



Nichols plc
Annual Report 2025

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Highlights

<p>Group revenue</p> <p>£175.1m +1.3%</p> <p>2024: £172.8m</p>	<p>Cash and cash equivalents</p> <p>£55.7m +3.8%</p> <p>2024: £53.7m</p>
<p>Adjusted operating profit¹</p> <p>£31.7m +9.9%</p> <p>2024: £28.9m</p>	<p>Operating profit</p> <p>£27.3m +27.1%</p> <p>2024: £21.5m</p>
<p>Adjusted operating profit margin¹</p> <p>18.1% +1.4ppts</p> <p>2024: 16.7%</p>	<p>Operating profit margin</p> <p>15.6% +3.2ppts</p> <p>2024: 12.4%</p>
<p>Adjusted profit before tax (PBT)¹</p> <p>£33.6m +7.0%</p> <p>2024: £31.4m</p>	<p>Profit before tax (PBT)</p> <p>£29.2m +21.5%</p> <p>2024: £24.0m</p>
<p>Adjusted PBT margin¹</p> <p>19.2% +1.0ppts</p> <p>2024: 18.2%</p>	<p>PBT margin</p> <p>16.7% +2.8ppts</p> <p>2024: 13.9%</p>
<p>Adjusted earnings per share (basic)¹</p> <p>67.53p +5.5%</p> <p>2024: 64.02p</p>	<p>Earnings per share (basic)</p> <p>58.67p +20.1%</p> <p>2024: 48.84p</p>
<p>Adjusted return on capital employed²</p> <p>34.1% +3.1ppts</p> <p>2024: 31.0%</p>	<p>Total ordinary dividend</p> <p>33.7p +5.3%</p> <p>2024: 32.0p</p>

1. Adjusted measures are excluding exceptional items.
 2. Non-GAAP measures are defined and reconciled in note 27 of the financial statements on page 161.

Highlights continued

Financial highlights

- Group revenue 1.3% higher than last year at £175.1m (2024: £172.8m), driven by increased volumes in UK Packaged and also reflecting the shift in International to a lower revenue but margin-enhanced concentrate model across several African markets and the exit of the Starslush brand in H2
- Overall Packaged revenue increased by +1.8%, with UK Packaged sales increasing by +3.1%, largely driven by innovation and distribution gains, with 1.5% growth in International on a like-for-like¹ basis following the success of the ongoing strategic shift towards a margin-enhancing, but lower revenue, concentrate model across several African markets
- Aligned to our strategy, Out of Home (OoH) revenue was consistent year-on-year, following the exit of the low-margin Starslush business and the focus on driving profitability to contribute to Group bottom-line performance
- Gross margin improvement to 46.1% (2024: 45.7%)
 - UK Packaged gross margin increased despite inflationary pressures offset by a disciplined and robust focus on cost management enhanced by the implementation of the new ERP system
 - Increased weighting of higher-margin concentrate sales in International within our Africa and Middle East business units
- Continued focus on cost management resulted in adjusted operating profit increasing by 9.9% to £31.7m, with an enhanced adjusted operating margin² of 18.1% (2024: 16.7%) and adjusted profit before tax² rising by 7.0% to £33.6m
- Exceptional items of £4.4m (2024: £7.4m) reflect the investment made in the three-year business change programme and systems development, which completed in 2025
- Free cash flow³ of £13.8m (2024: £17.8m) resulting in cash and cash equivalents of £55.7m (2024: £53.7m)
 - Dividend payments of £11.7m (2024: £11.2m ordinary dividend and a special dividend of £20.0m)
 - Investment in new Enterprise Resource Planning (ERP) system of £4.4m (2024: £7.6m)
 - The reduction in free cash flow is driven by a timing difference in working capital
- Final ordinary dividend proposed at 18.7p (2024: 17.1p). Total ordinary dividend of 33.7p (2024: 32.0p)
- Progress in line with medium-term ambitions which were shared at the capital markets day in 2024 and are disclosed on the website

Strategic and operational highlights

- Sustained growth in the UK Packaged division achieving the highest ever Vimto Retail Sales Value⁴ (RSV) of £129.1m driven by new product innovation, market share gains, growth in dilutes, energy and ready to drink (RTD) brand
- The International Packaged division continued to deliver excellent results underpinned by:
 - New concentrate model in West Africa bringing production closer to the end consumer continuing to improve margins
- The operating model of the Out of Home business continued to be simplified, including the exit of the Starslush brand
- Significant investment in a new ERP system which went live in Q1

1. Like-for-like (LFL) converts new concentrate sales volumes into equivalent can sales, enabling a consistent comparison and is a common term used in the industry. Reconciliation to a statutory measure is not applicable.

2. Adjusted measures are excluding exceptional items.

3. Non-GAAP measures are defined and reconciled in note 27 of the financial statements on page 161.

4. Nielsen IQ RMS for Squash, Flavoured Carbonates, RTDs, Flavoured Water, and Energy categories for 12 months to 27 December 2025 for the total coverage market.

Chair's Statement



“The Group continues to benefit from combining its well-established position in the UK with the enhanced growth potential of our international operations.”

Liz McMeikan
Non-Executive Chair



I am pleased to present my report on what has been another year of strong progress for the Group.

The business has made good progress in delivering against our key strategic priorities despite a challenging trading environment. Nichols operates in a dynamic sector that demands agility and a readiness to respond to shifting consumer behaviour and market trends. Thanks to the strength of our brand portfolio, our experienced leadership teams, and our asset-light model, we continue to deliver strong growth and robust profitability.

Group revenue increased by 1.3% to £175.1m (2024: £172.8m). Our core Packaged division performed well, delivering 1.8% growth. This was driven by another robust year in the UK, where revenue rose by 3.1%, supported by product innovation, targeted strategic marketing initiatives and important distribution gains. Revenue in our International Packaged division was consistent with 2024, in line with our expectations following our transition towards a lower revenue but margin-accretive concentrate model in selected African markets. Revenue in the OoH business was consistent year-on-year, following the exit of the low-margin Starslush business and the focus on driving profitability. Gross profit increased by 2.2% to £80.7m (2024: £79.0m). Adjusted operating profit increased by 9.9% to £31.7m (2024: £28.9m), and adjusted profit before taxation rose by 7.0% to £33.6m (2024: £31.4m).

Strategic progress

Nichols operates in a resilient and expanding category, with meaningful opportunities for growth across both our UK and International Packaged businesses. Having set a clear strategy and medium-term objectives for the business, supported by investments in our core capabilities, the strong financial performance this year demonstrates the benefits of these foundations and the momentum behind our plans. A particular highlight during the year was the launch of a Company-wide ERP system that will provide a platform for growth and drive enhanced productivity across the business.

Chair's Statement continued

People

Our continued progress is a direct result of the outstanding contribution of colleagues across the Group. Their professionalism, commitment and teamwork have been central to the successful execution of our strategy. I extend my sincere thanks to all of them for their dedication.

The breadth of experience, expertise and passion within our organisation sets us apart and is a key element of our long-term competitive advantage. Stakeholders across the Group benefit from the strength of our people and their drive to deliver exceptional results.

The Board

We had an emotionally difficult start to the year, losing Richard Newman, our CFO, following his battle with cancer. As a highly valued colleague and a pivotal member of the Nichols Board and leadership team, Richard's kindness, professionalism and dedication will be remembered by all who had the privilege of working with him.

We are grateful to David Taylor who rejoined the Company as a non-Board Interim Finance Director in February 2025 and provided invaluable support to the Board. In September, Rebecca Hughes, our Group Financial Controller, succeeded him as Interim Finance Director and will continue in that capacity until the arrival of our new CFO, Matthew Rothwell, in April 2026.

In August 2025, John Gittins stepped down as a Non-Executive Director after serving a full nine-year term, plus an additional year to support the Group during a period of significant change. We thank John for his dedicated service and his leadership as Chair of the Audit Committee. In March 2025, we were pleased to welcome Alan Williams to the Board as a Non-Executive Director, and he assumed the role of Audit Committee Chair in August. Alan brings extensive experience and capability, and we are delighted to benefit from his insights.

Over the year, we continued to strengthen our succession planning processes to ensure the Board's composition and expertise remain well aligned to the needs and future direction of the business.

Environment, social and governance

We remain proud of our commitment to the Nichols Happier Future strategy, which is structured around three core pillars: Everyone Matters, Products We're Proud Of and Owing Our Climate Impact. These principles sit at the heart of our decision-making and are embedded in the development and delivery of our growth strategy.

We made meaningful progress against our pillars this year. Just a few of our achievements in 2025 include:

- Completing the first phase of our packaging lightweighting project, which removed 750 tonnes of plastic and aluminium in 2025¹
- Moving from an import model to local production of Vimto in West Africa, reducing the environmental impact of shipping, at the same time delivering local employment opportunities
- Initiating the electrification of our commercial vehicle fleet to reduce significantly our Scope 1 emissions
- Delivering a hugely successful Camp Vimto, supporting 20 young people from our local community with their personal development

As a result of the team's work across the three core pillars, our EcoVadis sustainability rating improved from bronze to silver, putting us in the top 15% of companies surveyed².

I am particularly pleased that employee engagement levels remain high as we continue to strengthen our distinctive culture and enhance the support we provide to colleagues, including in areas such as mental health, reward and workplace flexibility. We are as proud of our people and values as we are of our financial performance.

Dividend and capital allocation

Nichols maintains a clear capital allocation framework focused on sustained investment in growth, both organic and through acquisition where it meets the Board's criteria, combined with a strong balance sheet and a progressive dividend policy.

Reflecting continued strong cash generation, the Board is recommending a final ordinary dividend of 18.7p per share (2024: 17.1p), giving a proposed total ordinary dividend for the year of 33.7p per share (2024: 32.0p). Subject to shareholder approval, the final dividend will be paid to all shareholders on the register at 20 March 2026, with an ex-dividend date of 19 March 2026.

Nichols continues to demonstrate its robust long-term cash generation and held cash and deposit balances of £55.7m at 31 December 2025 (2024: £53.7m). The Board is committed to maintaining the strength of its balance sheet while prioritising investment in growth, in line with its medium-term ambitions, and continuing to deliver attractive returns to shareholders. The Board will continue to assess acquisition opportunities in line with its strict criteria. Nichols' strong balance sheet, confidence in the Group's outlook and good cash generation reflects the intention to reduce dividend cover from 2.0x to 1.5x during 2026, whilst still maintaining its commitment to return surplus cash to shareholders.

Outlook

The Group continues to benefit from its diversified, asset-light business model, combining its well-established position in the UK with the enhanced growth potential of our international operations. Investment in innovation, product development and the expansion of our international footprint within the Packaged business provide a strong foundation for growth in the near and medium term.

The Group strategy sets a clear and ambitious path forward for each of our business units, underpinned by well-defined financial goals. The Board remains confident in the Group's ability to execute these plans and deliver sustainable returns, supported by our strong brand portfolio, disciplined strategy and solid financial position.



Liz McMeikan
Non-Executive Chair

10 March 2026



1. Valpak independent verification vs. 2022 baseline.

2. EcoVadis assessment, January 2026.

Investment Case

Growth strategy



- New product innovation and development – focus on growth categories
- Customer and channel development
- International expansion growing existing territories and building new markets
- Building partnerships and driving efficiencies across our supply chain
- Acquisition

Read more about our Strategy in our **Chief Executive Officer's Statement** on page 18

Long-term sustainable value creation

- Disciplined capital allocation
- Strong return on capital – asset-light model
- Consistent free cash flow generation
- Progressive and well-supported dividend policy

Read more about the value we created in 2025 in our **Financial Review** on pages 60 to 62

Sustainability

- A responsible business with a strong ethical position
- Happier Future strategy
- Focus on People, Products and the Planet



Read more about our Happier Future strategy in our **Happier Future Progress Report** on page 32



46.1% gross margin



£55.7m cash and equivalents



Diversified business model

- UK Packaged – established multi-channel presence
- International Packaged – growing presence in the Middle East, Africa, Europe and North America
- Out of Home – UK hospitality and leisure

Find out more about **Our Business Model** on pages 14 to 17

Brands



- Unique Vimto brand and heritage
- Licensed brands

Read more about the value we created in 2025 in **Our Brands** on pages 8 to 11

Financial strength

- Strong and sustainable margins
- Strong balance sheet
- Consistent cash generation
- Net cash



Read about our **Financial Highlights** on page 2

Our Brands

A portfolio of

Iconic Brands

At Nichols we are proud to offer a leading portfolio of distinctive, iconic brands, which meet a variety of consumer needs and occasions.

Packaged

Our Packaged range includes squash, still, carbonates, flavoured water and energy drinks in a range of formats.

VIMTO

Levi Roots

The Original
SLUSH PUPPIE

Out of Home

We're a one-stop-shop for the UK's hospitality and leisure industry with a wide range of iconic drinks brands.

VIMTO

ICEE

Old Jamaica

Coca-Cola
ORIGINAL TASTE

pepsi

£129m

Vimto UK – highest ever brand value of £129.1m¹

5

soft drinks sub-categories
Only brand in the UK to operate in 5 soft drinks sub-categories

Packaged

VIMTO®

Vimto is the refreshingly different soft drink that has it all. Created in Manchester in 1908 by John Noel Nichols, Vimto was originally designed as a herbal tonic to give its drinkers 'Vim and Vigour'.

For over 100 years, we have been mixing our secret recipe – a blend of fruits, herbs and spices – to produce a unique and irresistible range of drinks.

Every product in the Vimto range contains the secret blend from 1908 of 23 herbs and spices that gives it its unmistakable Vimto taste and unique emotional signature.

Today, we're the 10th most chosen beverage brand in the UK¹ and are enjoyed in over 60 countries around the world.

Our Vimto range includes squash, carbonates, still drinks, flavoured water and energy drinks. With a choice of unique flavours and Original and No Added Sugar options, there are lots of ways to enjoy Vimto. This also includes our extensive range of licensed products – from protein powders and fruit spreads to desserts and confectionery. In 2025 we introduced our new functional squash range targeting families at breakfast – Vimto Wonderfuel.

1. Worldpanel 2025 Brand Footprint.

30 million bottles

are sold annually in the Middle East during Ramadan

60+ countries

Vimto – sold in over 60 countries worldwide

1. Nielsen IQ RMS for Squash, Flavoured Carbonates, RTDs, Flavoured Water and Energy categories for 12 months to 27 December 2025 for the total coverage market.

Packaged

The Original SLUSH PUPPIE

With over 50 years of brand heritage, we continue to reimagine the frozen childhood 'slushie' classic with SLUSH PUPPIE Fizzie – a no added sugar carbonated range that uses bold flavours and colours to drive playfulness, excitement and nostalgia. The range includes the much-loved Blue Raspberrie and Strawberry, and in 2025 we introduced another distinctive flavour, Red Cherry.

Levi Roots

We are now celebrating our 15th year as the licence holder to create and support Levi in his mission to bring vibrant flavours of the Caribbean to the nation. The range includes low sugar carbonated soft drinks made with real fruit juice, aptly named Caribbean Crush, Tropical Punch and Jamaican Sunset. In 2024, we also introduced low sugar energy drinks to the range, containing fruit juice, natural caffeine, B6/B12 vitamins and trending herbs and spices for a Caribbean kick.

These delicious tropical fruit drinks bring a drop of sunshine to the everyday!

23
herbs and
spices

in Vimto's
secret recipe

Out of Home

Nichols Perfect Postmix Partners

The perfect postmix partners, we offer an extensive range of brands, spanning many of the biggest and best-loved in soft drinks, including Coca-Cola, Pepsi, Vimto, IRN BRU and Old Jamaica, plus our very own 'Premium Mixers by Vimto' – our range of classic mixers, juices and cordials. By offering our customers as many as eight brands on a single postmix dispense gun, more than twice the average, we offer unrivalled choice.

ICEE

A favourite in the USA and around the globe since 1967, ICEE is the Swizzle Fizzle Freshy Freeze drink unlike any other. Fizzy, frozen and full of flavour, our zero sugar range can be found chilling in some of the UK's biggest cinema chains.

2025 saw the ICEE brand collaborate with film blockbusters Jurassic World Rebirth and Wicked: For Good, offering bespoke limited-edition flavours, delighting both customers and consumers.

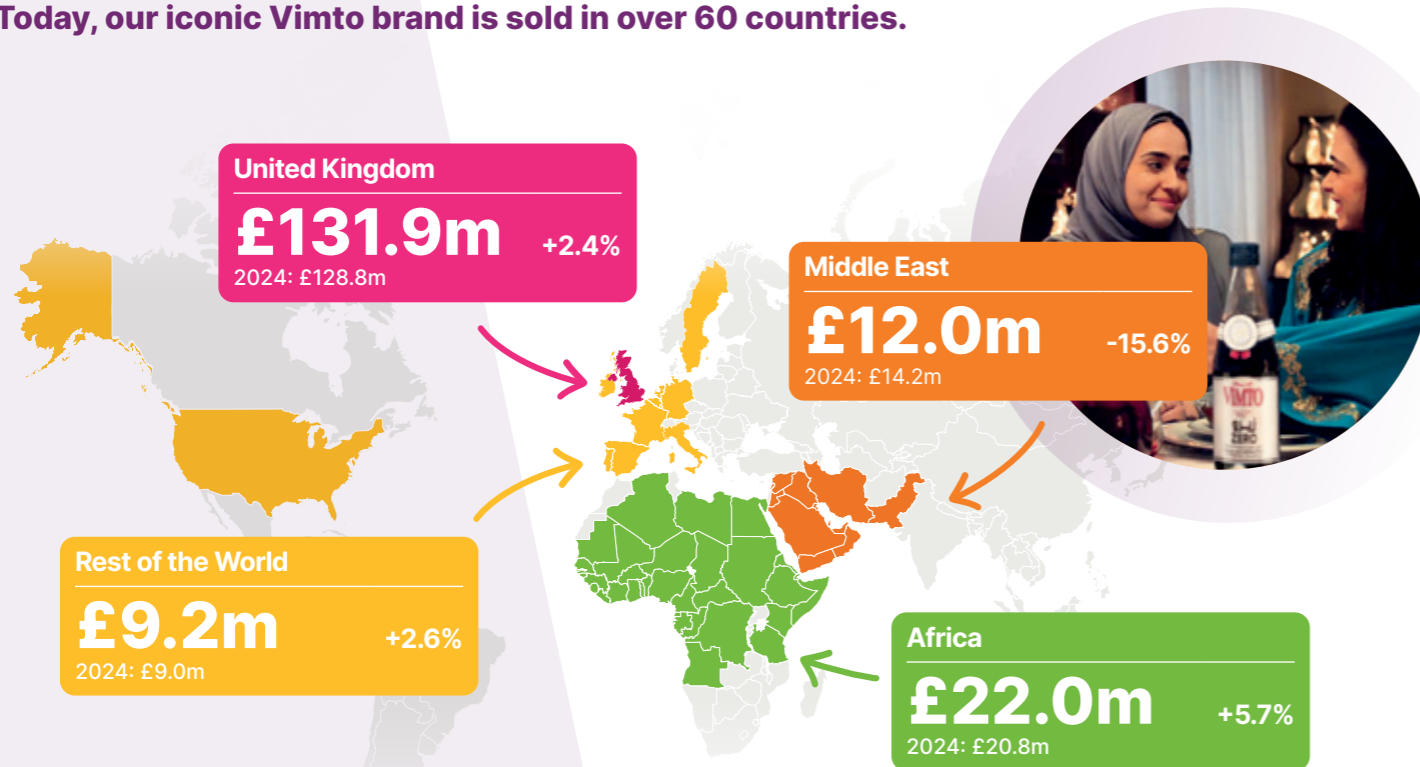
130
major UK cinemas
now selling ICEE



Our Markets

Around the World

Nichols plc is an international soft drinks business with sales globally. Today, our iconic Vimto brand is sold in over 60 countries.



We have three distinct routes to market:

UK Packaged

We sell our range of owned and licensed brands through major grocery outlets, convenience stores, wholesalers, cash & carries and online.



Out of Home

We deliver a full-service soft drinks offer to customers within the UK's leisure, catering and hospitality sectors



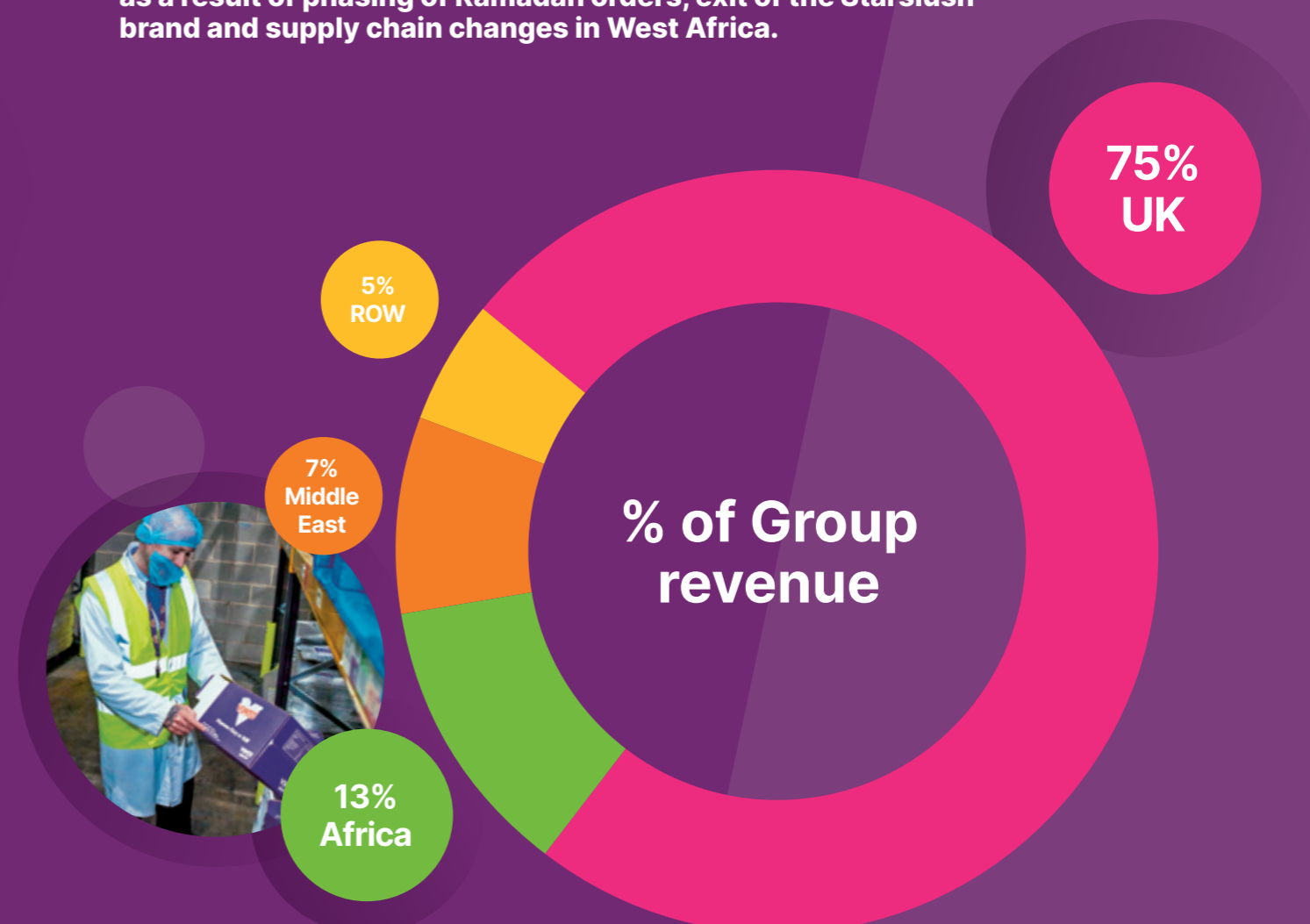
International

We sell Vimto in a variety of formats across over 60 countries worldwide



The Group delivered an increase in revenue to £175.1m (2024: £172.8m)

Revenue increased despite the reduction in Middle East revenue as a result of phasing of Ramadan orders, exit of the Starslush brand and supply chain changes in West Africa.



Our Business Model

Our diversified business model exists to

MAKE LIFE
taste **BETTER**



by doing the **right things** in the **right way** across our three distinct routes to market



Open for more

What we deliver for our stakeholders



Our customers

Active communication and deep understanding of customer strategies that respond to evolving consumer needs

3,522

number of customers

Our environment

Reduction in our climate impact and innovating sustainable packaging solutions

5%

decrease in Scope 1 & 2 carbon emissions¹

Our employees

Development opportunities and attractive culture to engage, retain and reward talent

97%

of employees are proud to work at Nichols²

Our suppliers

Long-term, trusted partnerships that drive efficiencies across our supply chain

56

number of joint business reviews held

Our shareholders

Strong return on capital through progressive, well-supported dividend policy

£11.7m

dividends paid in the year

Our communities

Investment in our local communities to support and benefit the development of young people

200+

young people supported through community partnerships



1. SECR 2024 vs. 2025.
2. Pulse employee engagement survey November 2025.

Our consumers are at the heart of everything we do



Winning products

We have a range of highly successful products developed using our experience and technical knowledge to meet changing consumer requirements

1



Ingredients

We take care to source high-quality ingredients to ensure we make high-quality products that taste great and satisfy rigorous product safety standards

2



3

Manufacture

We make our products with co-manufacturers and in our own production unit, giving us a range of alternative production capabilities



4

Distribution

We use a range of partners to ensure high levels of customer service and efficiency across a number of distribution channels both at home and overseas

Customers

We maintain long-term partnerships with retailers and hospitality providers both in the UK and across our global markets

Our customers include a wide range of UK and international retailers

6



7



Consumers

We use our knowledge and expertise to understand customer and consumer requirements and to ensure that as many consumers as possible enjoy our products

5



Marketing

We constantly assess the attractiveness of our markets and products to ensure that we are addressing the right markets in the right way

We manage and develop our brands to ensure that we generate optimum returns

Chief Executive Officer's Statement



“Our strong financial and operational performance in 2025 reflects the continued execution of our growth strategy across multiple routes to market.”

Andrew Milne
Chief Executive Officer



Overview

I am delighted to share our results for the year ended 31 December 2025, a year in which, despite continued market challenges and persistent regulatory change, we delivered another robust performance.

Our success is testament to the passion and resilience of our teams, and I am grateful for their commitment and determination to enable us to deliver these strong results. The success of our business is built on our strong values and culture, and I feel proud to see our people bringing those behaviours to life on a daily basis. I also wish to thank our partners for their ongoing collaboration.

Financial performance

Revenue was 1.3% ahead of last year at £175.1m which, encouragingly, was achieved through both volume and value increases, reflecting strong consumer demand for our products. We also implemented targeted revenue growth strategies to help mitigate ongoing cost pressures. As a result of these actions, and our disciplined cost controls, I am pleased to report that Group margins and bottom line improved. Gross profit increased by 2.2% to £80.7m (2024: £79.0m) with gross margin increasing from to 46.1% (2024: 45.7%). Adjusted operating profit grew by £2.8m (+9.9%), adjusted profit before tax (PBT) grew by £2.2m (+7.0%) with an adjusted PBT margin of 19.2% (2024: 18.2%).

After net exceptional costs of £4.4m (2024: £7.4m), principally relating to the business change programme and systems development, operating profit was £27.3m (+27.1%) and profit before tax was £29.2m (+21.5%), with a PBT margin of 16.7% (2024: 13.9%).

Strategy overview

Our strategy has four key strategic pillars: More from the Core, Thirst for New, Fuel for Growth and creating a Happier Future. We have delivered strong progress across all the geographies we operate in by continuing to execute our plans against these initiatives.

As a result of the successful implementation of this strategy, our portfolio of owned and licensed brands continued to deliver growth in 2025, underpinned by strong performances in our core product ranges and markets, disruptive marketing campaigns and exciting new product innovation launches.

During 2025, we launched a new Enterprise Resource Planning (ERP) system as part of our business change programme to drive future growth and unlock enhanced efficiencies and benefits. A broad range of people across our business have worked with several external partners over the past three years to ensure a seamless transition, and I am pleased to report that the Q1 launch was extremely successful with post go-live support provided by our partners until July, and we have continued to maintain high service levels to all our key customers during the year.

Enabling consumers to enjoy our products every day remains fundamental to our success. We have continued to invest in research and insights to ensure we understand evolving consumer needs and preferences across all of our territories. Adapting our portfolio and marketing plans to meet evolving consumer preferences has been at the core of our success in 2025 and will remain a key driver of our long-term growth.

Our Happier Future strategy continues to be a cornerstone of our long-term vision, and we are pleased to have made further progress against our commitments during the year.



