5%	-50.6%	4.7%	22.5%	12.9%	10.5%	-20.8%	85.4%	10.1%	217.3%	-37.5%

1. From Admission and subject to minimum statutory limits, Matthew Moulding has elected to waive his salary and the percentage changes stated above reflect changes in these statutory limits rather than changes to salary levels. The reduction in the 2021 to 2022 benefits figure relates to Matthew Moulding's private security cover which was funded by the Company in 2021 and personally funded from 1 January 2022 onwards. Matthew Moulding waived his entitlement to participate in the 2025 annual bonus plan, as he did in respect of each of the financial years 2021 to 2024.
2. During 2021 John Gallemore elected to waive his salary subject to minimum statutory limits. In 2022 John Gallemore elected to waive his salary for the period 1 January 2022 to 30 June 2022, and was paid his standard base salary from 1 July 2022 until he resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025. The increase in the 2021 to 2022 salary/fees figure reflects John Gallemore electing not to waive his salary for the period 1 July 2022 to 31 December 2022. John Gallemore waived his entitlement to participate in the annual bonus plan in respect of each of the financial years 2021 to 2025.
3. The percentage increase in the 2022 to 2023 salary/fees figure reflects a change in Damian Sanders' role during the 2023 financial year. He held the position of NED during the 2020, 2021 and 2022 financial years and from 1 January 2023 to 23 January 2023, and was appointed CFO on 24 January 2023 (and has held this position from this date to the date of this Report). It is not possible to show a percentage change for benefits and bonus as Damian Sanders was not eligible to receive these remuneration elements prior to his appointment as CFO. Damian Sanders waived his entitlement to participate in the 2025 annual bonus plan, as he did in respect of the 2023 and 2024 financial years.
4. Charles Allen, Gillian Kent and Dean Moore were not Directors during the 2020 and 2021 financial years. Charles Allen was appointed to the Board on 22 March 2022 and Gillian Kent and Dean Moore were both appointed on 15 September 2022. Therefore, the percentage change figure disclosed for 2022 to 2023 for: (i) Charles Allen reflects his full year's service in 2023 in comparison to his part year's service in 2022 i.e. the figure reflects 12 months' service in 2023 versus approximately 9 months' service in 2022; and (ii) each of Gillian Kent and Dean Moore reflects their full year's service in 2023 in comparison to their part year's service in 2022 i.e. the figures reflect 12 months' service in 2023 versus approximately 3.5 months' service in 2022.

5. NEDs are not entitled to participate in the annual bonus plan.
6. Sue Farr and Helen Jones were not Directors during financial years 2020 to 2022, being appointed to the Board on 24 April 2023 and 21 June 2023 respectively.
7. Milyae Park was not a Director during financial years 2020 to 2024, being appointed to the Board on 28 January 2025.
8. THG PLC is the parent company of the Group and, with the exception of the Executive Directors, does not have any employees. The figures detailed here are therefore representative of the Group's UK workforce.

Chief Executive Officer's pay ratio

The following table presents the pay ratio between the Chief Executive Officer's single total figure of remuneration and that of the Group's UK workforce. The ratios compare the Chief Executive Officer's single total figure of remuneration with the total remuneration of full-time equivalent UK employees at the 25th, median and 75th percentiles.

Year	Method	CEO remuneration (£'000)	UK employees (full-time equivalents)		
			25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option A	33	1.2:1	1.0:1	0.7:1
2024	Option A	32	1.2:1	1.1:1	0.7:1
2023	Option A	29	1.2:1	1.0:1	0.7:1
2022	Option A	33	1.2:1	1.1:1	0.8:1
2021	Option A	453	21:1	18:1	14:1

The total pay and benefits and salary figures used for the pay ratio calculations are set out in the following table:

Year	Method	UK employees (full-time equivalents)		
		25th percentile	Median	75th percentile
2025	Salary	£27,951	£32,432	£45,975
	Total pay and benefits	£28,496	£33,171	£47,143

The 25th percentile, median and 75th percentile figures used to determine the above ratios were selected by reference to the hourly pay figures for the Group's UK workforce on 31 December 2025. Option A, as set out under the Regulations, was used to calculate remuneration for the 2025 financial year as the Company believes this is the most robust methodology for calculating these figures (and reflects the approach adopted for the preceding four financial years). The full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and long-term incentives) was then calculated for those employees for the 2025 financial year.

The ratio continues to remain around 1:1 on a median basis, primarily as a result of Matthew Moulding waiving as much of his base salary as is legally permissible in return for the Group making a charitable donation of similar value, as well as waiving his entitlement to participate in the annual bonus plan and not participating in any long-term incentive scheme.

Executive Director pay is, typically, more at risk than wider employee pay due to the use of variable pay which is not guaranteed and hence, depending on incentive plan outcomes, can lead to a total pay ratio that varies significantly from year to year. Furthermore, the Remuneration Committee believes that THG's reward policies are not only aligned with the Group's shared values and culture but also incentivise and drive the desired behaviours and ensure all employees are rewarded fairly and competitively for their contribution to the Group's success. For these reasons, the Remuneration Committee is satisfied that the median pay ratio is consistent with the Group's pay, reward and progression policies.

THG PLC is the parent company of the Group and, with the exception of the Executive Directors, does not have any employees. The pay ratio figures have therefore been calculated with reference to the Group's UK workforce which the Company considers is the appropriate comparator, being reflective of the wider policies in operation on employee pay, reward and progression across the vast majority of the Group's overall workforce

Relative importance of spend on pay

The following table details Shareholder distributions and THG expenditure on total employee pay for the 2025 financial year versus 2024, together with the percentage change year on year.

	2025 (£m)	2024 (£m)	%age change
Profit distributed by way of dividend	0	0	n/a
Total spend on remuneration	142.3	318.4	-55.3

Directors' Remuneration Report continued

Shareholder dilution

Any share incentive plans post IPO (including The THG PLC 2022 Executive Long-Term Incentive Plan) will be operated in line with both the Investment Association's Principles of Remuneration (which require that commitments under all share schemes satisfied by newly issued ordinary shares must not exceed 10% of the issued ordinary share capital in any rolling ten-year period) and the approved Directors' Remuneration Policy.

Annual general meeting voting outcomes

The following table sets out the Shareholder voting results in respect of the 2024 Directors' Remuneration Report, which was tabled for Shareholder approval at the 2025 AGM, and the Directors' Remuneration Policy, which was tabled for Shareholder approval at the 2024 AGM.

Resolution	Votes for	%age of votes cast	Votes against	%age of votes cast	Total votes cast	%age of ISC voted	Votes withheld
To approve the 2024 Directors' Remuneration Report (excluding the Remuneration Policy)	886,743,981	92.55	71,336,484	7.45	958,080,465	68.89	4,972,609
To approve the Directors' Remuneration Policy	770,924,395	94.97	40,859,699	5.03	811,784,094	61.00	12,421,067

Implementation of Remuneration Policy for the 2026 financial year

The Remuneration Committee proposes to implement the Remuneration Policy for the 2026 financial year as follows:

Base salary

Executive Directors have voluntarily waived any salary increase in respect of the 2026 financial year. Therefore, base salaries will remain as follows:

- Matthew Moulding: £750,000; and
- Damian Sanders: £500,000.

Pension

There is no change in the contribution percentage for Executive Directors for the 2026 financial year and it remains at 3% of pensionable salary. Pensionable salary is determined in line with the approach taken for the Group's wider workforce, which is currently in line with auto-enrolment levels.

Matthew Moulding participates in a Qualifying Earnings scheme where employer contributions are capped at a monthly threshold, such that the effective contribution rate is less than 3% of salary in practice. None of the Executive Directors participate in a Group defined benefit pension scheme.

Benefits

There are no proposed changes to the benefits provisions for Executive Directors for the 2026 financial year.

Annual bonus

In line with the Remuneration Policy, the maximum opportunity for the 2026 financial year will be:

- Matthew Moulding: 100% of base salary; and
- Damian Sanders: 100% of base salary.

The measures and weightings for Matthew Moulding and Damian Sanders for the 2026 financial year will be:

- Free Cash Flow (50%);
- Adjusted EBITDA (25%); and
- Group Sales (25%).

The measures to be assessed are consistent with those adopted for the 2025 financial year, with a reweighting towards Free Cash Flow to align with the key priorities of the Group.

The specific targets are considered commercially sensitive and will be disclosed in next year's Annual Report on Remuneration.

LTIP award

No LTIP grants were made during 2025 while a broader review of the operation of incentives across the business is conducted. Following the conclusion of this review, it is expected that the Company will make a delayed 2025 LTIP award to Damian Sanders following the upcoming AGM, at which time a 2026 LTIP award is also expected to be made in line with the usual schedule. Both awards will be made in line with the approved Remuneration Policy (i.e. up to 250% of salary opportunity for each award) and will be subject to stretching financial and strategic performance targets which will be disclosed at the time of grant via a Regulatory News Service announcement and measured over respective three-year periods, with further two-year post-vesting holding periods applying in line with the relevant Code requirement and market best practice.

NED fees

No increases in NED fees are proposed for the 2026 financial year. Accordingly, annual NED fees will remain as follows for 2026:

NED fee type	Fee
Fee for Independent Chair	£432,640
Fee for SID	£93,600
Base fee for independent NEDs	£75,710
Base fee for non-independent NEDs	£37,850
Additional fee for chairing each of Audit, Related Party, Remuneration, Risk and Sustainability Committees	£12,000
Additional fee for chairing Nomination Committee	£8,000
Additional fee for membership of each of Audit, Nomination, Related Party, Remuneration, Risk and Sustainability Committees	£5,000

Advisers to the Remuneration Committee

PricewaterhouseCoopers LLP ("PwC") remain engaged as the Remuneration Committee's independent remuneration advisers, having been appointed prior to Admission by the then Remuneration Committee Chair. PwC is a member of the Remuneration Consultants Group, the professional body for remuneration consultants, and adheres to its Code of Conduct. The Remuneration Committee is satisfied that the advice provided by PwC during 2025 was objective and independent and, while separate teams within PwC also advise the Company on matters of tax, corporate governance and operations, the Remuneration Committee is further satisfied that these activities do not compromise the independence or objectivity of the advice it receives from PwC as Remuneration Committee advisers.

During 2025 PwC provided general support to the Remuneration Committee and guidance on developments in remuneration governance and best practice, including associated implications for THG. PwC further advised on:

- the 2024 Directors' Remuneration Report;
- appropriate performance metrics for 2025 and 2026 incentive arrangements; and
- 2025 AGM season remuneration trends.

Fees charged by PwC for advice provided to the Remuneration Committee for the 2025 financial year amounted to £51,850 (excluding VAT).

On behalf of the Remuneration Committee

Helen Jones

Chair of the Remuneration Committee

25 March 2026

Directors' Report

Directors' Report disclosures

The Directors present their report, together with the audited consolidated financial statements of the Company, for the financial year ended 31 December 2025. In accordance with section 414C(11) of the Companies Act, the Company has chosen to provide disclosures and information in relation to certain matters elsewhere in this Annual Report. These matters, together with those required under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, are cross-referenced in the table which follows and, together, form part of this Directors' Report.

The Corporate Governance Report, contained on pages 71 to 78, is incorporated by reference into this Directors' Report.

Information	Section in the Annual Report	Page(s)
Risk management (including principal and emerging risks)	Strategic Report	60 to 69
Going concern statement	Strategic Report	68
Future developments of the Company	Strategic Report	Throughout the Strategic Report (pages 2 to 69)
GHG emissions	Strategic Report	44 to 47 and 52 to 59
Directors' biographies	Corporate Governance Report	72 and 73
Corporate governance arrangements	Corporate Governance Report	71 to 78
Directors' conflicts of interest	Corporate Governance Report	77
Related Party Transactions	Financial Statements	148 to 150
Statement of engagement with employees	Strategic Report	37
Statement of engagement with suppliers, customers and others in a business relationship with the Company	Strategic Report	32 to 38

Articles of Association

In accordance with the Companies Act, the Articles of Association may only be amended by special resolution at a general meeting of Shareholders. The Articles of Association are available on the Company's website at: <https://www.thg.com/investor-relations/key-governance-documents>.

AGM

The AGM will be held at THG Studios, 7-9 Sunbank Lane, Altrincham WA15 0AF on 24 June 2026 at 1.00 p.m.. The Notice of Meeting, together with explanatory notes, will be sent to Shareholders in May 2026.

Directors

Biographies of those Directors who were in office at 31 December 2025, and remain in office as at the date of this Directors' Report, are contained in the Corporate Governance Report on pages 72 and 73.

All of these Directors held office throughout the whole of 2025, with the exception of Milyae Park who was appointed on 28 January 2025. John Gallimore resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025.

All Directors in office as at the date of this Directors' Report will offer themselves for re-election by Shareholders at the forthcoming AGM.

Directors' interests

Details of Directors' beneficial and legal interests in the Shares are detailed in the Directors' Remuneration Report on page 100.

No share awards were granted to Executive Directors under the Company's share schemes during the 2025 financial year.

Qualifying third party indemnification and insurance

Pursuant to the Articles of Association and their service contracts/letters of appointment (as appropriate), Directors benefited from qualifying third party indemnity provisions for the purposes of section 236 of the Companies Act throughout 2025 and up to the date of this Directors' Report. The Company also maintained Directors' and Officers' Liability Insurance throughout 2025.

Appointment and replacement of Directors

The rules for appointing and replacing Directors are set out in the Articles of Association. Directors can be appointed by the Board or by ordinary resolution of the Company. A Director can be removed from office by the Company passing an ordinary resolution or by notice being given by all other Directors.

Powers of the Directors

The Directors may exercise all the powers of the Company subject to the provisions of the relevant legislation, the Articles of Association and any directions given by the Company in a general meeting.

Share capital

Subject to the Companies Act and the Articles of Association, but without prejudice to the rights attached to any existing Share, any Share may be issued with, or have attached to it, such rights or restrictions as the Company may decide by ordinary resolution or, if no such resolution is in effect, as the Board may decide so far as the resolution does not make specific provision. No such resolution is currently in effect.

Purchase of own Ordinary Shares

At the 2025 AGM the Company was granted authority by its Shareholders to purchase up to 10% of its ordinary issued share capital, in accordance with the Articles of Association. No Shares were bought back under this authority during the 2025 financial year or in the period from 1 January 2026 to the date of this Directors' Report. This buyback authority will expire at the conclusion of the forthcoming AGM, when the Directors intend to propose the authority be renewed.

Allotment of Shares

Under the Companies Act, the Directors may only allot Shares if authorised to do so by Shareholders in a general meeting.

The Directors were granted authority by Shareholders to allot securities in the Company up to an aggregate maximum nominal amount of £5,140,963.80 and to allot securities, without the application of pre-emption rights, up to a nominal amount of £771,144.57 and a further £771,144.57 in connection with an acquisition or specified capital investment of a kind contemplated by the Pre-Emption Group's updated Statement of Principles on Disapplying Pre-Emption Rights.

In connection with both authorities, the Directors were also granted authority to allot up to a further nominal amount of £154,228.91 for the purposes of a follow-on offer (as such term is described in the Pre-Emption Group's updated Statement of Principles on Disapplying Pre-Emption Rights).

These authorities apply until the conclusion of the forthcoming AGM when the Company will seek Shareholder approval to renew them, with detailed explanatory notes included within the Notice of Meeting.

Share structure

The Company is the holding company of the Group and has in issue the classes of shares set out in the table which follows. On 6 January 2025 the Company transferred the listing category of its Ordinary Shares from the Transition category to the ESCC category of the Official List.

As at 31 December 2025 the Shares in issue were as follows:

Share class	Number of Shares	Percentage of Company's fully diluted share capital
Allotted, called up and fully paid Ordinary Shares	1,599,781,137	81.04
Allotted, issued and fully paid B Shares ¹	0	n/a
Allotted, issued and partly paid D1 Shares	56,082,651	2.84
Allotted, called up and fully paid D2 Shares	17,066	n/a
Allotted, issued and partly paid E Shares	48,571,808	2.46
Allotted, issued and partly paid F Shares	26,685,406	1.35
Allotted, issued and partly paid G Shares	16,841,351	0.85
Allotted, issued and fully paid Deferred 1 Shares	204,404,691	10.36
Allotted, issued and partly paid Deferred 2 Shares	21,563,860	1.10
Total	1,973,947,970	100

1. Following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Group, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024. These B Shares were redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025. Further information on the demerger and the B Shares is included within the Demerger Circular.

As at 31 December 2025 Matthew Moulding was interested in 307,682,946 Ordinary Shares, representing 19.23% of the total issued Ordinary Shares; 50,550,450 D1 Shares, representing 90.14% of the total issued D1 Shares; 360 D2 Shares, representing 2.11% of the total issued D2 Shares; 43,641,266 E Shares, representing 89.85% of the total issued E Shares; 20,197,808 F Shares, representing 75.69% of the total issued F Shares; 7,733,792 G Shares, representing 45.92% of the total issued G Shares; 97,227,825 Deferred 1 Shares, representing 47.57% of the total issued Deferred 1 Shares; and 18,346,774 Deferred 2 Shares, representing 85.08% of the total issued Deferred 2 Shares. For further information, please refer to the relevant details in the 'Significant contractual arrangements' section which follows.

Rights and obligations attaching to Shares

The rights attaching to the Shares, as detailed within the Articles of Association, are as follows:

(a) Ordinary Shares

The Ordinary Shares rank pari passu in all respects and carry the right to receive all dividends and distributions declared, made or paid on, or in respect of, the Ordinary Shares.

Subject to disenfranchisement in the event of non-payment of any call or other amount due and payable in respect of any Share, or non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any Share, on a show of hands every Shareholder present in person or by proxy has one vote and on a poll every Shareholder present in person or by proxy has one vote for every Ordinary Share that they hold.

Electronic and paper proxy appointments and voting instructions must be received no later than 48 hours (excluding any part of a day that is not a working day) before a general meeting.

Except as set out above and as permitted under applicable statutes, there are no limitations on the voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

Directors' Report continued

Share capital continued

Rights and obligations attaching to Shares continued

(b) D1 Shares, D2 Shares and E Shares

The D1 Shares, D2 Shares and E Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company. The holders of D1 Shares, D2 Shares and E Shares may convert their D1 Shares, D2 Shares and E Shares into Ordinary Shares (on the basis of, as applicable, one Ordinary Share per D1 Share or E Share or 185 Ordinary Shares per D2 Share).

(c) F Shares and G Shares

The F Shares and G Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company. The holders of F Shares and G Shares may exercise put options to convert their F Shares and G Shares into Ordinary Shares (on the basis of, as applicable, one Ordinary Share per F Share or G Share). The put options may be exercised for a period of 10 years from the end of the performance period (which ended on 31 December 2022).

(d) Deferred 1 Shares and Deferred 2 Shares

The Deferred 1 Shares and Deferred 2 Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company. The Deferred 1 Shares and Deferred 2 Shares may be purchased by the Company, provided it is lawful for the Company to purchase them, for an aggregate sum of £1.00.

Restrictions on transfer or holdings of securities in the Company

With the exception of the following, there are no restrictions on the transfer of, or limitations on holding, securities in the Company: The Company may, pursuant to the Articles of Association and the Companies Act, send out statutory notices to those it knows, or has reasonable cause to believe, have an interest in its Shares, asking for details of those who have an interest in a particular holding of Shares and the extent of their interest. When a person receives a statutory notice and fails to provide any information required by the notice in the time specified within it, the Company can apply to a court for an order directing, amongst other matters, that any transfer of the Shares which are the subject of the statutory notice is void. The Directors may, without giving any reason, refuse to register the transfer of any certificated Ordinary Shares which are not fully paid. Transfers of uncertificated Ordinary Shares must be carried out using CREST, the central securities depository for markets in the UK and for Irish stocks, and the operator of the relevant system or the Directors can refuse to register a transfer of an uncertificated Ordinary Share, in accordance with the regulations governing the operation of CREST.

Dividends

Subject to the Companies Act and the Articles of Association, the Company may, by ordinary resolution, declare dividends and the Directors may decide to pay interim dividends. A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors and no dividend may be declared or paid unless it is in accordance with members' respective rights.

No dividends were declared, nor will any be distributed, for the financial year ended 31 December 2025. While no dividends were declared or distributed for the financial year ended 31 December 2024, a dividend liability was recognised within the statement of financial position at 31 December 2024 following Shareholders granting approval to the business contained within the Demerger Circular on 27 December 2024. The settlement of the dividend liability took place on 2 January 2025, the date of the demerger of THG Ingenuity. For further information, including the resulting gain on demerger, please see note 12.2 to the financial statements.

Shareholders approved the demerger of THG Ingenuity on 27 December 2024, and the dividend in specie was recognised on that date. The Directors carried out an appropriate assessment of distributable reserves in line with the Companies Act at the time. Following the FRC's limited scope review (closed March 2026), it was identified that the administrative step of filing interim accounts as at 27 December 2024 had not been undertaken. Having taken legal advice, the Company has now filed those interim accounts at Companies House to correct that administrative error and we expect a Shareholder resolution will be proposed at the forthcoming AGM.

Return of capital

A liquidator may, on obtaining any sanction required by law, divide amongst the members in kind the whole, or any part, of the assets of the Company and may, for that purpose, value any assets and determine how the division is carried out as between the members or different classes of members.

Shares held on trust

The Company has established an employee benefit trust ("EBT") to hold Ordinary Shares to satisfy awards made under the Employee Incentive Plan. As at the date of this Directors' Report, the EBT holds 53,538,428 Ordinary Shares.

Substantial shareholdings

Disclosable interests of 3% or more in Ordinary Shares as at 31 December 2025 and 28 February 2026 were as follows:

Shareholder	Percentage of Ordinary Shares as at 31 December 2025	Percentage of Ordinary Shares as at 28 February 2026
Matthew Moulding	19.23	20.24 ¹
Frasers Group plc	10.77	10.50
Sofina S.A.	7.97	7.77
Balderton Capital (UK) LLP	6.06	5.91
Qatar Investment Authority	5.95	5.80
THG EBT	4.60	5.51

1. On a fully diluted basis, Matthew Moulding's equity interest equates to approximately 25.4% of the Company's issued share capital (further details on which can be found within the 'Directors' shareholdings (audited)' section of the Annual Report on Remuneration).