Our four clear strategic pillars remain our focus to drive long-term growth:

More from the Core



Focus on building a diversified and optimised product range across all of our core geographies

Thirst for New



Drive growth across our Packaged business through product portfolio innovation, channel growth, targeted acquisition and entering new selective international geographies

Fuel for Growth



Continually drive efficiencies within our operations to enable investment and support the long-term growth of our business

Happier Future



Deliver across our key pillars of People, Products and Planet by doing the right things, acting responsibly and meeting the long-term needs of the business

These growth pillars will be delivered through three key enablers:

1

Our strong portfolio of brands

2

A culture that allows people to thrive

3

Working in close collaboration with all of our key partners

Chief Executive Officer's Statement continued

Market performance

UK Packaged

In 2025, the UK Packaged division continued its trajectory of sustained growth, achieving a revenue increase of 3.1% compared to 2024. Vimto reached its highest-ever RSV at £129.1m¹, a milestone driven by strategic new product development, marketing programmes driving brand penetration and significant gains in core distribution. The broader Nichols portfolio also performed strongly, attaining a total RSV of £135m¹, a 4.8% year-on-year increase, through the combined strength of Vimto and our licensed brands Levi Roots and SLUSH PUPPIE.

Our commitment to our category strategy has driven portfolio growth and supported medium-term business goals. In the squash category, we maintained the number two market position with an RSV of £75.2m², a 4.6% year-on-year rise, fuelled by value and volume growth from our core range in addition to the launch of our new Vimto squash products including Wonderfuel and Double Concentrate.

Vimto Wonderfuel, our first functional health product targeting the breakfast drinking occasion, launched in Q1 2025 and achieved national distribution across the major UK retailers, with the launch supported by a £1.2m multi-media and activation campaign during the key September back-to-school period. With 10% of Wonderfuel shoppers being new to the squash category³, this exciting innovation has driven category penetration. It also won silver at The Grocer's 2025 New Product Awards.

We also expanded our core Vimto squash range with two double concentrate variants, Original and Tropical, whilst driving distribution and rate-of-sale growth through targeted shopper activation and in-store investment, including branded bay installations across Sainsbury's and Morrisons.

Beyond squash, we continued to drive growth in our ready to drink and energy ranges. The launch of Vimto Energy into the wholesale channel, alongside our kids' 250ml proposition, now fortified with vitamins and delivering £1.6m RSV⁴, exemplifies our commitment to innovation.

In the energy category, both Vimto and Levi Roots have delivered double-digit growth, with a combined RSV of £4.6m only two years after being launched. Vimto Energy alone achieved £4.0m RSV in 2025, representing a 41% year-on-year increase⁵. This growth was supported by new pack formats, expanded channels, and incremental gains in grocery multiples, convenience and online.

The energy category overall continues to demonstrate significant scale and growth, now valued at £2.5bn⁵ (+13.3% YoY), with lower sugar and more natural variants gaining prominence. Vimto Energy and Levi Roots Energy remain well positioned for further expansion into emerging growth segments.

In 2025, our Vimto Masterbrand 'Love The Taste or Your Money Back' campaign returned after its successful 2024 launch. Backed by a record £3.5m investment in a multi-channel campaign and featuring on 36 million packs, it offered consumers a risk-free product trial. The campaign has significantly boosted brand penetration, equity and sales.

The diversity of the Vimto brand, complemented by licensed brands Levi Roots and SLUSH PUPPIE, supported growth across established customers and secured high-profile distribution in convenience, online and 'on the go' locations. For example, during our second full year of trading with Amazon, we have gained further visibility and accelerated online sales, ensuring our brands remain accessible and relevant in a dynamic marketplace.

We also continue to see a strong performance under our brand licensing agreements. Our strategic partnership with Myprotein has further broadened usage occasions in health & wellness, including the launch of Vimto Creatine and Impact Pre Workout. Additionally, our new partnership with Applied Nutrition has strengthened our position in the functional space through the introduction of Vimto energy gels and hydration tablets, expanding the brand into complementary retail channels.



Thirst for New

UK Packaged

Health & wellness new product launches

In 2021, Vimto entered the health & wellness category via a brand licensing partnership with market leader Myprotein, launching Vimto Clear Whey. In less than five years it has become the No.1 selling flavour¹, and in 2025 we continued to build the range, launching Vimto Creatine in May and Pre Workout in October.

We also launched Vimto energy gels and hydration tablets via a new licensing partnership with Applied Nutrition, strengthening our position in the functional space and taking the Vimto brand into new retail channels.

1. Myprotein internal data 2025.



1. Nielsen IQ RMS for Squash, Flavoured Carbonates, RTDs, Flavoured Water and Energy categories for 12 months to 27 December 2025 for the total coverage market.
2. Nielsen IQ RMS for the Squash category for 12 months to 27 December 2025 for the total coverage market.
3. Worldpanel, New to Dilute category, 28 weeks ending 5 October 2025.
4. Nielsen IQ RMS for the RTDs category for 12 months to 27 December 2025 for the total coverage market.
5. Nielsen IQ RMS for the Energy category for 12 months to 27 December 2025 for the total coverage market.

Chief Executive Officer's Statement continued

Market performance continued

International Packaged

We delivered strong in-market volume growth across our international markets in 2025. Growth was particularly strong in Africa with like-for-like¹ revenue up 9.4% as we continued to build on our new model of local production and working with new and existing importers in broader markets to drive trial and distribution.

In line with our expectations, Middle East revenues declined by 15.5% given the phasing of concentrate shipments during 2025 and 2024 led by the timing of Ramadan. Building on our long-standing relationship with partners Aujan Coca-Cola Beverages Company (ACCBC), Vimto cordial was successfully relaunched in the markets of Yemen and Iraq, adding incremental volume versus prior year. Once again, trade execution across the Gulf was world class during the Ramadan period, with a campaign running across all media platforms and channels.

New product innovation helped to maintain brand equity in the competitive carbonated and ready to drink (RTD) categories in the Middle East. Leveraging Vimto consumers' love of berries and association of Vimto with dark fruits, still Blackcurrant RTD was launched across the Gulf region in October. In-store displays focused on flavour and immunity support with an above-the-line collaboration with Cartoon Network adding appeal and credibility. In carbonates, the launch of an incremental 330ml can to the existing 250ml range gives Vimto access to the biggest offtake price point segment of the marketplace.

As anticipated, total International revenue was consistent with the prior year, reflecting the successful phased transition from a finished goods to a margin-enhancing concentrate model in Africa. Our strategy to move can production closer to the point of consumption provides volume, margin and carbon reduction ESG benefits.

Across our Rest of World markets, principally Europe and North America, building volume has been our key priority in 2025, following our focus on maintaining margins in 2024. These geographies now achieve combined revenues of £9.2m (2024: £9.0m). Revenues in Europe increased by 6.0% versus 2024, as we focused on supply chain efficiency improvements and driving the core range into more distribution points. Revenues in the USA achieved 23.0% growth thanks to the execution of collaborative regional expansion plans with our local partner.

Having launched in Malaysia towards the end of 2024 as part of our geographic expansion plan, we have secured retail listing gains in the market, ensuring Vimto cordial is now available in over 3,000 stores. Working with our local partners, we have executed disruptive campaigns to drive trial and awareness via TV, in-store and outdoor media as well as sampling and consumer giveaways. We are continuing to invest strongly through the line to build brand equity, focusing on our differentiated product offering.

Out of Home

At a macro level, the OoH market continued to face challenging conditions with rises in the national living wage, employers' NI and the cost of living impacting consumer demand. Despite these challenges, I am pleased to report that we delivered revenue and PBT in line with 2024.

In the first half of the year, we successfully exited from the low-margin Starslush business through a new partnership with Polar Krush. While this impacted our 2025 revenue and had a small impact to profitability, it was consistent with our strategy to simplify our OoH business, which is now focused solely on driving profitable growth in postmix within the leisure and hospitality channel, and ICEE in the cinema channel.

We were delighted to win distribution for our ICEE brand across the REEL Cinema chain, and capitalised on the excitement surrounding the releases of Jurassic World and Wicked 2 by launching four limited edition flavours, generating strong engagement and positive feedback from both customers and consumers.



More from the Core

Nichols Out of Home

ICEE launch in REEL Cinemas

In January we were delighted to be appointed official frozen drinks supplier to REEL Cinemas. This means we are now serving our iconic ICEE frozen drinks, one of the world's biggest frozen drink brands, in an additional 15 major UK cinema venues, bringing the total number of cinemas serving ICEE – exclusively supplied by Nichols – up to 130, with further headroom for growth.



Looking ahead

Our strong financial and operational performance in 2025 reflects the continued execution of our growth strategy across multiple routes to market and the resilience of our diversified, asset-light business model.

Looking ahead, we anticipate delivering another strong performance in 2026 despite ongoing macroeconomic uncertainty. Trading in 2026 to date has been positive and in line with our expectations.

We continue to operate in a resilient and expanding soft drinks market, underpinned by a well-balanced portfolio of owned and licensed brands, attractive opportunities for geographical expansion and a strong balance sheet that enables both organic growth and targeted acquisitions.

We can execute this growth strategy alongside higher dividend returns for shareholders, and plan to reduce dividend cover to 1.5 times adjusted earnings, a level we see as prudent and sustainable. With a clear set of strategic priorities, a robust business model, and the continued commitment of our teams, we are confident in our ability to deliver sustained growth, strategic progress and generate attractive shareholder returns in line with our medium-term ambitions.

Progress in line with medium-term ambitions which were shared at the capital markets day in 2024².

Andrew Milne
Chief Executive Officer

10 March 2026

1. Like-for-like (LFL) converts new concentrate sales volumes into equivalent can sales, enabling a consistent comparison and is a common term used in the industry. Reconciliation to a statutory measure is not applicable.
2. As disclosed on our website www.nicholsplc.co.uk/annual-reports-cats/2024/.

Our Strategy

Our core purpose is to make life taste better for all of our stakeholders, with a clear vision of building our business by doing the right things in the right way.



Strategy in action

During 2025 we delivered against our strategic framework through investing in our four key growth pillars to drive long-term sustainable value for our shareholders. We will continue to accelerate growth through a laser focus on driving our higher-margin Packaged business across the globe, whilst also maximising profitable value from our Out of Home division. Continued investment in our brands and infrastructure, with a clear capital allocation strategy, remains key to delivering our long-term growth objectives.

Our people and partners are central to our success and future growth, bringing our much-loved distinctive brands to consumers around the globe.

More from the Core

Our core range of iconic brands continue to be loved by our consumers around the globe.

We will grow our brands and expand our consumer penetration through building a diversified and optimised portfolio across all of our core geographies working in partnership with our customers.

[Read more on pages 26 and 27](#)



Fuel for Growth

We will drive a disciplined focus on efficiencies within our business to enable us to invest and grow long term.

Our asset-light model enables us to remain agile to the changing needs of our customers and consumers to deliver a competitive advantage.

[Read more on pages 30 and 31](#)



Thirst for New

We will accelerate growth across our UK Packaged business through portfolio, brand, targeted acquisition and new scalable channel expansion. Growth within our International Packaged business will be delivered by entering new selective international markets and portfolio expansion.

[Read more on pages 28 and 29](#)



Happier Future

We have three core pillars that are central to our Happier Future strategy. The first pillar is 'everyone matters' which has a clear focus on the wellbeing of our people and those in the communities we serve. The second pillar focuses on developing 'products we are proud of' which involves helping our consumers make healthier hydration choices, having sustainable packaging solutions and ensuring that we source our materials and ingredients responsibly. We believe all businesses have an important responsibility to tackle the global climate crisis. Our third pillar is 'owning our climate impact' and we have been taking the right actions to reduce our own direct emissions whilst building a roadmap to reduce our Scope 3 emissions.

[Read more on pages 32 and 33](#)



Strategy in Action

More from the Core



More from the Core

Vimto in the Middle East

Ramadan campaign – 'Over 100 years – It must be Vimto'

In 2025 we executed our biggest ever Vimto integrated marketing campaign around Ramadan in the Middle East, repositioning the brand as 'connected family magic'. The campaign celebrated the much-loved and unmistakable taste of Vimto which is synonymous with Ramadan in the region and often the beverage of choice for the Iftar table. Supported by a regionwide advertising campaign, as well as brand activation and shopper marketing which focused on Vimto's hundred-year heritage, this initiative helped deliver sales of over 30 million bottles of Vimto cordial.



6%¹

Increase in brand awareness

2%¹

Increase in consideration

5%¹

Increase in association

See our International product range
www.vimto.com/products



1. Kantar media evaluation, May 2025.

Strategy in Action continued

Thirst for New



Thirst for New

UK Packaged Vimto Wonderfuel launch

In March, we launched Vimto Wonderfuel, a category-first functional squash targeting the breakfast occasion. It blends great taste with essential nutrition, being high in vitamins and a source of iron and zinc. Widely welcomed by major retailers, the new product was backed by a £1.2m marketing campaign during the crucial back-to-school period, targeting families seeking convenient ways to boost nutrition in daily routines.



1/3

Each 250ml glass delivers a third of the daily nutrient intake guideline for vitamins B, C & D

3,000

Over 3,000 points of distribution in UK retail

10%

10% of Wonderfuel shoppers are new to the squash category¹

See the full Vimto UK range:
www.vimto.co.uk



1. Worldpanel, New to Dilute category, 28 weeks ending 5 October 2025.

Strategy in Action continued

Fuel for Growth



Fuel for Growth

Nichols International

Vimto Red Can production in Senegal

Vimto Red Can represents nearly 50% of our volume in Africa, and in 2025 we saw its first production in Senegal, marking the successful execution of our strategy to move production closer to the point of consumption. With our partner's Senegalese plant now supplying markets in West Africa, the change in model, from selling finished product to selling concentrate, has delivered multiple benefits. It has shortened supply chains, accelerated distributors' order to cash cycle, improved availability and reduced the cost and complexity of logistics, duties, and distributors' need for forex. Producing Vimto Red Can locally in Senegal through the concentrate model has been margin % enhancing and helps support employment in the communities where Vimto is enjoyed.

The implementation of this strategy will continue in 2026 with supply from Senegal to two further West African markets, and the start of Red Can production in Ivory Coast, ultimately supplying five more markets.



+34%

In markets supplied from Senegal, sales of Vimto Red Can increased on average by 34% in 2025



Happier Future

Progress Report 2025

Our Happier Future framework sets out our approach to doing business in the right way, for our consumers, customers, partners, employees and the world around us. Over a hundred years of experience have taught us that it is through continuous evolution that we ensure the sustainability of our business.

Our Happier Future strategy is organised into three interconnected pillars, with tangible goals to align our resources, employees and stakeholders:

- Everyone Matters
- Products We're Proud Of
- Owning Our Climate Impact



750
tonnes of packaging removed¹

Scope 3
emissions data calculated for all routes to market

20
graduates from Camp Vimto

1. Valpak independent verification vs. 2022 baseline.



Bringing our Happier Future strategy to life every day

We regularly communicate our Happier Future strategy throughout the organisation so that every employee understands what it means for them and their role. We continually make progress on our Happier Future strategy by maintaining our clear governance, leadership and activation of our strategy. This means ensuring that:

- The Board is actively involved in shaping the strategy, including our future focus areas, and is regularly updated on progress
- The Steering Committee monitors and reviews progress against the strategy, and provides new insights to further develop our strategic approach
- We maintain a clear set of workstreams, ensuring all plans and commitments are managed through multidisciplinary project teams, including relevant technical experts. These teams regularly report progress and escalate potential issues through the Steering Committee
- All employees receive quarterly updates on our progress and achievements
- We continually collaborate with all our partners to align our long-term sustainability goals and medium-term priorities



Happier Future continued

Progress Report 2025

Our 2030 commitments



We are proud of our 2030 Happier Future Commitments, which act as our north star, guiding our sustainability work streams over the next five years.

When developing the 2030 commitments, our Happier Future Steering Committee considered current market trends, the wider business objectives and progress against our 2025 commitments.

We will strive to fulfil our 2030 commitments as well as continue to do the right things for our people, our products and our planet, whilst keeping apprised of market conditions, innovations and stakeholder expectations to ensure the targets remain in line with our ambition and capabilities.



Our 2030 commitments

Everyone matters



We will make a tangible difference to the employability and wellbeing of 200 young people in the communities in which we operate (2026-2030).

Products we're proud of



We will fully embed our 'Responsible Sourcing Programme' across the Group's value chain.

We will increase the recycled content of our UK plastic bottles up to 100%.

Owning our climate impact



We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions¹ by 80% and reduce Scope 3 emissions² by 20% by 2030.

1. 2018 baseline.
2. 2022 baseline.

Progress in 2025

In 2025 we saw some excellent progress across all three pillars of our Happier Future strategy.

Within our Everyone Matters pillar, we delivered a hugely successful Camp Vimto, with 20 young people from local schools participating and developing their life skills. We also strengthened our relationships within our local communities, including raising £15,000 for Warrington Youth Zone through our annual Nichols Golf Day.

In our Products We're Proud Of pillar, we have increased the percentage of 'No Added Sugar' and 'Low Sugar' SKUs, within our UK and International portfolios, from 63% to 65%, and the percentage of those with added functionality from 21% to 37%. We have also completed the first phase of our packaging lightweighting project, which has removed 750 tonnes of plastic and aluminium per annum¹.

As part of our Owning Our Climate Impact pillar, we have reduced our Scope 1 and 2 emissions by 5% versus prior year² and have also completed the mapping of our Group carbon footprint for the first time using a new carbon accounting platform. We also initiated the trial of electric vehicles within our Out of Home business, aiming for a fully electric fleet in 2028/29.

In terms of ESG accreditation, we achieved 74% in our annual EcoVadis accreditation, moving us from a bronze to silver rating, and retained our Integrum A rating. We also saw an outstanding level of employee engagement as many of our employees used their annual 'Day to Make a Difference' to walk 20 miles and raise in excess of £31,000 for Cancer Research in memory of our CFO, Richard Newman.



1. Valpak independent verification vs. 2022 baseline.
2. SECR 2024 vs. 2025.

Focus for the future

In 2026, we will once again look to deliver Camp Vimto and further strengthen our community partnerships in the UK and international communities where we operate. Additionally, we will look to achieve external accreditation for Nichols as a great place to work.

As part of our Products We're Proud Of pillar, our focus will be on ensuring preparedness for the launch of the UK's Deposit Return Scheme (Exchange for Change) in October 2027 whilst continuing to progress our healthier products portfolio and Responsible Sourcing Programme.

Within our Owning Our Climate Impact pillar, we will use our latest carbon footprint data to refresh the carbon reduction roadmap and seek to deliver a 4% reduction in our total 2026 carbon emissions versus 2025. We will also seek to establish a water reduction roadmap.

Finally, we will look to develop our ESG reporting and governance framework through the introduction of a robust carbon accounting and reporting system. This will be supported by the introduction of additional ESG metrics as we look to further strengthen the accuracy and credibility of Nichols' sustainability reporting.

Happier Future continued

Progress Report 2025

Everyone matters

Doing things in the right way means ensuring everyone is looked after, from our employees to those in our local communities.

Our commitments

2030

We will make a tangible difference to the employability and wellbeing of 200 young people in the communities in which we operate (2026-2030)

97%

of employees say they are proud to tell others they work for Nichols¹.



Putting our people first

Our people are the foundation of our business. Thanks to their continued commitment and motivation to make life taste better, we have had another successful year.

Progress in 2025

This year we focused on three key areas: Inclusion and Diversity, Employee Development and Employee Engagement.

Key highlights this year

Inclusion and diversity

Highlights from our efforts this year to promote a safe and inclusive environment included:

- The LGBTQ+ Forum sustained its commitment to education and awareness by delivering workshops, including a Transgender Awareness session, aimed at enhancing understanding and fostering belonging among employees
- The Wellbeing Forum held a series of Workplace Wellbeing workshops, engaging employees across the organisation in three inclusive sessions that explored topics ranging from diet and nutrition to physical and mental health. These workshops aim to promote a culture of wellbeing that supports the diverse needs of all employees, recognising that health and wellbeing are integral to inclusion and belonging at work
- We undertook a Company-wide initiative inviting all employees to complete a voluntary diversity disclosure form. The purpose of this exercise was to obtain a more detailed and accurate understanding of the demographic composition of our workforce, therefore enabling us to better assess representation across the organisation and help inform future initiatives

1. Pulse employee engagement survey November 2025.

Employee development

This has been a key focus for us this year through various development programmes as well as training employees in their legal obligations. Highlights included:

- Partnered with Raise the Bar to deliver a range of leadership and development programmes, including the Change Catalyst Programme, which was attended by selected senior managers. In addition, Raise the Bar provided a series of development modules designed for all people managers across the business
- Continued to embed the Strengthscope framework, with multiple teams participating in collaborative sessions to enhance self-awareness and learn how to leverage each other's strengths more effectively
- As a whole, the Company continued to ensure that our annual cycle of compliance training was maintained across Health and Safety, Legal and People, with a focus on workplace conduct, reinforcing our commitment to maintaining a respectful, compliant and inclusive working environment

Employee engagement

During the year, we conducted an additional Pulse survey outside of our standard engagement cycle, which provided valuable insight into employee sentiment and organisational culture. We had an 80% response rate and the results indicated a consistently strong level of engagement across the business, reinforcing the commitment and dedication of our workforce. We are committed to using this information to continue to make work taste better here at Nichols. We also refreshed our employer branding and developed our Employer Value Proposition, allowing us to articulate clearly and consistently the benefits of working at Nichols, which will aid retention and attraction of talent.

Focus for the future

Looking ahead, we will build on our strong foundation by harnessing our employer brand – where work truly tastes better – to foster a vibrant community of colleagues dedicated to creating events and moments that make Nichols a happy, healthy and inclusive workplace.

To support the continued growth and development of our people, we will utilise our apprenticeship levy to invest in both current and future talent, providing new pathways for colleagues at all stages of their careers to learn, grow and achieve their ambitions. Our goal is to ensure that every employee has access to opportunities for personal and professional development, reinforcing our commitment to making Nichols a truly great place to work.

WHERE WORK
tastes **BETTER**

Happier Future continued

Progress Report 2025

Camp Vimto – A highlight

One of the ways we bring our Happier Future strategy to life is through Camp Vimto – an inspiring programme that helps young people build confidence, connection and new opportunities. The programme is built of five stages, taking a cohort of 20 students from local schools and teaching them life skills in and out of the classroom.



Giving back to our local communities

We believe that every young person matters, yet in today's society, access to opportunities is not equal. The primary consumers of our products are young people, and we are committed to supporting them with more than just refreshments.

Progress in 2025

Since 2022, through our community partnerships and Camp Vimto programme, we have made a tangible difference to over 150 young people's lives in the UK and Africa, comfortably exceeding our target.

This year, the more structured approach to our community partnerships has already increased our reach and impact.

Key highlights this year

- Raised over £31,000 for Cancer Research via a sponsored walk in memory of our CFO and other friends and family touched by cancer
- Raised £15,000 for Warrington Youth Zone which funded a Boxing Development Programme that will benefit 50 young women, helping them build key life skills through sport
- Established a forum of representatives from across the business with a mission to increase community engagement across the Group
- Encouraged every colleague to spend a day volunteering for a charity or cause that matters to them – we call it our 'Day to Make a Difference' initiative
- Fostered support for local charitable organisations close to each of our sites to promote local interaction from the teams and demonstrate support across all the communities we serve. Organisations supported included an orphanage in Dakar and a youth zone in Ross-on-Wye
- Remained a key partner to the Children's Adventure Farm Trust through volunteer days and supporting a major piece of landscaping activity
- Continued to support a number of community-based partnerships through donations and sponsorship, including Educate Rochdale



- Nichols' contribution to Waves for Change (W4C) in 2025 helped give 2,694 children access to Surf Therapy, across five beach sites in South Africa. Nichols' support is focused on funding and upskilling the 43 coaches, including training sessions delivered by external providers to strengthen programme quality. Coaches are often graduates of the W4C programme and use skills acquired in their three years leading the programme to transition into chosen careers
- Manchester Thunder continued their Saturday programme of welcoming 15-20 disabled young people to training sessions and games, only made possible by donations from Nichols. Excitingly, facilitated by the Nichols team, a third cohort has now been launched, extending the ParaNetball offering into Cheshire and benefiting even more disabled young people
- Launched a partnership with The Cricademia Community Programme, a multi-dimensional youth development initiative rooted in the values of inclusion, growth and collaboration. While cricket is the foundation, the programme is designed to support young people in every aspect of their journey

Focus for the future

We will carry forward our work and partnerships that tangibly benefit young people by:

- Running Camp Vimto in 2026 to make a meaningful difference to the lives of the 20 young participants
- Strengthening our partnership with Waves for Change throughout Africa
- Shaping our support of Cricademia, who work with young people in vulnerable communities in Leeds, to improve their lives through cricket
- Using our new community forum to engage our staff in more community work



Gender Pay Report as at 5 April 2025



Nichols plc is committed to fair and equitable reward practices and regularly reviews pay outcomes to ensure they are free from bias. Gender pay gap reporting reflects the distribution of men and women across roles and seniority levels and does not represent unequal pay for equal work.

Workforce composition

The gender composition of the workforce remained stable year on year, with women representing 41% of employees in both 2025 and 2024.

Gender pay gap

The mean gender pay gap remained unchanged at -4%, while the median gender pay gap improved slightly from -11% to -10%. These results indicate broadly consistent pay outcomes between genders.

Bonus pay gap

The mean gender bonus gap increased from 20% to 35% in 2025. This movement is primarily driven by the bonus values at senior levels, where bonus opportunities are higher and where men continue to be more highly represented.

The median gender bonus gap improved significantly from -114% to -33%, indicating a more balanced distribution of bonus payments at the midpoint, despite continued variation at higher bonus levels.

Bonus participation

Bonus participation remains high for both genders, with 94% of men and 86% of women receiving a bonus in 2025. The reduction in female bonus participation compared to the prior year has contributed to the change in average bonus outcomes and the higher participation amongst males is driven by differing gender balances in the business units that received a bonus.

Pay quartile distribution

Analysis of hourly pay quartiles shows increased female representation in the lower and lower middle quartiles, alongside a reduction in representation in the upper middle and upper quartiles. This shift has increased male representation at higher pay levels and continues to be a key factor influencing both pay and bonus gaps.

Changes in representation across pay quartiles show a mixed picture:

- Female representation has increased in the lower (from 37% to 42%) and lower middle quartiles (from 29% to 44%)
- Female representation has decreased in the upper middle (from 39% to 31%) and upper quartiles (from 43% to 32%)

Summary and looking ahead

Overall, the gender pay gap has remained stable year on year, with no material change in mean or median pay differences. However, the distribution of employees across pay quartiles and changes in bonus participation have led to a widening of the mean gender bonus gap.

The Group recognises that improving gender balance at senior and higher-paid levels is critical to reducing pay and bonus gaps over time. Ongoing focus areas include talent progression, succession planning, and ensuring equitable access to development and reward opportunities across the organisation.

Quartile %	2025		2024	
	Male	Female	Male	Female
Bottom	58	42	63	37
2	56	44	71	29
3	69	31	61	39
Top	68	32	57	43

1) Gender split (%)

- The overall gender split remains 41% female / 59% male, unchanged from 2024

2) Employee % median pay and bonus gap

- Median hourly pay gap: -10%, favourable to females (improved from -11% in 2024)
- Median bonus gap: -33%, favourable to females (significant improvement from -114% in 2024)

3) Employee % mean pay and bonus gap

- Mean hourly pay gap: -4%, favourable to females (no change from 2024)
- Mean bonus gap: 35%, higher for males (increased from 20% in 2024)

4) Proportion of males and females in each pay quartile

- There has been an increase in female representation in the lower and lower-middle quartiles, and a reduction in female representation in the upper and upper-middle quartiles compared to 2024

5) Proportion of males and females receiving a bonus

- 94% of males received a bonus (up from 93% in 2024)
- 86% of females received a bonus (down from 90% in 2024)

6) Mean/median pay gap – variance in male pay compared to female pay

Hourly pay

- Median: -10%, favourable to females (from -11% in 2024)
- Mean: -4%, favourable to females (unchanged from 2024)

Bonuses

- Median bonus: -33%, favourable to females (significant improvement from -114% in 2024)
- Mean bonus: 35%, higher for males (up from 20% in 2024)

Happier Future continued Progress Report 2025

Products we're proud of

We're passionate about making products that people love – it's at the heart of what we do.

This means developing products that allow consumers to make healthier choices, strengthening our approach to responsible sourcing, and challenging ourselves to find more sustainable packaging options.

Our commitments

2030

We are committed to providing our consumers with meaningful choices by:

- Offering lower-sugar and lower-calorie options, including calorie-controlled pack sizes, across all routes to market
- Prioritising the development of healthier products with enhanced nutritional benefits, aligned with local public health guidelines and evolving consumer needs
- Providing clear, accurate and transparent product and nutritional information – both on-pack and online – in line with local legislation and best-practice guidelines
- Marketing our products responsibly, transparently and in full compliance with local laws and regulations
- Fully embedding our 'Responsible Sourcing Programme' across our entire value chain
- Increasing the recycled content of our UK plastic bottles up to 100%



Healthier hydration

Progress in 2025

We continued to innovate to offer consumers healthier choices. This includes ensuring that the sugar content of all our UK Packaged products remains below the level specified by the Soft Drinks Industry Levy (SDL) Regulations 2018. Our UK Packaged range is also ready and aligned to the new government revised SDIL level.

Key highlights this year

- Wonderfuel, a sub-brand of Vimto squash, was introduced to target the family breakfast occasion. The range delivers one third of the recommended daily intake of vitamins B, C and D, and provides a valuable source of iron and zinc
- Three other new products were launched across Vimto, SLUSH PUPPiE and ICEE brands with no or low-added sugar or fortified with vitamins
- The whole Vimto RTD range in Middle East is now fortified
- All Yemen cordials now contain natural colours

Focus for the future

We will continue to provide healthier hydration by continuing our established approach to innovation and renovation to meet the evolving needs of our consumers and allow them to make healthier choices, with a particular focus on developing more products with added functional benefits.



Sustainable packaging

Progress in 2025

In 2025, we continued to advance our commitment to delivering the most sustainable packaging solutions across our portfolio. To accelerate this journey, we appointed a new Head of Packaging Innovation, bringing over 25 years of experience in packaging development within the retail and FMCG sectors.

This strategic leadership role is focused on driving the development and implementation of innovative, sustainable packaging solutions in collaboration with our partners.

In the last 12 months our efforts have centred on designing packaging for recyclability – selecting materials and structures that can be efficiently sorted, processed and reused within existing recycling systems.

Key highlights this year

- Maintained production of bottles with 51% recycled material
- Reduced the weight of aluminium cans by 15% compared to our 2022 baseline, supporting material efficiency and carbon reduction, saving 205 tonnes¹ of aluminium
- Reduced the amount of plastic used in all our plastic packaging by 14% compared to our 2022 baseline, saving 545 tonnes¹ of plastic

Focus for the future

We will continue to drive the sustainability of our packaging by:

- Preparing for implementation of the UK Deposit Return Scheme (DRS) by establishing an internal taskforce to scenario-plan and ensure readiness ahead of official guidance from the Deposit Management Organisation (DMO)
- Publishing our Sustainable Packaging Roadmap

Responsible sourcing

The unique flavour of our products begins with quality ingredients sourced from trusted and responsible partners. We continue to improve our procurement processes to ensure we source ingredients and materials from suppliers with high product quality, labour protections and strong environmental practices.

Progress in 2025

This year we continued our assessment of partners, working with them to ensure that good practices are maintained and improved across our direct supply chain. In addition, we embarked on a second phase of activity to assess product component materials.

Key highlights this year

- Supported primary partners in completion of SAQ information and implementation of risk mitigation measures
- Scoped and initiated Phase 2 of the Responsible Sourcing Programme, designed to examine practices at a material level beyond the primary supplier

Focus for the future

We will continue to source our products responsibly by:

- Working with data providers such as Sedex as well as established partners to gather further data prioritised by the material level risk assessments
- Exploring the BRC Responsible Sourcing standard to validate our programmes
- Continuing to ensure that any palm oil used in our products is certified by the RSPO

1. Valpak independent verification vs. 2022 baseline.

Happier Future continued
Progress Report 2025

Owning our climate impact

Nichols is committed to taking action to reduce our climate impact.

We recognise that the impact of the climate crisis presents a principal risk to the business¹, and we remain focused on reducing our carbon emissions to align to a net-zero future.

Our commitments

2030

We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions² by 80% and reduce Scope 3³ emissions by 20% by 2030

1. The Board takes overall accountability for owning our climate impact and managing the risks and opportunities that this presents. You can find out more about the process for identifying and assessing climate-related risks, including how it is aligned to the Group's risk management policy, on page 63.
2. 2018 baseline.
3. 2022 baseline.



Our total emissions

	Scope 1 tCO ₂ e	Scope 2 tCO ₂ e	Scope 3 tCO ₂ e
2018	1,111	408	– ¹
2019	1,307	273	– ¹
2020	906	204	– ¹
2021	915	203	– ¹
2022	1,139	169	– ²
2023	913	0	– ¹
2024	626	0	76,903
2025	586	0	–

1. Not measured.
2. UK only.

This table shows our Scope 1, 2 and 3 emissions from our baseline year (2018) to 2025. Our Scope 2 emissions remained at net zero. 2025 Scope 3 data has not been gathered yet.

Decarbonising our fleet

Carbon emissions from our Out of Home (OoH) vehicle fleet make up a large portion of our Scope 1 emissions. Our electric vehicle (EV) strategy ensures we remain committed to decarbonising this area of our business in the future. Implementation is dependent on external factors (e.g. availability of charging infrastructure and suitable vehicles) and we must collaborate with other industry players to transition to an electric fleet. We will begin trials of EVs in our OoH fleet in 2026 in order to ensure a smooth transition away from diesel vehicles and reduction in emissions related to this area.



Key terms

- Greenhouse gas (GHG) emissions** – Gases in the Earth's atmosphere that trap heat, contributing to climate change. This includes carbon dioxide, produced when burning fossil fuels like oil, coal and natural gas
- Scope 1** – Direct GHG emissions that occur from sources that are controlled or owned by an organisation
- Scope 2** – Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling
- Scope 3** – All other indirect GHG emissions that occur in a company's value chain
- Net zero** – Cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere

Happier Future continued

Progress Report 2025

Reducing our direct emissions

Nichols has a strong track record of reducing our Scope 1 and 2 carbon emissions and we have an ambitious commitment to reduce them by 80% by 2030¹, in order to reach net zero by or before 2050.

Progress in 2025

Using a market-based approach, the business' total carbon emissions for the financial year amounted to 676 tCO₂e, representing a 5% decrease from the previous year.

Key highlights this year

- Replaced energy inefficient equipment such as the L2 chiller plant and the tank 8 and 9 agitators in our Ross-on-Wye plant
- Installed new insulation boarding in the underground car park area and beneath the office space at Laurel House to reduce heat loss
- Installed LED lighting throughout all the OoH warehouses, replacing less efficient sodium bulbs

Focus for the future

We will progress further along our roadmap for reducing Scope 1 and 2 emissions by:

- Implementing our EV roadmap
- Implementing further energy-saving measures identified in our ESOS report
- Continuing to seek opportunities to reduce energy use at our Ross-on-Wye manufacturing site

Decarbonising our supply chain

Reducing our Scope 1 and 2 emissions is important, but the majority of our emissions are upstream in our value chain (Scope 3 emissions). We focus on reducing emissions associated with our carbon hotspots (highest emitting areas) – packaging, transport, ingredients and co-manufacturers' energy use.

Progress in 2025

In 2025, we purchased a carbon accounting tool and gathered Scope 3 data across our UK and International supply chains and entered this data into the tool, in order to further understand our total carbon footprint.

Key highlights this year

- Maintained 51% rPET in our UK Packaged range of products and reduced weights of packaging used where possible in line with our sustainable packaging initiatives
- Gathered information relating to partners' carbon reduction initiatives as a facet of our responsible sourcing and onboarding programme

Focus for the future

We will continue to decarbonise our supply chain by:

- Analysing the 2024 Scope 3 emissions data for our entire Group in order to produce a valid roadmap to net zero emissions
- Further developing our carbon accounting process which will enable us to scenario plan and take proactive steps
- Deepening our relationships with partners and collaborating to reduce our collective climate impact in key hotspot areas
- Embedding climate considerations into our product design and ingredients sourcing process
- Gathering 2025 Scope 3 data to understand the impact of our multiple initiatives

Responsible water usage

We recognise that it is more important than ever to use water responsibly and address the risk of increased water scarcity in some of our markets.

Progress in 2025

Our 2025 total water consumption for manufacturing products in the UK was 247,288m³.

We understand and track the water intensity associated with our products at the various production sites across the UK, working with both our own manufacturing site and our partners to drive continuous improvement. Our current water ratio is 2.1 litres of water used to make 1.0 litre of product.

Key highlights this year

- Engaged with our international partners on water use, learning that many are already tracking their usage
- Continued tracking and monitoring water use at our co-packers and in our own operations
- Gathered information relating to partners' water reduction initiatives as a facet of our responsible sourcing and ongoing onboarding programme

Focus for the future

We will continue to take action to use water responsibly by:

- Driving improvement opportunities where opportunities exist to reduce or re-use water both in our own manufacturing sites and our partners' facilities
- Encouraging partners to implement water reduction initiatives and improve existing initiatives

SECR report

2025 energy and carbon report summary

Nichols is steadfast in its commitment to minimising its environmental footprint by actively integrating sustainable practices across its operations. Through continuous efforts to reduce its carbon footprint and environmental impact, the business aims to foster a sustainable future for its local communities, customers and employees.

For the financial year ended 31 December 2025, Nichols has prepared Streamlined Energy and Carbon Reporting (SECR) in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. By disclosing annual energy consumption and monitoring environmental performance, the business can analyse trends and implement actions to reduce energy use and associated carbon emissions. Furthermore, reporting also enhances the business' understanding of its environmental impact, enabling the informed development of its sustainability strategy.

For the 2025 financial year:

- Total energy consumption was: 4,078 MWh
- Location-based carbon emissions were: 944 tCO₂e

Scope 1 Transport emerged as the primary contributor, accounting for 54% of total energy consumption and 56% of location-based carbon emissions. Electricity and combustible fuels were the next largest contributor, both equalling 18% of total energy consumption and 14% of carbon emissions. In the 2025 financial year, energy consumption decreased by 11% compared to the previous financial year, location-based emissions also decreased by 8%, from 1,022 tCO₂e to 944 tCO₂e.

Using a market-based approach, the business' total carbon emissions for the financial year amounted to 676 tCO₂e, representing a 5% decrease from the previous year.

1. 2018 baseline.

Happier Future continued

Progress Report 2025

SECR report continued

2025 energy and carbon report summary continued

To contextualise the business' environmental impact and enable year-on-year comparisons, carbon intensity has been normalised against production (hL Packed). Production (hL Packed) increased compared to the previous financial year, while location-based emissions decreased. As a result, location-based carbon intensity fell from 0.0116 tCO₂e per hL packed in 2024 to 0.0093 tCO₂e per hL packed in 2025, which is equivalent to a 20% decrease. This large decrease is driven by Nichols' dedication to improving its sustainability and operational efficiency. Across all energy sources, Nichols saw a decrease in usage, except for Scope 3 transport which had a very slight increase. A reduction in energy consumption was seen while concurrently increasing production by 15%. These two factors are driving the significant improvement in Nichols' carbon intensity.

Nichols reduced its energy consumption by implementing several energy efficiency initiatives; these include:

- Replacing energy inefficient equipment such as the L2 chiller plant and the tank 8 and 9 agitators in our Ross-on-Wye plant
- Installing new insulation boarding in the underground car park area and beneath the office space at Laurel House to reduce heat loss
- Installing LED lighting throughout all the OoH warehouses, replacing less efficient sodium bulbs

These are a small snippet of the energy efficiency initiatives Nichols completed in 2025. Nichols is committed to sustaining and enhancing its environmental performance. By embracing continuous improvement and innovation, the business aims to build a more sustainable future across all facets of its operations.

Parameter	Units	Current reporting year 2025	Previous reporting year 2024
Electricity consumed	kWh	750,223	814,300
Solar electricity consumed	kWh	32,782	31,373
Combustion of fuel	kWh	734,497	775,716
Scope 1 transport fuels	kWh	2,188,562	2,623,632
Scope 3 transport fuels	kWh	371,671	359,312
Total energy consumption used to calculate emissions	kWh	4,077,735	4,604,332
Location-based emissions (tCO₂e)			
Emissions from combustion of fuel (Scope 1)	tCO ₂ e	134	142
Emissions from refrigerant gases (Scope 1)	tCO ₂ e	55	–
Emissions from Company-owned transportation (Scope 1)	tCO ₂ e	531	625
Emissions from purchased electricity (Scope 2)	tCO ₂ e	133	169
Emissions from business travel in vehicles owned or operated by third parties (Scope 3)	tCO ₂ e	90	87
Total location-based carbon emissions	tCO ₂ e	944	1,022
Intensity ratio: Total emissions per litres soft drink packed	tCO ₂ e/hL packed	0.0093	0.0116

	Units	Current reporting year 2025	Previous reporting year 2024
Market-based emissions (tCO₂e)			
Emissions from combustion of fuel (Scope 1)	tCO ₂ e	–	–
Emissions from refrigerant gases (Scope 1)	tCO ₂ e	55	–
Emissions from Company-owned transportation (Scope 1)	tCO ₂ e	531	625
Emissions from purchased electricity (Scope 2)	tCO ₂ e	–	–
Emissions from business travel in vehicles owned or operated by third parties (Scope 3)	tCO ₂ e	90	87
Total market-based carbon emissions	tCO ₂ e	676	711
Intensity ratio: Total emissions per litres soft drink packed	tCO ₂ e/hL packed	0.0067	0.0081

Methodology

This report has been prepared in accordance with the GHG Protocol Corporate Standard and adheres to the guidance outlined in the Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance.

The organisational boundary for this report is defined as Scope 1 emissions, Scope 2 electricity emissions, and Scope 3 emissions for Nichols grey fleet.

A request for information was sent to Nichols from Bellrock asking for all related energy consumption data for calculating the relevant carbon emissions. Using this data, the energy consumption and carbon emissions for each source and business area were calculated. These emissions were also normalised based on the production volumes of packed soft drink in hectolitres (hL).

The conversion of energy consumption to greenhouse gas emissions was carried out using the relevant emissions factors from the UK Government GHG Conversion Factors for Company Reporting, specific to the reporting year.

Key differences from last year

There are minor differences between the 2024 calculations in last year's report and this year's report.

Firstly, the emissions from the 2024 Scope 2 electricity in this year's report differ by 6 tonnes of CO₂, this is because in last year's report, the electricity generated by solar was included in the 2024 emissions calculated. This has since been rectified.

The second minor difference is that this year, the propane gas has been placed under the combustible fuel section as opposed to the Scope 1 transport emissions. This means that the combustible fuel and Scope 1 transport energy consumptions differ very slightly from last year. However, the total energy consumption in 2024 in both reports is still the same.

Happier Future continued

Progress Report 2025

SECR report continued

Energy efficiency actions

During the reporting period, Nichols delivered a range of energy- and carbon-saving initiatives across manufacturing, head office operations, procurement, depots, and transport.

Manufacturing:

- Replaced the chiller with a more efficient sealed glycol system
- Optimised several tank agitators to reduce energy consumption
- Replaced thermostatic valves on amenities radiators

Head Office & Procurement:

- Installed five additional chargers to encourage use of electric vehicles
- Fitted motion-sensor lighting throughout offices and meeting rooms
- Added insulation boarding beneath office areas to reduce heat loss

Depots & Transport:

- Introduced remotely controlled Wi-Fi heating at new Leeds Parkside site
- Upgraded all OoH warehouses to LED lighting

These actions continue to support the Company's commitment to energy efficiency, carbon reduction, and broader sustainability goals.

Prepared in line with guidance from: Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance – HM Government.

It must be noted that the data in the above table was determined based upon the information supplied by Nichols. The data provided has been taken as relied-upon information and the accuracy has not been validated.



Section 172 Statement

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

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the Company

This section forms the Directors' statement under Section 414CZA of the Companies Act 2006.

Key Board decisions and discussions

The Board is ultimately responsible for the direction, management, performance and long-term sustainable success of the Company. It sets the Group's strategy and objectives taking into account the interests of all its stakeholders.

A good understanding of the Company's stakeholders enables the Board to factor the potential impact of strategic decisions on each stakeholder group into boardroom discussions. Consequently, Board decisions are made with reference to the Company's key stakeholders: its employees, its customers, its suppliers, the community in which it operates, the environment and its shareholders.

The following section of this Annual Report serves as an overview of how the Directors, with the support of the wider business, engage with our stakeholders and consider these range of factors in the course of their S172 duties.

Key Board decisions during the year

The Board considers the following to be the principal decisions and considerations it has made during the year to 31 December 2025. The Board considers 'principal decisions' to be those decisions which entail significant long-term implications and consequences for the Company and its stakeholders – to distinguish these from the normal, ordinary course decision-making processes that the Board engages in.

Organic investment

Factors considered:

Board decision

The Board considered and approved a number of new investments aligned with the Group's agreed strategic priorities.

Consideration

Investment within the business in organic growth opportunities was assessed, balancing alternative projects. In each case, investments were considered taking into account potential returns and associated risks alongside the recognition of other resource requirements.

As a result, investments were made principally in increased product innovation for the UK, in the development of wider geographic distribution in the Far East and in supply chain improvements in West Africa. Additionally, significant resource was invested in the development of a new Enterprise Resource Planning system, which went live in Q1 2025. Information on how we engaged with suppliers on this decision is detailed on page 55.

Key considerations:

- Financial impact
- Long-term impact
- Employees
- Business relationships
- Community and the environment
- Reputation and conduct

Section 172 Statement continued

Mergers and acquisitions

Factors considered:    

Board decision

The Board considered a number of potential acquisition opportunities, but did not approve the completion of a transaction. One opportunity was assessed in depth, but negotiations did not lead to a decision to progress with the acquisition.

Consideration

The Board considers investment in growth opportunities via acquisitions. Potential acquisition targets were reviewed to identify if they provided a means of accelerating progress towards the Group's long-term strategic plans. In each case, the potential returns available from any purchase were assessed against the cost of acquisition. Information on how we engaged with shareholders on this decision is detailed on page 57.

CFO recruitment

Factors considered:   

Board decision

In the interim, the Board was pleased to be supported by David Taylor as non-Board Interim Finance Director who previously acted as CFO. We were also supported by Rebecca Hughes, our Group Financial Controller, who succeeded David as Interim Finance Director.

Consideration

The Board considered the skills and experience required for the role of CFO and delegated responsibility for CFO recruitment to the Nomination Committee, further details are in the Nomination Committee Report on pages 86 and 87. Information on how we engaged with employees and shareholders on this decision is detailed on pages 54 and 57.

Capital allocation policy

Factors considered:    

Board decision

The Board reviewed the Group's capital allocation policy to ensure that a balance is maintained between the investment requirements of the business, shareholder returns and an appropriate level of cash holdings.

Consideration

The Board considered the projected cash flows associated with the Group's forward strategic plan in order to ensure that sufficient funds were available to support the necessary investments, without exposing the business to excessive risk and while providing a reasonable return to shareholders. Information on how we engaged with shareholders on this decision is detailed on page 57.

Operations change programme

Factors considered:     

Board decision

The Board considered and approved changes to Nichols UK co-manufacturing base for still and carbonated RTD range to deliver a more robust supply solution.

Consideration

The Board considered and agreed to changes to the co-manufacturing base that involved establishing a longer-term contractual supply relationship with existing co-manufacturers (Princes and Refresco) and exiting co-manufacturing from Kingsley and Caw. In doing so, Project FAST delivered:

- Five-year supply contracts with both co-manufacturers (previously not in place)
- Dual supplier capability for all key packaging formats (eliminating single supply risk)
- Refreshed packaging design that is more sustainable due to the reduction of plastic packaging

Information on how we engaged with customers and suppliers on this decision is detailed on page 55.

SAYE Option Scheme

Factors considered:  

Board decision

The Board considered and approved a grant under the Company's Save As You Earn Share Option Scheme (SAYE Option Scheme).

Consideration


The Board considered the terms of the proposed SAYE Option Scheme grant, noting that it would be open to all eligible employees.

The Board agreed the price at which the options would be subscribed for, being set at a 20% discount to the average mid-market share price for the three days prior to the grant of the options. When the SAYE Option Scheme matures, the exercise of the options would be satisfied by using shares held in treasury, having been bought as part of the share buyback process that took place in 2022.


In approving the grant, the Board considered the interests of eligible employees. The SAYE Option Scheme offers a number of benefits to eligible employees, including providing a risk-free method of saving, being granted share options at a discount to market price and an opportunity to enjoy the Group's profits. Information on how we engaged with employees on this decision is detailed on page 54.


Key considerations:

 Financial impact

 Long-term impact

 Employees

 Business relationships

 Community and the environment

 Reputation and conduct

Section 172 Statement continued

How the Group engaged with its key stakeholders during 2025

Employees

Why we engage

The Group's long-term success is predicated on the commitment of our employees to our purpose and its demonstration of our values on a daily basis. To maintain our competitive advantage and meet the growing demands of the environment in which we operate, we need a workforce which is adaptive and whose skill base constantly evolves.

We also value workers with long-term practical experiences. We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their wellbeing.

How we engaged during 2025

In 2025, Nichols plc maintained a strong focus on employee engagement through several key initiatives:

- The launch of Workvivo, a new employee engagement platform: this platform facilitated daily interactions and collaborations across the Company, ensuring that employees stayed connected and supported throughout the year
- Annual conference: the annual conference brought together all members of Nichols plc from various locations, enabling them to share insights, celebrate achievements and align with the Company's strategic goals and values
- Regular employee briefings: these briefings were held frequently to keep employees informed about Company updates, industry trends and upcoming initiatives, fostering a transparent and inclusive workplace culture

By continuing to prioritise these engagement efforts, we continue to successfully foster a sense of belonging and motivation among our workforce.

To read about how we put our people first in 2025 and our key highlights against our focus areas of inclusion and diversity, employee development and employee wellbeing, engagement and satisfaction, go to our Happier Future Progress Report on pages 32 to 50.



Customers

Why we engage

Communication and relationships with our direct customers are a fundamental ingredient to our success.

How we engaged during 2025

Customers are at the heart of our day-to-day practices. Our teams communicate across a number of key stakeholders in both commercial and non-commercial teams to deliver the best possible service and experience of partnering with Nichols.

We communicate through face-to-face and virtual meetings to understand how our customers' strategies are evolving, and importantly how, through our category insight, strength of portfolio and collaboration, we can unlock opportunity and add long-term sustainable value.



Suppliers

Why we engage

Given the outsourced manufacturing model we have for our Packaged business, and Out of Home's in-house manufacturing footprint, having long-term strategic partnerships with our suppliers and co-packers is essential. Our suppliers are fundamental to the quality of our products and to ensuring that, as a business, we meet the high standards of conduct that we set ourselves.

How we engaged during 2025

We have continued to work collaboratively with our supplier base on a range of projects, including sustainability improvements, continuous improvement initiatives and new product design.

We also continue to hold joint business reviews each quarter to review performance against a range of metrics (cost, quality, service and ESG) and, where relevant, identify improvement opportunities.



Section 172 Statement continued

How the Group engaged with its key stakeholders during 2025 continued

The community

Why we engage

The Group cares about its community, both our local community and the wider community, and understands the importance of giving back to help and inspire others to achieve and develop positive relationships and maintain a strong reputation within the community.

How we engaged during 2025

This year we focused on the development of a more structured approach to our community partnerships to increase the impact we can have in the future and established a forum to increase community engagement across the whole business.

We continued to support a number of community-based partnerships through donations and sponsorship, including Warrington Youth Zone, Ross-on-Wye Basement Youth Club and Waves for Change. We delivered a hugely successful Camp Vimto with 20 young people from local schools participating.

Our volunteering programme, 'Day to Make a Difference', remained fully embedded as part of our annual support to local communities, whilst our annual Charity Golf Event raised £15,000 for Warrington Youth Zone.



The environment

Why we engage

Nichols plc is aware of its environmental responsibilities and whilst all its consumer packaging is already recyclable, the Group is working with suppliers and customers to reduce plastic usage and waste as part of its Happier Future strategy.

How we engaged during 2025

This year we have reduced our UK Scope 1 carbon emissions by 95 tCO₂e to 531 tCO₂e. This is a 12% decrease from 2024. Our Scope 2 emissions remained at net zero.

This year we embarked upon a long-term agreement with an EV provider, designing a roadmap to implement our electric-fleet strategy and transition to a fully electric fleet by 2030.

Further details can be found in our Happier Future Progress Report on pages 32 to 50 and on the Company's website: www.nicholsplc.co.uk/happier-future/.



Shareholders

Why we engage

Continued access to capital is of vital importance to the long-term success of our business. Through our engagement activities, we strive to obtain investor buy-in into our strategic objectives and how we go about executing on them. We create value for our shareholders by generating strong and sustainable results that translate into both dividends and a platform for future shareholder value growth. We are seeking to promote an investor base that is interested in a long-term holding in the Group.

How we engaged during 2025

The Executive Directors meet our institutional shareholders on a number of occasions throughout the year and aim to have an open dialogue to receive feedback.

Investor roadshow meetings are undertaken at least twice a year following the preliminary and interim results announcements.

During 2024, the Board committed to publish the presentations on interim and full-year results that the executive management give to institutional investors on the Company's website so that our retail shareholders are able to view these as well. The presentation for the 2025 interim results has already been published.

Executive Directors utilise the online meeting platform, Investor Meet Company, to enable retail shareholders to participate in live investor presentations as well.

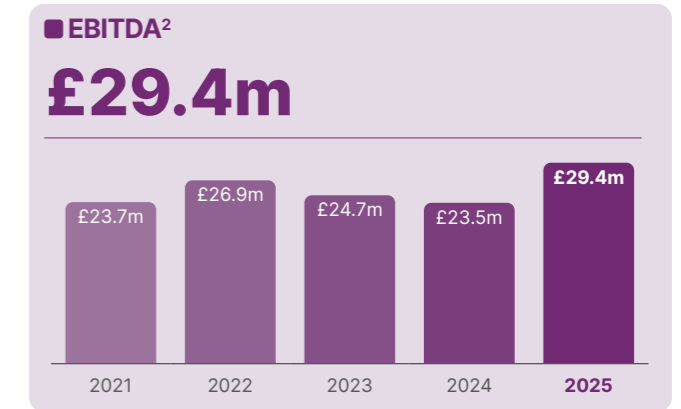
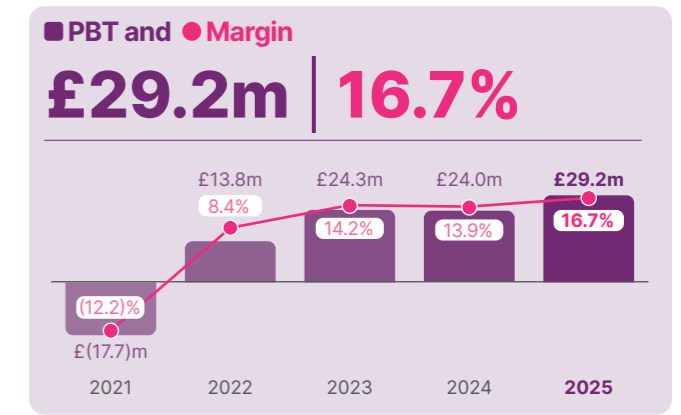
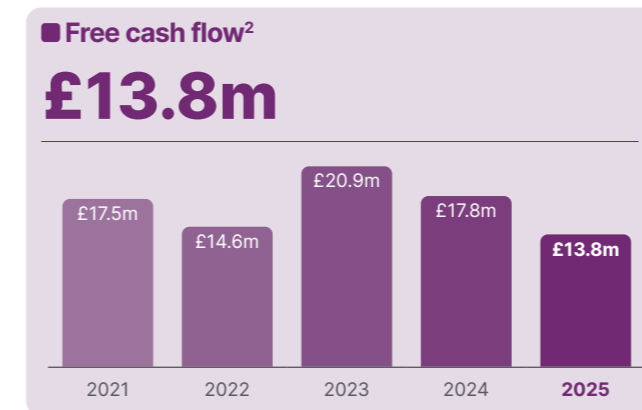
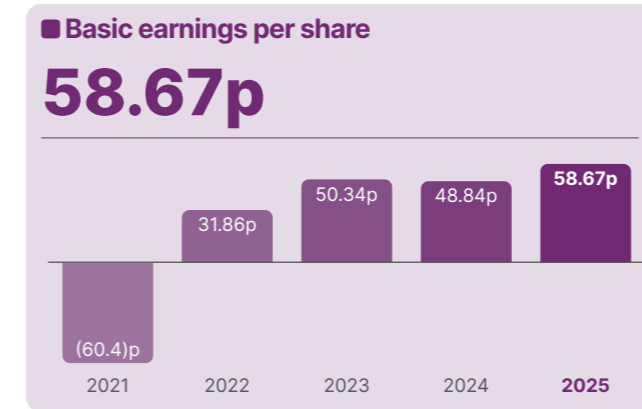
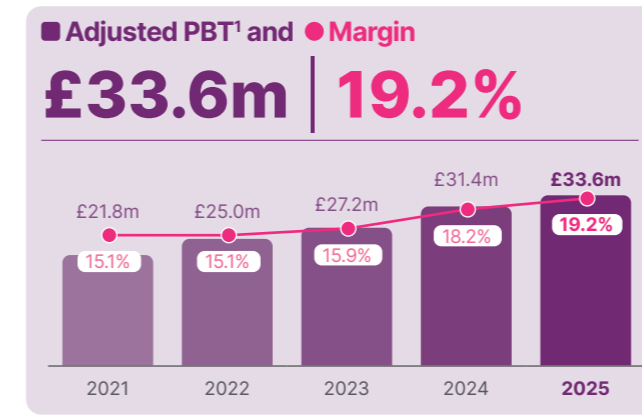
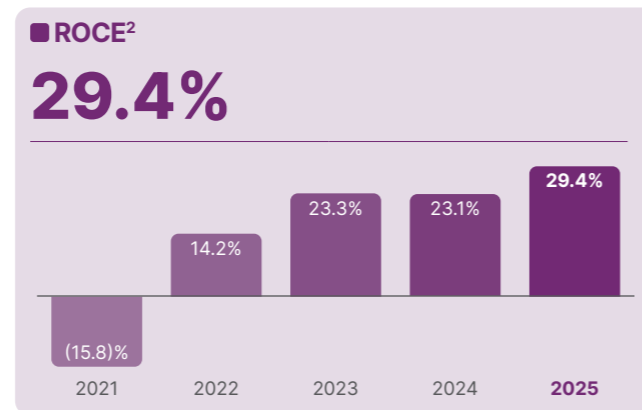
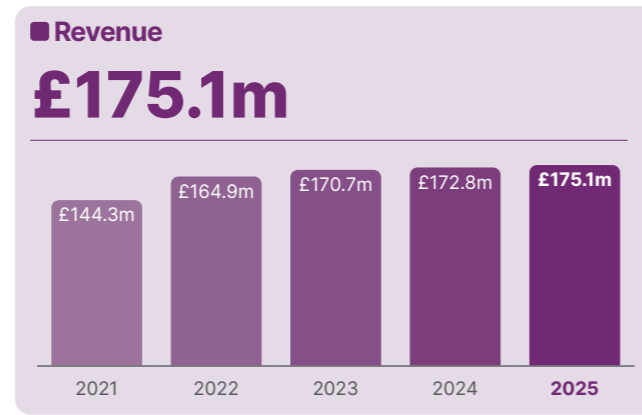
Any shareholder feedback we receive via our meetings or otherwise is discussed at Board meetings. Shareholders also have the opportunity to field any questions that they may not want to be asked directly of the Board to the Non-Executive Directors.