All notifications made to the Company under the DTRs are released to the market via a Regulatory Information Service and made available on the Company's website at: <https://www.thg.com/investor-relations/regulatory-news/>.

Change of control

Other than the terms of the agreement between Matthew Moulding and the Company, as detailed under the 'Significant contractual arrangements' section which follows, there are no agreements between THG and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) by reason of a takeover bid.

Details concerning the impact on annual bonus in the event of a change of control are set out in the Remuneration Policy. Generally, any annual bonus awards and unvested LTIP awards would be pro-rated for time and performance in the event of a change of control whereas any deferred elements of bonus would not be.

While the Remuneration Committee has the discretion not to pro-rate for time, its normal policy is to do so. The Remuneration Committee's discretion not to pro-rate would only be used if there was an acknowledged business case which would be fully explained to Shareholders. In all cases the relevant performance conditions must be satisfied.

The Company has entered into various agreements with third parties, as well as contracts with third-party service providers, which provide such parties with a right to terminate their agreement in the event of a change of control.

Significant contractual arrangements

The Company is party to a relationship agreement with Matthew Moulding which regulates the ongoing relationship between the two parties (the "Relationship Agreement"). The principal purpose of the Relationship Agreement is to ensure that the Company is capable of carrying on its business independently of Matthew Moulding and that all transactions and arrangements between the Company and Matthew Moulding are conducted on normal commercial terms.

The provisions of the Relationship Agreement, imposing certain obligations on Matthew Moulding, will remain in full force and effect, in respect of Matthew Moulding, for so long as Matthew Moulding beneficially owns, together with any of his associates, at least (a) 5% of the fully diluted share capital of the Company or (b) 10% of the Ordinary Shares.

THG Intermediate Opco Limited and THG Operations Holdings Limited are party to a senior facilities agreement, originally dated 10 December 2019, in relation to a syndicated €445m Term Loan B Facility and £150m RCF, as amended and/or amended and restated from time to time, which is subject to mandatory prepayment provisions following the occurrence of a change of control or the sale of all, or substantially all, of the assets of THG Operations Holdings Limited and its restricted subsidiaries.

In connection with the Company's debt refinancing and associated equity contribution announced on 24 March 2025, the Company entered into a non-interest-bearing convertible loan agreement in an amount of £67.5m, on 26 March 2025, with Guernsey-registered FIC Shareco Limited (a person closely associated with Matthew Moulding) (the "Convertible Loan").

If not previously converted, the Convertible Loan was repayable on the earlier of 31 December 2030 and the date 12 months after the maturity of the existing EUR Term Loan B and existing £150m RCF. It was also repayable on a change of control of the Company (or, at the discretion of the Company, convertible into newly issued Ordinary Shares if the requisite Shareholder approval had been obtained at the time of the change of control).

On 5 December 2025, the Convertible Loan was converted into 209,086,407 Ordinary Shares which were admitted to trading on the London Stock Exchange and to the Official List on 8 December 2025 and acquired by FIC Shareco Limited pursuant to the terms of the Convertible Loan.

Other than as disclosed above, there are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid.

The Company does not have any agreement with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on a takeover, except that the terms of the Company's share schemes and plans may provide for the vesting of employee options and/or awards in the circumstances of a takeover.

Donations

During the 2025 financial year the Group made several charitable donations totalling £0.8m (2024: £0.2m). An additional amount of £0.4m (2024: £0.4m) was also accrued at the balance sheet date as a result of Matthew Moulding waiving as much as was legally permissible of his base salary during 2025 in return for the Group making a charitable donation to The Moulding Foundation of a similar value. THG did not make any political donations during 2025 (2024: £nil).

Overseas branches

While the Group does not operate any overseas branches, subsidiaries have been established in the following countries: Australia, China, France, Germany, Guernsey, India, Japan, Poland, Singapore, Sweden, the United Arab Emirates and the United States of America.

As a Group we continue to monitor the situation in Ukraine and Russia. From an operational perspective, all THG own-brand deliveries remain suspended across Russia and Russian-occupied Ukraine territories and the Group has continued to work with its courier partners in this regard. The necessary measures have also been implemented within the Group to ensure continued compliance with all applicable sanctions and related notices and guidance.

Research and development

Following completion of the demerger on 2 January 2025, THG Ingenuity – the Group's former proprietary technology platform – continued to provide services to the Group throughout 2025 and up to the date of this Annual Report.

In addition to delivering end-to-end ecommerce functionality, THG Ingenuity offers the Group significant competitive advantages as its commercial teams review real-time transactional and customer insight data. This data informs trading decisions which are then executed within short time frames.

Directors' statement of responsibility

The Directors are responsible for preparing this Annual Report, including the financial statements, in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, the Directors have elected to prepare the Group financial statements in accordance with UK-adopted IFRS and the parent company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the Directors must not approve the financial statements unless they are satisfied that they provide a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for the period in question.

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

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

Directors' Report continued

Directors' statement of responsibility continued

- provide additional disclosures when compliance with the specific requirements in IFRS (and, in respect of the parent company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions and other events and conditions on the financial position and financial performance of the Group and/or Company;
- in respect of the Group financial statements, state whether UK-adopted IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, 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 Company and/or the Group will continue in business.

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

The Directors are also responsible for safeguarding the assets of the Group and parent company and thus for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with DTR 4.1.12R, each Director whose name and position appears on pages 72 and 73 of the Corporate Governance Report confirms that, to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report, taken as a whole, to be fair, balanced and understandable, providing the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Audit and External Auditor

At the date of approval of this Directors' Report, each Director confirms that:

- to the best of their knowledge, there is no relevant audit information that has not been brought to the attention of the External Auditor; and
- they have taken all steps required of them to make themselves aware of any relevant audit information and to establish that the External Auditor was aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act.

EY has indicated its willingness to continue in office as External Auditor and, upon the recommendation of the Audit Committee, a resolution to reappoint EY as such will be proposed at the forthcoming AGM. Any remuneration received by EY for: (i) auditing this Annual Report; and (ii) any other (non-audit) services has been disclosed in note 5 to the Group's financial statements.

Approval of Directors' Report

This Directors' Report was approved and issued by the Board and signed on its behalf by

James Pochin

General Counsel and Company Secretary

25 March 2026

Financial Statements

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Financial Statements

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Independent Auditor’s Report to the members of THG PLC

Opinion

In our opinion:

- THG PLC’s Group financial statements and Company financial statements (the “financial statements”) give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 December 2025 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of THG PLC (the ‘Company’) and its subsidiaries (the ‘Group’) for the year ended 31 December 2025 which comprise:

Group	Company
Consolidated statement of comprehensive income for the year ended 31 December 2025	Company statement of financial position as at 31 December 2025
Consolidated statement of financial position as at 31 December 2025	Company statement of changes in equity for the year ended 31 December 2025
Consolidated statement of changes in equity for the year ended 31 December 2025	Related notes 1 to 11 to the financial statements, including material accounting policy information
Consolidated statement of cash flows for the year ended 31 December 2025	
Related notes 1 to 28 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework” (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 are independent of the Group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

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 Company’s ability to continue to adopt the going concern basis of accounting included:

- We have documented and evaluated the process followed by management to prepare the base case and downside scenario forecasts which they have used in their going concern assessment.
- We audited the forecasts underpinning the going concern model which are based on the Board-approved forecasts, including checking the arithmetical accuracy and appropriateness of management’s base case forecast over the going concern assessment period to 30 April 2027. We validated that the source of the forecasts used for the going concern assessment was the same underlying cash flows used for other parts of the audit, including impairment assessments.
- We challenged the reasonableness of the key assumptions such as the revenue growth rate and EBITDA margin used within the base case and downside scenarios, and compared them to external evidence including sector reports, industry trends and historical data where appropriate.
- We verified the cash positions as at 31 December 2025 and 28 February 2026 to bank statements, and to bank confirmations as at 31 December 2025.
- We reviewed the new financing agreements entered into in April 2025 and confirmed the availability of the RCF and Term Loan B through to 2029 (significantly outside the going concern period). The asset-backed facility is on a rolling term and therefore we assessed as part of our procedures a scenario where this facility was repaid. We also considered changes to covenants following the refinancing and vouched that these had been correctly modelled in management’s forecasts.

- We reviewed the accuracy of management’s forecasting by comparing the forecast results for the period 1 January 2026 to 28 February 2026 to actual results as reported within management accounts and flash results up to 28 February 2026.
- We identified additional stress tests that were then run by management to determine the impact of changing some of management’s key assumptions on the going concern assessment. These key assumptions were in relation to the revenue growth rate and the gross margin, both of which would impact the liquidity headroom in the going concern period. Covenant compliance only becomes applicable when the business draws down on more than 20% of the existing RCF facilities until expiry in May 2029. Management performed these stress tests by sensitising for each key assumption individually based on their expectation of a reasonable downside scenario for that assumption and then prepared a reverse stress test by sensitising multiple assumptions in order to reduce headroom to nil. We then evaluated the likelihood of the scenario that would reduce headroom to nil.
- We assessed the mitigating actions identified by management including the timescale that each could be implemented along with whether the actions were within management’s control.
- We reviewed the appropriateness of management’s going concern disclosure in describing the risks associated with its ability to continue to operate as a going concern until 30 April 2027.
- The audit procedures on going concern were supervised and directed by the audit engagement partner and senior members of the team.

Our key observations in relation to the work performed are:

- In management’s base case and plausible downside scenario the Group retained headroom on forecast cash and covenant compliance throughout the going concern assessment period. The lowest level of cash headroom identified is £30m in management’s downside scenario.
- Cash balances as at 31 December 2025 total £183m. The Group is projected to meet all of its covenant tests (which only apply when the Group draws down on more than 20% of the existing RCF facilities) throughout the forecast period after applying sensitivities and stress testing modelled by management except for the reverse stress test which was designed to identify which assumptions would eliminate headroom in the model.

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 Company’s ability to continue as a going concern for a period to 30 April 2027.

In relation to the Group and Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group’s ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We determined that centralised audit procedures could be performed on 54 components covering all Group significant accounts. We then considered whether the remaining amounts in relation to Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected an additional two components of the Group to include in our audit scope to address these risks and performed specified procedures on these components.
Key audit matters	<ul style="list-style-type: none"> • Revenue recognition (Group). • Significant disclosures (Group). • Impairment of intangible assets in the THG Beauty CGU (Group). • Recoverability of the Company’s investment in subsidiaries and intercompany receivables (Company).
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of £8.6m which represents 0.5% of Group revenue. • Company materiality is £8.6m which represents 0.5% of Company equity capped at the value of Group materiality.

An overview of the scope of the Company and Group audits

We followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components on which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the Group’s system of internal control at the entity level, and the existence of centralised processes and applications, the results of internal audits plus the potential impact of climate change.

We determined that centralised audit procedures could be performed on 54 components covering all Group significant accounts.

We then considered whether the remaining amounts in relation to Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements.

We selected an additional two components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

For the two components selected, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact companies. The Group has determined that the most significant future impacts from climate change on its operations will be from transition and physical risks.

These are explained on pages 54 to 58 in the required Task Force On Climate Related Financial Disclosures and on pages 62 to 67 in the principal risks and uncertainties. They have also explained their climate commitments on page 44. All of these disclosures form part of the “Other information,” rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

In planning and performing our audit we assessed the potential impacts of climate change on the Group’s business and any consequential material impact on its financial statements.

The Group has explained in the other judgements and sources of estimation uncertainty (note 1) its articulation of how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Independent Auditor’s Report to the members of THG PLC continued

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management’s assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 54 to 58 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors’ considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified.

These matters included those 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<p>Revenue recognition (£1,718m, 2024: £1,751m) Refer to the Audit Committee Report (page 81); Accounting policies (page 123); and Note 2 of the Consolidated Financial Statements (pages 128 and 129)</p> <p>Revenue is a key metric when evaluating the performance of the Group and receives significant scrutiny externally and internally. It is primarily comprised of a large volume of small value transactions. As the Group achieves c.30% of its revenue in the final quarter, we consider it appropriate to heighten our risk response in this quarter.</p> <p>Our risk in relation to revenue recognition is specific to the risk of bias or fraud through management manipulation of revenue recognised by non-routine/ manual adjustments which increase the amount of revenue recognised in the year, with a particular focus on postings made in the final quarter.</p>	<p>In response to this risk, we:</p> <ul style="list-style-type: none"> Performed a walkthrough of the relevant controls over revenue recognition for all significant revenue streams within the Group. Adopted a data analytics approach to corroborate our expectation of the relationship between revenue and cash receipts for D2C websales and revenue, trade receivables and cash receipts for B2B sales. Any material exceptions, representing journals outside of the standard process which may be indicative of management override of controls, were substantively tested. For exceptions posted in the final quarter, we applied a lower testing threshold to identify items for substantive testing. Audited material non-routine journal entry postings to any significant revenue stream which could be reflective of management override in relation to the amount of revenue recognised. For journals identified which satisfied this criteria, we obtained supporting evidence from management to corroborate that the journal entry was valid, appropriate and adequately supported.
<p>Key observations communicated to the Audit Committee Through our analytics procedures and journal testing performed we have gained sufficient assurance that the revenue recognised in the year is appropriately recorded.</p>	
<p>How we scoped our audit to respond to the risk We performed centralised procedures over this risk which covered 94% of revenue. We supplemented this by also performing specified procedures over revenue in one component, which covered a further 3% of revenue.</p>	

Risk	Our response to the risk
<p>Significant disclosures (Adjusted items – 2025: £30m, 2024: £124m) Refer to the Audit Committee Report (pages 80 and 81); Accounting policies (page 123); and Note 4 of the Consolidated Financial Statements (pages 130 and 131)</p> <p>Our risk is focused on the following areas of the annual report that we consider are more complex or subjective disclosure items:</p> <ul style="list-style-type: none"> Adjusted profit measures – potential for amounts to be classified as adjusted that are not in line with management’s accounting policy. Whether the accounts when taken as a whole are fair, balanced and understandable. 	<p>In response to this risk, we:</p> <ul style="list-style-type: none"> Understood the costs that have been proposed by management for separate disclosure as adjusted items in the financial statements and challenged whether these costs comply with the Group’s policy, merit separate presentation or whether they are simply the ongoing costs of the business. Ensured that narrative within the Annual Report does not give undue prominence to Alternative Performance Measures (APMs), checking that the APM is reconciled to the nearest GAAP measure and that APM’s disclosed are consistent year-on-year. Reviewed the related party disclosure note, and challenged management on completeness and transparency of disclosure, and ensured the related party committee had considered all items disclosed. Evaluated how the Board and those charged with governance have assessed and concluded that the Annual Report is fair, balanced and understandable.

Key observations communicated to the Audit Committee
 We raised observations to the Audit Committee in relation to certain judgements that had been made in management’s determination of adjusted items and challenged management and the Audit Committee on the appropriateness of conclusions reached.

We requested that certain disclosures provided within note 4 were enhanced to ensure that the narrative included was sufficient and appropriate to reflect the nature of items included in this note and ensure any judgements taken by management were clearly disclosed to a user of the financial statements in order to enable them to form a view on the appropriateness of the adjustments being made.

Overall, we concluded that the Annual Report, when taken as a whole, is considered to be fair, balanced and understandable.

How we scoped our audit to respond to the risk
 We performed procedures in relation to adjusted profit measures centrally for the Group as a whole.

Our procedures in relation to assessing whether the accounts, when taken as a whole were fair, balanced and understandable, were not impacted by our scoping of account balances.

Risk	Our response to the risk
<p>Impairment of intangible assets in the THG Beauty CGU (£760m, 2024: £815m carrying value of CGU) Refer to the Audit Committee Report (page 80); Accounting policies (page 124); and Note 10 of the Consolidated Financial Statements (pages 135 and 136)</p> <p>There is a risk that the recoverable value of assets within the THG Beauty CGU are below the carrying amount resulting in an impairment.</p> <p>The CGU continues to operate in a challenging macroeconomic environment, and the model continues to be sensitive to changes in key assumptions, therefore we identified a significant risk associated with the impairment assessment.</p> <p>The impairment assessment requires management to make a number of key assumptions, including in respect of short and long-term growth rates, EBITDA margins and the discount rate adopted. There is a risk that optimism in the assumptions could lead to an unrecorded impairment.</p>	<p>In response to this risk, we:</p> <ul style="list-style-type: none"> Performed a walkthrough of management’s annual impairment review process and assessed the design effectiveness and implementation of key controls. Obtained management’s impairment assessment and evaluated the methodology adopted to confirm it is consistent with the requirements of IAS 36. Assessed the reliability of management’s forecasts by comparing previous forecasts to actuals. We validated that the source of the forecasts used for the impairment model is the same underlying cash flows used for other parts of the audit, including going concern. Challenged the reasonableness of the forecasts used in the assessment including key assumptions (revenue growth and EBITDA margin) by comparing to third party industry forecasts, competitors and historical actuals. We engaged EY valuations specialists to calculate an independent range of the discount rate and perpetuity rate expected for the THG Beauty CGU. Assessed the sensitivity of the model to reasonably possible changes in key assumptions both in isolation and as a combined scenario. Assessed the clerical accuracy of the model. Assessed the impairment disclosure presented by management and ensured this is in accordance with the requirements of ‘IAS 36 Impairment of Assets’.

Key observations communicated to the Audit Committee
 We are satisfied that the carrying value of assets in this CGU is not impaired. We have highlighted to the Audit Committee the sensitivity of the THG Beauty impairment model to reasonably possible changes in key assumptions when applied in combination such as the revenue growth rate and EBITDA margin. We have concluded that THG’s disclosures sufficiently describe this sensitivity, and that the disclosures in the Annual Report regarding the Impairment assessment for this CGU are in line with IAS 36.

How we scoped our audit to respond to the risk
 Our procedures were not impacted by our scoping of account balances.

Risk	Our response to the risk
<p>Recoverability of the Company’s investment in subsidiaries and intercompany receivables Refer to the Accounting policies (page 156); and Note 5 of the Company Financial Statements (page 157)</p> <p>There is a risk that the carrying value of investments (£13m) and intercompany receivables (£1,649m) within the Company exceed their recoverable value. This risk is increased due to the current market conditions in respect of both the THG Beauty and THG Nutrition businesses.</p> <p>We consider that this potential risk is heightened by the Company assets exceeding market capitalisation relative to the combined investment and intercompany balance.</p>	<p>In response to this risk, we:</p> <ul style="list-style-type: none"> Reviewed the performance of each business and market conditions to assess whether there were indicators of impairment. For the investment held in THG Insurance Limited we compared the carrying amount of the investment to the net assets of this subsidiary, to identify whether the net asset value was in excess of the carrying value. For the investment held in THG Intermediate Holdings Limited we compared the carrying amount of the investment and intercompany receivable balances to the recoverable amount of the subsidiaries, using the values derived from the impairment assessments performed for the THG Beauty and THG Nutrition CGUs. As part of this assessment we also considered the quantum of external debt that would require repayment. Considered the carrying value of investment in subsidiaries and intercompany receivables in light of the market capitalisation of the Group.

Key observations communicated to the Audit Committee
 We are satisfied that the carrying value of investments and intercompany receivables are not impaired.

How we scoped our audit to respond to the risk
 Our procedures were not impacted by our scoping of account balances, as we performed our responsive audit procedures on the total investment and intercompany receivable balances.

In the prior year, our auditor’s report included key audit matters in relation to the demerger of THG Ingenuity. In the current year, we have removed this as a KAM following the completion of the demerger on 2 January 2025.

Independent Auditor's Report to the members of THG PLC continued

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £8.6 million (2024: £10 million), which is 0.5% (2024: 0.5%) of Group revenue. We believe that revenue is the most important benchmark for users of the financial statements as it is a key performance indicator within the Group's financial reporting and communications to the market.

We determined materiality for the Company to be £8.6 million (2024: £10 million) (capped at Group materiality).

During the course of our audit, we reassessed initial materiality set at the planning stage of the audit, and updated our assessment based on year end performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, our judgement was that performance materiality was 50% (2024: 50%) of our planning materiality, namely £4.25m (2024: £5.0m). We have set performance materiality at this percentage due to the level of errors identified through the course of the 2024 audit.

Audit work is undertaken on components for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £850k to £4.1m (2024: £1.0m to £4.4m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £425k (2024: £500k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 110 and 160 to 164, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the 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.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 68;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 68 and 69;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 68;
- Directors' statement on fair, balanced and understandable set out on pages 81 and 82;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 62 to 67;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 60 to 62; and
- The section describing the work of the audit committee set out on pages 79 to 83.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 109 and 110, 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 and 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted IAS, Companies Act 2006, the UK Corporate Governance Code and the Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which THG PLC operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, manufacturing, marketing and advertising, data protection and privacy, and bribery and corruption practices.
- We understood how THG PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, internal audit reports and papers provided to the Audit Committee and Risk Committee.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journal entries and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on consolidation journals and journal entries indicating large or unusual transactions based on our understanding of the business. We performed inquiries of internal and external legal counsel, reviewed material items within the Group's legal expenses, and reviewed media coverage of the Group to identify whether there were relevant matters that had not been brought to our attention through discussions with management. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.
- As disclosed in the Audit Committee Report, the Company received a comment letter from the FRC in the year. We noted that the Directors had performed appropriate and timely assessment of the sufficiency of reserves to make the dividend in specie recorded in the 2024 Annual Report. However, the Company did not file interim accounts in accordance with the requirements in the Companies Act. We have reviewed the legal advice and have confirmed that the Company has now remedied by submitting interim accounts.

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

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company in 2011 to audit the financial statements for the year ending 31 December 2011 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 15 years, covering the years ending 31 December 2011 to 31 December 2025.