Key Performance Indicators

Strong performance delivered in line with growth strategy and medium-term financial ambitions

The Group delivered another strong performance in 2025, delivering double-digit PBT growth and improved PBT margin as we continued to successfully execute our growth strategy across each of our routes to market.



1. Adjusted measures are excluding exceptional items.
 2. Non-GAAP measures are defined and reconciled in note 27 of the financial statements on page 161.

Financial Review

Revenue

Group revenue increased by 1.3% to £175.1m (2024: £172.8m). We continued to perform well within our Packaged business, with sales up by 1.8%, driven by growth in the UK Packaged where sales increased by 3.1% versus 2024. International Packaged sales were broadly flat following the success of the ongoing strategic shift towards a margin enhancing, but lower revenue, concentrate model across West Africa. As a result of the concentrate model shift in West Africa, like-for-like sales increased by 9.4% in that region.

Revenue in our OoH business was broadly flat at £39.9m (2024: £40.0m) following the exit from our Starslush brand, in line with our strategy to simplify the OoH business.

Gross profit

Gross margins have remained strong with improvement driven by a robust focus on cost management enhanced by the implementation of the new ERP system. In our focus on enhancing gross margin, the Group has focused on mitigating inflationary pressures, effective purchasing, value engineering and, where appropriate, increased sales pricing.

As a result of these decisions, gross margin increased to 46.1% (2024: 45.7%), whilst absolute gross profit improved by 2.2% to £80.7m (2024: £79.0m).

Distribution expenses

Distribution expenses remained broadly consistent with last year at £10.3m (2024: £10.2m), despite an overall volume increase in the UK Packaged and International Packaged businesses due to careful cost control.

Administrative expenses

Administrative expenses (excluding exceptional items) decreased in the year by £1.1m to £38.7m. This has been driven by phasing of our marketing spend within our International and Out of Home markets, with further savings on overheads through careful cost control, in the face of rising payroll and staff-related costs in response to cost-of-living pressures.

Including exceptional items of £4.4m (related primarily to the business change programme and systems development as detailed below), administrative expenses were £43.1m (2024: £47.2m).

Exceptional items

The Group has incurred £4.4m of net exceptional costs during the year (2024: £7.4m), almost entirely attributable to the investment made in our business change programme and systems development (detailed below) which is now complete.

Business change programme and systems development

The Group commenced a project in 2022 to identify the potential benefits from replacing current operational and IT processes and systems, which were reaching the end of their planned life, with a cloud-based integrated Enterprise Resource Planning (ERP) solution. During 2024, this project continued to progress well, as we completed the design, build and testing of the systems and processes. Costs of £4.4m (2024: £7.6m) have been incurred throughout the year in completing this work with the system 'going live' in March 2025. The Group incurred further costs in relation to post go-live support until the end of July and additional build and customisation until the end of 2025. No further exceptional costs are expected in relation to the programme or systems in 2026. Due to the nature of these charges, the Group is treating the costs as exceptional.

Out of Home strategic review and restructuring

In 2022 the Group completed a strategic review into its OoH business following a number of changes to the market it serves. This review included an assessment of customer and product profitability and the identification of opportunities to raise operating margins. The changes arising from this review were finalised during 2025 with a charge of £31.0k being recognised. This restructuring was one-off in nature and was treated as exceptional. The review is now fully concluded.

Segmental performance

The Group's Packaged business achieved revenue growth of 1.8% versus 2024, driven by our UK Packaged business (+3.1%) where we have seen growth across our four key sub-categories. Our International Packaged revenue remained broadly flat. Middle East revenue declines, driven by phasing of concentrate shipments, were offset by strong growth in both Africa and Rest of World markets. Overall Packaged profit growth was strong, with adjusted operating profit increasing by £3.2m (+8.0%) to £43.9m (2024: £40.6m).

The OoH business saw revenues remain broadly consistent with 2024 at £39.9m (2024: £40.0m), reflecting the continued strategic exits of the Starslush brand as part of the OoH strategic review. The absolute profitability of the business saw significant improvement in the prior year as a consequence of reducing the cost base and focusing resources more efficiently within OoH, which the Group has been able to maintain in 2025. Adjusted operating profit therefore remained consistent at £7.0m (2024: £6.8m).

Central costs increased in the year to £19.2m (2024: £18.6m). The majority of this increase was in employment costs, reflecting both cost-of-living increases and investment into additional capability and skills within the Group.



Financial Review continued

Interest income

Net finance income of £1.9m (2024: £2.5m) has been received during the year, with the decrease due to lower deposits following a special dividend in 2024 and falling interest rates.

Adjusted operating profit, adjusted profit before tax, profit before tax and tax rate

Adjusted operating profit (excluding exceptional items) increased by 9.9% to £31.7m (2024: £28.9m). Adjusted profit before tax (excluding exceptional items) increased by 7.0% to £33.6m (2024: £31.4m) and profit before tax (including exceptional items) increased by 21.5% to £29.2m (2024: £24.0m). The effective tax rate for the year has increased to 26.5% (2024: 25.6%).

Adjusted earnings per share and earnings per share

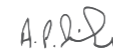
Adjusted earnings per share ('adjusted EPS') increased by 5.5% from 64.02p to 67.53p. Earnings per share were 58.67p (2024: 48.84p).

Cash and cash equivalents and balance sheet

The Group's cash generated from operating activities remained strong at £21.0m (2024: £23.0m) and our cash conversion performance was 102.0% (2024: 77.0%). Our free cash flow, after the payment of tax and capital expenditure, was down £4.0m at £13.8m (2024: £17.8m). The reduction in free cash flow, despite an increase in cash conversion, is driven by working capital. This is largely driven by timing differences on debtors and creditors which are expected to unwind in H1 2026. Capital expenditure in the period was slightly higher than in 2024 at £1.0m (2024: £0.9m), with the increase largely a result of operational and quality enhancements at our Ross-on-Wye manufacturing facility.

Overall, after the payment of dividends totalling £11.7m (2024: £11.2m ordinary dividend and a special dividend of £20.0m), net cash increased by £2.0m to £55.7m (2024: decrease of £13.3m to £53.7m). The Group retains substantial cash resources to fund investment in its forward strategic growth plans whilst balancing shareholder returns.

The Group's adjusted return on capital employed increased to 34.1% (2024: 31.0%). Return on capital employed was 29.4% (2024: 23.1%).



Andrew Milne
Chief Executive Officer

10 March 2026



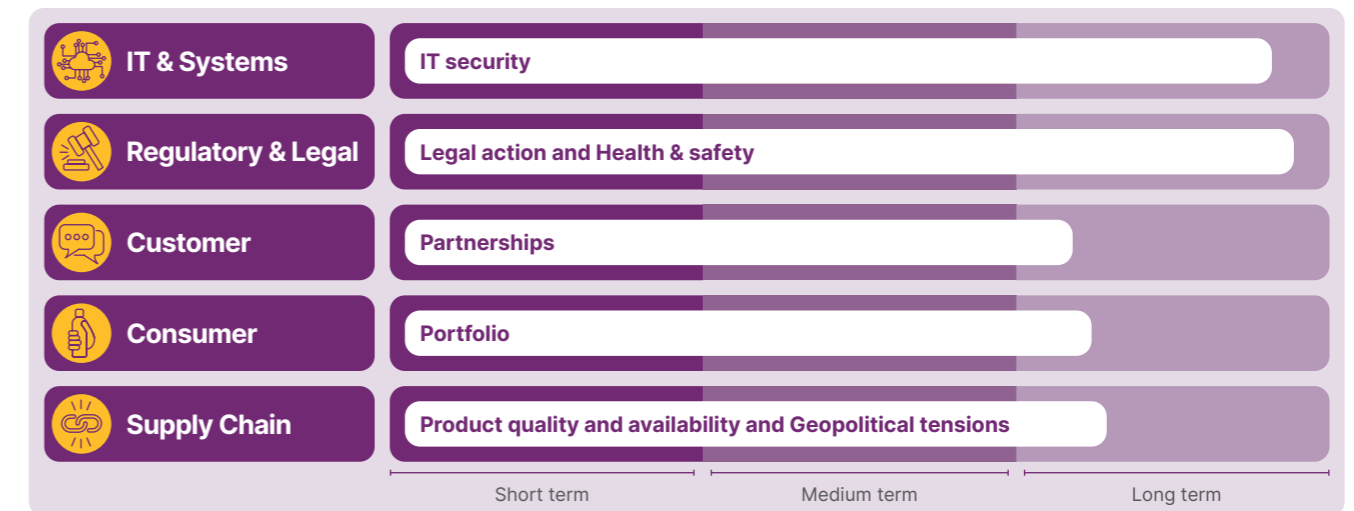
Risk Management

The primary aim of the Group's risk management process is to assist the business in meeting its strategic and operational objectives.

The Board identifies the principal risks while operational risks are identified via a bottom-up approach and managed via functional risk registers. Both current risks and emerging risks are regularly reviewed using both this top-down and bottom-up approach. The Group has a Risk Management Team (RMT) which regularly meets to discuss, monitor and oversee the risks and controls within the Group. Updates and progress from the RMT are presented to the Audit Committee regularly, which monitors the effectiveness of the process.

The Board continues to review its overall risk framework within the context of an ever-shifting and challenging environment, which has again seen rising inflation and increased cost-of-living pressures. The Group continues to respond to macroeconomic and geopolitical challenges which have been accompanied by an ever-increasing focus on climate change, increased cybersecurity risk as well as a focus on attracting and retaining talent.

The following represents the principal risks identified by the Board. As previously stated, there are other risks affecting the business, but with a lower risk score and impact. The Senior Leadership Team regularly reviews the output from the RMT and the Board has confidence that the current risk management process highlights any relevant changes in both current and emerging risks that may be strategically important.



Risk Management continued

Recruitment, retention and development of our key people

Change in risk score rating: 

Impact

Our ability to attract, develop and retain a diverse workforce with a wide range of skills is critical for the success of the Group and delivery of our long-term strategic ambitions.

The competition for top talent has increased significantly and an inability to replace key colleagues would make it increasingly difficult to manage operations and deliver the financial results for the business.

Employees' wellbeing remains a key risk. We need our colleagues to be fit and motivated in order to contribute to our overall success.

Mitigation

We are dedicated to ensuring our colleagues are supported and developed throughout their time at Nichols. People performance, potential as well as areas for development are formally reviewed by senior management each year with succession plans in place for key roles and individuals.

Staff remuneration is regularly reviewed and benchmarked with competitors alongside our Remuneration Committee agreeing the objectives and remuneration arrangements for senior leaders.

Engagement surveys form a key part of understanding our employees' views across these topics. We have high response rates, for example 87% achieved in the last full survey. Wellness and mental health support is provided to all through our employee assistance portal alongside agile working arrangements.

The in-house talent acquisition specialist is now fully embedded in the business, which has improved employee experience.

Development

We have run a Company-wide pulse survey in 2025 and received strong engagement. The results are monitored by the people Director, in conjunction with the senior leadership and a plan is put in place to address any feedback.

We embarked on an employee value proposition programme in 2025 to enhance our employer brand awareness and to ensure we both attract and retain the best talent, as we work towards obtaining an official accreditation.

Key:

-  No change
-  Increased
-  Decreased
-  New risk

Loss of system availability

Change in risk score rating: 

Impact

In common with many other businesses, we are highly dependent on the availability of IT systems. The supply chain function specifically is heavily reliant on technology.

Accordingly, disruption to IT systems could limit availability of products and consequently impact sales.

Mitigation

Nichols operates several preventative systems and controls to reduce the risk.

In addition, we have a disaster recovery plan, including the use of third-party professional providers to host our systems and data.

The off-site data centre hosts our business' critical applications in a dual mirrored set up, which would restore systems within two hours in the event of a major outage.

Development

The Group has now successfully implemented their new ERP system, which is fully cloud based, reducing the likelihood of loss of system availability.

The Group also operates an annual employee training programme to help employees identify threats which could cause a loss of system availability.

Threat of cyber attack

Change in risk score rating: 

Impact

The threat of a cyber attack is an ever-present and indeed, ever-growing risk in today's global business environment.

Disruption to IT systems could limit availability of products and consequently reduce sales.

Mitigation

Nichols operates several preventative systems and controls, including regular penetration testing, to reduce the risk.

The Group continually makes systems upgrades including, but not limited to, encryption developments, multifactor authentication and a default deployment strategy of security measures.

In addition, we have a robust disaster recovery plan for business continuity, including the use of third-party professional providers to host our systems and data whilst providing 24/7 monitoring and reporting of security events.

Development

The Group ensures that critical infrastructure is upgraded as required and that all system patches are applied with immediate effect.

Staff training and cyber awareness forms a key defence against attack. The Group has continued its focused training during the year and makes all staff aware of the threat.

The Group has implemented a managed service which monitors our network traffic for threats 24/7.

Risk Management continued

Health and safety incident

Change in risk score rating: 

Impact

The Group operates with multiple office locations: a large field-based team and one manufacturing site. A health and safety incident, for example in a warehouse or on the road, could result in serious injury or death or investigation by the relevant authority.

Mitigation

The Group is supported by an effective health and safety management system, comprising policies and procedures to support all functions.

The review and delivery of the health and safety management system is supported by a cross-functional committee, chaired by our Group H&S Manager.

One of the key roles for the committee is to ensure the embedding and effectiveness of our policies and procedures across the Group.

Development

Ongoing monitoring of the Group's defined standards on H&S ensures minimum standards and performance are maintained across the business.

Training on all health and safety matters continues to be a key focus for the Group.

Product quality issues

Change in risk score rating: 

Impact

Inconsistent quality or contamination of any products across the Group's portfolio could reduce demand within the market. This could have significant impact on the Group's financial performance and cause reputational damage.

Mitigation

The business demands strict quality controls from all manufacturers and suppliers of our materials and finished goods. We seek independent validation of these controls via Global Food Safety Initiative (GFSI) approved bodies such as the British Retail Consortium (BRC).

We adopt a comprehensive risk-based monitoring approach to all suppliers and manufacturers across all routes to market, specifically designed to mitigate quality risks.

Development

The Group has further improved its ability to react to any incidents and therefore reduced the impact, by fully integrating incident management training into our people resource tool.

Failure to successfully evolve our brand and product portfolio in line with changing consumer needs

Change in risk score rating: 

Impact

Consumer needs, preferences and behaviours in relation to soft drinks purchase and consumption are constantly evolving. Failure to anticipate and respond to these changes and adapt our portfolio through renovation and innovation may result in a loss of volume or impede our ability to deliver growth.

Mitigation

We continually track and monitor market and category trends and consumer attitudes and behaviours to ensure our continued relevance to consumers. This insight is the foundation for our portfolio, brand and innovation strategies.

We have a rolling three-year pipeline of innovation and renovation across both new and existing brands.

Development

The Group has continued to innovate, extending our owned and licensed brands into new flavours and consumption occasions in the UK and internationally, the successful introduction of Vimto Energy within the UK being an example of such innovation.

The Group is also exploring opportunities for acquisitions to strengthen our product development and portfolio. The Innovation Steering Committee has continued to govern and oversee these key strategic projects.

Loss of a major customer account or key partner

Change in risk score rating: 

Impact

Loss of a major customer or key partner could limit availability of our products and consequently impact sales.

Mitigation

We are dedicated to maintaining long-term relationships with all our customers and key partners. However, the Group's diverse income streams across markets and regions mean we are not overly reliant on any one customer or partner.

We are working to ensure that our key supplier partnerships are not limited to either one supplier or one site where possible.

Development

We continue to review our key partnerships to evolve contingency plans and business continuity planning.

One of the benefits of the new ERP system implementation is the ability to dual source key products from a range of suppliers to limit reliance on any one partner.

Key:

 No change  Increased  Decreased  New risk

Risk Management continued

Introduction of new government legislation

Change in risk score rating: 

Impact

The introduction of new government legislation within either the UK or overseas, could reduce demand for the Group's products and significantly impact the Group's revenue. In addition, new legislation could have an impact upon the cost of production and limit availability of our products.

Mitigation

The Group monitors its markets and any potential changes in legislation. Where such changes are identified, the Group considers several scenarios to manage the potential outcome, working with our key partners as necessary.

Development

The Group has a cross-functional Deposit Return Scheme (DRS) working group. This working group meets regularly to discuss developing government guidance and to create and own an implementation plan, to ensure compliance with the upcoming legislation.

Increasing focus on climate change, environmental and social issues resulting in new government legislation

Change in risk score rating: 

Impact

There is increasing focus on environmental and social issues in government. This may result in new legislation (e.g. plastic tax and High in Fat, Sugar, Salt (HFSS) foods legislation) being issued which may in turn affect both customer and consumer preferences and the Group's revenues.

Mitigation

The business has developed an environmental, social and governance (ESG) strategy which is focused on creating a Happier Future for our planet by doing the right things in the right way.

The remit of this strategy includes, but is not limited to, carbon consumption, sustainable packaging and health and wellbeing.

Development

The Group continues to ensure compliance with updated HFSS and SIDL legislation. The Group's UK Packaged business is in compliance with the update in the SIDL legalisation reducing the threshold from 5g to 4.5g.

Failure to protect the Group's intellectual property rights

Change in risk score rating: 

Impact

A failure to protect the Group's intellectual property rights across the globe could negatively impact the perception of the brand and therefore revenues as a result.

Mitigation

The Group's legal team employ a specialist legal firm to monitor and litigate in response to all trademark infringements to protect its intellectual property and brands.

Development

Monitoring of all trademark activity continues with the support of a third-party provider.

Increasing geopolitical tensions and instability

Change in risk score rating: 

Impact

There is increasing risk that geopolitical tensions and instability could impact our supply chains and shipments to customers e.g. import duties in Africa or political instability in the Middle East. This may result in impact to our financial results.

Mitigation

The business has begun moving production in our African market to a local model where concentrate is shipped to partners in Africa, rather than finished product.

This reduces our partners exposure to tariffs and import duties.


This change to our bottling strategy reduces the volume of exports of finished product and reduces our partners exposure to tariffs, import duties and freight availability, which is already our model in the Middle East.

The Group continuously works to diversify its portfolio across the international market to limit the impact of geopolitical instability in any one particular region on financial results.

Development

The Group continues working on moving further production in the African market to a local model.

This Strategic Report was approved on behalf of the Board on 10 March 2026.



Andrew Milne
Chief Executive Officer

10 March 2026

Key:

 No change  Increased  Decreased  New risk

Governance



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Board of Directors

Our Board is committed to ensuring the Company's long-term success for our shareholders, customers and wider stakeholders.



Key to Committee membership

- A** Audit Committee
- N** Nomination Committee
- R** Remuneration Committee
- Committee Chair



Liz McMeikan **A N R**
Non-Executive Chair

Appointment date:
Liz was appointed to the Nichols Board in February 2023 as a Non-Executive Director before becoming Non-Executive Chair in April 2023.

Career and experience:
Liz has been a Non-Executive Director in a wide variety of customer-facing businesses for the past 20 years. She has extensive experience working with plc boards and with family and privately owned businesses, holding Senior Independent Director, Remuneration Committee Chair and ESG Committee Chair positions.

Her executive career was spent initially within marketing and sales for Colgate Palmolive and subsequently with Tesco, covering a wide spectrum of commercial roles both nationally and internationally.

Liz is married to Gerard and has three grown-up children. She loves to travel, walk, enjoy good food and is passionate about theatre, film and Suffolk, where she spends her spare time.

- External appointments:**
- Senior Independent Director of Custodian Property Income REIT plc
 - Non-Executive Director and Audit Committee Chair of Fresca Group Limited
 - Senior Independent Director and Remuneration Committee Chair of McBride plc (due to stand down 31 March 2026)



Andrew Milne
Chief Executive Officer

Appointment date:
Andrew joined Nichols as the Commercial Director for Vimto Soft Drinks in July 2013. He was appointed to the plc Board in January 2016, and subsequently appointed as Chief Executive Officer in January 2021.

Career and experience:
Andrew has over 25 years' experience working in the Soft Drinks Industry having previously worked as Sales Director for the Northern region at Coca Cola Enterprises and prior to that, as Trading Director at GlaxoSmithKline.

Andrew brings strong experienced leadership capability with a track record of delivering strategic change and improved performance.

Andrew is married to Debbie and they have two children. He is a keen Manchester United fan and spends what spare time he has either watching or playing sport.

- External appointments:**
- Independent Non-Executive Director of Ultimate Products plc



John Nichols
Family Representative Director

Appointment date:
John joined the Company in 1971 and was appointed as a Director in 1975. In 1986 he was appointed Group Managing Director and then Executive Chairman in 1999. John then moved to Non-Executive Chairman in 2007. In April 2023, he retired as Chairman but remained on the Board as a Non-Executive Director¹.

Career and experience:
John is the grandson of the founder of Nichols and inventor of Vimto, John Noel Nichols.

John has three grown-up children and six grandchildren. He enjoys spending time with his family and using his spare time sailing and playing golf.

- External appointments:**
- John has no external appointments



Matthew Nichols
Family Representative Director

Appointment date:
Matthew joined the Company in September 2006 and was appointed as a Non-Executive Director in January 2024¹.

Career and experience:
Matthew is John's son and is also currently the International Commercial Director within the Group's Packaged business and is a member of the Company's Senior Leadership Team.

He has managed many of the different countries and regions across Africa and the Middle East, holding several senior roles during his time with the Group. Matthew is a proficient French speaker, has an MA in Japanese and spent time in most markets that manufacture or sell Vimto products, building the brand and fostering relationships.

Matthew is married to Gemma and they have two young children who he spends a lot of his time with outside work. During any other free time, Matthew enjoys winter sports (skiing and snowboarding) and water sports (wakeboarding, waterskiing and swimming) as well as running.

- External appointments:**
- Matthew has no external appointments

1. Retaining one of the two Nichols family Board positions pursuant to the Relationship Agreement signed in July 2020.

Board of Directors continued



Helen Keays A N R
Independent Non-Executive Director

Appointment date:

Helen joined the Board in September 2017 as an Independent Non-Executive Director.

Career and experience:

After a career in consumer marketing at organisations such as GE Capital, Sears and Vodafone, Helen has developed significant experience working as a Non-Executive Director.

She was previously Senior Independent Director at Domino's Pizza Group plc, Chair of the Remuneration Committee at Communis plc and has also previously held Non-Executive Director roles at Majestic Wines plc, Skin Clinics and Chrysalis plc.

Helen is married with two adult children. She enjoys playing tennis and golf and travelling with her husband David. Helen is also a Life Trustee of the Shakespeare Birthplace Trust.

External appointments:

- Helen has no external appointments



Alan Williams A N R
Independent Non-Executive Director

Appointment date:

Alan joined the Board in March 2025 as an Independent Non-Executive Director and has chaired the Audit Committee since July 2025.

Career and experience:

Alan is an experienced public company director having spent over 30 years in a variety of finance and strategy roles in consumer-related businesses. Alan spent 18 years with Cadbury Schweppes plc based in the UK and internationally, including in the beverages business. He joined Greencore Group plc as CFO and subsequently moved to Travis Perkins plc as CFO.

In addition to his financial expertise, Alan brings experience across strategic development, mergers and acquisitions, integrations and business transformation. Alan is a member of the Chartered Institute of Management Accountants.

Alan is married and has two grown-up children. He enjoys walking, cooking, travel and watching cricket.

External appointments:

- Independent Non-Executive Director at Cranswick plc



Matthew Rothwell
Incoming Chief Financial Officer and Company Secretary

Appointment date:

Matthew will join the Board in April 2026

Career and experience:

Matthew brings over 25 years' experience in senior financial leadership roles across UK-listed consumer and retail businesses, with deep expertise spanning finance transformation, capital markets and strategic business development. He began his career at Deloitte before holding a number of senior finance positions at Asda and J Sainsbury plc.

Matthew is currently Deputy Chief Financial Officer at THG plc, a position he has held for more than eight years, where he has played a central role in the Group's strategic and financial evolution, including its London Stock Exchange IPO. He has extensive experience leading large finance teams, driving operational and financial transformation, and supporting growth within fast-moving consumer and technology-enabled businesses.

A Fellow of the Institute of Chartered Accountants in England and Wales, Matthew qualified in 2002. The Board believes his strong strategic perspective, capital markets experience and deep understanding of consumer brands will support Nichols' continued growth and long-term value creation.

Governance at a Glance

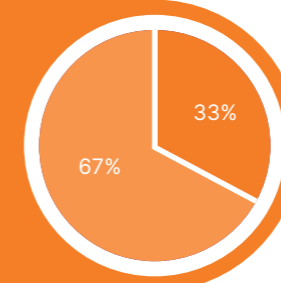
Meetings and attendance

Name	Board	Audit	Nomination	Remuneration
Liz McMeikan	7/7	5/5	3/3	6/6
John Gittins ¹	5/7	3/5	2/3	4/6
Helen Keays	7/7	5/5	2/3	4/6
Alan Williams ²	4/7	3/5	3/3	2/6
John Nichols	7/7	-	-	-
Matthew Nichols	7/7	-	-	-
Andrew Milne	7/7	-	-	-

- John Gittins stepped down from the Board in August 2025.
- Alan Williams joined the Board in March 2025.

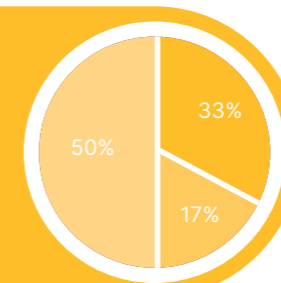
Board gender diversity¹

Female	2
Male	4



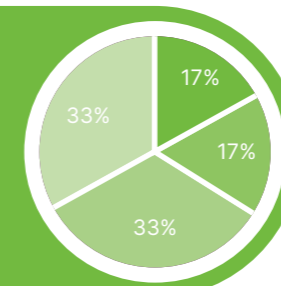
Board tenure

0-2 years	2
3-5 years	1
6+ years	3

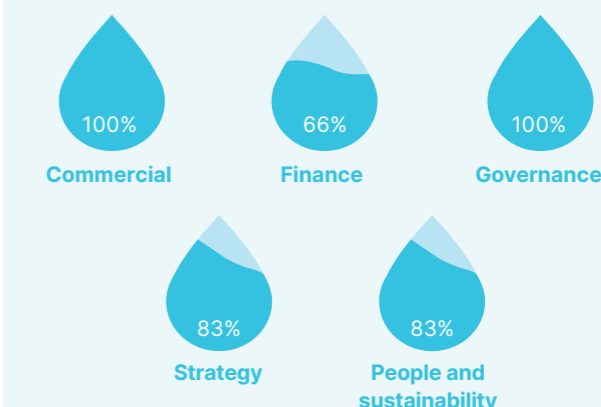


Board independence

Chair (independent on appointment)	1
Executive Directors	1
Non-Independent Family Representative Directors	2
Independent Non-Executive Directors	2



Board skills and experience



- As announced on 11 November 2025, Matthew Rothwell will be joining the Board as Chief Financial Officer and Company Secretary no later than 13 April 2026 and therefore increases the number of male Board members to five.

Corporate Governance Statement



“The Board views well-balanced corporate governance as critical to providing effective stewardship and enabling informed, accountable decision-making.”

Liz McMeikan
Non-Executive Chair

Chair's introduction

I have pleasure in introducing our 2025 Corporate Governance Statement.

The Board is committed to ensuring that our corporate governance standards are appropriate and robust, serving the needs of the business and the expectations of our stakeholders. Our governance framework has continued to enable the Board to act effectively and efficiently to support the management team in making timely decisions and taking appropriate actions.

In March 2025 we were deeply saddened by the death of our Chief Financial Officer, Richard Newman. Richard made a significant contribution to the Company over his 12 months in post and his insight and leadership were noteworthy. He is deeply missed by everyone who had the privilege of working with him. David Taylor supported the Company and the Board as non-Board Finance Director between March and November this year which provided important continuity. During the year the Board has been considering permanent succession arrangements for the Chief Financial Officer role and in November we were pleased to announce that Matthew Rothwell will be joining the Board as Chief Financial Officer and Company Secretary in April 2026. Matthew brings extensive and relevant experience to Nichols, having held senior financial leadership roles across a number of UK listed consumer facing businesses. The Board is confident that his expertise and strategic insight will be instrumental in supporting the Group's continued development and growth.

John Gittins stepped down from the Board as an independent Non-Executive Director and Chair of the Audit Committee in August 2025. As announced during the year, Alan Williams joined the Board as an independent Non-Executive Director in March 2025 and was appointed as Chair of the Audit Committee in August 2025. More detail on Alan's skills and experience can be found in the Board of Directors section on page 74.

Helen Keays, independent Non-Executive Director and Chair of the Remuneration Committee, will have served as a director of the Company for nine years by the second half of 2026, and, following recommendation from the Nomination Committee to the Board, a formal search process for Helen's successor has commenced.

In June, the Nomination Committee held its annual Talent Day on site at Ross-on-Wye, led by the People Director. The day offered the Committee a strategic focus on people and the workplace in 2025, including the talent pipeline, succession plans, the Board skills matrix, agreeing formal development plans for the Board and workplace trends. A key responsibility of the Nomination Committee is to be assured of the strength and depth of talent within the organisation and for the Committee to be satisfied that the culture is conducive to delivery of the strategy: all of which the Talent Day was able to evidence.

Enhancing the Board's skills and knowledge remains a key area of focus. Following our Board evaluation process in 2024 and follow up discussions in early 2025, our 2025/2026 Board Development plan was agreed. Where development needs were identified, actions have been agreed and in 2025 we have held externally facilitated training in Takeover Defence and Diversity, Equity and Inclusion, as well as a session on Horizon Scanning at our Talent Day.



We strive to promote a culture of continual improvement and our approach to evaluating the performance of the Board is of great importance to us. We review our approach on an annual basis to ensure it is the most effective way to carry out a valuable and insightful evaluation. For 2025, the Board undertook an internal performance evaluation using an anonymous survey, enabling all members, alongside senior management and key advisers, to provide candid and constructive feedback on the Board's effectiveness and areas for development. The Board reviewed the results at the February 2026 Board meeting and agreed specific actions that have been added to our Board Development Plan. More information on our approach to our Board performance evaluation can be found on page 83 of this report.

Looking ahead, the Board intends to conduct a more in-depth independent evaluation and observation process during 2026, once our new Chief Financial Officer and Non-Executive Director and Chair of the Remuneration Committee have joined, to ensure a comprehensive review of Board dynamics and performance.

For the year ended 31 December 2025, the Company has applied the 2023 Quoted Companies Alliance Corporate Governance Code. More information on our application of the Code is provided on pages 78 and 79 and throughout this Corporate Governance Report.

Liz McMeikan
Non-Executive Chair
10 March 2026

Corporate Governance Statement continued

The 2023 Quoted Companies Alliance Corporate Governance Code (the '2023 QCA Code')

For the year ended 31 December 2025, the Group has adopted the 2023 QCA Code and our application of the 2023 QCA Code is detailed below. Disclosures required by the 2023 QCA Code have been made both in this Annual Report and on our website.

The corporate governance framework within which the Group operates, including Board leadership and effectiveness, Board remuneration and internal controls, is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the Group.

Our governance structure provides a framework of clearly established roles, policies and procedures designed to support our compliance with the QCA Code, the AIM Rules and other legal, regulatory and compliance requirements which apply to the Group. More on our approach to corporate governance can be found at www.nicholsplc.co.uk/Home/Aim26.

Deliver growth

Principles of the Code	Our application	Further information
1. Establish a purpose, strategy and business model which promote long-term value for shareholders.	"We make life taste better." The Board has collective responsibility for setting the purpose, strategic aims and objectives of the Group.	Our purpose, strategy and business model is articulated on pages 24 and 25 and 14 to 17 and on our website: www.nicholsplc.co.uk/about-nichols/our-strategy/ .
2. Promote a corporate culture that is based on ethical values and behaviours.	We are very proud of our inclusive culture. It is our people and how they go about their business that has been fundamental to the sustained success of the Group for many years. Our culture is reflected in our values and the overarching theme of our values is 'doing the right thing'.	You can find out more about our culture on page 85 of this section.
3. Seek to understand and meet shareholder needs and expectations.	The Group maintains communication with key shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full-year results, enabling the Executive Directors to have an open dialogue and receive feedback.	See our S172 Statement on pages 51 to 57.
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.	We consider our key stakeholders to be our shareholders, our employees, our customers, our consumers, our suppliers and our community. The Board recognises the importance of maintaining regular dialogue with our stakeholders in order to listen to, understand and consider their views. We also recognise that we have a duty of care to our environment and our communities and consider both to be key social responsibilities of the Group.	Information on how the Company engages with its key stakeholders is provided on pages 51 to 57.
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	The Board has ultimate responsibility for the systems of internal control and risk management. The Audit Committee reviews the Group's internal controls and risk management processes on the Board's behalf.	The Group's significant risks related to mitigation/controls are disclosed in the Risk Management section on pages 63 to 69. More of the work of the Audit Committee can be found on pages 88 to 91.

Maintain a dynamic management framework

Principles of the Code	Our application	Further information
6. Establish and maintain the board as a well-functioning, balanced team led by the Chair.	The Board is supported by three Committees – the Audit Committee, the Nomination Committee and the Remuneration Committee. The composition and effectiveness of the Board and the Committees is reviewed annually.	More information on the Board and on our governance framework can be found on pages 72 to 75 and 80 and 81. More information on the Board performance evaluation can be found on page 83.
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.	The Board is satisfied that the governance framework, delegated authorities and processes and controls are fit for purpose and appropriate in supporting sound decision making and in promoting our long-term success. The current Nichols plc Board has significant sector, financial and plc experience and the Executive Directors have broad experience in the soft drinks industry and in manufacturing. In the absence of a CFO, the Board has been supported by David Taylor, non-Board Interim Finance Director and Rebecca Hughes, Interim Finance Director.	More information on our governance framework can be found on pages 80 and 81. See Board of Directors on pages 72 to 74 and Board Evaluation on page 83.
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.	The Board, led by the Chair, carries out an annual review of its performance.	See Board Evaluation on page 83.
9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.	A comprehensive review of our Directors' Remuneration Policy has been carried out during the year. More details on this and the remuneration structure of the Company's Directors can be found on pages 94 to 99.	Further information on our approach to remuneration can be found in the Remuneration Committee Report on pages 92 to 99.

Build trust

Principles of the Code	Our application	Further information
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.	In addition to the interim and full-year investor roadshows, regular meetings are held with analysts, retail investor groups and prospective investors.	More information on why and how we engage with our shareholders and other stakeholders is provided on pages 54 to 57. The investors section of our website includes our Annual Report, results, presentations, notice of AGM and results of the AGM and general meetings.

Corporate Governance Statement continued

Governance in action

Board site visits

As part of our ongoing commitment to effective governance and stakeholder engagement, the Board continued its hands-on approach throughout the year. The Nomination Committee once again held its Annual Talent Day at our Ross-on-Wye manufacturing site, where members had the opportunity to tour the facility, interact with staff at all levels, and review both the site improvements and the capital projects planned for the year ahead.

Our Chair, Liz McMeikan, engaged in market visits with Helen Hartley, UK Packaged Commercial Director, and Gary Brookes, Operations Director. These visits provided valuable insights into the opportunities and challenges facing our various business areas.

In addition, Alan Williams, Audit Committee Chair, joined Helen and Ed Shoebridge, Out of Home Commercial Director on several market visits, deepening his understanding of commercial operations and supporting cross-functional collaboration.

Internationally, during Q4, John Nichols travelled to the Middle East, where he spent time with Aujan, one of our key partners in the region, further strengthening our global relationships.



Our governance framework

The Board

Led by the Chair, the Board provides leadership and sets the strategy of the Group, ensuring the long-term success for our shareholders, customers and wider stakeholders.

The matters reserved for the Board can be found on the Company's website at www.nicholsplc.co.uk.

The Chair Liz McMeikan

Guides, develops and leads the Board.

Ensures that the Group's corporate governance framework is appropriate, is communicated effectively and is adopted across the business.

Responsible for ensuring the Board agenda concentrates on the key operational and financial issues affecting the delivery of Nichols plc's strategy.

Chief Executive Officer Andrew Milne

Charged with the delivery of the business model within the strategy set by the Board.

Responsible for the day-to-day management of the business.

He is supported by the other members of his Executive team.

Chief Financial Officer Matthew Rothwell will join the Board as Chief Financial Officer in April 2026

Charged with the delivery of the business model within the strategy set by the Board.

Responsible for finance, strategy, risk and internal audit.

The Chief Financial Officer has primary responsibility for all financially related activities.

Independent Non-Executive Directors Alan Williams, Helen Keays

Alan and Helen are considered by the Company to be independent.

They provide oversight, scrutiny and challenge of the performance of the Executive Directors.

They bring independent judgement and oversight on issues of strategy, performance and resources, and, through the Board's Committees, on matters such as remuneration, risk management systems, financial controls, financial reporting and the appointment of further Directors.

Family Representative Directors John Nichols, Matthew Nichols

John and Matthew are family Representative Directors and represent the Nichols family, pursuant to a Relationship Agreement dated 22 July 2020 between the Company and the Nichols family.

The purpose of the Relationship Agreement is to formalise the effective and appropriate relationship between the Nichols family and the Company.

Further details of the terms of the Relationship Agreement are provided on page 101.

Board Committees

The Board delegates specific responsibilities to the Board Committees. Each Committee is chaired by a Board member, and members have the requisite skills and experience to enable the Committees to focus on specific topics on behalf of the Board.

The Nichols plc website at www.nicholsplc.co.uk describes the roles and Terms of Reference for the Committees.

Audit Committee

The Audit Committee is responsible for overseeing all financial reporting, external and internal audits, whistleblowing, related party transactions as well as risk and internal control matters.

See pages 88 to 91 for the Audit Committee Report.

Remuneration Committee

The Remuneration Committee is responsible for oversight of the Group's approach to remuneration and sets key performance measures and targets for the Executive Directors.

See pages 92 to 99 for the Remuneration Committee Report.

Nomination Committee

The Nomination Committee makes recommendations on the structure, size and composition of the Board and its Committees. This includes succession planning for Directors and other senior executives.

See pages 86 and 87 for the Nomination Committee Report.



Executive Committees

The CEO and CFO are supported by additional Executive Committees consisting of members of the Senior Leadership Team.

Capital Expenditure Committee

Risk Management Committee

Treasury Committee

Our Board and our strategy

The Board has collective responsibility for setting the strategic aims and objectives of the Group.

In the course of implementing our strategy, the Board takes into account the expectations of the Company's stakeholders and wider social and environmental responsibilities.

The Board actively participates in setting, and regularly reviewing, the strategy of the business, and is responsible for ensuring that the Company's business model is, and remains, aligned to the achievement of its strategic objectives.

We are grateful to David Taylor who rejoined the Company as a non-Board Interim Finance Director in February 2025 and provided invaluable support to the Board. In September, Rebecca Hughes, our Group Financial Controller, succeeded him as Interim Finance Director and will continue in that capacity until the arrival of our new CFO, Matthew Rothwell, in April 2026. In October 2025, the Board dedicated a full day to a focused strategy session, during which all Directors were present, including Rebecca Hughes Interim Finance Director. The purpose of the day was to review the Group's medium-term strategic plans and financial objectives.

Discussions centred on strategic priorities for each route to market and enabling functions over the next three years, with particular emphasis on growth opportunities, key business priorities, risks and major strategic projects both within the UK and internationally.

More information on our strategy and values can be found in the Strategic Report.

Corporate Governance Statement continued

Risk management and internal controls

Nichols plc has robust internal controls, delegated authorities and authorisation processes. The controls are subject to review, both internally by individual teams within the Company. In addition, the Company has appointed EY as its co-sourcing partner, to assist management in the continued development of its internal audit strategy and deployment of internal audits across the business. Further detail of the Group's internal audit process is provided on page 91.

The Company's Risk Management Team (RMT) comprises senior controllers within the business, including, but not limited to, the Risk Controller and both a Legal and a Health and Safety representative. The RMT has met regularly throughout 2025. The RMT reports to the Senior Leadership Team, in addition to providing an update to the Audit Committee three times a year.

The responsibility for overseeing the Group's risk management and internal controls is delegated to the Audit Committee.

The Nichols Board

Activities of the Board during 2025

There were seven Board meetings held during the year. Board and Committee meeting attendance can be found in the Board of Directors section on page 75.

Directors are expected to attend all meetings of the Board and of the Committees on which they sit and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors. In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chair, so that their contribution can be included as part of the wider Board discussion.

Boardroom insight

During 2025, the Board covered a range of topics that included strategic, financial, operational and governance matters.

A number of standing items are reviewed and discussed at each meeting which include the minutes and matters arising from the last meeting, updates from the Executive Directors and governance and regulatory development updates where relevant to the Company.

Other matters covered in the Boardroom during the year are:

- Interim and preliminary results announcements, the Annual Report and Accounts
- Annual General Meeting matters, including the reappointment of auditors and Directors for re-election and approval of circular
- Interim, final and special dividend approvals
- Strategic projects
- Quality and health and safety updates
- Internal audit updates
- Budget approval
- Capital allocation
- Annual Board and Committee performance evaluation review
- Review of arrangements around significant production and manufacturing contracts
- Review of the Group's corporate governance arrangements and framework in accordance with the 2023 Quoted Companies Alliance Corporate Governance Code
- Externally facilitated Takeover Defence training session
- Externally facilitated Diversity, Equity and Inclusion training session
- Market updates from the Group's NOMAD Singer Capital Markets

Board experience and skills

The current Nichols plc Board has significant sector; financial and plc experience and the Executive Directors have broad experience in the soft drinks industry and in manufacturing.

The Board also benefits from the substantial retail experience that our incoming Chief Financial Officer, who will join in April 2026, brings, alongside his expertise in e-commerce and digital transformation. Furthermore, Alan Williams, who joined as a Director in April 2025, contributes significant knowledge of the FMCG and beverage sectors, enhancing the Board's overall breadth of sector insight.

Prism Cossec Limited was appointed as Company Secretary earlier in 2025 and will continue to provide certain company secretarial services and governance advice to the Company to support Matthew Rothwell in his role as Chief Financial Officer and Company Secretary from April 2026.

With the support of our NOMAD and our advisers, the Board training and development needs are met. The Company's in-house legal counsel presents to the Board regularly on legal and regulatory matters and a written report on governance developments is presented at each Board meeting by Prism Cossec.

The Board does not consider that the appointment of a Senior Independent Director is required at this time, although this is kept under review. Shareholders have access to our INEDs, Alan Williams, Chair of the Audit Committee and Helen Keays, Chair of the Remuneration Committee.

As mentioned earlier in this report, during the year the Board received Takeover Defence and Diversity, Equity and Inclusion training. At the Talent Day held in June 2025, the Board also discussed and agreed the 2025/2026 Board development plan which provides more structure around the development and training needs of the Board members.

Biographies on all Directors, giving details of their experience and roles on the Board and its Committees, are shown on pages 72 to 75.

Time commitment

Our iNEDs are expected to devote such time as is necessary for the proper performance of their duties and are normally expected to spend a minimum of 12 days per annum on Company business, after the induction phase, typically including attendance at six Board meetings, the AGM, Committee meetings plus other events as required, including meetings with our employees and attendance at strategy meetings. The iNEDs and the Company recognise, however, that due to the nature of their role, it is impossible to be specific about the required time commitment; additional time commitment will inevitably be required when the Company is undergoing a period of increased activity. In accordance with their appointment letter, our iNEDs agree to commit sufficient time to perform their duties.

iNEDs communicate with Executive Directors and senior management between formal Board meetings.

Nichols family Representative Directors

John Nichols and Matthew Nichols are Nichols family Representative Directors, pursuant to a Relationship Agreement dated 22 July 2020 between the Company and the Nichols family which entitles the Nichols family to two such positions. The purpose of the Relationship Agreement is to formalise the effective and appropriate relationship between the Nichols family and the Company. John and Matthew are not independent but they do have fiduciary responsibilities as Directors of the Board.

The Relationship Agreement states that a Representative Director may also be an employee of the Nichols plc Group. Matthew also holds the position of International Commercial Director and is a member of the Company's Senior Leadership Team. He is not considered to be an Executive Director of the Company.

Matthew possesses extensive operational knowledge of the Group's industry and operations which contributes to the valuable insight and challenge he brings to the Board. Matthew's role as a Representative Director ensures family interests are aligned with Company goals and Matthew and the other Board members are comfortable that a clear separation of responsibilities is maintained.

Processes are in place to avoid conflicts of interest and both John and Matthew are excluded from Board discussions and decisions where a conflict of interest may arise. The Board currently includes three independent Non-Executive directors, in accordance with the requirements of the Quoted Companies Alliance Corporate Governance Code.

Further details of the terms of the Relationship Agreement are provided on page 101.

Board and Committee performance evaluation

The Board and Committees carried out internal reviews of their 2025 performance by distribution of anonymous surveys, allowing all members to share open and constructive feedback regarding the Board and Committee overall effectiveness and possible areas for improvement. At its meeting in February 2026, the Board discussed the results.

Key themes for the 2025 performance evaluation included strategy and purpose, stakeholder engagement, culture, risk and the role of the Chairs of the Board and the Committees.

The results highlighted strength in areas such as a clear overall strategy and organisational purpose, strong discipline in the selection for Board appointments and succession plans and the assessment of the external auditor. Areas of focus were identified and key actions coming out of the evaluation are being agreed and will be added to the 2025 – 2026 Board Development Plan during the first quarter of 2026. Further information on these specific actions and progress made on them in 2026 will be disclosed in our 2026 Annual Report and Accounts.

Corporate Governance Statement continued

Board and Committee performance evaluation continued

Looking to the future, the Board plans to undertake a more thorough independent evaluation and observation exercise in 2026, following the arrival of our new Chief Financial Officer and new Non-Executive Director, who will also assume the role of Remuneration Committee Chair. This will support a more comprehensive assessment of Board interactions and performance.

Theme	Key actions and focus	Progress
Growth strategy	<p>Focus on regular updates on identified growth opportunities, progress and execution</p> <p>Allocate sufficient time to macro-economic and industry trends</p>	<ul style="list-style-type: none"> Regular updates on all growth opportunities presented to the Board during the year Macro and industry trends were discussed in October, with further sessions planned
Technology	<p>Enhance technology and AI knowledge and understanding as it applies to advancement of strategy</p>	<ul style="list-style-type: none"> Board development sessions are planned to focus on AI and technology
Information and effective communication	<p>Embed ESG updates into Board discussions</p> <p>Strengthen engagement with the SLT</p> <p>Use more interactive formats for strategy days</p>	<ul style="list-style-type: none"> A strategic ESG update was delivered to the Board with further updates planned on a regular basis More frequent SLT dinners are supporting improved engagement and alignment, along with more frequent one on one engagement An interactive strategy day was successfully delivered in October
Audit Committee	<p>Risk and internal audit focus</p>	<ul style="list-style-type: none"> Scheduled annual assessments of risk register now included in annual Audit Committee planner A workshop was held on risk appetite and tolerance and the Committee reviewed and recommended adoption of Group risk appetite statements Scope of discussions now include identification of future risks Work carried out to ensure programme of internal audits is appropriate for the business
Remuneration Committee	<p>Scope of Committee and QCA Code considerations</p>	<ul style="list-style-type: none"> Review of scope of the Committee carried out giving considering the requirements of the 2023 QCA Code Further consideration given to employee remuneration and benefits policies and practices
Role of the Chair	<p>Engagement with key stakeholders</p>	<ul style="list-style-type: none"> During 2025 the Chair has continued to engage with investors, employees and to spend time in the trade

Our culture

Nichols plc is very proud of its inclusive culture. It is our people and how they go about their business that has been fundamental to the sustained success of the Group for many years. Our culture is reflected in our values and the overarching theme of our values is 'doing the right thing'.

Our values

- People:** we value and respect our employees. Their enthusiasm, ideas and hard work are fundamental to the success of our Company and we recognise that the education and development of our people is important. We believe that developing our talent at Nichols is essential to our success and we identify the development needs of all our employees through our appraisal programme. We support the professional development of our employees
- Sustainable business:** we value our commitment to having a sustainable business. Our sustainable business strategy takes into account our wider corporate, environmental and social responsibilities. Further details are included on pages 32 to 50 of the Strategic Report
- Customers and suppliers:** we believe in building long-term partnerships with our customers and suppliers
- Community:** we actively encourage our employees to give something back to the wider community

The Company has adopted a Slavery and Human Trafficking Transparency Statement (the 'Statement') and has an anti-bribery policy. These set out the ethical behaviour expected of our employees, with our Human Slavery Statement also including details of actions that we have taken to ensure that human slavery does not exist within Nichols or within our supply chain. We have a zero-tolerance approach for giving or receiving of bribes or corrupt payments in any form. In addition, to ensure that any of our employees can raise any matters of genuine concern without fear of any action being taken against them, we also operate a whistleblowing policy. Further detail of the anti-bribery and whistleblowing policies and the Human Slavery Statement are available on the Company's website at www.nicholsplc.co.uk. This culture of challenge and continuous improvement is encouraged to ensure that controls evolve with the business.

Our Happier Future Progress Report provides more information on our culture on pages 36 to 41.



Liz McMeikan
Non-Executive Chair

10 March 2026

Nomination Committee Report



“On behalf of the Committee, I am pleased to present our Nomination Committee Report.”

Liz McMeikan
Chair of the Nomination Committee

Activities during the year

- CFO recruitment process and consideration of interim support
- Appointment of Alan Williams to the Board and to Board Committees
- Review of external workplace trends
- Update on strategic workforce planning and talent plans and insight
- Diversity and inclusion update with focus on initiatives in this area
- Non-Executive Directors and Executive Directors succession plan update
- Senior Leadership Team succession plan update
- Approval of 2025/2026 Board Development Plan
- Review of Board skills matrix

Committee composition

The Committee is composed wholly of independent Non-Executive Directors. I act as Committee Chair, with my colleagues Alan Williams and Helen Keays sitting alongside me.

The Nomination Committee meets at least twice a year and more often when necessary. The Nomination Committee met formally three times in 2025.

In the event that the matter under discussion relates to the Chair's reappointment or succession, the Committee is chaired by an independent Non-Executive Director.

The Chief Executive Officer, Chief Financial Officer, People Director, a member of the Nichols family and external advisers are invited to join meetings as appropriate.

Key responsibilities

The main duties of the Committee are set out in its Terms of Reference which are available on the Company's website (www.nicholsplc.co.uk/investors/aim-rule-26/) and include the following:

- Keep under review the Board's structure, size and composition, including the skills, knowledge, experience, diversity, the length of service of the Board as a whole and its Committees, and the balance of independent Non-Executive Directors, Family Representative Directors and Executive Directors and make recommendations to the Board with regard to any changes required. Any such review will take into account any other characteristics and capabilities that may also be required
- Ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- Be responsible for identifying and nominating, for the approval of the Board, candidates to Board vacancies as and when they arise
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board
- Review annually the time required from Non-Executive Directors
- Make recommendations to the Board on the re-election by shareholders of Directors under the annual re-election provisions of the QCA Code

The Committee reviews its Terms of Reference annually and these were last reviewed and subsequently approved by the Board in February 2026.

Succession planning and Chief Financial Officer recruitment process

A key role of the Committee is to ensure that the Group has appropriate succession planning in place. During the year, the Committee discharged its responsibilities by reviewing and approving succession plans for the Executive Directors and senior management.

The Board has delegated to the Nomination Committee the task of reviewing Board composition, searching for appropriate candidates and making recommendations to the Board on candidates to be appointed to the Board. Decisions regarding the appointment and removal of Directors are reserved for the full Board.

John Gittins stepped down from his role as independent Non-Executive Director and Chair of the Audit Committee in August 2025 and as reported last year, following a formal search process, Alan Williams was appointed to the Board as an independent Non-Executive Director in April 2025 and as Chair of the Audit Committee in August 2025.

During 2025, following the death of our Chief Financial Officer Richard Newman, the Board commenced a search process for the Chief Financial Officer role. MWM Consulting were appointed to lead the recruitment process. The process consisted of Board and Nomination Committee approval of the candidate profile sought and review of the list of candidates.

The list of candidates was reduced to a diverse shortlist for several Board members to interview. Following the interviews, the Nomination Committee agreed that it would make a recommendation to the Board that Matthew Rothwell be appointed as Chief Financial Officer and Company Secretary. Matthew will join the Board no later than April 2026.

Matthew will receive a comprehensive induction which will include meetings with each of the Directors and members of the Senior Leadership Team. In addition, the Company's nominated adviser, Singer Capital Markets Advisory LLP, provides briefings for the newly appointed Directors on their legal duties and responsibilities as Directors of an AIM company.

Board performance evaluation process

The 2025 Board performance evaluation was conducted using an internal questionnaire. All responses were anonymous, enabling key stakeholders, both internal and external, to provide candid feedback and insights. Further information on our approach to this process can be found on page 83.

Looking ahead, the Board intends to conduct a more in-depth independent evaluation and observation process during 2026, once our new Chief Financial Officer and also Non-Executive Director and Chair of the Remuneration Committee have joined, to ensure a comprehensive review of Board skills, dynamics and performance.

Liz McMeikan
Chair of the Nomination Committee
10 March 2026

Governance in action

Talent day

In June 2025, the Committee held its annual Talent Day on site at Ross-on-Wye.

The objective of the day was to hold focused discussions around the talent pipeline in the business as well as succession plans and the Board skills matrix and development plan.

The focus of the day was on our single most important resource, namely our people. It allowed the Nomination Committee the opportunity to focus on the strategic, alongside the more tactical, people opportunities and challenges facing the business.

The Committee was able to satisfy itself that the requisite talent management processes are in place to deliver a healthy pipeline of talent and an appropriate succession plan for key management positions.

The Committee was also provided with updates on topics including people and workplace trends and several of the Group's key initiatives aimed at enhancing workplace engagement including diversity and inclusion, leadership development and talent management initiatives.



Audit Committee Report



“On behalf of the Committee, I am pleased to present the Audit Committee Report for the year ended 31 December 2025.”

Alan Williams

Chair of the Audit Committee

Audit Committee focus in 2025

- Approval of the external auditor’s plan for the audit of the Group’s annual accounts, including key audit matters, key risks, confirmation of external auditor independence and terms of engagement, including audit fees
- Review level of non-audit services provided by the external auditor
- Review of the Group’s draft accounts and interim results statements and reviewing the related external auditor’s reports, including consideration of key audit matters and risks
- Review of accounting matters and related papers prepared by management
- Review of the going concern assessment prepared by management
- Meeting the external auditor, without management, to discuss matters relating to its remit and any issues arising from its work
- Review of the performance of the external auditor
- Review and approval of the internal audit plan proposed by EY and progress reports on internal audit actions
- Review of the Group’s risk management processes including the key risk register, risk dashboard, risk mitigations, cybersecurity and risk appetite statement
- Review of the Group’s cybersecurity arrangements
- Review of whistleblowing reports

Membership of the Audit Committee

The Committee is composed wholly of independent Non-Executive Directors. I act as Committee Chair, with my colleagues Helen Keays and Liz McMeikan. John Gittins was Chair of the Audit Committee until August 2025. I would like to thank John for his Committee leadership, and I look forward to progressing the work of the Committee in the coming years.

The Board is satisfied that I have recent relevant financial experience. Having served for a number of years as a Chief Financial Officer of listed businesses, I am also Chair of the Audit Committee at Cranswick plc. I am also a member of the Chartered Institute of Management Accountants. Further details of my career and experience can be found on page 74.

The Audit Committee met five times during 2025, and all Committee members were present at every meeting.

The external auditor, the internal auditor, the Chief Executive Officer and Chief Financial Officer are invited to join meetings as appropriate.