The Group listed on the London Stock Exchange for the year ended 31 December 2020, became a UK PIE and therefore, at this point mandatory auditor rotation rules became effective.

- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Karl Havers

(Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
25 March 2026

Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
Continuing operations			
Revenue	2	1,717,877	1,751,404
Cost of sales		(1,029,879)	(1,057,809)
Gross profit		687,998	693,595
Distribution costs		(215,419)	(230,957)
Administrative costs		(524,982)	(610,533)
Profit on disposal of subsidiary	12.1	60,537	—
Operating profit/(loss)	3	8,134	(147,895)
Finance income	8	2,535	9,049
Finance costs	8	(80,052)	(63,554)
Loss before taxation		(69,383)	(202,400)
Income tax credit	9	5,708	21,867
Loss for the financial year from continuing operations		(63,675)	(180,533)
Discontinued operations			
Profit/(loss) for the financial year from discontinued operations, net of tax	12.2	117,800	(145,607)
Profit/(loss) for the financial year		54,125	(326,140)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(28,939)	12,175
Net loss in cash flow hedges		(5,433)	(7,941)
Total comprehensive income/(expense) for the financial year		19,753	(321,906)
Basic and diluted loss per share continuing operations (£)	26	(0.04)	(0.13)
Basic and diluted profit/(loss) per share discontinued operations (£)	26	0.08	(0.11)
Basic and diluted profit/(loss) per share (£)		0.04	(0.24)

Adjusted EBITDA

	Note	2025 £'000	2024 ² £'000
Operating profit/(loss)		8,134	(147,895)
Adjustments for:			
Amortisation	10	16,520	19,880
Amortisation of acquired intangibles	10	41,886	45,506
Depreciation	3	32,459	24,824
Adjusted items – cash	4	14,299	24,547
Adjusted items – non-cash	4	6,400	42,440
Adjusted items – non-cash impairment	4	9,528	57,466
Share-based payments	7	7,903	16,579
Profit on disposal of a subsidiary		(60,537)	—
Adjusted EBITDA¹		76,592	83,347

The comprehensive income/(expense) is 100% attributable to the owners of the parent company.

- Adjusted EBITDA is defined as operating profit before depreciation, amortisation, share-based payments, profit on disposal of a subsidiary and adjusted items.
- Adjusted EBITDA for 2024 has been re-presented from £92.1m to £83.3m to remove the separate classification of discontinued categories which totalled £8.7m to provide a like-for-like comparison to 2025.

Consolidated statement of financial position

as at 31 December 2025

	Note	31 December 2025 £'000	31 December 2024 £'000
Non-current assets			
Intangible assets	10	836,034	958,322
Property, plant and equipment	11	55,841	64,890
Right-of-use assets	22	116,783	29,327
Other financial assets	14	—	4,590
Deferred tax asset	21	599	4,072
		1,009,257	1,061,201
Current assets			
Assets held for distribution	12.2	—	762,369
Inventories	13	272,839	265,371
Trade and other receivables	15	106,691	147,272
Other financial assets	14	26,468	727
Current tax asset		801	—
Cash and cash equivalents	16	183,099	308,622
		589,898	1,484,361
Total assets		1,599,155	2,545,562
Equity			
Ordinary Shares	23	9,606	8,219
Share premium		2,207,500	2,117,148
Merger reserve		—	615
Capital redemption reserve		523	523
Hedging reserve		(42,880)	(36,134)
Cost of hedging reserve		34,769	33,456
FX reserve		1,996	27,779
Retained earnings		(1,786,292)	(1,845,779)
		425,222	305,827
Non-current liabilities			
Borrowings	18	360,742	491,782
Other financial liabilities	14	—	35,705
Lease liabilities	22	109,868	31,077
Provisions	19	15,871	11,911
Deferred tax liability	21	44,403	63,701
		530,884	634,176
Current liabilities			
Liabilities held for distribution	12.2	—	589,672
Contract liability	20	17,279	15,650
Trade and other payables	17	464,832	342,527
Borrowings	18	69,618	112,785
Current tax liability		3,190	3,568
Lease liabilities	22	20,945	10,293
Provisions	19	3,392	6,469
Other financial liabilities	14	63,793	23,264
Dividend liability	12.2	—	501,331
		643,049	1,605,559
Total liabilities		1,173,933	2,239,735
Total equity and liabilities		1,599,155	2,545,562

The financial statements on pages 118 to 153 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Damian Sanders

Chief Financial Officer
Registered number: 06539496

Consolidated statement of changes in equity

for the year ended 31 December 2025

Note	Ordinary Shares £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	FX reserve £'000	Hedging reserve £'000	Cost of hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024	7,072	2,024,824	615	523	15,604	(20,020)	25,283	(1,032,234)	1,021,667
Loss for the year	—	—	—	—	—	—	—	(326,140)	(326,140)
Other comprehensive expense:									
Impact of foreign exchange	—	—	—	—	12,175	—	—	—	12,175
Movement on hedging instruments	—	—	—	—	—	(16,114)	8,173	—	(7,941)
Total comprehensive (expense)/income for the year	—	—	—	—	12,175	(16,114)	8,173	(326,140)	(321,906)
Issue of Ordinary Share capital	1,147	92,324	—	—	—	—	—	—	93,471
Share-based payments	7	—	—	—	—	—	—	16,579	16,579
Deferred tax in equity	21	—	—	—	—	—	—	(2,653)	(2,653)
Dividend in specie	12.2	—	—	—	—	—	—	(501,331)	(501,331)
Balance at 31 December 2024	8,219	2,117,148	615	523	27,779	(36,134)	33,456	(1,845,779)	305,827
Balance at 1 January 2025	8,219	2,117,148	615	523	27,779	(36,134)	33,456	(1,845,779)	305,827
Profit for the year	—	—	—	—	—	—	—	54,125	54,125
Other comprehensive loss:									
Impact of foreign exchange	—	—	—	—	(28,939)	—	—	—	(28,939)
Movement on hedging instruments	—	—	—	—	—	(6,746)	1,313	—	(5,433)
Total comprehensive (expense)/income for the year	—	—	—	—	(28,939)	(6,746)	1,313	54,125	19,753
Issue of Ordinary Share capital	343	21,074	—	—	—	—	—	—	21,417
Convertible loan	1,044	69,278	—	—	—	—	—	—	70,322
Share-based payments	7	—	—	—	—	—	—	7,903	7,903
Reserves movement of demerged entities	—	—	(615)	—	3,156	—	—	(2,541)	—
Balance at 31 December 2025	9,606	2,207,500	—	523	1,996	(42,880)	34,769	(1,786,292)	425,222

Consolidated statement of cash flows

for the year ended 31 December 2025

Notes	2025 £'000	2024 £'000	
Cash flows from operating activities before adjusted cash flows			
Cash generated from operations	25	54,834	136,412
Income tax paid		(3,678)	(621)
Net cash generated from operating activities before adjusted cash flows		51,156	135,791
Cash flows relating to adjusted items		(17,753)	(39,328)
Net cash generated from operating activities		33,403	96,463
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired		—	(23)
Proceeds from disposal of subsidiaries (net of cash disposed)		101,385	—
Payments on distribution	27	(46,709)	—
Purchase of property, plant and equipment		(4,030)	(31,709)
Purchase of intangible assets		(17,124)	(69,571)
Interest received	8	2,535	9,190
Net cash from/(used) in investing activities		36,057	(92,113)
Cash flows from financing activities			
Proceeds from issuance of Ordinary Shares net of fees		21,417	93,319
Proceeds from the issue of convertible loan		67,535	—
Interest paid		(45,999)	(44,954)
Repayment of lease liabilities	22	(20,645)	(47,476)
Repayment of bank borrowings and loan fees		(654,257)	(23,800)
Proceeds from bank borrowings		436,966	—
Net cash flow from financing activities		(194,983)	(22,911)
Net decrease in cash and cash equivalents		(125,523)	(18,561)
Cash and cash equivalents at the beginning of the year		308,622	416,162
Cash and cash equivalents at the end of the year (including cash held in disposal groups)	16	183,099	397,601
Cash and cash equivalents held in disposal group presented as held for distribution at the end of the year		—	88,979
Cash and cash equivalents at the end of the year		183,099	308,622

Notes to the consolidated financial statements

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS"). The financial statements have been prepared on the historical cost basis, except for derivatives which are held at fair value.

The accounting policies adopted by the Group in the current year are consistent with those adopted during the year ended 31 December 2024, with the exception of the changes detailed below. There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Group's financial statements.

New and amended standards adopted by the Group

The Group has early adopted the following amendments, which are effective for accounting periods beginning on or after 1 January 2026:

- IFRS 7 and 9 Amendments in respect of the classification and measurement of financial instruments (effective 1 January 2026).

New accounting policies

On 24 March 2025, the Group entered into a convertible loan agreement. A new accounting policy has been established to account for the liability and equity components of this instrument in accordance with IAS 32 Financial Instruments: Presentation and IFRS 9 Financial Instruments.

Accounting standards published but not yet adopted

The following new standards, interpretations and amendments to published standards and interpretations have been issued and are relevant to the Group for the period ended 31 December 2025 but have not been adopted early:

- IFRS 18 Presentation and Disclosure in Financial Statements. The Group is currently reviewing the likely impact of IFRS 18 on its statutory reporting

There are no other standards, interpretations or amendments to IFRS that have been issued but are not yet effective that are expected to have a material impact on the Group's financial statements.

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude on whether or not it is appropriate to prepare financial statements on the going concern basis. There has been no material uncertainty identified that would cast significant doubt upon the Group's ability to continue using the going concern basis of accounting for the thirteen months to 30 April 2027.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 1 to 69.

The Group's strategic planning cycle includes an annual Budget process, which is reviewed by the Board. This planning process involves modelling under a series of assumptions. Severe but plausible downside scenarios were also modelled setting out impacts of a combination of the principal risks, as well as a reverse stress test to identify what would be required to either breach covenants or run out of liquidity. This process is led by the Group CFO and Deputy Group CFO along with the Board and Independent Chair and CEO providing further direction to align strategic initiatives. Forecasts have been prepared on a divisional level. The Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions.

In considering the Group's financial position the Directors have considered:

- expected future growth of trading businesses;
- margins expected to be achieved in the future; and
- wider market and industry-specific factors.

The Directors have also considered the liquidity of the Group as well as available facilities and note that as at the balance sheet date, the Group had a total of £150m in undrawn facilities, along with £183m readily available cash held on the balance sheet. Net debt at 31 December 2025 was £364m (31 December 2024: £346m), with net debt of £233m (31 December 2024: £304m, £215m on a pre-demerger basis adjusting for the cash held within THG Ingenuity) before the inclusion of IFRS 16 lease liabilities.

During 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to delever, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029.

The Term Loan A fully matured in October 2025. The RCF (undrawn at year end) totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise during the year. The demerger of THG Ingenuity has materially reduced the cash outflows of the Group with substantial reductions in lease commitments (c.£20m per annum) and capex requirements, which in turn mean that the Group requires smaller banking facilities. Additional liquidity was also obtained through asset-backed lending facilities. There are no key covenants attached to the Term Loan B or Term Loan A facilities which are drawn down. Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above 20%, which is not anticipated to occur on test dates (biannually).

This covenant requires the Group to maintain the ratio of net debt over Adjusted EBITDA to below 4.50 – 3.50 (over the course of the term), which is reviewed regularly, although as noted the facility is not drawn. This facility provides the Group liquidity optionality to manage seasonal working capital movements. These covenants are effective from 31 December 2025.

The Directors are of the opinion that the Group's forecasts and projections, which they believe are based on an appropriate assessment of the market and past experience taking account of reasonably possible changes in trading performance given the current market and economic conditions, show that the Group should be able to operate within the current facility and comply with its banking covenants in the event that the RCF facilities are drawn upon.

The Directors have modelled a range of scenarios, as outlined above, over a three-year period. Further details of the Group's considerations are provided in the Viability Statement and Going Concern Statement on pages 68 and 69.

As a result of the analysis performed, including potential severe but plausible scenarios, the Board believes that the Group is able to adequately manage its financing and principal risks and that the Group will be able to operate within the level of its facilities and meet the required covenants for the going concern assessment period. Based on the above activity, the Directors are satisfied that it is appropriate to prepare the financial statements of the Group on a going concern basis.

1. Accounting policies

The Group's key accounting policies are set out below. These policies have been prepared on the basis of the recognition and measurement requirements of IFRS standards in effect that apply to accounting periods beginning on or after 1 January 2025 and have been applied to 2024 comparatives where applicable.

a. Basis of consolidation

The Group financial statements consolidate those of the Company and all its subsidiary undertakings drawn up to 31 December 2025. Subsidiaries are all entities over which the Group has control. When the end of the reporting period of a subsidiary is not 31 December, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Group.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

b. Business combinations

Business combinations are accounted for using the acquisition method under IFRS 3 'Business Combinations'. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed, including contingent liabilities, in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values. These fair values can be reassessed retrospectively for a period of 12 months from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date, and if known, would have resulted in the recognition of those assets and liabilities as of that date. Goodwill is stated after separate recognition of other identifiable intangible assets.

It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

In determining whether a transaction is a business combination or an asset purchase, the Group considers the inputs, processes and outputs acquired in accordance with IFRS 3.

c. Revenue

Revenue consists primarily of direct to consumer ("D2C") internet sales along with business to business ("B2B") sales.

D2C and B2B sales

Identifying performance obligations: For D2C and B2B sales the performance obligation is the delivery of the goods purchased by the customer. Control of goods is transferred upon delivery of the product to the customer.

Identifying the transaction price: For D2C sales, the customer pays in full at the point of sale, with the transaction price allocated to individual goods purchased. A contract liability is recognised until the related goods have been delivered. For B2B sales, the transaction price is allocated to the individual goods and the customer pays in line with the agreed credit terms.

Revenue is shown net of returns, with expected sales returns estimated based on historical return data applied to sales. These returns are accounted for at the lower of cost or net realisable value. A right of return asset (and corresponding adjustment to cost of sales) for the right to recover the goods from the customer is recognised within inventory.

Allocation of transaction price to performance obligations: In general, the whole transaction price is allocated to the performance obligation. Where a customer purchases multiple goods within one transaction, the transaction price is allocated to those goods based on relative standalone selling prices.

Revenue recognition: Revenue is recognised at the point of time when the customer receives the goods, shown net of returns.

Revenue from memberships

Fees recognised in respect of memberships are recorded on a straight-line basis over the membership period.

LF Beauty Plus+ Rewards and Cult Status Points

LF Beauty Plus+ Rewards and Cult Status points are issued by Lookfantastic and Cult Beauty when a customer purchases goods that are a separate performance obligation providing a right to a future discount. The transaction price is allocated between the goods purchased and the points awarded based on their relative standalone selling prices. The portion of the transaction price allocated to LF Beauty Plus+ Rewards and Cult Status Points are deferred as a contract liability. Revenue is recognised as the points are redeemed by the customer or when they expire. The standalone selling price of the points is estimated based on the value of the discount available when redeemed, adjusted for the probability of redemption. This probability is estimated using historical data on redemption rates and customer behaviour.

Licensing income

THG enters into licensing partnerships, whereby licensees pay for the right to use the Group's intellectual property, primarily its established brands. These arrangements are assessed as licences providing a 'right to use' the Group's IP, therefore, revenue from these arrangements is recognised at a point in time. Where consideration is variable, revenue is recognised as earned based on the contractual royalty rate applied to the licensee's product sales.

Barter income

For some of its monthly subscription offerings, THG receives goods for inclusion in its subscription boxes from business partners in return for the marketing exposure received by those products being included in the subscription box. The goods are recognised as stock when received and held at their fair value. When the box is sold, the revenue for providing those marketing services is recognised with an equal and offsetting entry recorded in cost of goods sold.

d. Adjusted items

The business is managed and measured on a day-to-day basis using underlying results (Adjusted EBITDA). This is an important metric utilised within the business to monitor performance and guide strategic business decisions. The metric captures the Group's view of underlying trading performance after excluding non-recurring items. Further details of the categories considered as adjusting items are detailed in note 4.

Management applies judgement in determining which items should be excluded from Adjusted EBITDA. The considerations factored into this judgement include, but are not limited to:

- nature of the item;
- significance of the item on the financial results; and
- management's expectation on the recurring or non-recurring nature of the item.

These are items which are material in nature and include, but are not limited to, costs relating to acquisitions, disposals and significant events or projects, some of which span multiple years.

Although categories of adjusted items may appear across multiple periods, the underlying event driving that cost or income is often non-recurring.

These items are excluded from Adjusted EBITDA as management believe their inclusion distorts the underlying trading performance. This is consistent with the way that financial performance is measured by management and reported to the Board. For further details, refer to note 4.

Notes to the consolidated financial statements continued

1. Accounting policies continued**e. Share-based payments**

The Group operates share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense in the statement of comprehensive income. The cost of the equity-settled transaction is measured at the fair value on the date the awards were granted. In the instance that the awards need to be valued, an appropriate valuation model is applied. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions along with taking account of any equity instruments that may have been cancelled or modified in the period. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity.

The shares issued under the Group's share schemes are held by an Employee Benefit Trust ("EBT"), with the beneficial interest in the shares being held jointly by the EBT and the individual participant until the shares vest. The EBT has been consolidated within the Group's financial statements.

f. Intangible assets**Goodwill**

Goodwill represents the excess of the cost of acquisitions over the Group's interest in the fair value of the identifiable assets and liabilities (including intangible assets) of the acquired entity at the date of acquisition. Goodwill is recognised as an asset and assessed for any indications of impairment at least annually. Any impairment is recognised immediately in the statement of comprehensive income.

For the purposes of impairment testing, goodwill is reviewed by assessing the cash-generating unit that has benefited from the acquisition. If the recoverable amount of the cash-generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Platform development costs

The costs of acquiring and developing the platform and websites is capitalised separately as an intangible asset. Capitalised website costs include direct costs of materials, services, directly attributable overheads, payroll and payroll-related costs for employees who are directly associated with website development projects. Such costs are only capitalised when the criteria within IAS 38 are met.

Intellectual property

This includes separately acquired customer lists, domain and trade names, and other intellectual property, including customer lists acquired as part of business combinations.

Separately acquired intangible assets are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Brands

Brands arising from business combinations are recognised at fair value on acquisition date. An assessment is made on the useful economic life, and the intangible asset is subsequently amortised over that life. The useful economic life is reviewed on an annual basis to confirm that the useful life continues to be supportable.

Other intangible assets

Costs associated with developing new products are capitalised as an intangible asset, including directly associated costs.

Intangible assets are amortised on a straight-line basis over their estimated useful economic life. Amortisation is charged to the statement of comprehensive income, classified in expenses depending on the nature of the asset. The estimates of useful economic lives are reviewed on an annual basis and any changes are treated as changes in accounting estimates.

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is provided on the cost of software and is calculated on a straight-line basis over the useful life of the software.

The following useful economic lives are applied:

<u>Platform development costs</u>	<u>5-10 years</u>
<u>New product development</u>	<u>1-5 years</u>
<u>Brands</u>	<u>5-20 years</u>
Intellectual property (including customer lists, domain and trade names)	2-20 years

g. Property, plant and equipment

Property, plant and equipment are stated at historic 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. Depreciation is provided at the following annual rates in order to write off each asset on a systematic basis over its estimated useful economic life. Depreciation is charged to the statement of comprehensive income, classified in expenses depending on the nature of the asset.

At each reporting date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows of the relevant cash-generating unit or fair value less costs to sell if higher. Any impairment in value is charged to profit or loss in the period in which it occurs.

<u>Plant and machinery</u>	<u>5-10 years</u>
<u>Fixtures and fittings</u>	<u>3-20 years</u>
Computer equipment and software	1-10 years
<u>Freehold buildings</u>	<u>20-50 years</u>
<u>Motor vehicles</u>	<u>3-7 years</u>
Leasehold improvements	Lower of lease term or asset life

h. Discontinued operations and assets held for distribution

The Group classifies a component of its business as a discontinued operation when it has been disposed of or is classified as held for distribution, and the disposal meets the criteria for being a separate significant line of business or geographical area of operations.

The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the consolidated statement of profit or loss, separate from the continuing operating results of the Group. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss is represented as if the operation had been discontinued from the start of the comparative year. Expenses are presented as discontinued if they will cease to be incurred on disposal of the discontinued operation.

A non-current asset (or disposal group) is classified as held for distribution to owners when the Group is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable.

The Group measures a non-current asset (or disposal group) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute. No depreciation or amortisation is charged in respect of non-current assets classified as held for distribution once the classification has been made.

i. Borrowing costs

Borrowing costs incurred in relation to bringing into use qualifying tangible and intangible assets are capitalised as the expenditure is incurred on such assets and subsequently depreciated in line with the useful economic life of the relevant asset.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. For the majority of inventory this is on an average cost basis. The remainder is measured on a standard cost basis. Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and any other directly attributable costs, less trade discounts. A provision is made to write down any slow-moving or obsolete inventory to net realisable value.

k. Financial instruments

The following are deemed to be financial assets and liabilities within the scope of IFRS 9.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency and interest rate swaps, to hedge its foreign currency and interest rate risks. Derivative financial instruments are recognised initially and subsequently at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. The sale and purchase of derivative financial instruments are non-speculative.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge against the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, any gain or loss on the effective part of the derivative financial instrument is recognised in other comprehensive income and accumulated within the hedging reserve. The gain or loss on any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income. Hedge accounting is discontinued when the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. The cumulative gain or loss in the hedging reserve is transferred to the statement of comprehensive income in the same period that the hedged item affects profit or loss.

Gain or loss on a portion of a derivative designated as a hedging instrument that is excluded from that hedging relationship is captured in the cost of hedging reserve. The cost of hedging reserve comprises the forward element of foreign exchange forward contracts. These are recognised in other comprehensive income, accumulated in the cost of hedging reserve, and released to profit or loss when the hedged item affects profit or loss (including on repayment of the hedged loan) or when the hedge relationship is discontinued.

Convertible loan

Convertible loans are accounted for as a financial instrument. Prior to certain obligations being met ahead of conversion, the convertible loan is recognised as a liability and measured at present value. Upon these obligations being met, the liability is then derecognised and classified as equity. Management consider the conditions attached to the instrument entered into during the year to be met, and as such, the liability classification was extinguished and subsequently recognised within equity.

Trade and other receivables

Trade and other receivables are non-interest bearing and are initially recognised at fair value. Subsequently they are measured at amortised cost using the effective interest rate method less loss allowance. The Group measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group holds a non-recourse factoring arrangement whereby a proportion of its receivables are sold to HSBC. The Group does not retain ownership over the risks and rewards associated with the receivables.

The arrangement includes an upfront administration fee and a monthly non-recourse fee of 0.07% of the aggregate balance of the receivables in question. These amounts have been recognised in the statement of comprehensive income.

The non-recourse facility does not meet the definition of loans and borrowings under IFRS.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents include amounts receivable from banks and payment providers for credit and debit card transactions which clear the bank shortly after the transaction takes place.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined, net of outstanding bank overdrafts.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Group measures contingent consideration liabilities at fair value through profit and loss.

An amendment to IFRS 9, effective 1 January 2026, introduced an accounting policy choice to derecognise financial liabilities settled via an electronic payment system prior to the settlement date if certain conditions are met. The Group has chosen not to apply this accounting policy option, and therefore continues to derecognise such liabilities on the settlement date.

Trade and other payables

Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Within trade and other payables, returns recognised under IFRS 15 (representing the liability for potential returns from customers) are captured within accruals.

The Group has a supplier finance arrangement in place to support the cash flow of its external suppliers. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by two of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices. All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank. All trade payables subject to the supply finance agreement are included in trade and other payables in the consolidated statement of financial position and within trade payables.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, which equals the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for using an effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

l. Supplier income

Supplier income comprises retrospective rebates and discounts. They are receivable in respect of goods which have been sold and are initially recognised as accrued income. The retrospective rebates are analysed per supplier basis and accrued income is adjusted accordingly based on quarterly assessment of variables impacting expected rebates. All retrospective rebates and discounts received and receivable are deducted from cost of sales when the sale to the third party has been completed.

m. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Notes to the consolidated financial statements continued

1. Accounting policies continued**m. Contract liabilities** continued

Contract liabilities are recognised as revenue when the Group performs under the contract.

n. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and machinery	1-6 years
Motor vehicles	3-6 years
Buildings	1-28 years

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Dilapidations provisions

Dilapidations provisions relate to leased properties. Dilapidations provisions are made based on the best estimate of the likely committed cash outflow and discounted to net present value. The provision, when recognised, increases the right-of-use asset. Dilapidations provisions are expected to be used at or by the end of the lease term.

o. Taxation

The tax expense included in the statement of comprehensive income and statement of changes in equity comprises current and deferred tax.

Current tax is the expected tax payable based on the taxable profit for the period and the tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date. The business combinations in previous years have given rise to deferred tax liabilities, as a result deferred tax assets are recognised to the extent they offset the corresponding liability. Deferred tax is calculated at the tax rates (and laws) that are expected to apply in the period when the liability is settled, or the asset is realised.

Tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities and where there is an intention to settle the balances on a net basis.

p. Foreign currency translation

Functional and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in sterling, which is also the parent company's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange date. Exchange differences on monetary items are taken to the statement of comprehensive income.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into the presentational currency of the Group at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income ("OCI").

On disposal of a foreign operation, the component of OCI relating to that foreign operation is recognised in the statement of comprehensive income.

q. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares into Ordinary Shares, to the extent that the inclusion of such shares is not anti-dilutive.

r. Dividend liability

The prior year dividend liability is measured at the fair value of the assets to be distributed at the date the distribution is approved. The liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised directly in equity. On settlement, the difference between the carrying amount of the asset distributed and the amount of the dividend liability is recognised in profit or loss.

s. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most critical accounting judgements or key sources of estimation uncertainty are detailed below.

Critical accounting judgements**Adjusted items**

The identification of adjusted items depends on management judgement in identifying and quantifying amounts deemed to be adjusting or not reflective of the underlying performance of the Group. The key elements management take into consideration include, but are not limited to:

- the underlying nature of the item;
- whether management believe the item is recurring in nature, or if it represents a one-off distortion of the underlying results of the business; and
- significance of the item on the financial results.

Where income streams can be segregated and reliably measured in respect of adjusted costs, these are disclosed accordingly.

Refer to note 4 for details of each class of adjusted items.

Demerger – classification as held for distribution

In the prior year, at 31 December 2024, THG Ingenuity was classified as held for distribution. The assessment was made in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The key criteria for this classification was met as the business was available for immediate distribution and the transaction was highly probably at the reporting date. The demerger was completed on 2 January 2025 and on this date, the assets and liabilities of THG Ingenuity were derecognised from the Group's balance sheet, and the resulting gain on the demerger was recognised in the financial statements for the year ended 31 December 2025.

Key sources of estimation uncertainty
Inventory provisioning

The Group holds levels of stock sufficient to meet the forecasted demand of its customers. As part of this, a provision is recognised to ensure that the balance sheet value of stock held is at the lower of cost and net realisable value in accordance with IAS 2.

As part of the provisioning process, management's consideration includes, but is not limited to: age of stock, type of stock, and inventory acquired through business combinations. All of these positions are variable in nature and management applies judgement in concluding on the recoverable value and changes to risk profiles which could have a material impact on provisioning levels. Refer to note 13 for further details on inventory. A reduction of 10% in online sales selling prices would impact the net realisable value by c.£1m.

Impairment reviews – key estimates and judgements

When a review for impairment is conducted, the recoverable amount of the CGU is determined based on the higher of value-in-use calculations applying IAS 36 and fair value less costs to dispose applying IFRS 13. The recoverable amount is calculated using management's assumptions and estimates. The key estimates within the value-in-use calculation are growth rates, margin forecasts and discount rates applied. Refer to note 10 for further details of calculations.

Other judgements and other sources of estimation uncertainty**Climate change**

In preparing the consolidated financial statements management has taken into consideration the impact of climate change. Considerations include, but are not limited to:

- the identification of costs which have been committed and which have been included within forecasts where appropriate, including increased plastics and waste taxes and levies;
- the impact of climate change on a number of key estimates which the Group has included within forecasts where appropriate, such as:

- the cost of sourcing sustainable raw materials;
- packaging compliance fees and zero waste implementation costs;
- membership and consultancy costs in respect of GHC footprint, energy usage, TCFD compliance and UK Plastic Pact; and
- where measurable, the impact of consumer behaviours of sustainable brand recognition and development, for example shifts towards Myvegan

These considerations have not identified any significant impacts from our climate commitments and therefore do not have a material impact on the financial statements or reporting judgements and estimates.

Notes to the consolidated financial statements continued

2. Segmental reporting and revenue

The Directors have concluded that for 2025, the Group's continuing operations consist of two reportable segments: THG Beauty and THG Nutrition. The 2024 reportable segments have been restated for consistency.

The Directors have assessed the criteria and considerations under IFRS 8 'Operating Segments' in order to identify operating segments within the Group. During 2024, the Group made the decision to demerge THG Ingenuity. As a result and in accordance with IFRS 5, THG Ingenuity was classified as a discontinued operation and has not been included in the note below, see note 12.2 for more information.

The following table describes the main activities for each reportable operating segment:

Segment	Activities
THG Beauty	A digital-first brand owner, retailer and manufacturer in the prestige beauty market, with a portfolio of own brands across skincare, haircare and cosmetics. Through its retail websites, including Lookfantastic, Dermstore and Cult Beauty, it is a route to market globally for third-party premium brands.
THG Nutrition	A group of digital-first nutrition brands, which includes the world's largest online sports nutrition brand Myprotein and its family of brands (Myvegan, Myvitamins, MP Activewear and MyPRO), with a vertically integrated business model supported by global THG production facilities.

Central costs relate primarily to the PLC Board remuneration, professional services fees, Group finance, M&A, risk (insurance) and governance costs that are not recharged to the divisions as they principally relate to the operations of the PLC holding company.

The chief operating decision-maker ("CODM") is the executive Board directors, who makes key operating decisions for the business. The CODM receives daily financial information at the combined Group level, along with monthly information at a business level, and uses this information to allocate resources, make operating decisions and monitor the performance of each of the businesses.

The measure of the Group's profit or loss used by THG's management team is Adjusted EBITDA comprising operating profit or loss adjusted for interest, tax, depreciation, amortisation, shared-based payments, profit on disposal of a subsidiary and adjusted items. This is reconciled to the nearest IFRS measure (profit or loss before tax) in the below table.

	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Total reportable segments £'000	Adjusted items £'000	Amortisation and depreciation £'000	FY 2025 Continuing operations Statutory £'000
2025							
Revenue	1,107,864	609,130	—	1,716,994	883	—	1,717,877
Gross profit	435,553	263,349	—	698,902	(10,091)	(813)	687,998
Margin %	39.3%	43.2%	—	40.7%	—	—	40.0%
Adjusted EBITDA	65,790	28,755	(17,953)	76,592	—	—	76,592
Margin %	5.9%	4.7%	—	4.5%	—	—	4.5%
Depreciation	—	—	—	—	—	—	(32,459)
Amortisation	—	—	—	—	—	—	(58,406)
Share-based payments	—	—	—	—	—	—	(7,903)
Profit on sale of a subsidiary	—	—	—	—	—	—	60,537
Adjusted items	—	—	—	—	—	—	(30,227)
Operating profit	—	—	—	—	—	—	8,134
Finance income	—	—	—	—	—	—	2,535
Finance costs	—	—	—	—	—	—	(80,052)
Loss before taxation	—	—	—	—	—	—	(69,383)

Segment assets and liabilities are not disclosed because they are not regularly reported or reviewed by the Board.

	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Total reportable segments £'000	Adjusted items £'000	Amortisation and depreciation £'000	FY 2024 Continuing operations Statutory £'000
2024'							
Revenue	1,171,141	580,263	—	1,751,404	—	—	1,751,404
Gross profit	468,898	258,575	—	727,473	(33,562)	(316)	693,595
Margin %	40.0%	44.6%	—	41.5%	—	—	39.6%
Adjusted EBITDA	71,166	34,418	(22,237)	83,347	—	—	83,347
Margin %	6.1%	5.9%	—	4.8%	—	—	4.8%
Depreciation	—	—	—	—	—	—	(24,824)
Amortisation	—	—	—	—	—	—	(65,386)
Share-based payments	—	—	—	—	—	—	(16,579)
Adjusted items	—	—	—	—	—	—	(124,453)
Operating loss	—	—	—	—	—	—	(147,895)
Finance income	—	—	—	—	—	—	9,049
Finance costs	—	—	—	—	—	—	(63,554)
Loss before taxation	—	—	—	—	—	—	(202,400)

1. The segmental result for 2024 has been restated within the above table to provide a like-for-like comparison for 2025. Restatements have been made to reflect the removal of discontinued categories as a separate segment. The combined result of these adjustments is that for 2024, segmental Adjusted EBITDA has been restated as follows: THG Beauty by £(8.6)m, THG Nutrition by £(0.1)m and Central PLC by £nil.

The Group has provided an analysis of external revenue by region (by destination):

	2025 £'000	2024 £'000
UK	909,755	820,517
USA	296,957	362,874
Europe	351,037	362,489
Rest of the world	160,128	205,524
	1,717,877	1,751,404

The Group's non-current assets by geography are as follows:

	2025 £'000	2024 £'000
UK	582,998	624,541
Europe	45,353	42,270
Rest of the world	380,307	385,728
	1,008,658	1,052,539

3. Operating profit/(loss)

	Note	2025 £'000	2024 £'000
Operating profit/(loss) has been arrived at after charging/(crediting):			
Adjusted items – cash	4	14,299	24,547
Adjusted items – non-cash	4	6,400	42,440
Adjusted items – non-cash impairment	4	9,528	57,466
Employee costs		136,338	142,253
Share-based payments	7	7,903	16,579
Depreciation on fixed assets	11	12,012	13,092
Depreciation on right-of-use assets	22	20,447	11,732
Amortisation	10	16,520	19,880
Amortisation of acquired intangibles	10	41,886	45,506
Net foreign exchange gain		(35)	(37)

Notes to the consolidated financial statements continued

4. Adjusted items

Adjusted items represent material non-recurring items, including costs relating to acquisitions, disposals and significant strategic programmes, some of which may span multiple reporting periods. These items are excluded from Adjusted EBITDA as management believe their inclusion distorts the underlying trading performance. This is consistent with the way that financial performance is measured by management and reported to the Board.

	2025 £'000	2024 £'000
Within revenue		
Other legal and professional revenue	296	—
Revenue generated by loss-making brands and emerging territories arising from the strategic review	(1,179)	—
	(883)	—
Within cost of sales		
Loss on disposal arising from the exit of discontinued or loss-making categories	1,166	24,742
Inventory provision following strategic review and commercial rebrand	2,976	8,820
Costs following the outcome of the strategic review of loss-making brands and emerging territories	6,832	—
	10,974	33,562
Within distribution costs		
Transportation, delivery and fulfilment costs	721	1,268
	721	1,268
Within administrative costs		
Impairment of assets – THG Experience	589	14,854
Impairment of assets – discontinued categories	8,939	57,466
Loss on property portfolio restructure	963	528
Loss on disposal arising from the exit of discontinued or loss-making categories	—	259
Costs following the outcome of the strategic review of loss-making brands and emerging territories	1,193	172
Restructuring costs	3,228	5,582
Acquisitions – restructuring and integration	148	3,047
Onerous contracts	—	7,075
Other legal and professional costs	4,355	640
	19,415	89,623
Total adjusted items before tax	30,227	124,453
Tax impact	(7,573)	(5,095)
Total adjusted items	22,654	119,358
Cash adjusting items before tax¹	14,299	24,547

1. Cash adjusting items before tax total £14.3m (2024: £24.5m) reflecting the total cash before tax expected to be paid. This differs from the consolidated statement of cash flows which also reflects the timing of such payments. Cash paid in 2025 totalled £17.8m.

Revenue and costs relating to the outcome of the strategic review of loss-making brands and emerging territories

In 2025, the Group initiated a strategic review of the operating models within THG Nutrition's Asia and India operations, as well as the THG Beauty Brands portfolio. The review focused on territories and brands identified as emerging or loss-making given the challenging commodity and macroeconomic backdrop. As a result, strategic changes have been implemented across these operating models to improve profitability and customer experience. The incremental costs and revenue received associated with the previously adopted models have been recorded within adjusted items on the basis that the strategic change represents a reset to underlying revenue and costs. Costs included within cost of sales relate to stock provisions required to reduce stock to its net realisable value as part of the strategic change alongside the incremental costs that will not recur under the new models. Administrative costs include the costs of advisers and contractors supporting the strategic transition. These items are one-off in nature and are not expected to recur following the embedding of the new operating models within 2026.

Within administrative costs, the comparative costs relate to costs recognised following management's decision to consolidate its previously acquired warehouses into the existing THG network. These are costs incurred to relocate stock across the fulfilment network, restructuring costs associated with the dual running of facilities, severance payments, and other third-party costs such as rent and utilities.

Loss on disposal arising from the exit of discontinued or loss-making categories

Consistent with the Group's ongoing commitment to simplify and streamline operations as part of the strategic review of loss-making categories and territories, several actions concluded in 2024 with some spanning into 2025.

This includes the sale of some non-core brands and product offerings across THG Beauty. These costs are deemed to be one-off losses to enable and complete the exit of loss-making areas of the business which resulted in an inventory provision adjustment within cost of sales and asset impairments within administrative costs to reflect the assets' recoverable value. In 2024, these costs included the sale of its portfolio of luxury goods websites (previously THG Luxury) along with some non-core brands and product offerings across THG Beauty and THG Nutrition.

Inventory provision following strategic review and commercial rebrand

In H2 2023, Myprotein initiated a comprehensive global rebrand, reflecting a pivotal change in strategy aimed at broadening the accessibility of its products. The Group's commitment to sustainability, notably reducing waste, underpinned this phased rebrand which spanned several months. This allowed for the trade through of old brand packaging and drove minimal disposal of stock. Where possible, stock was sold through in line with this strategy; however, for items that could not be sold, primarily clothing, a one-off stock provision was recognised for discontinued or obsolete items as part of adjusting items, as these costs are not indicative of the Group's underlying trade as discounts and marketing expenses associated with the clearance of associated stock would typically not be incurred. Some similar costs have also been incurred in 2025 as part of the finalisation of the rebrand, mainly in relation to the vertically integrated supply chain. The rebrand is now complete and no costs are expected in 2026.

Transportation, delivery and fulfilment costs

The conflict in Israel has disrupted international logistics routes, resulting in higher transportation and fulfilment costs as the war continues, which are not fully passed on to customers. The residual expense is therefore over and above those incurred through the normal course of business.

Impairment of assets – THG Experience

In 2024, the decision to pause refurbishment work on an asset within THG Experience led to an impairment. In 2025 a further impairment of £0.6m has been charged, following a formal appraisal completed in the year in respect of the expected cost of returning the property at the end of the term.

Impairment of assets – discontinued categories

Following the decision to discontinue certain beauty brands in 2024 an impairment was charged in the prior year totalling £57.5m. In the current year, an additional impairment totalling £8.9m has been recognised to write down the assets discontinued to £nil.

Loss on property portfolio restructure

Following a Group review of properties held within its portfolio, leased properties no longer in use have been sold or repurposed. Where vacated properties are retained, unavoidable costs relating to these sites are incurred over the remaining life of the lease and will continue to be classified as adjusted items. These remaining lease terms range from two to nine years.

Restructuring costs

Consistent with the strategic review, the Group continues to explore and implement corporate restructuring and evolve its internal operations where sustainable alternatives are identified. As part of this, the costs incurred are attributable to employee-related severance as part of specific operational restructuring projects as efficiencies are implemented across the business, notably as AI enables automation. The costs of the restructuring programme were offset by the annualised saving within six months. These projects, and the costs attached, are expected to be completed within a 12-month period. The costs have been classified as adjusted items due to the scale of the restructuring undertaken during the year.

Acquisitions – restructuring and integration

Costs incurred relate to mergers and acquisitions with the comparative being the costs for the integration of Biossance, which was acquired in December 2023, into the existing THG network. These costs have been incurred from the point of initial acquisition through to completion of the integration of the businesses. Given the nature of these costs, it is not unusual for these to span more than one accounting period depending on the date of acquisition and the time required for the integration to be completed.

Onerous contracts

The comparative costs related to a sponsorship agreement the Group entered into in 2023 and an aborted implementation of a Human Resources enterprise reporting platform (ERP) system, both of which had not delivered the expected commercial returns and were concluded as onerous. No further costs were incurred in 2025.

Other legal and professional revenue and costs

The Group incurs legal and professional costs that are non-recurring, one-off in nature and not related to trading activities. These costs are included as adjusted items and can include, but are not limited to, legal costs for one-off matters and other fees associated with investor activities. The legal and professional costs incurred during 2025 include fees relating to the refinancing completed in the year, other adviser fees for one-off projects and costs of refunds to customers processed through revenue. The legal and professional costs incurred during 2024 relate to the transfer to the equity shares (commercial companies) ("ESCC") category of the Official List.

Notes to the consolidated financial statements continued

5. Auditor's remuneration

	2025 £'000	2024 £'000
Fees in respect of the audit of the consolidated and parent company financial statements	1,617	2,300
Total audit fees	1,617	2,300
Other services:		
– other assurance services ¹	100	280
Total non-audit services	100	280
Total fees	1,717	2,580

1. Fees in respect of other assurance services relate to interim procedures in accordance with International Standard for Review Engagements (UK and Ireland) 2410 and other assurance procedures.

6. Employee costs and Directors' remuneration

	Note	2025 £'000	2024 £'000
Wages and salaries		121,303	273,925
Social security costs		15,226	31,854
Pension costs		5,809	12,621
Share-based payments	7	7,903	16,579
Total		150,241	334,979
Continuing operations		150,241	160,965
Discontinued operations		—	174,014

The aggregate amount of employee costs included above that have been capitalised within platform development costs was £6.0m (2024: £47.6m).

The costs incurred in respect of the Executive Directors and Non-Executive Directors, who are regarded as the key management personnel, were as follows:

	2025 £'000	2024 £'000
Wages and salaries	1,531	2,610
Social security costs	217	248
Pension costs	1	2
Total	1,749	2,860
Continuing operations	1,749	2,348
Discontinued operations	—	512

No retirement benefits are accruing to any of the Directors at 31 December 2025 (2024: £nil).

The average number of employees (including Executive Directors) during the year was:

	2025 Number	2024 Number
Retail	729	1,593
Administration	838	1,655
Distribution	1,299	3,056
Information technology	46	823
Total	2,912	7,127
Continuing operations	2,912	3,140
Discontinued operations	—	3,987

The above table reflects the full-time equivalent ("FTE") number of employees calculated as an average throughout the year. The total staff numbers for continuing operations on an actual basis at 1 January 2025 were 3,154 and at 31 December 2025 were 2,669.

7. Share-based payments

Overview

The Group operates a share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the statement of comprehensive income with the corresponding increase to equity.

Previously issued plans

Senior Leadership Plan

Under the Senior Leadership Plan ("SLT Plan"), share options of the parent are granted to senior executives of the Company, including members of key management personnel. The awards vest in three equal tranches, annually on 31 December over the three years from grant date. Performance conditions and targets linked to ESG are attached to a small proportion of the awards to a small number of participants. The fair value of the share options is the market price of the underlying shares on the grant date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these options. The Group accounts for the SLT as an equity-settled plan.