Key responsibilities

The main duties of the Committee are set out in its Terms of Reference which are available on the Company’s website (www.nicholsplc.co.uk/investors/aim-rule-26/) and include the following:

- To monitor the integrity of the accounts of the Group, including its annual and half-yearly reports and accounts, announcements of preliminary results and any other formal announcement relating to its financial performance
- To review the adequacy and effectiveness of the Group’s internal financial controls and internal control and risk management systems
- To advise the Board on the Company’s risks and opportunities and overall risk appetite, tolerance and strategy

- To consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, reappointment or removal of the Company’s external auditor
- To oversee the relationship with the external auditor including recommendations on their remuneration, approving their terms of engagement, assessing annually their independence and objectivity and assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process
- To develop and implement a policy on the supply of non-audit services by the external auditor including prior approval of non-audit services by the Committee and taking into account any relevant ethical guidance on the matter and thorough consideration of all appropriate matters

The Committee reviews its Terms of Reference annually and they currently meet best practice standards.

Audit Committee Report continued

Significant issues considered in relation to the financial statements

As part of the monitoring of the integrity of the financial statements, significant matters and accounting judgements identified by the finance team and the external auditor are reviewed by the Committee and reported to the Board. The significant matters considered by the Committee in respect of the year ended 31 December 2025 are set out below:

Matters considered	Committee review and conclusions
Exceptional items	The Committee reviewed the accounting treatment of the items listed in note 4, including the consistent application of the accounting policy for exceptional items, and concurred with management's view that the items are exceptional in size and nature in relation to the Group. Exceptional costs related almost wholly to the Group's new ERP system which went live in Q1 2025, with no further exceptional costs expected.
Bad debt provision	The Group holds specific provisions in relation to overseas receivables. The Committee has reviewed management's assessment over the recoverability of these balances and agrees with the treatment of these within the accounts.
Historic incentive scheme	During the second half of 2022, the Group settled with HMRC the tax and interest charges regarding an historic incentive scheme and commenced recovery of related debts from current and previous management, who had indemnified the Company. The Committee has regularly reviewed management's progress on recovery and their continued approach to concluding this matter.
Going concern status	Reviews of the Group's going concern status were carried out by management at both the half and full-year period ends. Detailed papers setting out the relevant considerations were tabled by management and discussed with the Committee, together with the Group's external auditor. The Committee noted that severe but plausible risk scenarios had been identified; a robust risk assessment had been carried out; and the Group's going concern statements remained appropriate when stress tested. Taking into account the Company's balance sheet position, the Committee concurred with management's view that the Group has adequate resources to continue in operational existence for the foreseeable future (being at least one year following the date of approval of this Annual Report).
Brand support accruals	The Group incurs significant costs from customers in relation to discounts, rebates and brand support. The majority of these costs have been settled at 31 December 2025. However, certain judgement is required in determining the level of closing accrual required at year end for promotions and brand support campaigns that either span two financial years or where the costs have not been fully settled by the year-end date. As part of the Group's transformation programme, the new Trade Promotion Management System was introduced, which supports decision making on judgements. The Committee reviewed management's assessment of the level of liabilities in this area, the process in arriving at the accrual and the application of the Group's accounting policy, see note 2.4 on page 122.

External auditor appointment and tenure

The Committee has primary responsibility for managing the relationship with the external auditor, including assessing their performance, effectiveness and independence annually and recommending to the Board their reappointment or removal. Following a tender process in 2024, BDO has continued to act as the external auditor. The reappointment was put to shareholders at the 2025 Annual General Meeting and the resolution passed with 99.94% votes in favour. The external auditor is not engaged to perform any non-audit services, in line with the Group's policy.

The Committee considers the scope and results of the external auditor's work and reviews during the course of the year. It reviews reports from BDO relating to the Group's related to the Group's Annual Report and Accounts and the related external audit process.

The Committee carries out an annual review of the performance of the external auditor. Annual assessments cover key areas including (i) the audit partner and team; (ii) the audit approach and execution; (iii) the Committee and Company interactions with the external auditor; and (iv) the added value and insights that the external auditor brings. The Committee's findings are subsequently discussed with the external auditor. In line with Ethical Standard requirements on independence, BDO have rotated their audit partner. Having reviewed and assessed the auditor's independence and performance in consultation with senior members of the finance team, the Committee continued to be satisfied with the scope of the external auditor's work and the effectiveness of the external audit process.

Financial reporting council (FRC) review

During the year, the FRC undertook a thematic review of reporting by UK smaller listed companies, including a limited scope review of Nichols plc's 2024 Annual Report and Accounts. This limited scope review considered compliance with reporting requirements as opposed to verification of the information contained in the Report and Accounts. As part of the review, no questions or queries were raised with the Company.

Internal audit

The Group does not currently have an internal audit function. The Committee annually considers the need for an internal audit function and appointment of a head of internal audit and will make recommendations to the Board accordingly.

The Group has continued its successful co-sourced relationship with EY in order to undertake a number of internal audit reviews within the Group. A 2025 internal audit plan was developed between management and EY and approved by the Committee at the beginning of the year. This plan took into consideration the Company's principal risks, as well as sector-specific risks. Areas of focus in the year centred around the Group's ERP system implementation, follow up of actions implemented from the previous year and Internal Control Self-Assessment. EY attended three Committee meetings during the year and completed the agreed internal audit plan. The results of the reviews and the timely follow up of any control recommendations are monitored by the Committee during the year.

Risk management and internal control

The Board has overall responsibility for maintaining sound internal control systems to safeguard the investment of shareholders and the Group's assets. The systems are reviewed by the Board and, when asked, the Audit Committee, and are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

During the year, the Company has continued to further develop its internal control and risk management environment. Throughout the year the Audit Committee have reviewed and discussed the Group's risk appetite statement and agreed that it remains appropriate. Further information on risk management can be found on pages 63 to 69 of the Strategic Report.

Management committees with remit over risk management, treasury management and capital expenditure also regularly report to the Committee.

Whistleblowing and anti-bribery

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Group also has in place an anti-bribery and anti-corruption policy which sets out its zero-tolerance position and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues.



Alan Williams
Chair of the Audit Committee

10 March 2026

Remuneration Committee Report



“On behalf of the Remuneration Committee (the ‘Committee’), I am pleased to present the Remuneration Report for the year ended 31 December 2025.”

Helen Keays

Chair of the Remuneration Committee

Remuneration Committee focus in 2025

Significant activities for the Committee during the year were as follows:

- Approval of the outcomes for 2024 under the Hybrid Incentive Plan
- Setting of performance targets for the Hybrid Incentive Plan for 2025
- Review of Directors' Remuneration Policy
- Determination of remuneration for Matthew Rothwell as incoming Executive Director and CFO in 2026

This report consists of the following three sections:

- This introductory letter, setting out key decisions and activities of the Committee during 2025
- The Remuneration Policy that applies for Executive Directors and Non-Executive Directors
- The Annual Report on Remuneration, which sets out details of payments made in 2025

2025 remuneration outcomes

The Group's adjusted operating profit has grown by 9.9% to £31.7m (2024: £28.9m) which has grown the Group's adjusted earnings per share performance by 5.5% to 67.53p, slightly above market consensus as signposted at the beginning of 2025. This has allowed total ordinary dividends to increase by 5.3% to 33.7p.

This is the fifth year in which we operated our Hybrid Incentive Plan. In the context of positive financial and personal performance during the year, the Committee determined that it was appropriate for awards to pay out at 91.5% of maximum overall. This incorporates 83% achievement against the personal objectives, aligned to the Group's strategic objectives, and 95% against the adjusted operating profit objective which was ahead of analyst expectations for financial performance. Full details of the performance assessment against both personal and financial objectives can be found on pages 97 and 98.

The outturn is in line with the experience of the wider workforce with 95% bonus being awarded.

Taken as a whole, the Committee is satisfied that the overall pay outcomes for the year ended 31 December 2025 are appropriate and, accordingly, we have not applied any discretion to this year's outcome. 60% of the award will be deferred into shares and the remainder will be paid in cash. This deferred element of the award is intended to align Executive Directors' remuneration with shareholder value in the longer term, and vests after three years after the start of the performance period.

During 2025, we undertook a comprehensive review of our current Remuneration Policy, working closely with our remuneration advisers, PWC, to benchmark externally against market practice. As part of this process, we proactively engaged with major shareholders to gather their views and feedback, ensuring that our approach aligns with their expectations.

Specifically, we reached out to ten of our key institutional investors as well as our family shareholders, initiating open and constructive dialogues to understand their perspectives and incorporate their insights into our decision making. This proactive engagement reflects our ongoing commitment to transparency and the importance we place on maintaining strong, collaborative relationships with all our key stakeholders. As a direct result of these engagement sessions and input received, amendments were made to our policy to ensure our remuneration approach remains robust, market-aligned and responsive to our investors' and family shareholders' priorities.

As a result of this review and consultation, from 2026 we will transition to a more market standard model, comprising of a short-term incentive plan (STIP) and a three-year Long-Term Incentive Plan (LTIP). These changes are intended to maintain our competitiveness in attracting and retaining key talent, while further aligning the interests of our Executive Directors with those of our shareholders and supporting the delivery of our strategic objectives over the medium-to-the-long term. To support this transition and the retention of the CEO during this key strategic period, a one-off Share Award was granted to Andrew Milne, the CEO, during the year. This award will vest in two equal tranches: 50% on the third anniversary of the grant date (December 2028) and 50% on the fourth anniversary (December 2029), subject to continued employment with the Group.

In March 2025, Richard Newman, CFO and Company Secretary sadly passed away, following a brief illness. As previously communicated, David Taylor continued in his role as non-Board finance director to ensure continuity, with Prism Cosec providing support in the role of Company Secretary. We sincerely thank David for his valuable contribution over the period.

As announced on 11 November 2025, following an extensive search, we are pleased to welcome Matthew Rothwell as Chief Financial Officer and Company Secretary to the Board, effective April 2026. Matthew brings extensive and relevant experience from senior financial leadership roles across several UK-listed consumer-facing businesses, making him a valuable addition to the Nichols senior management team.

The Committee approved the following remuneration package in line with the Remuneration Policy:

- A base salary of £310,000
- Pension contributions in line with the wider workforce, along with other benefits in line with the Remuneration Policy

- Participation in the Group's variable remuneration structures, with annual awards of up to 220%
- Conditional upon Matthew Rothwell commencing employment in April 2026, he will receive replacement awards to compensate for incentives forfeited upon joining Nichols. This will comprise an award of nil-cost options with a market value of £150,000 up front, which will vest in three equal tranches on the first, second and third anniversaries of the grant date, subject to his continued employment with the Group

Duties of the Committee

The Committee operates under the Group's agreed Terms of Reference and is responsible for reviewing remuneration in respect of all senior executive appointments and determining the Group's policy in respect of the terms of employment, including remuneration packages of Executive Directors. The Committee meets at least three times a year under its Terms of Reference.

Committee members and attendance

The Committee comprises three independent Non-Executive Directors: I continue to act as Committee Chair, with my colleagues Alan Williams and Liz McMeikan. Other Directors (and members of senior management or advisers) may attend Committee meetings by invitation only. At the end of July 2025, John Gittins stepped down as a Non-Executive Director after serving the Committee for ten years, and Alan Williams joined as a new member.

Conclusion

On behalf of the Committee, I trust that this report gives you a clear view of how we have implemented the Remuneration Policy in 2025 and our plans for 2026.

The Committee is open to engagement with shareholders and welcomes any comments or questions on the Company's approach to remuneration. We commit to consult with major shareholders ahead of implementing any significant changes to the way in which Directors are remunerated.

Helen Keays

Chair of the Remuneration Committee

10 March 2026

Remuneration Committee Report continued

Remuneration Policy

The objective of the Group's Remuneration Policy is to attract, motivate and retain high-quality individuals who will contribute fully to the success of the Group. To achieve this, the Group provides competitive salaries and benefits to all employees.

The Committee has the following principles it follows when establishing Executive Director remuneration at Nichols:

- Motivating
- Simple
- Aligned to Group strategy
- Flexible
- Transparent
- Fair

From 2026, a revised remuneration structure will be implemented comprising of a Short Term Incentive Plan and a three-year Long Term Incentive Plan. The LTIP will be linked to financial measures linked to the Group's business strategy and include an enhanced focus on environmental, social and governance (ESG) objectives within the incentive framework, ensuring Executive Director rewards are increasingly linked to sustainable business practices. No further awards will be made under the Hybrid Incentive Plan in 2026. Inflight awards will continue to vest in accordance with the Hybrid Incentive Plan terms and conditions as set out below.

The table below summarises the key elements of the Remuneration Policy for Executive Directors applying for 2026 onwards:

Element and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Base salary Supports the recruitment and retention of Executive Directors, reflecting their role, skills and experience.	Base salary reflects the size of the role and responsibilities, individual performance (assessed annually) and the skills and experience of the individual. In setting appropriate salary levels, the Committee considers data for similar positions in comparable organisations. The data is independently commissioned, and the Committee aims to position Executive Directors competitively within this reference group.	Increases to base salary are determined annually by the Committee, considering: <ul style="list-style-type: none"> • Individual performance • The scope of the role • Pay levels in comparable organisations • Pay increases for other employees and alignment to the wider workforce 	Not applicable, although individual performance is considered when determining base salary increases.
Pension Supports recruitment and retention of Executive Directors.	Generally, the Company contributes to a defined contribution pension scheme for the Executive Directors. The contribution can instead be paid in cash (which is excluded from incentive calculations) if the Executive Director is likely to be affected by the limits for tax-approved pension saving.	<ul style="list-style-type: none"> • Up to 9% of base salary. This is in line with the wider workforce. After ten years' service, the wider workforce is entitled to 10% of base salary 	Not applicable.

Element and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Benefits Supports the recruitment and retention of Executive Directors.	Executive Directors are entitled to the following benefits: <ul style="list-style-type: none"> • Life assurance • Private medical insurance • Company car/car allowance and fuel The Committee may determine that Executive Directors should receive additional reasonable benefits if appropriate, considering typical market practice and practice throughout the Company.	The value of such benefits is not capped but is based on cost, which may change from year to year.	Not applicable.
All-employee share plan – Save As You Earn (SAYE) To encourage equity ownership across all employees and create a culture of ownership.	The Company offers a SAYE scheme for all employees. The operation of these plans will be at the discretion of the Committee, and Executive Directors will be eligible to participate on the same basis as other employees.	Maximum permitted based on HMRC limits from time to time.	Not applicable.
Short-Term Incentive Plan (STIP) Incentivises and rewards the achievement of short-term strategic objectives.	Performance is assessed over the relevant financial year, with outcomes based on performance against the balanced scorecard as determined in the Committee's discretion. For Executive Directors, 25% of their annual STIP will be deferred into shares unless their shareholding requirement has been met. Malus and clawback provisions will apply.	The maximum annual opportunity is 100% for the CEO and 100% for the CFO.	Measures and weightings will be determined at the start of each performance year to align with the short-term financial and strategic priorities. For 2026 awards, performance conditions will be weighted 70% towards financial performance and 30% towards strategic objectives.
Long-Term Incentive Plan (LTIP) Incentivises and rewards the delivery of long-term shareholder value creation and the achievement of long-term strategic objectives. Supports long-term retention.	Annual award of shares, vesting subject to the achievement of performance conditions measured over a three-year period. Dividend equivalents will accrue from the grant date and settlement. The Committee retains discretion to ensure remuneration outcomes are fair, reasonable, and aligned with shareholder interests and the underlying performance of the Group over the performance period. Malus and clawback provisions will apply.	The maximum annual award opportunity will be 150% for the CEO, and 120% for the CFO.	Performance measures will be aligned with the Group's medium to long-term strategic objectives. For each cycle, the Committee will review performance targets to ensure that they are appropriately stretching, promote sustainable value creation and remain motivational for management. For 2026 awards, performance conditions will be based on EPS (60%), cash conversion (30%) and ESG measures (10%).

Remuneration Committee Report continued

Remuneration Policy continued

Shareholding guidelines and policy

The Committee recognises the importance of Executive Directors aligning their interests with shareholders through building up a significant shareholding in the Company. From 2026, Executive Directors will be required to build and maintain a shareholding equal to at least 200% of their base salary, measured from the later of the policy introduction or their employment start date. Unvested deferred awards made in shares will count towards this requirement, net of tax. The Committee may waive or adjust this requirement in exceptional cases.

Notice periods

The CEO contract incorporates a 12-month notice period from the Executive and the Group.

Remuneration Policy for Non-Executive Directors

The Non-Executive Directors' signed letters of appointment with the Group for the provision of Non-Executive Directors' services, which may be terminated by either party giving three months' written notice.

The Non-Executive Directors' fees consist of fixed cash amounts and are determined by the Board.

Annual Report on Remuneration in 2025

The following table summarises the total remuneration of the Directors who served during 2025.

	Fixed remuneration			Performance related – Hybrid Incentive Plan		Totals	
	Salary and fees £'000	Benefits in kind ⁴ £'000	Pension ⁵ £'000	Cash £'000	Deferred bonus ⁶ £'000	Total 2025 £'000	Total 2024 £'000
Directors							
Executive Directors							
A Milne (CEO)	399	21	40	368	551	1,379	1,391
R Newman ¹ (CFO)	76	9	6	–	–	91	914
Total						1,470	2,417
Non-Executive Directors							
P J Nichols	51	1	–	–	–	52	49
L McMeikan	159	–	–	–	–	159	150
M Nichols	26	–	–	–	–	26	24
H Keays	57	–	–	–	–	57	48
J Gittins ²	32	–	–	–	–	32	48
A Williams ³	45	–	–	–	–	45	–
Total						371	319
All Directors						1,841	2,736

1. Richard Newman passed away in service on 15 March 2025.

2. John Gittins stepped down from the Board on 31 July 2025.

3. Alan Williams was appointed to the Board as Non-Executive Director on 11 March 2025.

4. Benefits consist of the provision of a company car (or cash equivalent), fuel and private healthcare.

5. Pension may be paid as a cash sum in lieu of salary sacrifice pension contributions.

6. This is consistent with prior years where shares are expected to be awarded in March 2026 in respect of bonus amount. Vesting of awards will be two years from the date of grant.

Directors' salaries

Salaries were reviewed by the Committee at the beginning of the year. It was agreed that Executive Directors' remuneration remained relatively modest compared to the market. Given the CEO's substantial experience in the role, a 3% increase was deemed appropriate, and the CEO's salary was increased from £386,000 to £401,700, effective from 1 April 2025. Due to the CFO's illness, no salary adjustment was made.

Hybrid Incentive Plan

For 2025, the last year of the Hybrid Incentive Plan, the maximum incentive opportunity for the Executive Directors under the Hybrid Incentive Plan was 250% of base salary. 70% of the award was based upon financial performance and 30% was based on performance against personal objectives.

For the 2025 financial year, the financial performance measure was based on operating profit, rather than profit before tax, to better align with the Company's strategic objectives.

Financial element outcomes (70% of award)

	FY24 adjusted operating profit	Performance targets				Actual performance			
		Threshold £m	Payout	Target £m	Maximum £m	Payout	Payout		
Group adjusted operating profit	28.9	30.3	0%	30.8	50%	31.8	100%	31.7	95%

The Group achieved a strong financial performance in the year with adjusted operating profit of £31.7m, up £2.8m (+9.9%) on the prior year result of £28.9m.

Performance targets were set at the beginning of 2025. Based upon financial plans at that time, Executive Directors would be able to earn 50% of maximum incentive with an adjusted operating profit of £30.8m. This target represented the market consensus for full-year performance in existence at that time and acknowledged the challenging economic environment and difficult trading conditions. An achievement of adjusted operating profit of £31.8m represented a stretch target for the Group and would result in a maximum payout of 100%.

Based on actual performance, the Chief Executive Officer achieved 95% of the maximum incentive, acknowledging the Group performance in the period, broadly in line with stretch target.

Personal element outcomes (30% of award)

The Executive Directors were set four personal objectives to be measured as a whole, weighted at a maximum of 30% as follows:

- New markets:** expand the Company's growth potential by accelerating performance in African markets, driving UK innovation, and building a robust M&A pipeline that provides meaningful strategic options for the Board.
- Drive efficiency:** improve operational effectiveness by delivering the Renaissance programme foundations and reducing administrative costs to enhance overall business efficiency.
- ESG:** advance our ESG agenda by ensuring our products meet high environmental standards through sustainable packaging improvements, responsible sourcing, and preparing the business for DRS implementation.
- Leadership:** strengthen organisational leadership by establishing a clear and future fit succession plan for all key senior roles.

Based on the strong performance of the CEO during the year, the Committee has determined that an 83% award in respect of the personal objectives was achieved.

Remuneration Committee Report continued

Annual Report on Remuneration in 2025 continued

Hybrid Incentive Plan continued

Total incentive earned

Therefore, the total incentive earned by the CEO for 2025 was 231% of salary, or £918,889. Of this, 40%, or £367,556, will be paid in cash and the remaining 60%, or £551,333, will be deferred into shares for two years, which are expected to be awarded in March 2026. The Committee has not exercised any discretion as it believes the formulaic outcome is reflective of corporate and individuals' performance.

Outstanding share awards

The table below sets out details of all outstanding share awards in respect of Executive Directors serving during 2025:

Award	Grant date	Date from which exercisable	Recipient	Exercise price	Number of shares outstanding
2023 SAYE ¹	26 April 2023	26 April 2026	Andrew Milne	£8.96	1,205
2024 SAYE	24 April 2024	23 March 2025	Richard Newman	£7.88	4,010
2023 Hybrid Incentive Plan	25 March 2024	25 March 2026	Andrew Milne	£0	55,693
2024 Hybrid Incentive Plan	24 March 2025	23 March 2027	Andrew Milne	£0	43,316
2024 Hybrid Incentive Plan	24 March 2025	23 March 2027	Richard Newman	£0	28,507
2025 Share Award ³	11 December 2025	11 December 2028 (50% of award) 10 December 2029 (50% of award)	Andrew Milne	£0 ²	51,556

- The SAYE bonus relates to interest paid on top of the contributions made by the Executive Directors aligned to the Bank of England interest rate.
- During the year, Andrew Milne exercised 31,948 nil cost options over ordinary shares of 10p each in accordance with share option plans. The total gain on exercise was £nil (2024: £382,000).
- Vesting of the 2025 Share Award is subject to continued employment with the Group.

Implementation of Remuneration Policy in 2026

Following a comprehensive review of the Remuneration Policy, conducted with the support of our adviser and through engagement with shareholders, the Company will transition to a market standard structure from 2026. No further awards will be made under the Hybrid Incentive Plan. All inflight awards will continue to vest and be settled in line with the Plan's terms, including the deferral of the 2025 Hybrid Incentive Plan award outcome into shares.

In 2026, the STIP will be set at 100% of salary for the CEO, and 100% of salary for the incoming CFO. Performance will be based on adjusted operating profit (70%) and strategic objectives (30%) as determined by the Committee.

Executive Directors will also be eligible for awards under the LTIP, in line with the Remuneration Policy, with the CEO and incoming CFO being granted awards of 150% of salary and 120% of salary respectively, with vesting based on performance of EPS (60%), cash conversion (30%) and ESG (10%) measured over a three-year period. As performance targets are commercially sensitive, details of performance against the targets and the resulting awards earned will be disclosed retrospectively at the end of the performance period.

Summary of Directors' interests in the Company

Director	Shares held as at 1 January 2025 (or date of appointment if later)	2025 movement	Shares held as at 31 December 2025 or date of departure if earlier
A Milne	36,242	19,165	55,407
L McMeikan	3,000	2,780	5,780
M Nichols	844,838	740,000	1,584,838
J Gittins	1,280	(1,280)	–
A Williams	4,000	2,500	6,500
J Nichols	2,255,000	(1,500,000)	755,000

Directors' Report

In accordance with Section 415 of the Companies Act 2006, the Directors present their report for the year ended 31 December 2025.

Nichols plc (the 'Company') is incorporated in England and Wales with registered number 00238303 and is a public limited company listed on AIM of the London Stock Exchange. The Company's registered office address is Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Report of the Directors have been omitted as they are included elsewhere in this Annual Report and/or on the Company's website www.nicholsplc.co.uk. The Corporate Governance Statement forms part of the Governance section of the Annual Report. The table sets out where the necessary disclosures can be found.

Business performance

Principal activities

Nichols plc is an international soft drinks business with sales in over 60 countries. The Group is home to the iconic Vimto brand which is popular in the UK and around the world, particularly in the Middle East and Africa. Other brands in its portfolio include SLUSH PUPPIE, ICEE, Levi Roots and Sunkist.

Results

The Group's profit before taxation from continuing operations for the year ended 31 December 2025 amounted to £29.2m (2024: £24.0m).

Dividends

A resolution to recommend a final ordinary dividend of 18.7p (2024: 17.1p) will be proposed at the forthcoming Annual General Meeting ('2026 AGM').

Strategic Report

The Strategic Report appears in its own section, earlier in this Annual Report.

Activities in research and development

The Group undertakes research and development activities in order to develop its range of new and existing products. Expenditure during the year on research and development amounted to £0.2m (2024: £0.2m).

Future developments

Details about the Company's future developments can be found in the Strategic Report.

Post balance sheet events

There were no material post balance sheet events relating to the 2025 Annual Report and Accounts.

Going concern

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. The financial position of the Group is described in the Chief Financial Officer's Statement.

In assessing the appropriateness of adopting the going concern basis in preparing the Annual Report and Accounts, the Directors have considered the current financial position of the Group, its principal risks and uncertainties. The review performed considers severe but plausible downside scenarios that could reasonably arise within the period.

Our modelling has sensitised the impacts of ongoing geopolitical uncertainty, including in the Middle East, in particular the disruption to global supply chains and the impact on macroeconomic inflationary factors. Alternative scenarios, including the potential impact of key principal risks from a financial and operational perspective, have been modelled with the resulting implications considered. In all cases, the business model remained robust.

The Group's diversified business model and strong balance sheet provide resilience against these factors and the other principal risks that the Group is exposed to. At 31 December 2025, the Group had cash and cash equivalents of £55.7m with no external bank borrowings.

On the basis of these reviews, the Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future (being at least one year following the date of approval of the Annual Report and Accounts) and, accordingly, consider it appropriate to adopt the going concern basis in preparing the accounts.

Directors

Directors during 2025

The Directors who have held office during the year ended 31 December 2025 and to the date of this report are as follows:

Executive Directors

Andrew Milne

Richard Newman (Chief Financial Officer, until 15 March 2025)

Non-Executive Directors

Liz McMeikan

John Gittins (resigned on 31 July 2025)

Helen Keays

Alan Williams (appointed 11 March 2025)

Family Representative Directors

John Nichols

Matthew Nichols

The roles and biographies of the Directors in office as at the date of this report are set out in the Governance section of the Annual Report.

Relationship Agreement

On 22 July 2020, the Company entered into a Relationship Agreement with the Nichols family. The Nichols family consists of certain members of the immediate and extended family of the Company's founder, John Noel Nichols. Members of the Nichols family hold in aggregate an interest of approximately 36% in the Company's issued share capital as at the year end.

The purpose of the Relationship Agreement is to formalise Board representation for the Nichols family whilst also ensuring that the Company is capable of carrying on, at all times, its business independently. In accordance with the terms of the Relationship Agreement, so long as the Nichols family retain (i) an aggregate interest of equal to or greater than 20% in the issued ordinary share capital of the Company, they shall be entitled (but not required) to appoint one Non-Executive Director; and (ii) an aggregate interest of equal to or greater than 30% in the issued ordinary share capital of the Company, they shall be entitled (but not required) to appoint one further Non-Executive Director to the Board.

In accordance with the terms of the Relationship Agreement, John Nichols and Matthew Nichols, both Non-Executive Directors, are the Family Representative Directors.

Directors' indemnity provisions and Directors' and Officers' liability insurance

The Group has agreed to indemnify its Directors against third-party claims which may be brought against them and has in place a Directors' and Officers' insurance policy.

Directors' interests

Details of Directors' interests in ordinary shares of the Company as at 31 December 2025 are provided in the Directors' Report in the Governance section.

Directors' Remuneration Report

Details of Directors' remuneration, including pension arrangements, service agreements and Long-Term Incentive Plan awards are provided in the Remuneration Committee Report in the Governance section.

Constitution

Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders. A copy of the Articles of Association can be found on the Company's website.

Branches outside the UK

There are no branches outside the UK. Details of our subsidiaries can be found on page 140 in the Notes to the Financial Statements.

Stakeholders and policies

Section 172

The statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006 is provided in the Section 172 Statement in the Strategic Report.

Employee engagement

Detail of how the Board has engaged with its employees is included in the Section 172 Statement in the Strategic Report.

Management continuously consult with employees and keep them informed on matters of current interest and concern to the business. Further information regarding employment and employee engagement is provided in the Strategic Report.

Directors' Report continued

Stakeholders and policies continued

Employees with disabilities

The Group's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always fully considered bearing in mind the qualification and abilities of the applicants. In the event of employees becoming disabled, every effort is made to ensure their continued employment.