Employee Plan

Under the Employee Plan, the Group, at its discretion, may grant share options of the parent to employees other than senior executives. The option awards will vest in three equal tranches annually on 31 December over the three years from grant date, provided participants remain in continued employments with the Company at each date. A small number of shares vested in full on 31 December following issue. The fair value of the share options is the market price of the underlying shares on the grant date.

The contractual term of the share options is three years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards. The Group accounts for the Employee Plan as an equity-settled plan.

Plans issued in the year

A total of 9,585,327 shares were issued in the 12 months to 31 December 2025. The shares issued during the year are as follows:

- On 12 August 2025, a total of 115,526 options were granted and vested on the same date.
- On 3 December 2025, a total 9,469,801 options were granted. The vesting conditions are as follows:
 - 9,469,801 awards that vest in three equal tranches, with the first being 31 December following the date of grant. The second and third tranches for each separate grant will vest on 31 December in the following two years respectively;

	2025 £'000	2024 £'000
Expense arising from equity-settled share-based payment transactions	7,903	16,579

The following table shows the shares granted and outstanding at the beginning and end of the year:

	2025 Number of shares	2025 Weighted average exercise price	2024 Number of shares	2024 Weighted average exercise price
As at 1 January	88,454,894	£0.04	68,718,060	£0.04
Granted during the year	9,585,327	£0.00	33,574,120	£0.02
Forfeited during the year	(6,362,060)	£0.04	(3,854,758)	£0.00
Exercised during the year	(21,647,590)	£0.02	(9,982,528)	£0.00
As at 31 December	70,030,571	£0.04	88,454,894	£0.04
Exercisable as at 31 December	56,797,472	£0.05	6,072,570	£0.00

The key inputs to calculate the charge are the share price at the date of grant and an assumption around those not remaining in continued employment, spread across the vesting period. Achievement of performance conditions has been considered where appropriate. The range of exercise prices are £0.00 to £0.16 (2024: £0.00 to £0.16), and the weighted average remaining contractual life is 7.5 years (2024: 8.3 years). The weighted average share price at date of exercise of shares exercised during the year was £0.35 (2024: £0.60).

8. Finance income and cost

	2025 £'000	2024 £'000
Finance income		
Bank interest receivable	2,535	9,049
Finance costs		
Bank interest payable and charges	73,045	61,968
Interest on lease liabilities ¹	7,007	1,586
	80,052	63,554

1. Interest on lease liabilities comprises £6.5m (2024: £1.5m) of interest on lease liabilities and interest charge of £0.5m (2024: £0.1m) arising from the unwinding of the discount on dilapidations provisions.

Notes to the consolidated financial statements continued

9. Income tax

The tax credit for the year on continuing operations comprises:

	Note	2025 £'000	2024 £'000
Current tax			
Tax charge for the year		2,006	2,659
Adjustments in respect of prior year		929	1,230
		2,935	3,889
Deferred tax			
Origination and reversal of temporary differences		(6,751)	(22,022)
Adjustments in respect of prior year		(1,892)	(3,734)
	21	(8,643)	(25,756)
Total income tax credit		(5,708)	(21,867)

The difference between the tax as charged in the consolidated statement of profit or loss and tax at the UK standard rate is reconciled below:

	2025 £'000	2024 £'000
Loss before taxation from continuing operations	(69,383)	(202,400)
Profit/(loss) before taxation from discontinued operations	117,800	(120,840)
Profit/(loss) before taxation	48,417	(323,240)
Tax at statutory rate of 25.0% (2024: 25.0%)	12,104	(80,810)
Tax effects of:		
Adjustments in respect of prior year	(963)	(353)
Expenses not deductible	625	17,011
Disposal/demerger of subsidiary entities	(44,986)	—
Recognised previously unrecognised deferred tax asset	—	(3,700)
Effect of tax rates in other jurisdictions	(326)	650
Write down of previously recognised deferred tax asset	—	26,429
Amounts not recognised	29,198	40,251
Change in recognition of share scheme attributes	(1,360)	3,422
Total income tax (credit)/expense	(5,708)	2,900
Total income tax (credit) – continuing operations	(5,708)	(21,867)
Total income tax expense – discontinued operations	—	24,767

The main rate of corporation tax in the UK is 25.0%, as this is the rate of UK corporation tax with effect from 1 April 2023. The effective tax rate of -8.2% (2024: -0.9%) differs from the average statutory rate of 25.0%. This is primarily due to amounts not recognised and the disposal/demerger of subsidiary entities.

There are amounts not recognised relating primarily to additional tax losses arising in the period, with limited additional taxable temporary differences being generated totalling £29.2m.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation was effective for the Group's financial year beginning 1 January 2025.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on management's assessment of the legislation enacted or substantively enacted as at 31 December 2025 in the jurisdictions in which the Group operates, the potential exposure to Pillar Two top-up taxes is expected to be immaterial to the consolidated financial statements. Accordingly, no current tax expense relating to Pillar Two top-up taxes has been recognised in the year ended 31 December 2025.

10. Intangible assets

	Goodwill £'000	Platform development costs £'000	Intellectual property £'000	Brands £'000	New product development £'000	Total £'000
Cost or valuation						
At 1 January 2024	773,219	297,599	211,341	627,289	15,217	1,924,665
Transfers	—	(1,278)	137	—	528	(613)
Additions	—	50,046	14,474	591	3,043	68,154
Currency translation	1,266	19	1,663	1,941	(12)	4,877
Disposals	(439)	(18,285)	(21,119)	(1,499)	(15)	(41,357)
Transfers to assets held for distribution	(86,896)	(324,782)	(33,343)	(14,913)	(4,893)	(464,827)
At 31 December 2024	687,150	3,319	173,153	613,409	13,868	1,490,899
Transfers	—	5,401	—	—	(5,401)	—
Additions	—	244	10,488	—	6,392	17,124
Currency translation	(20,107)	(206)	(9,785)	(19,304)	(14)	(49,416)
Disposals	(30,197)	(248)	(21,465)	(478)	—	(52,388)
At 31 December 2025	636,846	8,510	152,391	593,627	14,845	1,406,219
Accumulated amortisation						
At 1 January 2024	302,981	177,102	93,200	137,661	6,338	717,282
Amortisation	—	43,725	29,555	36,661	2,558	112,499
Currency translation	392	(4)	1,086	370	(14)	1,830
Reclassification	—	—	15,468	(15,468)	—	—
Disposals	(428)	(17,684)	(19,762)	(2,099)	(15)	(39,988)
Impairment loss (net)	40,521	—	—	15,770	—	56,291
Transfers to assets held for distribution	(85,483)	(199,925)	(24,620)	(3,235)	(2,074)	(315,337)
At 31 December 2024	257,983	3,214	94,927	169,660	6,793	532,577
Amortisation	—	2,319	21,581	34,174	332	58,406
Currency translation	(2,197)	(301)	(6,624)	(3,913)	1	(13,034)
Disposals	—	(73)	(16,517)	(113)	—	(16,703)
Impairment loss	—	—	—	8,939	—	8,939
At 31 December 2025	255,786	5,159	93,367	208,747	7,126	570,185
Net book value						
At 1 January 2024	470,238	120,497	118,141	489,628	8,879	1,207,383
At 31 December 2024	429,167	105	78,226	443,749	7,075	958,322
At 31 December 2025	381,060	3,351	59,024	384,880	7,719	836,034

Consideration of impairment of goodwill and intangible assets

Goodwill and intangible assets that have an indefinite life are subject to annual impairment testing, or more frequently if there are indications of impairment.

Intangible assets and goodwill are reviewed by assessing the appropriate cash-generating units ("CGUs") annually, which are identified based on the smallest identifiable group of assets that generate cash inflows largely independently.

As at 31 December 2025, the Directors have concluded that there are three (2024: four) CGUs within THG, being THG Beauty, THG Nutrition and certain assets of THG Experience.

Goodwill has arisen from previous business combinations across the Group and is allocated to the CGUs that are expected to benefit from synergies of those acquisitions. The recoverable amounts of these CGUs are the higher of fair value less costs to dispose ("FVLCTD") and value-in-use ("VIU").

Management has reviewed each CGU in turn and has adopted the VIU approach for THG Beauty, THG Nutrition and certain assets of THG Experience. Following the decision to discontinue certain beauty brands in 2024 an impairment was charged in the prior year totalling £57.5m. In the current year, an additional impairment totalling £8.9m has been recognised to write down the assets discontinued to £nil.

Notes to the consolidated financial statements continued

10. Intangible assets continued**THG Beauty – Goodwill totalling £280.6m (2024: £296.5m)**

For THG Beauty, consistent with the prior year, management has estimated a VIU using a discounted cash flow method.

The key assumptions made are as follows:

Key assumption	
Discount rate	The post-tax discount rate used is 9.3% (pre-tax rate 10.0%).
Forecast cash flows	Forecasts are based on assumptions from the Board-approved budget with projections covering a five-year period. The key assumptions within the cash flow forecasts are the future revenue growth and EBITDA margin. The projections are based on the best estimate of future cash flows, taking into account externally available expectations that the beauty and online markets will continue to grow at a medium single-digit rate. During the year, THG Beauty has performed in line with the normalised expected range for both sales and EBITDA and therefore, coupled with the shift in strategy and the medium-term growth outlook for the prestige beauty market, the Directors believe the forecasts are both reasonable and consistent.
Long-term growth rate	A long-term growth rate of 3.0% was used for cash flows after the five-year period which is based on long-term growth rate across the beauty market.

No impairment has been recognised in respect of THG Beauty.

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these assumptions. There are possible downside risks across the five-year forecast period, including if there was a 5.0% reduction in revenue per annum this would lead to a reduction in headroom of £61m; an EBITDA margin reduction of 50bps per annum, £80m; and an increase in discount rate of 1.0%, £155m. None of these scenarios in isolation completely eliminated the headroom. Mitigations to these scenarios include: refinements to the operating model to optimise margins and cash generation and a continued focus on higher-margin more profitable sales following the discontinuation of certain business operations in the prior year. The model is not sensitive to reasonably possible changes in assumptions in isolation, however, management consider that a combination of reducing revenue by 10% per annum and EBITDA margin by 140 bps per annum into perpetuity would eliminate headroom. The aforementioned scenario does not reflect the potential mitigations including cost reduction and margin enhancement.

THG Nutrition – Goodwill totalling £100.5m (2024: £132.7m)

The key assumptions used within the VIU calculation are:

Key assumptions	
Discount rate	The post tax discount rate used is 8.9% (pre-tax rate 9.6%).
Forecast cash flows	Forecasts are based on assumptions from the Board-approved budget with projections covering a five-year period. The key assumptions within the forecasts are the future revenue growth and EBITDA margin and are in line with market-wide forecast growth projections.
Long term growth rate	A long-term growth rate of 3.0% was used for cash flows after the five-year period which is based on the long-term growth rate across sports and nutrition retailing.

No impairment has been recognised in respect of THG Nutrition.

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these assumptions. The model is not sensitive to key assumptions in isolation or in combination and therefore there is no reasonably possible scenario that would result in an impairment. Management consider that a combination of reducing revenue by 38% and EBITDA by 36% per annum into perpetuity would eliminate headroom across the five-year forecast period. THG Nutrition's historic revenue performance and the current market outlook and projections provide reasonable, measured assurance that there is remote possibility of performance dropping by such significant levels for the headroom to be eliminated.

Management has therefore concluded that there are no reasonably possible changes in key assumptions that would lead to an impairment.

THG Experience – Goodwill totalling £nil (2024: £nil)

Following the impairment charge recognised in the prior year, an additional impairment of £0.6m has been recognised in the current year relating to the same asset. The charge has been recognised within adjusted items. See note 4 for more information.

11. Property, plant and equipment

	Motor vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment and software £'000	Leasehold improvements and freehold buildings £'000	Total £'000
Cost						
At 1 January 2024	2,263	152,963	106,865	133,150	109,607	504,848
Additions	137	11,935	8,712	7,053	2,474	30,311
Transfers	39	1,878	(3,698)	2,289	1,041	1,549
Currency translation differences	—	(332)	(783)	142	(33)	(1,006)
Disposals	(116)	(2,349)	(1,345)	(780)	(874)	(5,464)
Transfer to assets held for distribution	(1,893)	(109,492)	(83,062)	(124,692)	(42,431)	(361,570)
At 31 December 2024	430	54,603	26,689	17,162	69,784	168,668
Additions	—	2,579	854	190	613	4,236
Transfers	—	3	(123)	2	118	—
Currency translation differences	1	(215)	318	(83)	(163)	(142)
Disposals	(107)	(1,072)	(129)	(102)	(2,026)	(3,436)
At 31 December 2025	324	55,898	27,609	17,169	68,326	169,326
Accumulated depreciation						
At 1 January 2024	1,757	56,370	51,056	75,468	47,026	231,677
Depreciation (note 3)	178	17,857	13,984	18,134	4,155	54,308
Transfers	—	8	(8)	—	—	—
Impairment loss	—	7,328	—	—	155	7,483
Currency translation differences	—	(92)	(224)	100	(50)	(266)
Disposals	—	(2,347)	(1,212)	(780)	(494)	(4,833)
Transfer to assets held for distribution	(1,773)	(47,492)	(42,213)	(83,675)	(9,438)	(184,591)
At 31 December 2024	162	31,632	21,383	9,247	41,354	103,778
Depreciation (note 3)	98	5,688	4,798	778	650	12,012
Impairment loss	—	—	(5)	—	—	(5)
Currency translation differences	—	(379)	83	(100)	(183)	(579)
Disposals	(96)	(1,018)	(86)	(62)	(459)	(1,721)
At 31 December 2025	164	35,923	26,173	9,863	41,362	113,485
Net book value						
At 1 January 2024	506	96,593	55,809	57,682	62,581	273,171
At 31 December 2024	268	22,971	5,306	7,915	28,430	64,890
At 31 December 2025	160	19,975	1,436	7,306	26,964	55,841

Transfers relate to work in progress assets that have been transferred to the relevant asset class as these became ready for use in the current year.

Notes to the consolidated financial statements continued

12.1 Disposal of Claremont Ingredients

On 6 August 2025, the Group announced that it had agreed to sell its wholly owned subsidiary, Claremont Ingredients, to the Nactarome Group for proceeds of £102.8m. The transaction completed on 3 September 2025. This divestment is a part of the Group's strategy to simplify its operations and expedite progress towards a net cash balance sheet. Claremont Ingredients does not represent a major line of business or geographical area of operations for the Group. Accordingly, the disposal does not meet the criteria for classification as a discontinued operation under IFRS 5, and the results of the subsidiary remain presented within continuing operations. The final gain on disposal incorporates the outcome of the completion accounts process with adjustments finalised and approved in H2 2025.

	£'000
Proceeds from disposal	102,814
Less: amount deducted at source	(2,149)
Net proceeds from disposal	100,665
Less: net assets disposed	(39,860)
Less: disposal-related fees	(268)
Gain on disposal	60,537

12.2 Discontinued operations

On 17 September 2024, the Group announced its intention to demerge THG Ingenuity from THG PLC into an independent private company. Shareholder approval was obtained on 27 December 2024 and, therefore, the Group believed that it was highly probable that the transaction would complete within 12 months from the date of the announcement. Therefore, THG Ingenuity was classified as a disposal group held for distribution and discontinued operations from that date. Upon demerger, THG Ingenuity included THG Experience, which had previously been reported as part of the THG Beauty segment. The demerger successfully completed on 2 January 2025.

As at 31 December 2024, the disposal group comprised £762.4m of assets held for distribution and £589.7m of liabilities held for distribution, which were presented separately on the face of the consolidated balance sheet as required by IFRS 5. A dividend liability of £501.3m was recognised within the statement of financial position at 31 December 2024. The dividend liability was settled on the date of the demerger on 2 January 2025. Included within the discontinued operations within the statement of comprehensive income is the final gain on distribution net of tax of £117.8m. The gain represents the difference between the fair value of THG Ingenuity at the demerger date and the carrying amount of the net assets distributed. The final gain incorporates the outcome of the completion accounts process under the demerger agreement, with adjustments finalised and approved in early H2 2025.

The gain on distribution is summarised as follows:

	£'000
Fair value of THG Ingenuity	501,331
Less: carrying value of net assets and liabilities held for distribution	(172,697)
Less: amounts relating to the finalisation of the demerger agreement in 2025 ¹	(89,377)
Less: intercompany receivable due from THG PLC ²	(121,457)
Gain on distribution	117,800

- The demerger completed on 2 January 2025 with a number of obligations arising on that date which have been recognised in discontinued operations for the year ended 31 December 2025. We have concluded that the recognition trigger for these expenses occurred on at the date of the demerger (2 January 2025) and therefore have been recognised within the consolidated statement of comprehensive income in 2025.
- The carrying value of the net assets and liabilities held for distribution excludes intergroup balances that are eliminated on consolidation. The carrying value of assets distributed as part of the THG Ingenuity business also included £121m of intergroup receivables.

13. Inventories

	2025 £'000	2024 £'000
Goods held for resale	205,251	200,533
Raw materials	62,704	60,301
Goods in transit	4,884	4,537
	272,839	265,371

Goods in transit relate to goods whose control is still to be transferred to the customers as of the reporting date. The cost of inventories recognised as an expense and included in cost of sales amounted to £1,016.4m (2024: £1,017.1m). The value of inventories written down and recognised as an expense in the statement of comprehensive income in the year was £12.4m (2024: £38.5m), including adjusted items. Within goods held for resale is a £1.3m (2024: £1.3m) right to recover asset which represents the carrying value of inventory expected to be received back from customers as returns.

14. Financial assets and liabilities

	Note	2025 £'000	2024 £'000
Assets as per balance sheet – financial assets			
Trade and other receivables excluding non-financial assets	15	70,403	70,770
Cash and cash equivalents	16	183,099	308,622
Assets as per balance sheet – held at fair value through OCI			
Derivative financial instruments designated as hedging instruments		26,468	5,317
		279,970	384,709
Liabilities as per balance sheet – other financial liabilities at amortised cost			
Bank borrowings	18	430,360	604,567
Lease liabilities	22	130,813	41,370
Trade and other payables excluding non-financial liabilities	17	444,952	315,042
Liabilities as per balance sheet – other financial liabilities at fair value			
Dividend liability	12.2	—	501,331
Derivative financial instruments designated as hedging instruments		63,793	58,969
		1,069,918	1,521,279
Derivative financial instruments designated as hedging instruments			
FX forwards hedging foreign exchange risk on borrowings		(37,230)	(53,020)
Interest rate swaps		(843)	(1,303)
FX forwards hedging foreign exchange risk on highly probable future cash flows		748	669
		(37,325)	(53,654)

Financial instruments included within current assets and liabilities, excluding borrowings, are generally short-term in nature and accordingly their fair values approximate to their book values. Bank borrowings are initially recorded at fair value net of direct issue costs.

The derivative financial instruments designated as hedging instruments have been recognised at fair value through other comprehensive income.

Hedging instruments used are measured based on observable inputs and have been classified at Level 2 hierarchy level in line with IFRS 13 'Fair Value Measurement'.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate, and cash flow contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. All the hedging activities and derivatives are established to be effective. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives.

2025	Notional	Impact on OCI ¹ £'000	Impact on OCI ² £'000	Recycled through interest payable in the statement of comprehensive income £'000
Notional				
Derivatives hedging foreign exchange risk on borrowings	€445,000,000	5,839	7,784	13,075
Derivatives hedging interest rate risk on borrowings	€450,000,000	(345)	(461)	290
Derivatives hedging foreign exchange risk on future cash flows	£43,608,159	(59)	(79)	(874)

- Note impact on OCI is shown net of deferred tax.
- Note impact on OCI is shown gross of deferred tax.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group regularly forecasts cash flows and maintains an appropriate balance of cash and debt facilities to ensure that sufficient funds are available to cover future expenses and capital expenditure.

The Group held €445m notional of forward contracts expiring in December 2026 and €450m notional of interest swaps expiring in December 2026. Maturity of the Group's derivative and non-derivative financial liabilities are given below.

The Group has a supplier finance arrangement in place to support the cash flow of its external suppliers. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by one of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices. All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank. Included within trade payables is £32.4m (2024: £44.8m) due to suppliers that participate in the Group's supply chain financing agreement. The agreement does not change the suppliers' agreed payment terms directly with the Group. Management doesn't consider the supplier finance agreement to result in liquidity risk.

Notes to the consolidated financial statements continued

14. Financial assets and liabilities continued**Liquidity risk** continued

In the prior year, to further support cash flow initiatives, the Group entered into a £30m non-recourse factoring arrangement during the year whereby a proportion of its receivables are sold to HSBC. This factoring arrangement remains in place in the current year. The Group does not retain ownership over the risks and rewards associated with the receivables.

	Contractual amount						
	Carrying amount £'000	Total £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 2 years £'000	2 to 5 years £'000	More than 5 years £'000
31 December 2025:							
Bank borrowings	430,360	576,542	8,590	90,832	31,581	445,539	—
Lease liabilities	130,813	192,572	5,267	15,678	20,978	60,051	90,598
Trade payables	444,952	444,952	425,280	19,672	—	—	—
Derivative financial liabilities	63,793	63,793	—	63,793	—	—	—
31 December 2024:							
Bank borrowings	604,567	610,339	—	112,785	497,554	—	—
Lease liabilities	41,370	68,943	3,015	7,363	10,426	29,828	18,311
Trade payables	315,042	315,042	286,041	29,001	—	—	—
Derivative financial liabilities	58,969	58,969	—	23,263	35,706	—	—
Dividend liability	501,331	501,331	501,331	—	—	—	—

Undiscounted bank borrowings disclosed in the table above include variable-rated interest which is based on the level of the index at the reporting date.

There is no material difference between the fair value and the carrying value of the bank borrowings.

Foreign currency risk

The Group trades internationally and is exposed to exchange rate risk on purchases (euro, US dollars, and Polish zloty) and sales (primarily in euro and US dollars). The Group's results are presented in sterling and are thus exposed to exchange rate risk on translation of foreign currency assets and liabilities.

The Group's approach to managing foreign exchange risk is to designate cash flow hedges across a combination of forwards and spot transactions, whose fair value is based on the observable market value of the respective instrument, taking into account foreign exchange rates and market volatility at the balance sheet date.

The Group is also exposed to EUR:GBP exchange rate risk on a €445m loan within the Group and mitigates this risk through the use of hedging instruments in the form of FX forward contracts.

As at 31 December 2025, the Group held €445m notional of forward contracts expiring in December 2026.

The Group's foreign exchange exposure is predominantly euro, US dollars, Polish zloty and Japanese yen. If the closing exchange rate was 5% higher/lower, the Group's statement of comprehensive income would be impacted as follows:

	Change in foreign exchange rate	Effect on change in EUR rate ¹ £'000	Effect on change in USD rate ² £'000	Effect on change in PLN rate £'000	Effect on change in JPY rate £'000
2025	5%	(811)	(5,247)	56	(8)
2025	-5%	734	4,747	(50)	7
2024	5%	(215)	2,235	140	—
2024	-5%	237	(2,470)	652	—

1. If the closing exchange rate was 5% higher/lower, the impact on Group equity would be £14.9m (2024: £1.6m) reflecting the impact of the derivative hedges associated with the €445m Term Loan B.

2. If the closing exchange rate was 5% higher/lower, the impact on Group equity would be £26.4m (2024: £32.0m) reflecting the impact of the substantial other intangible assets denominated in USD.

Interest rate risk

The Group is exposed to EURIBOR and SONIA through its loan facilities and has entered into a series of interest rate swap agreements to mitigate this risk. As of 31 December 2025, the Group held €450m expiring December 2026. Interest rate sensitivity is summarised in note 18.

The Group's financial risks are detailed on pages 60 to 69 in this Annual Report.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities are presented below:

	1 January 2025 £'000	Cash flows £'000	New leases and Lease modifications £'000	Net repayment of bank borrowings £'000	Disposals £'000	Foreign exchange movement £'000	Other £'000	31 December 2025 £'000
Borrowings	604,567	(45,999)	—	(180,076)	—	25,323	26,545	430,360
Lease liabilities	41,370	(20,645)	105,474	—	(379)	(1,450)	6,443	130,813
Total liabilities from financing activities	645,937	(66,644)	105,474	(180,076)	(379)	23,873	32,988	561,173
	1 January 2024 £'000	Cash flows £'000	New leases and Lease modifications £'000	Net repayment of bank borrowings £'000	Disposals £'000	Foreign exchange movement £'000	Other £'000	31 December 2024 £'000
Borrowings	650,037	(44,954)	—	(22,000)	—	(23,959)	45,443	604,567
Lease liabilities	344,977	(47,476)	(1,914)	—	(213)	(1,942)	15,867	309,299 ¹
Total liabilities from financing activities	995,014	(92,430)	(1,914)	(22,000)	(213)	(25,901)	61,310	913,866

1. The opening balances for the lease liabilities as at 1 January 2025 exclude an amount of £267.9m allocated to the disposal group classified as held for distribution as at 31 December 2024.

Balances and movements in respect of the total Group are presented to allow reconciliation to the Group cash flow statement.

The 'Other' column includes the effect of accrued interest on interest-bearing loans and borrowings, including lease liabilities and the effect of prepaid loan fees. The Group classifies interest paid as cash flows from financing activities.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables. The Group monitors and reviews exposure to credit risk on an ongoing basis and makes best efforts to ensure recoverability of amounts owed to the Group. Information about the credit risk exposure on the Group's trade receivables is disclosed in note 15.

15. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	38,252	34,578
Less: loss allowance	(222)	(1,122)
Net trade receivables	38,030	33,456
Prepayments	16,063	13,253
Accrued income	18,055	22,875
Other taxation and social security	2,170	40,374
Other receivables	32,373	37,314
	106,691	147,272

Trade and other receivables are principally denominated in sterling.

At 31 December 2025, there were 159,176,306 fully vested, but partly paid and unlisted shares (31 December 2024: 159,293,306). The average amount of unpaid share capital per fully vested but partly paid and unlisted Share is £0.17 (2024: £0.17) representing a receivable to the Group of £27.7m (2024: £26.3m). The amount is included within other receivables. The movement in the year is all due to certain fully vested but partly paid and unlisted shares being paid-up and converted to Ordinary Shares.

During the year ended 31 December 2024, the Group entered into a £30m non-recourse factoring arrangement whereby receivables are sold to HSBC. This factoring arrangement remains in place in the current year. The Group does not retain ownership over the risks and rewards associated with the receivables.

VAT tribunal – protein powders (contingent asset)

The Group has raised Error Correction Notices to HMRC regarding the VAT treatment of certain protein powder products. A favourable ruling could generate an estimated benefit in excess of £60m. However, under IAS 37, contingent assets may only be recognised when the inflow of economic benefits is virtually certain. As HMRC have not provided a conclusion, we have concluded this criteria is not met at 31 December 2025. No asset has therefore been recognised yet.

Notes to the consolidated financial statements continued

15. Trade and other receivables continued

At 31 December 2025, the ageing of trade receivables of continuing operations was as follows:

	2025 £'000	2024 £'000
Not due	31,409	23,039
0 to 3 months overdue	5,536	3,946
More than 3 months overdue	1,307	7,593
	38,252	34,578

The movement in the loss allowance of trade receivables of continuing operations was as follows:

	£'000
At 1 January 2025	1,122
Charge for the year	130
Released	(159)
Utilised	(846)
Foreign exchange movement	(25)
At 31 December 2025	222

The Group's credit risk exposure on trade receivables of continuing operations using a provision matrix is as follows:

	Current	0-30 days	31-60 days	61-90 days	90+ days	Total
Expected credit loss rate	0.49%	0.52%	0.54%	0.57%	0.64%	
Estimated total gross carrying amount at default	31,409	3,026	(153)	2,663	1,307	38,252
Expected credit loss	(178)	(18)	1	(17)	(10)	(222)
At 31 December 2025	31,231	3,008	(152)	2,646	1,297	38,030

The Group has adopted IFRS 9 applying the simplified approach to measure the expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. No provision is required in respect of accrued income.

16. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash and cash equivalents	183,099	308,622

Cash and cash equivalents includes amounts receivable of £1.3m (2024: £1.8m) from banks and £8.8m (2024: £9.9m) from payment providers, for credit and debit card transactions. Such amounts clear the bank shortly after the transaction takes place.

17. Trade and other payables

	2025 £'000	2024 £'000
Trade payables	333,911	246,035
Accruals	111,041	69,007
Other taxation and social security	19,880	27,485
	464,832	342,527

The Directors consider the carrying amount of trade and other payables approximates to their fair value when measured by discounting cash flows at market rates of interest as at the balance sheet date.

Accruals increased during the year primarily as a result of the demerger, following which THG Ingenuity provides services to the Group on a third-party basis. The increase mainly relates to amounts accrued in respect of THG Ingenuity service charges at the reporting date.

Included within trade payables is £32.4m (2024: £44.8m) due to suppliers that participate in the Group's supply chain financing agreement. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by one of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices. Supplier finance terms are not renegotiated as part of the agreement. All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank.

	2025 £'000	2024 £'000
Carrying amount of trade payables that are part of the Group's supplier financial arrangement	32,368	44,762
Of which suppliers have received payment	27,445	34,770

There were no significant non-cash changes in the carrying amount of the trade payables included in the Group's supply chain financing agreement.

18. Interest-bearing loans and borrowings

	Note	2025 £'000	2024 £'000
Current			
Bank borrowings		69,618	112,785
Lease liabilities	22	20,945	10,293
		90,563	123,078
Non-current			
Bank borrowings		360,742	491,782
Lease liabilities	22	109,868	31,077
		470,610	522,859

Bank borrowings relate predominantly to the €445m Term Loan B, the undrawn £150m revolving credit facility and a new £64m uncommitted asset-backed financing facility. In April 2025, the Group refinanced its long-term debt facilities, extending the Term Loan B to December 2029 and the £150m RCF to May 2029. The Term Loan A matured in October 2025, with £74m and £35m repaid in April and October 2025 respectively. The revolving credit facility is provided by Barclays, HSBC, Santander, Citibank, NatWest and JPM. The Term Loan B carries an interest rate of 5% plus EURIBOR and the revolving credit facility interest rate is SONIA. The floating element of the Term Loan B is hedged by interest rate derivatives. Management note that EURIBOR is being reformed as a benchmark rate and are in dialogue with its lending and hedging partners to minimise the impact on the Group as transition occurs. If interest rates moved by 100bps, the Group's profit before tax would be c.£4.9m higher/lower (2024: c.£5.1m) and the subsequent move on the derivative valuation would cause equity to be c.£3.8m higher/lower (2024: c.£7.3m) as a result of the same move.

Under IFRS 9 Financial Instruments, a borrower is required to assess whether the terms of an existing financial liability have been substantially modified. This involves evaluating both quantitative and qualitative factors. In making the assessment, management has applied the 10% quantitative test (comparing the present value of the cash flows of the modified liability with those of the original liability). Although the facility was amended, the overall changes to the cash flows were not considered substantial. Management has concluded that the amendments represent a modification rather than the derecognition of the existing liability and recognition of a new loan. The existing financial liability continues to be recognised, with modification gains or losses recognised in profit or loss in accordance with IFRS 9.

Net debt consists of loans and lease liabilities, less cash and cash equivalents, defined as referenced in note 22. For the purpose of the Group's net debt calculation, loans that are denominated in foreign currency are translated at the effective hedged rate where applicable. Net debt is an alternative performance measure and is not defined under IFRS. A reconciliation to the most directly comparable IFRS measure is included below:

	2025 £'000	2024 £'000
Loans and other borrowings	(430,360)	(604,567)
Lease liabilities	(130,813)	(41,370)
Cash and cash equivalents	183,099	308,622
Sub-total	(378,074)	(337,315)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	14,252	(8,306)
Net debt	(363,822)	(345,621)
Net debt adjusted for demerger subleases	(363,822)	(422,521)
Net debt before lease liabilities	(233,009)	(304,251)

The contractual maturity analysis of bank borrowings and lease liabilities is given in note 14.

19. Provisions

	Dilapidations £'000	Onerous contracts £'000	Total £'000
At 1 January 2025	12,077	6,303	18,380
Created	7,964	504	8,468
Utilised	(3,112)	(4,276)	(7,388)
Released	(637)	—	(637)
Interest	546	—	546
FX on retranslation	(106)	—	(106)
At 31 December 2025	16,732	2,531	19,263
Current	2,504	888	3,392
Non-current	14,228	1,643	15,871

Dilapidations provisions relate to leased properties. Dilapidations provisions are made based on the best estimate of the likely committed cash outflow and discounted to net present value. Future costs are expected to be incurred over the term of the existing lease arrangements at the reporting date, which is a period of up to 21 years.

Notes to the consolidated financial statements continued

19. Provisions continued

The following table shows the timeline in which undiscounted costs in relation to the dilapidation provision are expected to be incurred:

	Current £'000	1-5 years £'000	6-10 years £'000	11-15 years £'000	16-20 years £'000	21-25 years £'000	Total £'000
At 31 December 2025	4,803	2,038	1,998	245	9,068	1,270	19,422
At 31 December 2024	2,359	914	1,980	—	15,530	—	20,783

Onerous contracts relate to unavoidable costs arising where the Group no longer operates from leased properties. Unless a separate sublease or exit agreement has been agreed with the landlord, the Group recognises a provision for the costs of meeting its contractual obligations, primarily comprising service charges. These costs are recognised over the remaining contractual term of the lease. In addition, during 2023 the Group entered into a sponsorship agreement with Williams Racing. The agreement did not generate the anticipated commercial returns and has therefore been assessed as onerous. Under the terms of the contract, the Group was committed to annual sponsorship fees and associated termination costs. Notice of termination was served, and the agreement was formally exited on 31 December 2025. A provision has been recognised for the unavoidable costs arising under this contract up to the termination date. Onerous contracts also include unavoidable costs relating to the aborted implementation of a payroll ERP system and a technology tool, which was originally intended to enhance revenue generation and customer retention.

20. Contract liabilities

	2025 £'000	2024 £'000
Contract liabilities	17,279	15,650

Contract liabilities are the consideration from the customers for sales where the Group still has an obligation to transfer goods or services, which relate to THG Beauty and THG Nutrition. The unsatisfied performance obligations of £17.3m as at 31 December 2025 relate to prepaid customer orders where delivery is expected to occur during 2026. 100% of the transaction price of the unsatisfied contracts as at 31 December 2024 was recognised as revenue during 2025.

21. Deferred tax

The deferred tax balance comprises:

	2025 £'000	2024 £'000
Short-term timing differences	(10,170)	(4,725)
Accelerated capital allowances	(6,851)	(478)
Business combinations	105,633	122,963
Tax losses	(32,758)	(46,366)
Loan relationships	(11,786)	(15,993)
Derivatives	(264)	1,547
Other balance sheet amounts	—	479
Total deferred tax liability	43,804	57,427

Reflected in the balance sheet as follows:

	2025 £'000	2024 £'000
Continuing operations		
Deferred tax assets	(599)	(4,072)
Deferred tax liabilities	44,403	63,701
Net deferred tax liabilities	43,804	59,629
Discontinued operations		
Deferred tax assets	—	(2,705)
Deferred tax liabilities	—	503
Net deferred tax assets	—	(2,202)

The movement on the deferred tax liability during the year is as follows:

	Total £'000
Opening balance 1 January 2025	59,629
Credited to the statement of comprehensive income	(8,643)
Charged to equity	—
Credited to OCI – exchange difference on translating foreign operations	(4,095)
Credited to OCI – loss in cash flow hedges	(1,811)
Movement arising from the acquisition or disposal of business	(1,276)
Closing balance 31 December 2025	43,804

Deferred tax assets have been recognised to the extent there is a legally enforceable right to set off current tax assets and liabilities, levied by the same taxation authority. Due to the history of losses within the Group, no deferred tax assets have been recognised in respect of forecasted future profits, with the exception of immaterial overseas deferred tax assets for which the entities operate at a set operating margin and so will be profitable in future periods.

The Group has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required in the amendments to IAS 12 International Tax reform to Pillar Two Model Rules, issued in May 2023.

There is a decrease in the unrecognised deferred assets compared to 2024 due to unrecognised deferred tax assets disposed of in the demerger, with the exception of the loan relationships deferred tax asset which has always arisen in the remaining Group and has increased due to an additional restriction in relation to interest payable but no corresponding increase in deferred tax liabilities against which the deferred tax asset could be recognised.

	2025 Gross amount £'000	2025 Tax affected £'000	2024 Gross amount £'000	2024 Tax affected £'000
At 31 December:				
Short-term timing difference (UK)	—	—	14,538	3,635
Loan relationships (UK)	201,349	50,337	120,572	30,143
Losses (UK)	211,639	52,910	460,526	115,132
Fixed assets (UK)	—	—	89,544	22,386
Losses (US)	—	—	1,527	382

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries as, where tax would arise on the realisation of those temporary differences, the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

22. Leases

Set out below are the carrying amounts of the right-of-use assets recognised and movements during the period:

	Motor vehicles £'000	Plant and machinery £'000	Land and buildings £'000	Total £'000
As at 1 January 2024	1,656	113	301,866	303,635
Additions	—	—	25,057	25,057
Depreciation (note 3)	(614)	(45)	(38,263)	(38,922)
Lease modifications	(3)	—	(18,531)	(18,534)
Disposals	—	—	(213)	(213)
Transfers	—	—	(950)	(950)
Currency translation differences	(4)	(1)	(1,147)	(1,152)
Impairment	—	—	(7,372)	(7,372)
Transfer to assets held for distribution	(807)	(35)	(231,380)	(232,222)
As at 31 December 2024	228	32	29,067	29,327
Additions	—	—	91,372	91,372
Depreciation (note 3)	(63)	—	(20,384)	(20,447)
Lease modifications	—	(32)	19,752	19,720
Disposals	—	—	(379)	(379)
Currency translation differences	—	—	(1,956)	(1,956)
Impairment (note 27)	—	—	(854)	(854)
As at 31 December 2025	165	—	116,618	116,783

Notes to the consolidated financial statements continued

22. Leases continued

Set out below are the carrying amounts of lease liabilities (included under note 18 interest-bearing loans and borrowings) and the movements during the period:

	2025 £'000	2024 £'000
As at 1 January	41,370	344,977
Additions	83,440	15,950
Accretion of interest	6,461	15,867
Payments	(20,645)	(47,476)
Lease modifications	22,034	(17,864)
Disposals	(397)	(213)
Currency translation differences	(1,450)	(1,942)
Transfer to liabilities held for distribution	—	(267,929)
As at 31 December	130,813	41,370
Current	20,945	10,293
Non-current	109,868	31,077

The maturity analysis of lease liabilities is disclosed in note 14.

The Group had total cash outflows for leases of £20.6m in 2025 (2024: £47.5m).

The increase in the carrying amount of the right-of-use assets and lease liabilities during the year is primarily attributable to the sublease arrangements put in place following the demerger; the sublease arrangements are discussed further in note 27.

The following are the amounts recognised in the year in the consolidated statement of comprehensive income:

	2025 £'000	2024 £'000
Depreciation expense on right-of-use assets	20,447	11,732
Interest expense on lease liabilities	6,461	1,558
	26,908	13,290

23. Share capital and reserves

THG PLC is a public company limited by shares and incorporated in England and Wales. It has a standard listing on the London Stock Exchange and is the holding company of the Group. The Company has nine classes of shares: Ordinary Shares of £0.005 each, all of which are fully paid; B Shares of £0.005 each, all of which are fully paid; D1 Shares of £0.005 each; D2 Shares of £1 each, all of which are fully paid; E Shares of £0.005 each; F Shares of £0.005 each; G Shares of £0.005 each; Deferred 1 Shares of £0.005 each, all of which are fully paid; and Deferred 2 Shares of £0.005 each. As at 31 December 2025, the Company's issued share capital comprised:

Class	2025 Number	2024 Number	Nominal value £ each
Ordinary Shares	1,599,781,137	1,322,058,529	0.005
B Shares	—	204,081,632	0.005
D1 Shares	56,082,651	56,082,651	0.005
D2 Shares	17,066	17,066	1
E Shares	48,571,808	48,605,750	0.005
F Shares	26,685,406	26,715,453	0.005
G Shares	16,841,351	16,885,866	0.005
Deferred 1 Shares	204,404,691	323,059	0.005
Deferred 2 Shares	21,563,860	21,563,860	0.005
	1,973,947,970	1,696,333,866	

The rights attaching to the shares are set out in the Directors' Report pages 106 to 110.

Capital risk management

The Group's objectives when managing capital, which comprises equity, are to safeguard the Group's ability to continue as a going concern to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

During the financial year ended 31 December 2025, the following share conversions took place in respect of pre-IPO employee share schemes:

- (i) 4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
- (ii) 35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
- (iii) 33,942 Ordinary Shares were converted from 33,942 E Shares
- (iv) 35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares

24. Pension commitments

During the year, the Group operated an auto-enrolment pension scheme. The scheme is managed by independent fund managers and the Group contributes in accordance with the statutory requirements. In addition to the auto-enrolment scheme, a subsidiary company operates a defined contribution pension scheme which is also managed by independent fund managers and its assets and liabilities are held separately from that of the Group. The total Group pension charge represents the amount paid by the Group and for continuing operations amounted to £5.8m (2024: £6.0m). £0.5m of contributions due to the fund were outstanding at year end (2024: £0.6m).

25. Cash flow generated from operations

	2025 £'000	2024 £'000
Loss before taxation from continuing operations	(69,383)	(202,400)
Profit/(loss) before taxation from discontinued operations	117,800	(120,840)
Profit/(loss) before taxation	48,417	(323,240)
Adjustments for:		
Depreciation of property, plant and equipment	11	12,012
Depreciation of right-of-use assets	22	20,447
Amortisation	10	16,520
Amortisation of acquired intangibles	10	41,886
Share-based payments	7	7,903
Adjusted items	4	30,227
Demerger gain	12.2	(117,800)
Profit on disposal of subsidiary	12.1	(60,537)
Net finance costs	8	77,517
Operating cash flow before adjusting items and before movements in working capital and provisions	76,592	114,382
Decrease in inventories	(14,543)	1,280
Decrease in trade and other receivables	29,076	24,500
Decrease in trade and other payables ¹	(28,664)	(9,798)
(Decrease)/increase in provisions	(7,662)	6,084
Foreign exchange gain/(loss)	35	(36)
Cash generated from operations before adjusting items	54,834	136,412

1. Included within trade and other payables is an increase in contract liabilities of £1.6m (2024: increase £5.0m).

Refer to the Chief Financial Officer's Review on pages 22 to 31 of this report for details regarding undrawn borrowing facilities that may be available in the future for the operating activities and settling capital commitments.

26. Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2025	2024
Loss for the financial year – continuing operations (£'000)	(63,675)	(180,533)
Profit/(loss) for the financial year – discontinued operations (£'000)	117,800	(145,607)
Total profit/(loss) for the financial year (£'000)	54,125	(326,140)
Weighted average number of Ordinary Shares for basic and diluted EPS	1,387,523,768	1,368,632,773
Basic and diluted EPS (£'s)	0.04	(0.24)
Basic and Diluted EPS – continuing operations (£'s)	(0.04)	(0.13)
Basic and diluted EPS – discontinued operations (£'s)	0.08	(0.11)

The basic loss per share has been calculated by dividing the loss attributable to the Group by the weighted average number of Ordinary Shares in issue. Loss per share has been calculated with respect to total loss for the year for the Group, including both continuing and discontinued operations (see note 12.2).

The diluted loss per share has been calculated by adjusting the weighted average number of shares for the effects of the D, E, F and G Shares assuming full vesting of all potentially dilutive shares. The number of these shares is disclosed in note 23.