Stakeholder engagement and key decisions

Detail of how the Board has engaged with its customers and suppliers is included in the Section 172 Statement of the Strategic Report. In amending the dividend policy, the directors have considered the balance of shareholder returns with the longevity and continued growth of the business.

Environmental sustainability is a core priority for Nichols, which we have embedded within our 'Happier Future' strategy, which outlines the ways the business is working with its partners and for its communities to make life taste better for everyone.

Modern Slavery Statement

The Company's Modern Slavery Statement is available on our website.

Political donations

The Company does not make any political donations and does not incur any political expenditure.

Streamlined Energy and Carbon Reporting (SECR)

In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we have prepared a Streamlined Energy and Carbon Reporting (SECR) Report for the financial year of 2025. More information is provided in Our Happier Future Progress Report in the Strategic Report and on our website.

Financial risk management

Business risks and uncertainties are included within the Risk Management section of the Strategic Report and financial risks are set out in note 19 of the accounts. The Group is not exposed to significant price, credit, liquidity or cash flow risk.

Stakeholders and share capital

Share capital

Details of the Company's share capital, including changes during the year, are set out in the notes to the financial statements. As at 31 December 2025, the Company's share capital consisted of 36,968,772 ordinary shares of 10p each, of which 399,204 are held in treasury and accordingly have no voting rights.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. Every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote on a show of hands, and on a poll shall have one vote for every share of which he or she is the holder or authorised representative. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

Other than the general provisions of the Articles of Association (and prevailing legislation), there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Board believes that being permitted to allot shares within the limits set out in the resolution without the delay and expense of a general meeting gives the ability to take advantage of circumstances that may arise during the year.

Authority to purchase own shares

Subject to authorisation by shareholder resolution, the Group may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

At the Company's AGM held on 23 April 2025, the Group was generally and unconditionally authorised by its shareholders to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of up to a maximum of 3,653,036 of its ordinary shares.

In exercising its authority in respect of the purchase and cancellation of the Group's shares, the Board takes as its major criterion the effect of such purchases on future expected earnings per share. No purchase is made if the effect is likely to lead to deterioration in future expected earnings per share growth.

Major interests in shares

At the time of this report:

Shareholder name	Percentage of ownership
Octopus Investments	8.37%
S J Harper	7.32%
Rathbone Investment Mgt Clients	7.29%
K Irvine	5.44%
Bank Julius Baer	4.56%
M Nichols	4.33%
K H Kropp	4.27%
Canaccord Genuity Wealth Mgt Clients	4.25%
WS Gresham House UK Multi Cap Income Fund	3.73%
James Sharp & Co Clients	3.53%
M A and N D Taylor	3.35%
S C Nichols	3.28%

Share options

Share options

The Company operates a Save As You Earn share option scheme. In conjunction with this, the Company will use some of the shares held in treasury to satisfy future exercises of options under the scheme. The Company has, in the past, also made donations to an Employee Share Ownership Trust (ESOT) to enable shares to be bought in the market to satisfy the demand from option holders. As at 31 December 2025, the ESOT held 5,693 Nichols plc ordinary 10p shares (2024: 7,873).

Annual General Meeting

The 2026 AGM of the Company will be held at Nichols plc, Laurel House, 5 Woodlands Park, Ashton Road, Newton-le-Willows, Merseyside, WA12 0HH on 21 April 2026 at 11.00am. The notice convening the meeting, together with details of the business to be considered and explanatory notes for each resolution, is available on the Company's website. Copies of the notice will be distributed to shareholders who have elected to receive hard copies of shareholder information. The voting on all resolutions at the 2026 AGM will be via a poll and not on a show of hands. This is a much fairer way of voting and is in accordance with best practice.

Auditor and audit

Disclosure of information to auditor

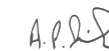
Each of the Directors who are Directors at the time when this Directors' Report is approved have confirmed that:

- So far as each of the Directors is aware there is no relevant audit information of which the Company's auditor is unaware
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Independent auditor

BDO LLP has expressed its willingness to continue as auditor. In accordance with Section 489 of the Companies Act 2006, a resolution to reappoint BDO LLP will be proposed at the forthcoming Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 10 March 2026 and signed on its behalf by:



Andrew Milne
Chief Executive Officer

10 March 2026

Laurel House, Woodlands Park, Ashton Road,
Newton-le-Willows, Merseyside, WA12 0HH.

Registered in England and Wales No. 00238303

Financial Statements



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Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and Company and of the profit or loss of the Group for that period.

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

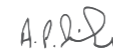
- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether they have been prepared in accordance with UK-adopted International Accounting Standards subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

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

Website publication

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

This Responsibility Statement was approved by the Board on 10 March 2026 and is signed on its behalf by:



Andrew Milne
Chief Executive Officer

10 March 2026

Independent Auditor's Report to the members of Nichols plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Nichols plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise of the following:

Group	Parent Company
Consolidated Statement of Comprehensive Income	Statement of Financial Position
Consolidated Statement of Financial Position	Statement of Changes in Equity
Consolidated Statement of Changes in Equity	Notes to the financial statements
Consolidated Statement of Cash Flows	
Notes to the consolidated financial statements	
Material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report continued to the members of Nichols plc

Conclusions relating to going concern

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

- Challenging the rationale for the assumptions used in the cash flow forecasts prepared to facilitate the Directors' conclusions related to the use of the going concern basis of accounting, using our knowledge of the business and the sector;
- Considering the appropriateness of the Directors' forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy, and understanding the Directors' consideration of downside sensitivity analysis and reverse stress testing;
- Reviewing and challenging the sensitivities on the Directors' base case and stressed case scenarios, considering the likelihood of these occurring, and understanding and challenging the mitigating actions the Directors would take under these scenarios;
- Assessing the going concern disclosures in the financial statements against the requirements of the accounting standards and assessing the consistency of the disclosures with the Directors' forecasts and assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Key audit matters	2025	2024
	Brand support accruals: Carrying value of accruals and charges in the year applied as a deduction against revenue	
	✓	✓
Materiality	Group financial statements as a whole	
	£1.68m (2024: £1.50m) based on 5% of profit before tax after adjusting for exceptional items (2024: 5% of profit before tax after adjusting for exceptional items)	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control.

We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process.

We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements.

We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components

There are 32 entities within the Group, including the Parent Company. The nature of the entities in the Group is as follows:

- 13 of these entities are dormant and have an no impact on the financial statements;
- 16 of these entities are not trading. Only 13 of these 16 entities had an impact on the financial statements, albeit as non-trading entities there are no impacts on the income statement of the group noted; the principal financial impacts relate to historic reserves and retained earning balances;
- Nichols Senegal SUARL, which is a trading subsidiary entity, does not have material transactions within the current financial year;
- Vimto Out of Home Limited, and the Parent Company (which also includes the Employee Share Option Trust, an extension of the Parent Company), are trading entities of the Group and represent the different routes to market.

The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

For the components identified, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate audit evidence to support the Group audit opinion.

Components in scope

Based on the nature of the entities in the Group, and the processes and controls of the entities, we determined there to be 5 components of the Group, as well as the Employee Share Ownership Trust, being an extension of the Parent Company, grouped into the following component groups:

Component	Component Name	Entity	Procedures performed for the purpose of the Group Audit
1	Nichols plc	Nichols plc – the Parent Company	Procedures on the entire financial information
2	ESOT	Extension of the Parent Company	Procedures on one or more classes of transactions, account balances, or disclosures
3	Vimto Out of Home	Vimto Out of Home Limited	Procedures on one or more classes of transactions, account balances, or disclosures
4	Senegal	Nichols Senegal SUARL	Risk assessment procedures
5	Non-trading entities	The Noisy Drinks Co. Ltd DJ Drink Solutions Ltd The Noisy Drinks Company North West Limited Adrian Mecklenburgh Limited Cabana (Holdings) Ltd Cabana Soft Drinks Ltd Cariel Soft Drinks Limited Beacon Holdings Ltd Beacon Drinks Ltd Dayla Liquid Packing Ltd Ben Shaws Dispense Drinks Ltd Festival Drinks Ltd Nichols Dispense (S.W) Ltd	Risk assessment procedures

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Independent Auditor's Report continued to the members of Nichols plc

An overview of the scope of our audit continued Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to:

- Going concern, including budgeting and forecasting to support management's assessment;
- Consolidation, financial statement preparation, and cash flow statement preparation; and
- Governance in relation to compliance with laws and regulations across the group.

We therefore designed and performed procedures centrally in these areas.

The group operates a centralised IT function that supports IT processes for all trading components. This IT function is subject to specified risk-focused audit procedures, predominantly testing the design and implementation of the relevant IT general controls and IT application controls.

Changes from the prior year

In the prior year, we scoped in Vimto (Out of Home) Limited for procedures on the entire financial information of the component. Based on coverage obtained through our audit of the Parent Company against our assessed risks of material misstatement, we removed previously in scope elements of Vimto (Out of Home) Limited such that the component has been scoped in for procedures on one or more classes of transactions, account balances, or disclosures in the current year.

How Climate change affected the scope of our audit

The Group has determined that climate change does not currently have a material impact on its operations.

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board meetings and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of management's disclosures included as Other Information on page 44 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Brand support accruals: carrying value of accruals and charges in the year applied as a deduction against revenue

Refer to Note 2.4 Use of estimates and judgements (Carrying value of brand support accruals)

Consistent with industry practice, the Group has a number of brand support arrangements as detailed in Note 2.

These include Retrospective Rebates, Override and Revenue Related Funding arrangements, in respect of goods purchased by customers.

Overrides are calculated as a percentage of net revenue (gross revenue less discounts and retro rebate charges), consistent with contracts entered into with customers.

Revenue Related Funding arrangements are fixed in value.

Retro Rebates require judgement by management in recording the charge for the year, specific to estimates regarding the redemption rates applied to arrangements entered into, as management has disclosed in Note 2.4.

The charge for each type of brand support arrangement listed above is recognised as a deduction against revenue.

We have assessed that the heightened risk of material misstatement could arise from:

- The accuracy of deductions against revenue related to the brand support arrangements listed above, in addition to the accuracy of amounts held as accruals at the year end; and
- The existence and accuracy of releases of aged accruals during the year.

We have identified the risks noted above, due to the informal nature of certain agreements with customers, particularly related to retro rebates, the volume of brand support agreements entered into by the group, the estimates involved in the recognition of retro rebate accruals, as well as releases of accruals recorded at the prior balance sheet date (31 December 2024) within the current period, all of which heighten the potential risk of error in the financial statements associated with these arrangements.

Based on the risks identified, and the significant senior auditor involvement required, we considered this area to be a Key Audit Matter.

How the scope of our audit addressed the key audit matter

Our audit procedures performed in relation to the charges recorded in the year applied as a deduction against revenue and in relation to the carrying value of accruals at the year end included the following:

- vouching the existence of a sample of Override, Retro Rebates and Revenue Related Funding arrangements to a supporting third party customer agreement;
- for the sampled arrangements above, requesting direct confirmation on the existence of the arrangement and accuracy of the arrangement terms from customers, and considering the evidence that those received back provide;
- performing a recalculation of the charge in the year applied as a deduction to revenue for the sampled arrangements, based on:
 - Override: agreeing the percentage used by management in their calculations to customer agreement and ensuring net revenue (gross revenue less discounts and retro rebate charges) utilised by management in their calculation pulled from the same General Ledger information utilised by the audit team to substantively test revenue and retro rebates. The impact on override calculations related to discounts is immaterial.
 - Retro: agreeing the rebate rate to customer agreement and substantively testing the sales in volume that drives the rebate calculation to third party despatch information. We further challenged the estimation utilised by management in the redemption rate applied.
 - RRF; as predominantly lump sum arrangements, we agreed the underlying supporting third party documentation confirming the existence and accuracy of the charge in the year.
- agreeing all claims made by customers against the sampled brand support arrangements in the year to self-bill and cash settlement to recalculate the year-end accrual, based on the recalculated charge above, offset by claims from customers in the year; and
- challenging the appropriateness of amounts recorded as accruals at year end with reference to post year end customer claims and/or management's assessment of the likelihood of settlement based on historic evidence.

Our audit procedures in relation to the releases of aged accruals in the year included challenging management over the appropriateness of releases recorded in the current period, by agreeing to third party or other supporting evidence, dependent on the nature of the release, to confirm the appropriateness of releasing the previously accrued value within the current financial year, as well as confirming the accuracy of the value released.

Key observations:

Based on the procedures performed, we consider the estimates and judgements applied by management in this area to be appropriate.

We consider the carrying value of accruals and charges in the year applied as a deduction against revenue related to brand support arrangements have been calculated appropriately and classified in accordance with accounting standards.

Independent Auditor's Report continued to the members of Nichols plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £	2024 £	2025 £	2024 £
Materiality	£1.68m	£1.50m	£1.30m	£0.80m
Basis for determining materiality	5% of profit before tax after adjusting for exceptional items	5% of profit before tax after adjusting for exceptional items	5% of profit before tax after adjusting for exceptional items	5% of profit before tax after adjusting for exceptional items
Rationale for the benchmark applied	Adjusted profit before tax is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance for the users of the financial statements.	Adjusted profit before tax is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance for the users of the financial statements.	Adjusted profit before tax is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance for the users of the financial statements.	Adjusted profit before tax is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance for the users of the financial statements.
Performance materiality	£1.050m	£1.125m	£0.8m	£0.6m
Basis for determining performance materiality	62.5% of materiality	75% of materiality	62.5% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	This was considered appropriate based on our audit knowledge of the change in the IT system and control environment in the current year. We have also considered historic misstatement levels and overall risk assessment which considers the different components making up the Group Financial statements.	This was considered appropriate based on audit knowledge of the control environment, historic misstatement levels, and given the trade of the Group is contained in the parent company and one other component which minimises the risk of additional unadjusted misstatements across several components.	This was considered appropriate based on our audit knowledge of the change in the IT system and control environment in the current year. We have also considered historic misstatement levels and overall risk assessment which considers the different components making up the Group accounts.	This was considered appropriate based on audit knowledge of the control environment, historic misstatement levels, and given the trade of the Group is contained in the parent company and one other component which minimises the risk of additional unadjusted misstatements across a number of components.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentages of 65%-80% (2024: 75%) of Group performance materiality dependent on a number of factors including public interest in the component, the control environment changes in the year, the extent of disaggregation of the financial information in the component, the size of the component and our assessment of the risk of material misstatement in that component. Component performance materiality was between £0.68m and £0.8m (2024: £0.9m).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £84,000 (2024: £60,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document entitled 'Annual Report' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report continued

to the members of Nichols plc

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, internal legal counsel and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK adopted international accounting standards, United Kingdom Accounting Standards, including Financial Reporting Standard 101 (The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and UK Companies Act 2006; Corporate Governance, AIM listing rules and Group-wide taxation laws.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those that relate to the payment of employees; and industry related such as compliance with health and safety requirements.

Our audit procedures included, but were not limited to:

- Holding discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of Board meetings for instances of non-compliance with laws and regulation and fraud;
- Challenging internal legal counsel on the nature of any legal matters that arose in the period, to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing a sample of legal costs incurred and any known legal correspondence throughout the period for instances of non-compliance with laws and regulation; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involving our internal forensics specialists to consider our fraud risk assessment;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and inappropriate journals to revenue.

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in their significant accounting estimates; in particular, in relation to the carrying value of brand support accruals and defined benefit obligations;
- Identifying and testing journal entries to source documentation, in particular any journal entries posted with unusual revenue account combinations or including specific keywords to supporting documentation;
- Incorporating an element of unpredictability into the audit procedures, by changing the revenue approach from prior year through introduction of sampling procedures, specifically testing journals and expense transactions within Senegal, and changing the testing approach for the carrying value of brand support accruals; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Ellis

Graham Ellis
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

10 March 2026

Consolidated Income Statement

Year ended 31 December 2025

	Notes	2025			2024		
		Before exceptional items £'000	Exceptional items (note 4) £'000	Total £'000	Before exceptional items £'000	Exceptional items (note 4) £'000	Total £'000
Revenue	3	175,054	–	175,054	172,809	–	172,809
Cost of sales		(94,389)	–	(94,389)	(93,855)	–	(93,855)
Gross profit		80,665	–	80,665	78,954	–	78,954
Distribution expenses		(10,256)	–	(10,256)	(10,214)	–	(10,214)
Administrative expenses		(38,741)	(4,405)	(43,146)	(39,879)	(7,370)	(47,249)
Other income		42	–	42	–	–	–
Operating profit	5	31,710	(4,405)	27,305	28,861	(7,370)	21,491
Finance income	6	2,054	–	2,054	2,660	–	2,660
Finance expense	6	(169)	–	(169)	(117)	–	(117)
Profit before taxation		33,595	(4,405)	29,190	31,404	(7,370)	24,034
Taxation	8	(8,915)	1,167	(7,748)	(8,024)	1,828	(6,196)
Profit for the year attributable to equity shareholders		24,680	(3,238)	21,442	23,380	(5,542)	17,838
Earnings per share attributable to the equity shareholders							
Earnings per share (basic)	10	67.53p		58.67p	64.02p		48.84p
Earnings per share (diluted)	10	67.14p		58.33p	63.98p		48.81p

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	Notes	2025 Total £'000	2024 Total £'000
Profit for the year		21,442	17,838
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit surplus	23	(223)	(434)
Deferred taxation on pension obligations and employee benefits	14	17	95
Other comprehensive expense for the year		(206)	(339)
Total comprehensive income for the year		21,236	17,499

Statement of Financial Position

Year ended 31 December 2025

	Notes	Group		Parent	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Assets					
Non-current assets					
Property, plant and equipment	11	10,860	8,743	3,092	4,754
Investments	12	–	–	16,566	16,566
Intangibles	13	163	175	108	175
Pension surplus	23	3,561	3,721	3,561	3,721
Total non-current assets		14,584	12,639	23,327	25,216
Current assets					
Inventories	15	8,726	9,322	5,907	6,876
Trade and other receivables	16	52,515	44,340	42,613	52,912
Cash and cash equivalents	17	55,736	55,185	52,948	45,068
Total current assets		116,977	108,847	101,468	104,856
Total assets		131,561	121,486	124,795	130,072
Liabilities					
Current liabilities					
Borrowings	17	–	1,512	–	1,512
Trade and other payables	18	31,675	33,271	65,088	103,401
Corporation tax payable		516	243	490	230
Total current liabilities		32,191	35,026	65,578	105,143
Non-current liabilities					
Other payables	18	3,607	1,672	42	1,376
Deferred tax liabilities	14	1,011	743	950	942
Total non-current liabilities		4,618	2,415	992	2,318
Total liabilities		36,809	37,441	66,570	107,461
Net assets		94,752	84,045	58,225	22,611
Equity					
Share capital	25	3,697	3,697	3,697	3,697
Share premium reserve		3,255	3,255	3,255	3,255
Capital redemption reserve		1,209	1,209	1,209	1,209
Other reserves		3,672	2,471	4,447	3,246
Retained earnings		82,919	73,413	45,617	11,204
Total equity		94,752	84,045	58,225	22,611

The Parent Company reported a profit after tax for the year ended 31 December 2025 of £46,349,000 (2024: £7,146,000).

The financial statements on pages 116 to 121 were approved by the Board of Directors on 10 March 2026 and were signed on its behalf by:



Andrew Milne
Chief Executive Officer

Registered number 00238303

Consolidated Statement of Cash Flows

Year ended 31 December 2025

Group	Notes	2025		2024	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Profit for the financial year			21,442		17,838
Adjustments for:					
Depreciation and amortisation		2,118		1,909	
(Profit)/loss on sale of property, plant and equipment		(55)		52	
Interest received	6	(2,054)		(2,480)	
Interest paid	6	169		117	
Taxation expense recognised in the income statement		7,748		6,196	
Decrease/(increase) in inventories		596		(513)	
Increase in trade and other receivables		(8,191)		(2,984)	
(Decrease)/increase in trade and other payables		(2,168)		2,549	
Charge for share-based payments		1,255		272	
Movement in ESOT		(54)		–	
Changes in pension obligations and employee benefits		133		39	
Fair value loss on derivative financial instruments	19	16		37	
			(487)		5,194
Cash generated from operating activities			20,955		23,032
Taxation paid			(7,200)		(6,131)
Net cash generated from operating activities			13,755		16,901
Cash flows from investing activities					
Interest received		1,858		2,480	
Proceeds from sale of property, plant and equipment		221		18	
Acquisition of property, plant and equipment		(957)		(851)	
Acquisition of intangible assets		(55)		–	
Net cash from investing activities			1,067		1,647
Cash flows from financing activities					
Payment of lease liabilities	21	(859)		(755)	
Interest paid (including lease interest)	6	(169)		–	
Dividends paid	9	(11,731)		(31,153)	
Net cash used in financing activities			(12,759)		(31,908)
Net increase/(decrease) in cash and cash equivalents			2,063		(13,360)
Cash and cash equivalents at 1 January	17	53,673		67,030	
Exchange gain on cash and cash equivalents		–		–	3
Cash and cash equivalents at 31 December	17	55,736		53,673	

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

Group	Notes	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024		3,697	3,255	1,209	1,845	87,336	97,342
Dividends	9	-	-	-	-	(31,153)	(31,153)
Movement in ESOT		-	-	-	23	-	23
Share option exercise		-	-	-	-	(272)	(272)
Charge for share-based payments	26	-	-	-	603	-	603
Total transactions with owners		-	-	-	626	(31,425)	(30,799)
Profit for the year		-	-	-	-	17,838	17,838
Other comprehensive (expense)		-	-	-	-	(339)	(339)
Currency translation		-	-	-	-	3	3
Total comprehensive income		-	-	-	-	17,502	17,502
At 1 January 2025		3,697	3,255	1,209	2,471	73,413	84,045
Dividends	9	-	-	-	-	(11,731)	(11,731)
Movement in ESOT		-	-	-	(54)	1	(53)
Charge for share-based payments	26	-	-	-	1,255	-	1,255
Total transactions with owners		-	-	-	1,201	(11,730)	(10,529)
Profit for the year		-	-	-	-	21,442	21,442
Other comprehensive expense		-	-	-	-	(206)	(206)
Total comprehensive income		-	-	-	-	21,236	21,236
At 31 December 2025		3,697	3,255	1,209	3,672	82,919	94,752

Parent	Notes	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024		3,697	3,255	1,209	2,620	35,822	46,603
Dividends	9	-	-	-	-	(31,153)	(31,153)
Movement in ESOT		-	-	-	23	-	23
Share option exercise		-	-	-	-	(272)	(272)
Charge for share-based payments	26	-	-	-	603	-	603
Total transactions with owners		-	-	-	626	(31,425)	(30,799)
Profit for the year		-	-	-	-	7,146	7,146
Other comprehensive expense		-	-	-	-	(339)	(339)
Total comprehensive income		-	-	-	-	6,807	6,807
At 1 January 2025		3,697	3,255	1,209	3,246	11,204	22,611
Dividends paid	9	-	-	-	-	(11,731)	(11,731)
Movement in ESOT		-	-	-	(54)	1	(53)
Charge for share-based payments	26	-	-	-	1,255	-	1,255
Total transactions with owners		-	-	-	1,201	(11,730)	(10,529)
Profit for the year		-	-	-	-	46,349	46,349
Other comprehensive (expense)		-	-	-	-	(206)	(206)
Total comprehensive income		-	-	-	-	46,143	46,143
At 31 December 2025		3,697	3,255	1,209	4,447	45,617	58,225

Notes to the Financial Statements

Year ended 31 December 2025

1. Reporting entity

Nichols plc (the 'Company') is a company incorporated and domiciled in the United Kingdom, listed on the Alternative Investment Market. The address of the Company's registered office is Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in the supply of soft drinks to the retail, wholesale, catering, licensed and leisure industries.

2. Accounting policies

2.1 Basis of preparation

The Group's Consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006. The Parent Company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Standards (FRS 101) and the requirements of the Companies Act 2006.

In accordance with FRS 101 Reduced Disclosure Framework, the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 Reduced Disclosure Framework. Therefore, these financial statements do not include a statement of Parent Company cash flows. The Company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own profit and loss account.

The accounting policies have been applied consistently by the Group, with those adopted in the previous year.

2.2 Going concern

In assessing the appropriateness of adopting the going concern basis in preparing the Annual Report and Accounts, the Directors have considered the current financial position of the Group, its principal risks and uncertainties. The review performed considers severe but plausible downside scenarios that could reasonably arise within the period as well as a stress-test model.

Our modelling has sensitised the impacts of ongoing geopolitical uncertainty, including in the Middle East, in particular the disruption to global supply chains and the impact on macroeconomic inflationary factors. Alternative scenarios, including the potential impact of key principal risks from a financial and operational perspective, have been modelled with the resulting implications considered. In all cases, the business model remained robust. The Group's diversified business model and strong balance sheet provide resilience against these factors and the other principal risks that the Group is exposed to. At 31 December 2025 the Group had cash and cash equivalents of £55.7m with no external bank borrowings.

On the basis of these reviews, the Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future (being at least one year following the date of approval of the Annual Report and Accounts) and, accordingly, consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.3 Use of adjusted measures

The performance of the Group is assessed using adjusted measures that are not defined under IFRS and are therefore deemed non-GAAP measures. These measures include adjusted operating profit and adjusted profit before tax, which both remove the impact of exceptional items (note 4). The Group also reports EBITDA which measures underlying performance having removed the impact of interest, taxation, depreciation and amortisation from profit after tax. The Group also calculates an adjusted earnings per share, based on the adjusted profit after tax which again removes the impact of exceptional items.

These adjusted measures are used to allow a better understanding of the underlying trading performance of the Group after taking account of items that, due to their nature and size, do not reflect the Group's underlying performance. The measures are not comparable to similar measures used by other companies.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Due to the nature of estimation, the actual outcomes may differ from these estimates.

The following paragraphs detail the key estimates that the Group believes have the most significant effect on the carrying amounts of assets and liabilities at the reporting date and within the next financial year.

Carrying value of brand support accruals

The Group incurs significant costs in the support and development of the Group's brands. Recorded within accruals are amounts related to discounts, rebates, promotional costs and brand support arrangements. The majority of costs incurred on these arrangements have been settled at 31 December 2025, however certain judgement is required in determining the level of closing accrual required at a year end for promotions and brand support campaigns that either span two financial years or where the costs have not been fully settled by the year-end date.

In order to comply with the Groceries Supply Code of Practice (GSCOP) and the Forensic Auditing: Retailer Voluntary Commitment (FVARC), brand support accruals for designated retailers are held for up to three years, being the necessary two years plus an additional year to allow for any differing accounting periods of the designated retailers.

Promotions and brand support campaigns comprise:

Long-term discounts and rebates

- Fixed: a defined amount over a period of time
- % of net revenue: a percentage of net revenue, which may have associated hurdle rates

Short-term promotional discounts

Promotional discounts consist of many individual rebates across numerous customers and represent the cost to the Group of short-term deal mechanics. The common deals typically include price reductions for specific SKUs during a promotional period.

To provide an amount for these brand support accruals at the end of a period requires a degree of estimation supported by historical data and experience. The accruals are calculated using the expected value approach with key judgements being redemption rates and sell in/sell out timing.

Retro promotions are recorded based on sales data, of sales to Nichols' customers. Nichols' Customers claim based on their sales data to their customers. Management therefore make a judgement on the redemption rate to account for this difference in policy. The introduction of the new Trade Promotion Management system will provide management with better data for calculating estimates.

As part of the calculations of the accruals at 31 December 2025, management have considered various sensitivities against redemption rates which is a key judgement. An increase of 5% to redemption rates results in an increase of £140,000 to the accrual, whereas a decrease of 5% to redemption rates results in a decrease of £140,000 to the accrual.

Defined benefit obligations

Accounting for retirement benefit schemes under IAS 19 requires an assessment of future benefits payable in accordance with actuarial assumptions. The assumptions include discount rate, inflation, pension and salary increases, expected return on scheme assets, mortality and other demographic assumptions (see note 23) which represent a key source of estimation uncertainty for the Group.

Key judgements made by management, where not described above, additionally include:

2.5 Basis of consolidation and goodwill

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2025.

Subsidiaries are entities controlled by the Group. Control exists if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and any unrealised gains and losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements continued

Year ended 31 December 2025

2. Accounting policies continued

2.5 Basis of consolidation and goodwill continued

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group's accounting policies.

2.6 Revenue recognition

Revenue is recognised when control of the goods has been transferred to the buyer. Payment terms vary by customer but never exceed 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Transfer of control varies depending on the individual term of the contract of sale. For sales in the UK, transfer of control occurs when the product is delivered to the customer. However, for some international shipments, transfer of control occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer for international shipments is dictated by the terms of each sale.

Revenue from the sale of goods is based on the price specified in the contract, being the invoice price less any agreed discounts or rebates and excluding VAT and after the deduction of certain promotional and brand support costs expected from customers.

With regard to discounts, rebates, promotional costs and brand support costs, consideration is given as to whether a distinct good or service has been received from the goods sold to the customer. Where the payments do not result in the receipt of a distinct good or service, they are treated as a deduction from revenue. However when they do, they are recorded as an expense and recognised in administrative expenses.