Basic and diluted earnings per share are equal since the effect of all potentially dilutive shares outstanding was anti-dilutive.

Notes to the consolidated financial statements continued

27. Related Party Transactions

The Directors' interests in the Ordinary Share capital of the Company at the balance sheet date are detailed below:

	£ per share	Ordinary Shares 2025 Number	Ordinary Shares 2024 Number
M J Moulding	0.005	358,233,396	269,702,708
M J Moulding	1	360	360
J A Gallemore ¹	0.005	4,216,826	4,216,826
J A Gallemore ¹	1	3,174	3,174
D Sanders	0.005	358,487	487,487
C Allen	0.005	2,548,311	2,942,000
G Kent	0.005	53,600	53,600
D Moore	0.005	53,143	53,143
S Farr	0.005	171,743	171,743
H Jones	0.005	134,084	134,084
I McDonald ²	0.005	n/a	2,691,419
		365,773,124	280,456,544

1. John Gallemore stepped down from the Board on 2 January 2025.

2. Iain McDonald stepped down from the Board on 31 March 2024.

In addition to the shareholdings noted above, the Directors had the following interests in vested shares issued under previous incentive arrangements at the balance sheet date. These shares carry no voting rights.

	Date of award	2025 Subscription/exercise price £	2024 Subscription/exercise price £	2025 Number	2024 Number
M J Moulding	Dec-19	0.23	0.23	43,641,266	43,641,266
M J Moulding	Aug-20	0.33	0.33	20,197,808	20,197,808
M J Moulding	Aug-20	0.28	0.28	7,733,792	7,733,792
J A Gallemore ¹	Dec-19	0.23	0.23	185,476	185,476
J A Gallemore ¹	Aug-20	0.33	0.33	2,666,963	2,666,963
J A Gallemore ¹	Aug-20	0.28	0.28	4,000,537	4,000,537
I McDonald ²	Dec-19	n/a	0.23	n/a	—
				78,425,842	78,425,842

1. John Gallemore stepped down from the Board on 2 January 2025.

2. Iain McDonald stepped down from the Board on 31 March 2024.

Details of unvested awards granted to the Directors under the 2023 and 2024 LTIP scheme are provided in the Directors' Remuneration Report.

Also refer to note 15 and the Directors' Remuneration Report for further information as to shareholdings.

In 2025, the Group provided interest-free loans to the Directors of £nil (2024: £0.6m) for them to subscribe for shares as part of the employee benefit scheme. During the year the Group received £0.4m (2024: £nil) in relation to the repayment of these loans. At the balance sheet date £0.5m (2024: £0.9m) remained outstanding in relation to these loans. Full details of the Directors' shareholdings are detailed in the Directors' Remuneration Report on page 100.

On 26 November 2025, the Company was notified of the transfer by FIC Shareco Limited, a company incorporated in Guernsey which is wholly owned by the Group's CEO of 181,818,181 ordinary voting shares of £0.005 each to FIC Shareco Limited, a company incorporated in the UK and considered a related party by virtue of the Group's CEO shareholding and control. In accordance with the Disclosure Guidance and Transparency Rule, Matthew Moulding's equity interest equates to 429,873,034 shares in the Company, being approximately 25% on a fully diluted basis, comprising 307,682,946 ordinary voting shares and 122,190,088 unlisted Ordinary Shares, including all shares issued under previous incentive arrangements.

Included within other receivables is unpaid share capital totalling £21.6m (2024: £21.6m) in respect of Directors' interests.

Moulding Capital Limited ("Propco Group") is wholly owned by the Group's CEO. Propco owns property assets occupied and utilised by THG and its operating businesses.

In previous years, the Group (through THG Ingenuity) had an agreement on commercial terms with Moulding Capital Limited to provide property, facilities and project management services to the entity and its subsidiaries. This agreement ceased on demerger. Limited services provided are recovered through the transitional services agreement with THG Ingenuity. Amounts totalling £372,442 (2024: £235,382) are recognised within administrative expenses.

The amounts recognised on the Group's balance sheet and in the income statement in relation to the leases with Propco Group in the period are as follows:

	2025 £'000	2024 £'000
Right-of-use asset	9,358	12,742
Lease liability	25,025	24,025
Depreciation arising on right-of-use assets	4,520	2,764
Expense recognised in financing costs	1,233	991
Impairment arising on property, plant and equipment	854	7,372

The number of leases between THG and Propco Group has decreased to ten (2024: 16) at 31 December 2025. The lease liability movement reflects the unwinding of the finance costs.

The table below gives further detail around the leases in place during the year:

Number of properties	Residual lease term at date of divestment	2025 rent £'000
6	0-4 years	360
9	9-10 years	1,998
1	18-24 years	738
16		3,096

The rent for 2026 will reduce by £0.4m following the exit of six leases during 2025.

The following table sets out the amounts payable to related parties which include balances in relation to lease agreements:

	Amount owed by related parties £'000	Amounts owed to related parties £'000
Aghoco 1422 Ltd	—	800,000
Allenby Square Ltd	—	2,400,000
THG Gadbrook PropCo Ltd	—	549,012
	—	3,749,012

Following the demerger on 2 January 2025, THG Ingenuity is no longer part of the THG PLC Group; however, by virtue of the CEO's shareholding and control it is considered a related party. On 30 October 2025, THG Ingenuity updated its legal name of incorporation from The Hut.com Limited to FIC Shareco Limited, a company incorporated in the UK.

THG PLC has a long-term service contract in place comprising: platform infrastructure and technology services, warehouse, fulfilment and courier services, and marketing and content creation. The value of these services is expected to reduce from 2026 onwards.

The amounts recognised on the Group's balance sheet and in the income statement in relation to the contract with THG Ingenuity in the period are as follows:

	2025		Proforma 2024 ¹	
	Sale of goods/services £'000	Purchase of goods/services £'000	Sale of goods/services £'000	Purchase of goods/services £'000
THG Ingenuity	9,365	495,425	12,278	506,681

1. The 2024 sales and purchases to THG Ingenuity have been included on a proforma basis to provide a like-for-like comparison to the 2025 amounts. The purchases year on year have decreased on this basis.

Goods and services are sold to and bought from related parties on normal commercial terms and conditions that would be consistent if this were a third party.

During the year THG Ingenuity received cash for the sale of goods on behalf of the Group totalling £59.5m; under the agreement in place, this was remitted back to the Group on a timely basis. Following the demerger, as expected, payments totalling £46.7m were made in the year in connection with the demerger, with £20.9m included within trade and other payables at the balance sheet date which is expected to be settled during 2026.

In addition, subleases were put in place following the demerger reflecting THG PLC's use of assets. The amounts recognised on the Group's balance sheet and in the income statement in relation to the leases with THG Ingenuity in the period are as follows:

	2025 £'000
Right-of-use asset	76,390
Lease liability	76,901
Depreciation arising on right-of-use assets	7,360
Expense recognised in financing costs	4,951

Notes to the consolidated financial statements continued

27. Related Party Transactions continued

The table below gives further detail around the leases in place:

Number of properties	Residual lease term	2025 rent £'000
3	0-4 years	3,870
1	9-10 years	723
3	18-24 years	5,330
7		9,923

The following table sets out amounts outstanding at the balance sheet date:

	Amount owed by related parties £'000	Amounts owed to related parties £'000
FIC Shareco Limited	674	67,306
The Hut.com Poland	—	311
THG International LLC	—	1,000
	674	68,617

The receivables are unsecured in nature and, unless otherwise stated, bear no interest. No guarantees have been given or received and no provisions have been made for doubtful debts in respect of the amounts owed by related parties. The payables to related parties are from purchase transactions for services due one month after the date of purchase. The payables from purchase transactions are unsecured and bear no interest.

On 24 March 2025, as part of the equity contribution surrounding the refinancing, the Group entered into a convertible loan agreement with FIC Shareco Limited, a company incorporated in Guernsey which is wholly owned by the Group's CEO. The convertible loan was initially recognised at £67.5m. There was no interest charged on this loan, however, notional interest was charged in accordance with the relevant accounting standards.

On 8 December 2025, the convertible loan was extinguished in full by a conversion to 209,086,407 Ordinary Shares. At 31 December 2025, there was no outstanding balance as a result of the transaction.

28. Subsidiary undertakings

These consolidated financial statements include the results of all subsidiaries owned by THG PLC as listed in the table below, split below by those pertaining to continuing and discontinued operations. Some of these subsidiaries, in respect of continuing operations, which are listed below, have taken the exemption from an audit for the year ended 31 December 2025 permitted by s479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company THG PLC has given a statutory guarantee, in line with s479C of Companies Act 2006.

At the balance sheet date, the following subsidiaries were controlled by the Group (a company incorporated in England and Wales). All investments are 100% owned by THG PLC either directly or indirectly.

Continuing operations

Subsidiary	Registered office	Country of incorporation	Nature of business
The Hut Holdings Limited	1	England and Wales	Dormant
Cend Limited	1	England and Wales	Holding company
Ensco 818 Limited	1	England and Wales	Holding company
Mankind Holdings Limited	2	Guernsey	Holding company
Mankind Direct Limited	1	England and Wales	Dormant
Lookfantastic Group Limited	1	England and Wales	Holding company
Lookfantastic.com Ltd	1	England and Wales	Holding company
Lookfantastic Franchising Limited	1	England and Wales	Holding company
Lookfantastic Salons Limited	1	England and Wales	Holding company
Exante Diet Limited	1	England and Wales	Dormant
Bike Kit Limited	1	England and Wales	Dormant
CNP Professional Holdings Limited	2	Guernsey	Holding company
MyVitamins Limited	1	England and Wales	Dormant
HQ Hair Limited	2	Guernsey	Holding company
Cend International Limited	1	England and Wales	Holding company
Mama Mio Limited	1	England and Wales	Holding company
Mama Mio Distribution Limited	1	England and Wales	Dormant
Mama Mio US, LLC	5	USA	Holding company
Gadbrook Limited	1	England and Wales	Holding company
THG International Limited	1	England and Wales	Marketing company
The Hut Group International (Shanghai) Co Limited	7	China	Licence holding company
PC Beauty Inc.	1	USA	Holding company

Subsidiary	Registered office	Country of incorporation	Nature of business
Performance Supplements LLC	5	USA	Holding company
Salu Australia PTY Limited	11	Australia	Holding company
Skincarestore Australia PTY Limited	11	Australia	Online retailing
Salu Beauty, LLC	1	USA	Holding company
THG Beauty Aus Pty Ltd (previously RY.com.au Pty Limited)	11	Australia	Online retailing
Media Ark Limited	1	England and Wales	Holding company
Illamasqua (Holdings) Limited	1	England and Wales	Holding company
Illamasqua Limited	1	England and Wales	Holding company
Beauty Box Beteiligungen GmbH	12	Germany	Holding company
Beauty Trend Holding GmbH	12	Germany	Online retailing
Beauty Trend GmbH	12	Germany	Online retailing
Jade 1150. GmbH	12	Germany	Holding company
Beauty Trend S.A.S France	3	France	Holding company
GlossyBox Sweden Holding UG	12	Germany	Holding company
GlossyBox Sweden AB	17	Sweden	Online retailing
GlossyBox United Kingdom Holding GmbH	12	Germany	Holding company
Beauty Trend UK Limited	1	England and Wales	Online retailing
VRB GmbH & Co. B-149 KG	12	Germany	Holding company
Beauty Trend USA Inc.	5	USA	Online retailing
El Spa Holdings (UK) Limited	1	England and Wales	Holding company
ESPA International (UK) Limited	1	England and Wales	Holding company
Primavera Aromatherapy Limited	1	England and Wales	Holding company
ESPA International (US) LLC	5	USA	Holding company
ESPA International FZE	8	UAE	Holding company
Make Money Limited	1	England and Wales	Holding company
M Beauty Limited	1	England and Wales	Holding company
Acheson & Acheson Limited	1	England and Wales	Manufacturing
1010 Products Limited	1	England and Wales	Dormant
Ameliorate Skincare Limited	1	England and Wales	Holding company
Great John Street Hotel Limited	1	England and Wales	Hotel operator
THG Trustee Limited ¹	1	England and Wales	Trustee of EBT
THG Nutrition US Inc.	1	USA	Holding company
Myprotein Japan K.K.	6	Japan	Online retailing
Colorist Christophe Robin S.A.S.	18	France	Online retailing
Colorist Christophe Robin US LLC	5	USA	Holding company
THG General Trading LLC	15	UAE	Online retailing
David Berryman Ltd	1	England and Wales	Online retailing
David Berryman Holdings Limited	1	England and Wales	Holding company
Fair Juice Limited	1	England and Wales	Dormant
THG 100 KING STREET LIMITED	1	England and Wales	Holding company
Lion/Wrinkle Holdings, LLC	1	USA	Holding company
Lion/Wrinkle Parent LLC	1	USA	Holding company
Lion/Wrinkle Intermediate LLC	1	USA	Holding company
N.V. Perricone LLC	5	USA	Holding company
Perricone MD Cosmeceuticals UK Limited	1	England and Wales	Holding company
THG Intermediate OpCo Limited	1	England and Wales	Holding company
THG Operations Holdings Limited	1	England and Wales	Holding company
THG Intermediate Holdings Limited ¹	1	England and Wales	Holding company
THG Shelfco Limited	1	England and Wales	Holding company
THG Beauty USA LLC	5	USA	Online retailing
The Protein Lab (UK) Limited	1	England and Wales	Manufacturing
Brighter Foods Limited	1	England and Wales	Manufacturing
Bentley Laboratories Blocker Company	5	USA	Holding company
Bentley Laboratories LLC	10	USA	Manufacturing
Cult Beauty Limited	1	England and Wales	Holding company
THG Beauty Limited	1	England and Wales	Online retailing

1. Companies owned directly by THG Plc.

Notes to the consolidated financial statements continued

28. Subsidiary undertakings continued

Subsidiary	Registered office	Country of incorporation	Nature of business
THG Beauty Singapore PTE Limited	13	Singapore	Online retailing
THG Luxury Limited	1	England and Wales	Online retailing
THG Nutrition Limited	1	England and Wales	Online retailing
THG AUS Nutrition PTY Limited	11	Australia	Online retailing
THG Nutrition India Private Limited	14	India	Online retailing
THG Nutrition Singapore PTE Limited	13	Singapore	Online retailing
THG Nutrition Poland s.p.z.o.o	4	Poland	Online retailing
THG Beauty Europe GmbH	12	USA	Online retailing
THG Shared Services Limited	1	England and Wales	Shared Service centre
THG Shared Services AUS PTY Limited	11	Australia	Shared Service centre
THG Shared Services Poland sp.z.o.o	4	Poland	Shared Service centre
THG Shared Services US LLC	9	USA	Shared Service centre
THG Beauty Trading LLC	16	UAE	Online retailing
THG Insurance Limited ¹	2	Guernsey	Holding company
Dermstore LLC	1	USA	Holding company
THG Beauty I2 Limited	1	England and Wales	Online retailing
THG Nutrition OM Limited	1	England and Wales	Online retailing

1. Companies owned directly by THG PLC.

Registered offices:

1	Icon 1 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom, WA15 0AF.
2	PO Box 296, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 4NA.
3	73 rue Sainte-Anne, Paris, France.
4	ul. Magazynowa 1, 55-040 Magnice, Poland.
5	06-101, WeWork 115 Broadway, New York, NY 10006, USA.
6	DLA Piper Tokyo, 2-1-1 Marunouchi, Chiyoda-ku, Meiji Seimei Kan 7F, Tokyo, 100-0005, Japan.
7	Room 204-10, Tower 2, 38 Debao Road, China (Shanghai) Pilot Free Trade Zone.
8	Jebel Ali Free Zone, Dubai, UAE.
9	300 Creekview Road, Suite 209, Newark, New Castle, 19711.
10	111 Fieldcrest Avenue, Edison NJ 08837.
11	C/O Azure Group PTY Ltd, Suite 20.01, Level 20, 133 Castlereagh Street, Sydney NSW 2000, Australia.
12	Maximilianstrasse 5480538 Munich.
13	100 Tras Street, #16-01 100AM, 079027, Singapore.
14	203, 2nd Floor, Time Tower, Gurgaon Haryana, India.
15	Office F-31, Hamood Abdulla Ismail Alyasi – Port Saeed, Dubai, UAE.
16	Office 350, 1st floor Onyx Business Office Building at Khabeesi Deira Dubai UAE.
17	c/o Intertrust (Sweden) AB, Box 16285, 103 25 Stockholm.
18	48 rue Montmartre – 75002 Paris, France.

Subsidiary audit exemptions

The below subsidiaries have taken the exemption from an audit for the year ended 31 December 2025 permitted by s479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company THG PLC has given a statutory guarantee, in line with s479C of Companies Act 2006.

Name	Company number
Ensco 818 Limited	7459909
Lookfantastic Group Limited	5381562
Illamasqua (Holdings) Limited	6116121
El Spa Holdings (UK) Limited	9317257
Make Money Limited	5880897
THG Intermediate Holdings Limited	12526036
Lookfantastic.com Ltd	3519634
Mankind Direct Limited	4112104
Cend Limited	4067712
THG Shared Services Limited	13515579
The Protein Lab (UK) Limited	8491800
THG Nutrition Limited	13400484
Gadbrook Limited	9867117
Lookfantastic London Limited	6338404
Mama Mio Distribution Limited	7721655
Fair Juice Limited	6494686
Beauty Trend UK Limited	7569585
THG International Limited	10523712
Illamasqua Limited	6301971
Primavera Aromatherapy Limited	2053064
M Beauty Limited	5850964
THG 100 KING STREET LIMITED	12938227
Cend International Limited	8651475
ESPA International (UK) Limited	2742156
Acheson & Acheson Limited	2764368
Great John Street Hotel Limited	7973960
THG Beauty Limited	13400467
THG Luxury Limited	13515580
Media Ark Limited	6127322
Ameliorate Skincare Limited	3427037
THG Trustee Limited	10511000
THG Intermediate OpCo Limited	12297092
David Berryman Holdings Limited	10392135
David Berryman Ltd	2185279
Perricone MD Cosmeceuticals UK Limited	6471993
Lookfantastic Franchising Limited	5382066
Lookfantastic Salons Limited	6310534
Mama Mio Limited	5251791
Brighter Foods Limited	8815259
Cult Beauty Limited	6195011
Bike Kit Limited	8317188
The Hut Holdings Limited	7002848
Exante Diet Limited	7126424
1010 Products Limited	3402920
Myvitamins Limited	8179216
THG Shelfco Limited	13120197
THG Beauty I2 Limited	16379955
THG Nutrition OM Limited	16379964

Company statement of financial position

as at 31 December 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Investments	5	12,903	5,000
		12,903	5,000
Current assets			
Receivables	6	1,680,600	1,582,356
Assets held for distribution	7	—	501,331
Cash		34,196	47,860
		1,714,796	2,131,547
Payables: amounts falling due within one year	8	(26,112)	(514,962)
Net current assets		1,688,684	1,616,585
Total assets less current liabilities		1,701,587	1,621,585
Provisions for liabilities	9	(414)	(689)
Net assets		1,701,173	1,620,896
Capital and reserves			
Called-up share capital	10	9,606	8,219
Share premium		2,207,500	2,117,148
Merger reserve		—	615
Capital redemption reserve		523	523
Loss for the year		(19,365)	(173,572)
Retained earnings		(497,091)	(332,037)
Total Shareholders' funds		1,701,173	1,620,896

The financial statements on pages 154 to 159 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Damian Sanders

Chief Financial Officer

Registered number: 06539496

Company statement of changes in equity

for the year ended 31 December 2025

	Ordinary Shares £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024	7,072	2,024,824	615	523	152,715	2,185,749
Loss for the year	—	—	—	—	(173,572)	(173,572)
Issue of Ordinary Share capital	1,147	92,324	—	—	—	93,471
Share-based payment	—	—	—	—	16,579	16,579
Dividend in specie (note 4)	—	—	—	—	(501,331)	(501,331)
Balance at 31 December 2024	8,219	2,117,148	615	523	(505,609)	1,620,896
Balance at 1 January 2025	8,219	2,117,148	615	523	(505,609)	1,620,896
Loss for the year	—	—	—	—	(19,365)	(19,365)
Issue of Ordinary Share capital	343	21,074	—	—	—	21,417
Convertible loan	1,044	69,278	—	—	—	70,322
Share-based payment	—	—	—	—	7,903	7,903
Reserves movement of demerged entities	—	—	(615)	—	615	—
Balance at 31 December 2025	9,606	2,207,500	—	523	(516,456)	1,701,173

Notes to the Company financial statements

1. Accounting policies

The principal accounting policies have been applied in accordance with 'Financial Reporting Standard 101 Reduced Disclosure Framework' ("FRS 101") and are detailed below. The policies have been applied consistently throughout both the current and preceding year.

a. Basis of preparation

The Company financial statements have been prepared in accordance with United Kingdom's Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), and in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The loss for the financial year in the financial statements of the Company is £19.4m (2024: £173.6m). The financial statements have been prepared on the historical cost basis.

In accordance with FRS 101, the Company has taken advantage of the following disclosure exemptions:

- Company cash flow statement and related notes
- Disclosures required by IFRS 2 Share-based Payments
- Disclosures required by IFRS 7 Financial Instrument Disclosures
- Disclosure of Related Party Transactions

There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Company's financial statements.

There are no standards, interpretations or amendments to IFRS that have been issued but are not yet effective that are expected to have a material impact on the Company's financial statements.

b. Taxation and deferred taxation

Current tax including UK corporation 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 taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

c. Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The most significant financial asset relates to an intercompany debtor, representing funding requirements within the Group. Management have considered all aspects of IFRS 9 with respect to recognising the appropriate value of this financial instrument at the balance sheet date, including credit risk, and have concluded that this has not adversely changed since initial recognition.

d. Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

e. Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Where equity-settled share-based payments are granted to the employees of subsidiary companies, the fair value of the award is treated as a capital contribution by the Company and the investments in subsidiaries are adjusted to reflect this capital contribution

f. Share-based payments

The Group operates share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an increase to investments in the statement of comprehensive income. The total charge is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions along with taking account of any equity instruments that may have been cancelled or modified in the period. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Note 7 in the consolidated financial statements details the schemes in place.

g. Dividends received

Dividends received from subsidiaries are recognised in the statement of comprehensive income when the right to receive payment is established, unless the equity method is used, in which case the dividend is recognised as a reduction of the carrying amount of the investment.

h. Dividend liability

The prior year dividend liability is measured at the fair value of the assets to be distributed at the date the distribution is approved. The liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised directly in equity. On settlement, the difference between the carrying amount of the asset distributed and the amount of the dividend liability is recognised in profit or loss.

i. Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

Impairment of investments

The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is any indication of impairment in accordance with the accounting policy set out in note 1 of the consolidated financial statements. The Company considers impairment of its investments in subsidiaries by estimating the recoverable amounts of its investments. In performing this assessment, Management have considered the cash flows at a Group consolidated level adjusted for applicable intercompany borrowings and external borrowings net of cash held at a subsidiary level. An impairment of £nil (2024: £552.9m) has been recognised (see note 5 for more information). Note 11 in the consolidated financial statements details the assumptions used together with an analysis of the sensitivity to changes in key assumptions which could impact the Group-level assessment. There are no critical assumptions in respect of the parent-level adjustments which would reasonably change to the overall assessment performed.

Key sources of estimation uncertainty

Recoverability of intercompany receivables

The Company uses estimates to determine the recoverability of amounts due from its subsidiaries. Under IFRS 9, the carrying amounts of receivables from other Group subsidiaries are required to be assessed for recoverability on a forward-looking basis through the recognition of an expected credit loss ("ECL") provision. This requires the estimation of loss given default ("LGD") and probability of default ("PD") to compute the ECL, which is deemed to reflect the risk over recoverability of intercompany debtors.

The Group external credit risk ratings have been used as the primary measure of PD. Management consider this to be a reasonable metric of the Company as a result of the funding arrangements in place and as these ratings provide an independent view as to financial health and market sentiment, including the impact of macroeconomic factors.

Other sources of internal and external information are also used in determining the final PD applied, including financial forecasts, financing arrangements and an assessment as to significant changes in credit risk and default events of each borrower.

Valuation of dividend liability

The prior year dividend liability is measured at the fair value of the assets to be distributed at the date the distribution is approved. Determining the appropriate valuation required judgement, including assessing the fair value of the business based on comparable transactions, market conditions, and internal financial projections.

2. Employee costs and numbers

	2025 £'000	2024 £'000
Short-term employee benefits	541	993
Social security costs	217	187
Pension costs	1	2
	759	1,182

The average number of employees during the year was two (2024: three).

3. Auditor's remuneration

Amounts paid to the Company's External Auditor are disclosed in note 5 of the Group's consolidated financial statements.

4. Dividend received

In 2024, a dividend was received from the Company's immediate subsidiary to reflect the receipt of the investment of THG Ingenuity in advance of demerger:

	2025 £'000	2024 £'000
Dividend received	—	501,331

5. Fixed asset investments

Fixed asset investments comprise investments in subsidiary undertakings.

	2025 £'000	2024 £'000
At 1 January	5,000	541,303
Additions – share-based payments	7,903	16,579
Additions – dividend received (note 4)	—	501,331
Transfer to assets held for distribution (note 7)	—	(501,331)
Impairment	—	(552,882)
At 31 December	12,903	5,000

No impairment has been recognised in respect of fixed asset investments. The recoverable value for the investment in THG Intermediate Holdings Limited was determined with reference to the recoverable amount of the Group's trading entities, utilising the forecasts applied as part of Group goodwill impairment assessments. The Group uses a five-year discounted cash flow ("DCF") approach for each of the businesses and this has been used as the starting position for the amount available for distribution to the parent.

Appropriate adjustments have been made to these DCFs to determine the cash flows available to support the Group's investments, including deducting amounts receivable from the investment group, adding cash held in the investment group and deducting amounts payable by the investment group to settle its external financing facilities.

This recoverable value has then been compared to the investment carrying values, resulting in no impairment being charged.

Notes to the Company financial statements continued

6. Receivables

	2025 £'000	2024 £'000
Trade and other receivables	2,501	3,260
Amounts owed from Group undertakings	1,650,568	1,547,499
Unpaid share capital	26,697	26,335
Corporation tax asset	—	2,368
Other taxation and social security	—	715
Prepayments and accrued income	834	2,179
	1,680,600	1,582,356

Amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand. The current amount includes amounts of £1,650.6m (2024: £1,547.5m) due on demand but expected to be settled after one year. This amount is net of an ECL allowance of this amount of £9.1m (2024: £11.0m).

At 31 December 2025, there were 159,176,306 fully vested, but partly paid and unlisted Shares (31 December 2024: 159,293,306). The average amount of unpaid share capital per fully vested but partly paid and unlisted Share is £0.17 (2024: £0.17) representing a receivable to the Group of £27.7m (2024: £26.3m). The movement in the year is all due to certain fully vested but partly paid and unlisted Shares being paid-up and converted to Ordinary Shares.

7. Assets held for distribution

Fixed asset investments comprise investments in subsidiary undertakings.

	2025 £'000
At 1 January	501,331
On distribution	(501,331)
At 31 December	—

The demerger of THG Ingenuity completed on 2 January 2025 and the assets were distributed on this date.

8. Payables: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	2,245	4,598
Amounts owed to Group undertakings	17,347	—
Accruals and deferred income	5,820	8,588
Other taxation and social security	375	133
Corporation tax creditor	50	—
Onerous contract (note 9)	275	312
Dividend liability	—	501,331
	26,112	514,962

THG Ingenuity demerged from the Group on 2 January 2025; the dividend liability was settled on this date following the distribution of assets (note 7).

9. Provisions for liabilities

	Onerous contract £'000	Total £'000
At 1 January 2025	1,001	1,001
Utilised	(312)	(312)
At 31 December 2025	689	689
Current (note 8)	275	275
Non-current	414	414

During the prior year the implementation of a payroll ERP system was aborted, as such being identified as an onerous contract. As a result, a one-off provision has been recorded to reflect these unavoidable costs associated with fulfilling the contract.

10. Share capital and reserves

THG PLC is a public company limited by shares and incorporated in England and Wales. It has a standard listing on the London Stock Exchange and is the holding company of the Group. The Company has nine classes of shares: Ordinary Shares of £0.005 each, all of which are fully paid; B Shares of £0.005 each, all of which are fully paid; D1 Shares of £0.005 each; D2 Shares of £1 each, all of which are fully paid; E Shares of £0.005 each; F Shares of £0.005 each; G Shares of £0.005 each; Deferred 1 Shares of £0.005 each, all of which are fully paid; and Deferred 2 Shares of £0.005 each. As at 31 December 2025, the Company's issued share capital comprised:

Class	2025 Number	2024 Number	Nominal value £ each
Ordinary Shares	1,599,781,137	1,322,058,529	0.005
B Shares	—	204,081,632	0.005
D1 Shares	56,082,651	56,082,651	0.005
D2 Shares	17,066	17,066	1
E Shares	48,571,808	48,605,750	0.005
F Shares	26,685,406	26,715,453	0.005
G Shares	16,841,351	16,885,866	0.005
Deferred 1 Shares	204,404,691	323,059	0.005
Deferred 2 Shares	21,563,860	21,563,860	0.005
	1,973,947,970	1,696,333,866	

During the financial year ended 31 December 2025, the following share conversions took place in respect of pre-IPO employee share schemes:

- (i) 4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
- (ii) 35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
- (iii) 33,942 Ordinary Shares were converted from 33,942 E Shares
- (iv) 35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares

11. Related Party Transactions

The Company has taken exemption under FRS 101 not to disclose transactions with wholly owned subsidiary companies.

Alternative performance measures (“APMs”)

The Group tracks a number of alternative performance measures in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these alternative performance measures, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

These alternative performance measures should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial information relating to the Group, which are prepared in accordance with IFRS. The Group believes that these alternative performance measures are useful indicators of its performance.

However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated. Profit-related APMs frequently exclude significant recurring business transactions (e.g. restructuring charges and acquisition-related costs) that impact financial performance and cash flows.

The Audit Committee has reviewed the overall presentation of APMs to ensure that these are not given undue prominence, challenged the nature and amount of adjusting items and evaluated the reconciliations used by Management.

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:

- It is a significant item.
- It has been directly incurred as a result of acquisition-related restructuring and integration costs, transportation, delivery or fulfilment costs in relation to one-off global events or as part of the outcome of the strategic review or divisional reorganisation.

- It is unusual in nature or linked to a one-off agreement signed outside of the normal course of business.

Purpose

The Group uses APMs to improve the comparability of information between reporting periods, either by adjusting for uncontrollable factors or special items which impact upon IFRS measures.

Their use is driven by characteristics particularly relevant to THG:

- Adjustments to operating profit – the Group has a significant non-current asset base and consequently incurs a high proportion of depreciation and amortisation. APMs are used to provide adjusted measures for users of the financial statements to evaluate our operating performance.
- Acquisition-related activity – the Group is in a growth phase in its life cycle and has made several acquisitions in the previous reporting periods. Consequently, a high volume of transaction, restructuring and financing costs are incurred within the Group which do not reflect its underlying results.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Purpose
Adjusted revenue	Revenue	<ul style="list-style-type: none"> • Adjusted items See the Chief Financial Officer’s Review for a reconciliation.	To show revenue before adjusted items charged due to its nature to aid comparability.
Adjusted gross profit	Gross profit	<ul style="list-style-type: none"> • Adjusted items • Depreciation and amortisation See the Chief Financial Officer’s Review for a reconciliation.	To show gross profit before adjusted items, depreciation and amortisation charged due to its nature to aid comparability.
Adjusted distribution costs	Distribution costs	<ul style="list-style-type: none"> • Adjusted items • Depreciation and amortisation See the Chief Financial Officer’s Review for a reconciliation.	To show distribution costs before adjusted items, and depreciation and amortisation charged due to their nature to aid comparability.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Purpose
Adjusted administrative expenses	Administrative expenses	<ul style="list-style-type: none"> • Adjusted items • Depreciation and amortisation • Share-based payments See the Chief Financial Officer’s Review for a reconciliation.	To show administrative expenses before adjusted items, depreciation and amortisation charged due to their nature to aid comparability.
Adjusted EBITDA	Operating profit	<ul style="list-style-type: none"> • Adjusted items • Depreciation and amortisation • Share-based payments • Profit on disposal of subsidiaries See the Chief Financial Officer’s Review for a reconciliation. Adjusted EBITDA in 2024 included a separate classification of discontinued categories. This separate classification has been removed in 2025.	EBITDA is a useful measure for investors because it is a measure closely tracked by Management to evaluate THG’s operating performance and to make financial, strategic and operating decisions and may help investors to understand and evaluate, in the same manner as Management, the underlying trends in operational performance on a comparable basis year on year. Share-based payment costs are added back as Management consider these to be outside of the underlying day-to-day operations. Given the material size of these charges they are removed from underlying Adjusted EBITDA.
Free cash flow	Cash flow	<ul style="list-style-type: none"> • Debt (repayments)/proceeds • Acquisitions cash flows Refer to note 25 for further detail.	Free cash flow is a useful measure that is closely tracked by Management in order to evaluate and assess the profitability of the business. The free cash flow calculation is routinely reviewed by Management and forms the basis of strategic decisions made in respect of working capital management.
Net debt before lease liabilities	Cash	<ul style="list-style-type: none"> • Loans and other borrowings • Foreign exchange (Retranslate debt balance at swap rate where hedged by foreign exchange derivatives) • Lease liabilities See the Chief Financial Officer’s Review for a reconciliation.	To show the cash balance after the deduction of the loans and other borrowings balances but before lease liabilities are deducted and after retranslation of debt balance at swap rate. This measure is tracked by Management when reviewing liquidity and the indebtedness of the Group which is then used to drive any strategic or acquisition-related decisions.
Net debt	Cash	<ul style="list-style-type: none"> • Loans and other borrowings • Foreign exchange (Retranslate debt balance at swap rate where hedged by foreign exchange derivatives) See the Chief Financial Officer’s Review for a reconciliation.	To show the cash balance after the deduction of the loans and other borrowings balances and after retranslation of debt balance at swap rate. This measure is tracked by Management when reviewing liquidity and the indebtedness of the Group which is then used to drive any strategic or acquisition-related decisions.
Net debt adjusted for demerger subleases	Cash	<ul style="list-style-type: none"> • Loans and other borrowings • Foreign exchange (Retranslate debt balance at swap rate where hedged by foreign exchange derivatives) • Subleases entered into on demerger (included as if had been in place from 1 January 2024) 	To show the cash balance after the deduction of the loans and other borrowings balances and after retranslation of debt balance at swap rate. Given a number of subleases were entered into on demerger, this has also been reflected as at 31 December 2024 to show a like-for-like comparison to 2025 net debt position.
Revenue Continuing CCY	Revenue	<ul style="list-style-type: none"> • Discontinued categories • Disposal of subsidiaries • Impact of foreign exchange movements and hedges – calculated by taking current year average exchange rates for relevant currencies and applying these to the prior year comparative. 	To show the underlying growth of the business by removing the distorting impact of exchange rate fluctuations, which are outside management’s control. Given the strategic exits of non-core loss making brands and the sale of Claremont Ingredients over recent reporting periods this has also been adjusted to ensure a like-for-like comparison.

Glossary

The definitions set out below apply throughout this document, unless the context requires otherwise.

Term	Meaning
2018 Code	the UK Corporate Governance Code (July 2018), published by the FRC and applicable to financial years beginning prior to 1 January 2025
2023 Annual Report	the Annual Report and Accounts of the Company in respect of the financial year ended 31 December 2023
2024 AGM	the annual general meeting of the Company held on 24 June 2024
2024 Annual Report	the Annual Report and Accounts of the Company in respect of the financial year ended 31 December 2024
2024 Code	the UK Corporate Governance Code (January 2024), published by the FRC and applicable to financial years beginning on or after 1 January 2025
2025 AGM	the annual general meeting of the Company held on 25 June 2025
Active Customers	customers who have purchased at least once within the period
Adjusted EBITDA	the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments and adjusting items as detailed in note 4 of the financial statements contained within this Annual Report
Admission	the admission of the Ordinary Shares to both the standard listing segment of the FCA's Official List and the London Stock Exchange's main market for listed securities, which took place on or around 16 September 2020
AGM	the annual general meeting of the Company that will be held on 24 June 2026
Annual Report	this Annual Report and Accounts of the Company in respect of the financial year ended 31 December 2025
AOV	Average Order Value
APMs	alternative performance measures
Articles of Association	the Articles of Association of the Company, as adopted by special resolution on 9 September 2020
B2B	business to business
Board	the board of directors of the Company from time to time

Term	Meaning
Board Committees	the Company's Board-constituted committees i.e. the Audit Committee, the Nomination Committee, the Related Party Committee, the Remuneration Committee, the Risk Committee and the Sustainability Committee, and "Board Committee(s)" means any, or a combination, of them as the context requires
B Shares	following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Group, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024 and these B Shares were subsequently redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025 (further information on the demerger and the B Shares is included within the Demerger Circular
Chair or Independent Chair	Charles Allen, Lord Allen of Kensington, CBE, independent non-executive chair of the Company, appointed on 22 March 2022
Chief Executive Officer or CEO	Matthew Moulding, the Company's Chief Executive Officer and co-founder
Chief Financial Officer or CFO	Damian Sanders, the Company's Chief Financial Officer
Code	the 2018 Code or the 2024 Code, as the context requires
Companies Act	the Companies Act 2006 (as amended from time to time)
Company	THG PLC, a public limited company incorporated in England and Wales with registered number 06539496, whose registered office is at Icon 1, 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom WA15 0AF
Company Secretary	James Pochin, the General Counsel and Company Secretary of THG PLC
Constant currency/CCY	without taking into account fluctuations in the exchange rate; therefore showing the figures as if the exchange rate remained constant
Continuing CCY	performance shown after removing discontinued categories and exits from loss-making territories and holding exchange rates constant; therefore showing the figures as if the exchange rate remained constant
COO	Chief Operating Officer, formerly John Gallemore
Cult Beauty	Cult Beauty Limited, the UK-based online beauty retailer of prestige and emerging independent brands that was acquired by THG on 3 August 2021

Term	Meaning
D1 Shares	the D ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
D2 Shares	the D ordinary shares of £1.00 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
D2C	direct to customer
Deferred 1 Shares	the deferred 1 shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
Deferred 2 Shares	the deferred 2 shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
Demerger Circular	the circular which was made available to Shareholders on 28 November 2024 relating to the demerger of THG Ingenuity from the Group
Dermstore	Dermstore LLC, the pure play online prestige skincare business that was acquired by THG on 2 February 2021
Directors	the directors of the Company from time to time and "Director" means any one of them
Disclosure Guidance and Transparency Rules or DTRs	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time)
EDI	equity, diversity and inclusion
Employee Incentive Plan	the employee incentive plan that was put in place during the financial year ended 31 December 2022 and under which Ordinary Share awards are made to certain key employees below the level of the Executive Leadership Team
ESCC category	the equity shares (commercial companies) category of listing pursuant to UKLR 1.5.1R
ESG	environmental, social and corporate governance factors which are non-financial and are used in assessing the sustainability and societal impact of the Group and its value chain
E Shares	the E ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
EU	the European Union

Term	Meaning
Executive Directors	the executive directors of the Company from time to time, being the Chief Executive Officer and the Chief Financial Officer at the date of this Annual Report, and "Executive Director" means any one of them
Executive Leadership Team	collectively, those individuals holding executive management positions within the Company
EY or External Auditor	Ernst & Young LLP, the Group's statutory auditor
FCA	the Financial Conduct Authority
FMCG	fast moving consumer goods
FRC	the Financial Reporting Council
FRC Guidance	Corporate Governance Code Guidance, published by the FRC in January 2024 (as updated from time to time)
F Shares	the F ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
GAAP	Generally Accepted Accounting Principles
GHG	greenhouse gas or greenhouse gases, as the context requires
Group or THG	the Company and its subsidiaries and subsidiary undertakings from time to time
G Shares	the G ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
IFRS	International Financial Reporting Standards
IPO	the initial public offering of Ordinary Shares by the Company in September 2020
KPI	key performance indicator
London Stock Exchange	the London Stock Exchange PLC or its successor
LTIP	any long-term incentive plan operated by the Company from time to time
LTM	last twelve months
M&A	mergers and acquisitions
Management or Senior Management	collectively, the direct reports of the Executive Leadership Team

Glossary continued

Term	Meaning	Term	Meaning
NEDs	the non-executive directors of the Company from time to time, and "NED(s)" means any, or a combination, of them as the context requires	Sedex	Supplier Ethical Data Exchange
Notice of Meeting	the notice of meeting circulated to Shareholders in respect of the AGM	Shareholder	a holder of Ordinary Shares
Official List	the FCA's list of securities that have been admitted to listing	Shares	together the Ordinary Shares, B Shares, D1 Shares, D2 Shares, E Shares, F Shares, G Shares, Deferred 1 Shares and Deferred 2 Shares or any, or a combination, of them as the context requires
Ordinary Shares	means the voting ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association	SID	the Board's senior independent NED, currently Sue Farr who was appointed on 24 April 2023
Perricone MD	Perricone MD, the US prestige skincare brand that was acquired by THG on 29 September 2020	Sustainability Strategy	the Group's Sustainability Strategy, THG x Planet Earth, for a better, sustainable future with targets centred around three key priorities: (i) protecting climate and nature; (ii) strengthening our supply chain and circularity; and (iii) empowering people and communities
Propco Group	Moulding Capital Limited (formerly Kingsmead HoldCo Limited), a company incorporated in Guernsey (registered no. CMP51762), whose registered office is at PO Box 296, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 4NA ("Propco"), and its subsidiaries from time to time, which together hold certain property assets that are used or occupied by THG under leases between the relevant Group company and the relevant subsidiaries of Propco	TCFD	the Task Force on Climate-related Financial Disclosures, a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes
Propco Transaction	the sale of the Propco Group prior to Admission to an entity which is wholly owned by Matthew Moulding, the CEO	THG Beauty	a key business of the Company relating to beauty products, commerce and distribution
RCF	revolving credit facility	THG Experience	the prestige event and experience venues included within the THG Beauty business in support of the Group's influencer marketing
Related Party Transaction	has the meaning given in Chapter 8 of the UK Listing Rules and includes any transaction, arrangement or agreement (or amendment thereto) between any Group company and the Propco Group, excluding any non-material or day-to-day business-as-usual or ordinary course changes to building transactions, arrangements and agreements (or amendments thereto) which do not require the approval of either Matthew Moulding or the Board	THG Ingenuity	FIC Shareco Limited, a company incorporated in England and Wales with registered number 05016010, whose registered office is at Icon 1, 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom WA15 0AF
Remuneration Policy	the Shareholder-approved policy which sets out the remuneration arrangements for Directors (as amended from time to time)	THG Luxury	the Company's luxury fashion retail included within the THG Beauty business which was sold during 2024
RTD	ready-to-drink	THG Nutrition	a key business of the Company relating to nutritional products, commerce and distribution
SBTi	the Science Based Targets initiative, the global body enabling businesses to validate emissions reduction targets in line with climate science	Transition category	the equity shares (transition) category of listing pursuant to UKLR 1.5.1R
Section 172	section 172 of the Companies Act which relates to the duty of a company's directors to promote the success of the company	UK Listing Rules or UKLRs	the rules published by the FCA, as contained in the UK Listing Rules sourcebook (as part of the FCA Handbook), laying down minimum requirements for the admission of securities to the Official List and the continuing obligations of listed issuers
		YoY	year on year



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THG PLC

(Company number: 06539496)

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