Discounts fall into three main categories:

- Fixed – a defined amount over a period of time
- Pence per case – a pence per case rebate, based upon volumes sold
- Percentage of net revenue – a percentage of net revenue, which may have associated hurdle rates

Where the consideration the Group is entitled to varies because of a rebate or discount to a customer, the amount payable is deemed to be variable consideration. The rebate or discounts are calculated based on the expected amounts necessary to meet the claims of the Group's customers using the expected value method. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Statement of Financial Position includes accruals for claims yet to be received for discounts, rebates and promotional costs. Accruals are made for each individual promotion or rebate based on the specific terms and conditions of the customer agreement. Management makes estimates on an ongoing basis, to assess customer performance and sales volume, to calculate total amounts earned to be recorded as deductions from revenue.

2.7 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Management identify its Packaged and Out of Home businesses and its Central division as distinct segments where operating results are reviewed regularly by the Board (as chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment reporting for the Group is made to the adjusted operating profit level for the operating segments but no segment reporting is made for further expenditure or for the assets and liabilities of the Group. The assets and liabilities of the Group are reported as Group totals and no reporting of these balances is recorded at a segment level. As a result, all of the Group's assets and liabilities are unallocated items and no reconciliation of segment assets to the Group's total assets is prepared.

2.8 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Consolidated Income Statement in the period in which they arise.

2.9 Exceptional items

The Group has adopted an accounting policy that seeks to highlight significant exceptional items of income and expense within Group results for the year. Exceptional items are those considered to be one-off items that are of such significance, by either nature or scale, that separate disclosure is required in the financial statements in order to provide a better understanding of the Group's trading performance.

2.10 Taxation

Income tax expense comprises consolidated current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income/(expense), in which case it is recognised in consolidated other comprehensive income/(expense).

Current tax

Current tax is the expected tax payable on the taxable income for the year, using rates which are enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, with no discounting, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, provided they are enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.11 Reserves

Share capital represents the nominal value of equity shares.

Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares.

Capital redemption reserve represents the reserve created upon redemption of shares.

Other reserves incorporate purchase of own shares, movements in the Group's ESOT and equity-settled share-based payments in respect of The Group's Hybrid Incentive Plan, Restricted Share Plan and SAYE schemes.

Retained earnings represents retained earnings.

2.12 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. In respect of interim dividends these are recognised once paid.

2.13 Impairment

The carrying values of the Group's non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. All property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets which have indefinite useful lives, including the Group's acquired brands, are subject to annual impairment testing or more frequent testing if there are indicators of impairment or if there is an indication that the value in use exceeds their carrying value if they have been previously impaired.

Notes to the Financial Statements continued

Year ended 31 December 2025

2. Accounting policies continued

2.13 Impairment continued

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit (CGU) level.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the cost of capital that reflects the current market assessments of the time value of money and the risks specific to the CGU. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the income statement.

2.14 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line basis to write down the cost less estimated residual value on property, plant and equipment over their estimated useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Plant, machinery, fixtures and fittings	3-10 years
Buildings	50 years

Material residual value estimates and useful economic lives are updated at least annually.

2.15 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.16 Financial assets

The Group's financial assets comprise primarily cash, bank deposits and trade receivables that arise from its business operations. Financial assets are a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Trade receivables are measured at amortised cost using the effective interest method, less any expected credit losses using the simplified approach contained within IFRS 9. Estimated irrecoverable amounts are based on historical experience and forward-looking information, together with specific amounts that are not expected to be recovered. Individual amounts are written off when management deems them to be irrecoverable. The amount of expected credit losses are updated at each reporting date.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Amounts owed by Group undertakings are stated after any provision for expected credit loss in line with the three-stage model in IFRS 9.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise deposits with banks, bank and cash balances and an overdraft facility.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

This Group holds derivative financial instruments in relation to foreign currency forward contracts. They are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the income statement.

2.17 Financial liabilities

The Group's financial liabilities comprise trade and other payables and IFRS 16 lease liabilities. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

2.18 Leased assets

All leases are accounted for under IFRS 16 Leases by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause exposes the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term
- The economic stability of the environment in which the property is located
- Whether the location represents a new area of operations for the Group

At 31 December 2025 the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because it is considered reasonably certain that the Group will not exercise its right to exercise any right to break the lease.

Total lease payments of £1,492,000 (2024: £454,000) are potentially avoidable were the Group to exercise break clauses at the earliest opportunity.

Notes to the Financial Statements continued

Year ended 31 December 2025

2. Accounting policies continued

2.19 Post-employment benefit plans

The Group provides post-employment benefits through defined contribution and defined benefit plans.

Defined contribution plan

The Group pays fixed contributions into independent entities in relation to plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Defined benefit plan

Under the Group's defined benefit plan, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The asset recognised in the Statement of Financial Position for defined benefit plans is the fair value of plan assets at the reporting date less the present value of the defined benefit obligation (DBO).

Management estimates the DBO annually with the assistance of independent actuaries. This is based on the standard rates of inflation, salary growth and mortality. Discount factors are determined close to each year end by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest income on the net defined benefit surplus is included in finance income. Remeasurement of the DBO, comprising actuarial gains and losses and the return on scheme assets (excluding interest), are recognised in the statement of other comprehensive income in the year in which they arise.

2.20 Share-based payment transactions

The Group operates three equity-settled share-based payment schemes; a Save As You Earn (SAYE) scheme open to all employees, a Hybrid Incentive Plan for certain Directors and senior executives and a Restricted Share Plan for certain Directors and senior executives. All schemes comprise the grant of options under the Group's share option schemes.

The Group recognises an expense to the income statement representing the fair value of outstanding equity-settled share-based payment awards to employees which have not vested as at 31 December 2025.

Those fair values are charged to the income statement over the relevant vesting period adjusted to reflect actual and expected vesting levels. The Group calculates the fair market value of the options as being based on the market value of a company's shares at the date of grant adjusted to reflect the fact that employees may or may not be entitled to receive dividends over the relevant holding period.

The total amount to be expensed over the vesting period is determined with reference to the fair value of options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options expected to vest. At each reporting date the Group revises its estimate of the number of options expected to vest.

It recognises the impact of revisions to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transactions costs, are managed by the ESOT, therefore there is no impact on share capital and share premium when the options are exercised.

Further disclosures in relation to the schemes above are provided in note 26.

2.21 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.22 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise of interest expenses on leases and defined benefit pension obligations. Interest expenses are recognised as they accrue, using the effective interest method.

2.23 Employee Share Ownership Trust

The assets and liabilities of the Employee Share Ownership Trust (ESOT) have been included in both the Parent Company and consolidated financial statements as the ESOT is treated as an extension of the Parent Company.

The costs of purchasing own shares held by the ESOT are shown as a deduction against equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Consolidated Income Statement.

As at 31 December 2025, the ESOT holds 5,693 shares in the Company (2024: 7,873 shares).

2.24 Investments in subsidiaries

Investments in subsidiaries are shown in the Parent Company Statement of Financial Position at cost less any provision for impairment.

2.25 New standards and interpretations in effect

The amendments to IAS 21 for the period beginning 1 January 2025 did not have a material impact on the Group.

2.26 Standards and interpretations in issue not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group, noting that IFRS 19 is not applicable to the group due to subsidiaries applying FRS 101.

The Group does not expect any other standards issued, but not yet effective, to have a material impact on the Group.

Notes to the Financial Statements continued

Year ended 31 December 2025

3. Segmental information

a. Key operating segments

The Board, as the entity's chief operating decision maker, analyses the Group's internal reports to enable an assessment of performance and allocation of resources. The operating segments are based on these reports.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on segment adjusted operating profit (excluding exceptional items), Group finance income and Group exceptional items. This is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

Packaged comprises the Group's manufactured concentrate and packaged bottle and can sales for distribution through grocery stores, wholesalers, convenience stores and independent retailers. Out of Home comprises the Group's postmix soft drinks, premium mixers and ICEE frozen drinks for consumption out of home.

Year ended 31 December 2025	Revenue £'000	Gross profit £'000	Adjusted operating profit £'000	Net finance income £'000	Adjusted profit before taxation £'000	Exceptional items £'000	Profit before taxation £'000
Packaged							
UK	91,976						
Middle East	12,008						
Africa	21,974						
Rest of World	9,232						
Total Packaged	135,190	65,138	43,871				
Out of Home	39,864	15,732	6,989				
Total segments	175,054	80,870	50,860				
Central ¹	–	(205)	(19,150)				
Total Group	175,054	80,665	31,710	1,885	33,595	(4,405)	29,190

Year ended 31 December 2024	Revenue £'000	Gross profit £'000	Adjusted operating profit £'000	Net finance income £'000	Adjusted profit before taxation £'000	Exceptional items £'000	Profit before taxation £'000
Packaged							
UK	89,222						
Middle East	14,213						
Africa	20,793						
Rest of World	8,593						
Total Packaged	132,821	62,821	40,626				
Out of Home	39,988	16,214	6,835				
Total segments	172,809	79,035	47,461				
Central ¹	–	(81)	(18,600)				
Total Group	172,809	78,954	28,861	2,543	31,404	(7,370)	24,034

1. Central includes the Group's central and corporate costs, which relate to salaries and head office overheads such as rates, insurance and IT maintenance as well as the costs associated with the Board and Executive Leadership Team, governance and listed Company costs.

There are no sales between the two operating segments and all revenue is earned from external customers.

The gross profit of the operating segments is reconciled to profit before taxation as per the Consolidated Income Statement.

The Group's overheads are managed centrally by the Board and consequently there is no reconciliation to profit before tax at a segmental level.

The Group's assets are managed centrally by the Board and consequently there is no reconciliation between the Group's assets per the Consolidated Statement of Financial Position and the segment assets.

b. Reporting by geographic area

Revenue by geographic destination

	2025 £'000	2025 %	2024 £'000	2024 %
Middle East	12,008	7	14,213	8
Africa	21,974	13	20,793	12
Rest of the World	9,232	5	8,950	5
Total exports	43,214	25	43,956	25
United Kingdom	131,840	75	128,853	75
	175,054	100	172,809	100

Revenue from continuing operations arose principally from the provision of goods.

The Group's business segments operate in the Middle East, Africa, the Rest of the World and the United Kingdom. The Group's Head Office operations are located in the United Kingdom.

In presenting information on the basis of geographical areas, area revenue is based on the geographical location of customers and not on the legal entity in which the transaction occurred.

During the year, revenues from two (2024: nil) customers accounted for more than 10% of the Group's total revenue being £19.8m and £19.4m derived from sales through the Packaged and Out of Home operating segments.

Revenue is earned through the supply and delivery of products to our customers. The Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

Total assets

The assets of the Group at 31 December 2025 and 31 December 2024 are located within the United Kingdom and Europe.

Notes to the Financial Statements continued

Year ended 31 December 2025

4. Exceptional items

By virtue of their nature and size, there are a number of items which have been reported as exceptional items within administrative expenses. These items are as follows:

	2025 £'000	2024 £'000
Out of Home strategic review and restructuring	31	(34)
Business change programme and systems development	4,374	7,603
Historic incentive scheme	-	(199)
	4,405	7,370

2025 exceptional items

The Group incurred £4.4m of exceptional costs during the year (2024: £7.4m).

Business change programme and systems development

The Group commenced a project in 2022 to identify the potential benefits from replacing current operational and IT processes and systems, which were reaching the end of their planned life, with a cloud-based integrated Enterprise Resource Planning (ERP) solution. During 2025 this project was completed and the system went live in March. Costs of £4.4m (2024: £7.6m) have been incurred up to Go Live and through the hyper care period in completing this work. Due to the nature of these charges, the Group is treating the costs as exceptional. This project ended during the year, therefore no future costs are expected to be classified as exceptional.

Out of Home strategic review and restructuring

In 2022 the Group completed a strategic review into its OoH business following a number of changes to the market it serves. This review included an assessment of customer and product profitability and the identification of opportunities to raise operating margins. The changes arising from this review were finalised during 2025 with a charge of £31k being recognised. This restructuring was one-off in nature and was treated as exceptional. The review is now fully concluded.

Due to the one-off nature of these charges, the Board treated these items as exceptional costs and their impact was removed in all adjusted measures throughout this report.

Historic incentive scheme

During 2022 the Group finalised the treatment of a historic incentive scheme with HM Revenue & Customs and agreed to pay a sum in settlement of additional tax and interest liabilities. The Group also commenced the process of the recovery of debts from current and former employees who had indemnified the Company. A reserve was put in place to provide against the potential irrecoverability of some of these debts. Progress has been made in the collection of outstanding amounts throughout 2025 and will continue into 2026.

2024 exceptional items

In the previous period, the Group incurred £7.4m of exceptional costs, largely relating to the Group's Business Change Programme and Systems Development (£7.6m). A net credit in relation to the Out of Home strategic review and restructuring and the Group's historic incentive scheme was recognised totalling £0.2m.

5. Operating profit

	Notes	2025 £'000	2024 £'000
Operating profit is stated after charging/(crediting):			
Inventory amounts charged to cost of sales		94,389	93,855
BDO LLP remuneration:			
Audit services of the Group's annual accounts		240	200
Distribution expenses		10,256	10,214
Group employment costs	7	22,429	20,124
Depreciation of property, plant and equipment		2,052	1,828
Amortisation of intangible assets		67	81
Short-term lease rental payments		281	320
Charge for equity-settled share-based payments	7	1,255	603
(Profit)/loss on foreign exchange differences		(9)	7
Fair value loss on derivative financial instruments	19	16	37
(Profit)/loss on sale of property, plant and equipment		(55)	52
Bad debt and expected credit loss provision (credit)/charge	16	(796)	549
Other income		(42)	(700)
Research and development costs		(200)	(200)
Exceptional items	4	4,405	7,370

Short-term lease rental payments have not been included in the measurement of lease liabilities under IFRS 16 and have been included within administrative expenses.

In the current financial year depreciation of property, plant and equipment of £1,339,000 (2024: £1,182,000) has been charged to administrative expenses and £713,000 (2024: £646,000) has been charged to cost of sales.

In the current financial year amortisation of intangible assets of £67,000 (2024: £81,000) has been charged to administrative expenses.

The audit fee attributable to the audit of the Parent Company was £192,000 (2024: £160,000).

6. Finance income and expense

	Notes	2025 £'000	2024 £'000
Finance income comprises:			
Bank interest receivable		1,858	2,480
Net interest income on defined benefit pension scheme surplus	23	196	180
Finance income		2,054	2,660
Finance expense comprises:			
IFRS 16 lease interest charge	21	(169)	(117)
Finance expense		(169)	(117)

Notes to the Financial Statements continued

Year ended 31 December 2025

7. Directors and employees

a. Average monthly number of persons employed during the year, including Directors:

Group	2025 Number	2024 Number
Admin	83	80
Production	150	154
Sales	63	63
Total	296	297

Parent Company	2025 Number	2024 Number
Admin	83	80
Production	39	113
Sales	35	63
Total	157	256

b. Group employment costs were as follows:

	2025 £'000	2024 £'000
Wages and salaries	18,848	17,228
Social security costs	2,312	1,813
Pension costs – defined contribution scheme	1,129	1,020
Pension costs – defined benefit scheme (see note 23)	140	63
Equity-settled share-based payments charge	1,255	603
	23,684	20,727

c. Parent Company employment costs were as follows:

	2025 £'000	2024 £'000
Wages and salaries	12,837	15,964
Social security costs	1,608	1,696
Pension costs – defined contribution scheme	735	931
Pension costs – defined benefit scheme (see note 23)	140	63
Equity-settled share-based payments charge	1,255	603
	16,575	19,257

A charge of £1,255,000 (2024: £603,000) was recognised during the year in relation to benefits accruing under the Group's Save As You Earn schemes, Hybrid Incentive Plan and Restricted Share Plan.

Group and Parent Company key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and refers solely to the Directors of the Company listed on page 96 to 99.

	2025 £'000	2024 £'000
Wages and salaries	1,795	1,734
Gain on exercise of share options	–	382
Social security costs	270	273
Pension costs – defined contribution scheme	46	62
	2,111	2,451

The highest paid Director has received £1,339,000 (2024: £1,391,000) excluding pension contributions.

Benefits are accruing to one Director (2024: two Directors) under a defined contribution scheme, the highest paid Director has received contributions of £40,000 in the year (2024: £39,000).

Further information regarding Directors' remuneration and the Hybrid Incentive Plan is provided in the Remuneration Committee Report on pages 92 to 99.

8. Taxation

a. Analysis of expense recognised in the Consolidated Income Statement

	2025 £'000	2024 £'000
Current taxation:		
UK corporation tax on income for the year	7,511	6,120
Adjustments in respect of prior years	(48)	(47)
Total current tax charge for the year	7,463	6,073
Deferred tax:		
Origination and reversal of temporary differences	166	103
Adjustments in respect of prior years	119	20
Total deferred tax charge for the year	285	123
Total tax expense in the Consolidated Income Statement	7,748	6,196

The tax expense is wholly in respect of UK taxation.

Notes to the Financial Statements continued

Year ended 31 December 2025

8. Taxation continued

b. Tax reconciliation

	2025 £'000	2024 £'000
Profit before taxation	29,190	24,034
Profit before taxation multiplied by the standard rate of corporation tax in the United Kingdom of 25.00% (2024: 25%)	7,298	6,005
Effect of:		
Non-deductible expenses	423	150
Other tax adjustments, reliefs and transfers	(126)	–
Other timing differences	82	68
Adjustments to the tax charge in respect of prior years	71	(27)
Impact on deferred tax due to rate change	–	–
Total tax expense in the Consolidated Income Statement	7,748	6,196

c. The effective rate of tax

The effective rate of tax on adjusted profit before tax is 26.5% (2024: 25.6%) which is higher than the standard rate of corporation tax in the United Kingdom (25.00%). The effective rate of tax on profit before tax is 26.5% (2024: 25.8%) which is higher than this rate.

Deferred tax balances as at 31 December 2025 have been recognised at the prevailing UK corporation tax rate of 25% (2024: 25%).

d. Tax on items recognised in other comprehensive income/(expense)

In addition to the amount charged to the Consolidated Income Statement, a credit of £17,000 (2024: £95,000 credit) has been recognised in other comprehensive income/(expense), being the movement on deferred taxation relating to retirement benefit obligations and equity-settled share-based payments.

9. Equity dividends

	2025 £'000	2024 £'000
Allotted, issued and fully paid 36,968,772 (2024: 36,968,772) 10p ordinary shares		
Final dividend for 2024 17.1p (2023: 15.6p) paid 1 May 2025	6,246	5,693
Interim dividend 15.0p (2024: 14.9p) paid 12 September 2025	5,485	5,460
Special dividend £nil (2024: 54.8p)	–	20,000
	11,731	31,153

The interim dividend for the prior year of £5,460,000 was paid on 6 September 2024.

The 2025 final proposed dividend of 18.7p per share has not been accrued as it had not been approved by the year end.

10. Earnings per share

	2025 £'000	2024 £'000
Earnings per share (basic)	58.67p	48.84p
Earnings per share (diluted)	58.33p	48.81p
Adjusted earnings per share (basic) – before exceptional items	67.53p	64.02p
Adjusted earnings per share (diluted) – before exceptional items	67.14p	63.98p

Basic earnings per share is calculated by dividing the Group's profit after tax for the year by the weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares is calculated by adjusting the shares in issue at the beginning of the period, excluding any treasury shares and shares in the ESOT, of 36,522,489 for the following:

- Shares bought back or issued during the period which was 41,386
- Multiplied by a time-weighting factor to get an adjustment of 25,190
- This gives a weighted average number of shares of 36,547,679

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming the conversion of all potentially dilutive ordinary shares.

	2025			2024		
	Earnings £'000	Weighted average number of shares	Earnings per share	Earnings £'000	Weighted average number of shares	Earnings per share
Basic earnings per share	21,442	36,547,679	58.67p	17,838	36,520,834	48.84p
Dilutive effect of share options		211,127			21,719	
Diluted earnings per share	21,442	36,758,806	58.33p	17,838	36,542,553	48.81p

Adjusted earnings per share before exceptional items has been presented in addition to the earnings per share as defined in IAS 33 Earnings per Share since, in the opinion of the Directors, this provides shareholders with a more meaningful representation of the earnings derived from the Group's operations. It can be reconciled from the basic earnings per share as follows:

	2025			2024		
	Earnings £'000	Weighted average number of shares	Earnings per share	Earnings £'000	Weighted average number of shares	Earnings per share
Basic earnings per share	21,442	36,547,679	58.67p	17,838	36,520,834	48.84p
Exceptional items after taxation	3,238			5,542		
Adjusted earnings per share (basic) – before exceptional items	24,680	36,547,679	67.53p	23,380	36,520,834	64.02p
Dilutive effect of share options		211,127			21,719	
Adjusted earnings per share (diluted) – before exceptional items	24,680	36,758,806	67.14p	23,380	36,542,553	63.98p

Notes to the Financial Statements continued

Year ended 31 December 2025

11. Property, plant and equipment

Group	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Right-of-use assets; motor vehicles (note 21) £'000	Right-of-use assets; property (note 21) £'000	Total £'000
Cost					
At 1 January 2024	3,444	21,033	3,456	3,741	31,674
Additions	–	851	162	172	1,185
Disposals	–	(1,939)	(2,978)	(780)	(5,697)
At 1 January 2025	3,444	19,945	640	3,133	27,162
Additions	172	785	1,854	1,573	4,384
Disposals	–	(1,207)	(57)	(569)	(1,833)
At 31 December 2025	3,616	19,523	2,437	4,137	29,713
Depreciation					
At 1 January 2024	661	16,593	3,001	1,962	22,217
Charge for the year	69	1,087	233	438	1,828
On disposals	–	(1,868)	(2,978)	(780)	(5,626)
At 1 January 2025	730	15,812	256	1,620	18,419
Charge for the year	76	1,106	389	481	2,052
On disposals	–	(991)	(57)	(569)	(1,617)
At 31 December 2025	806	15,927	588	1,532	18,853
Net book value at 31 December 2025	2,810	3,596	1,849	2,605	10,860
Net book value at 31 December 2024	2,714	4,133	384	1,512	8,743

Parent	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Right-of-use assets; motor vehicles (note 21) £'000	Right-of-use assets; property (note 21) £'000	Total £'000
Cost					
At 1 January 2024	3,444	5,698	3,456	2,793	15,391
Additions	–	64	162	95	321
Disposals	–	–	(2,978)	(781)	(3,759)
At 1 January 2025	3,444	5,761	641	2,107	11,953
Additions	–	57	21	–	78
Transfers – intercompany	–	–	(508)	(2,107)	(2,615)
Disposals	–	(48)	–	–	(48)
At 31 December 2025	3,444	5,770	154	–	9,368
Depreciation					
At 1 January 2024	661	5,058	3,001	1,434	10,154
Charge for the year	69	187	234	316	807
On disposals	–	–	(2,978)	(781)	(3,759)
At 1 January 2025	730	5,245	257	968	7,200
Charge for the year	76	154	35	1	266
Transfers – intercompany	–	–	(221)	(969)	(1,190)
On disposals	–	–	–	–	–
At 31 December 2025	806	5,399	71	–	6,276
Net book value at 31 December 2025	2,638	371	83	–	3,092
Net book value at 31 December 2024	2,714	516	384	1,139	4,754

During the year, assets with a net book value of £1,425,000 were transferred to Vimto (Out of Home) Limited, a subsidiary of the Parent Company.

Additions of £957,000 (2024: £851,000) were paid in the year with £3,427,000 (2024: £334,000) being recognised as lease liabilities within trade and other payables.

Notes to the Financial Statements continued

Year ended 31 December 2025

12. Investments: shares in Group undertakings

Parent	£'000
Cost and net book amount	
At 1 January 2024, 1 January 2025 and 31 December 2025	16,566
All non-current investments relate to Group undertakings. Listed below are the trading subsidiaries and the ownership of their ordinary share capital by the Group.	
	%
Ben Shaws Dispense Drinks Limited ¹	100
Dayla Liquid Packing Limited ¹	100
Vimto (Out of Home) Limited ¹	100
Adrian Mecklenburgh Limited ²	100
Beacon Drinks Limited ²	100
Cabana Soft Drinks Limited ²	100
DJ Drink Solutions Limited ²	100
Festival Drinks Limited ²	100
Nichols Dispense (S.W.) Limited ²	100
The Noisy Drinks Co. Limited ²	100
Dispense Solutions (Wales) Limited ³	100
The Noisy Drink Company North West Limited ⁴	100
Nichols Senegal SUARL ⁵	100

- The Company directly owns Ben Shaws Dispense Drinks Limited, Dayla Liquid Packing Limited and Vimto (Out of Home) Limited.
- Directly owned by Vimto (Out of Home) Limited.
- Dispense Solutions (Wales) Limited is directly owned by Nichols Dispense (S.W.) Limited.
- The shareholding in The Noisy Drink Company North West Limited is directly owned by Vimto (Out of Home) Limited.
- The shareholding in Nichols Senegal SUARL is directly owned by Nichols International (Holdco) Limited.

All Group undertakings are consolidated.

The above companies, excluding Nichols Senegal SUARL, and the Parent Company were all incorporated and operate in the United Kingdom. Particulars of UK non-trading companies are filed with the annual confirmation statement.

All companies, excluding Nichols Senegal SUARL, are engaged in the supply of soft drinks and other beverages.

The registered address of each of the above is Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH.

Nichols Senegal SUARL is a subsidiary incorporated in Senegal and is directly owned by Nichols International (Holdco) Limited, a holding company 100% owned by the Parent Company. The registered address is Allees Seydou Nourou TALL, Point E, Dakar - Senegal. Nichols Senegal SUARL is a company engaged in the supply of marketing support services to businesses selling soft drinks and other beverages.

13. Intangibles

Group	Contractual agreement £'000	Customer lists £'000	Brand name £'000	Computer software £'000	Total £'000
Cost					
At 1 January 2024 and 1 January 2025	180	5,521	3,889	408	9,998
Additions	–	55	–	–	55
At 31 December 2025	180	5,576	3,889	408	10,053
Amortisation and impairment					
At 1 January 2024	180	5,521	3,889	152	9,742
Charge for the year	–	–	–	81	81
At 1 January 2025	180	5,521	3,889	233	9,823
Charge for the year	–	–	–	67	67
At 31 December 2025	180	5,521	3,889	300	9,890
Net book value at 31 December 2025	–	55	–	108	163
Net book value at 31 December 2024	–	–	–	175	175

Parent	Brand name £'000	Computer software £'000	Total £'000
Cost			
At 1 January 2024 and 1 January 2025	1,316	408	1,724
At 31 December 2025	1,316	408	1,724
Amortisation and impairment			
At 1 January 2024	1,316	152	1,468
Charge for the year	–	81	81
At 1 January 2025	1,316	233	1,549
Charge for the year	–	67	67
At 31 December 2025	1,316	300	1,616
Net book value at 31 December 2025	–	108	108
Net book value at 31 December 2024	–	175	175

Additions of £55,000 (2024: £nil) were paid in the year.

As at 31 December 2025 the Group made no changes in respect of the value in use assessment of its intangible assets with indefinite lives as there have been no indications of impairments during the year.

In a previous year, an annual impairment review was performed on the intangible assets with indefinite lives, all of which related to the Group's OoH route to market. Based on the review it was concluded that the carrying value of the assets were not supported by the value in use calculated and the assets were fully impaired with the impairment charge being recognised as an exceptional item. There have been no indications during the year which suggest this position has changed and as such no adjustments have been made to the carrying value of the intangible assets held.

Notes to the Financial Statements continued

Year ended 31 December 2025

14. Deferred tax assets and liabilities

Movement in temporary differences during the year

The UK deferred tax balances are measured at 25% (2024: 25%).

	Net balance at 1 January 2025 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2025 £'000
Group				
Property, plant and equipment	(48)	(244)	–	(292)
Goodwill and intangibles	117	(18)	–	99
Employee benefits	(876)	(16)	17	(875)
Provisions	64	(7)	–	57
	(743)	(285)	17	(1,011)

	Net balance at 1 January 2024 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2024 £'000
Group				
Property, plant and equipment	12	(60)	–	(48)
Goodwill and intangibles	137	(20)	–	117
Employee benefits	(915)	(56)	95	(876)
Provisions	51	13	–	64
	(715)	(123)	95	(743)

	Net balance at 1 January 2025 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2025 £'000
Parent				
Property, plant and equipment	(247)	16	–	(231)
Intangibles	117	(18)	–	99
Employee benefits	(876)	(16)	17	(875)
Provisions	64	(7)	–	57
	(942)	(25)	17	(950)

	Net balance at 1 January 2024 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2024 £'000
Parent				
Property, plant and equipment	(243)	(4)	–	(247)
Intangibles	137	(20)	–	117
Employee benefits	(915)	(56)	95	(876)
Provisions	51	13	–	64
	(970)	(67)	95	(942)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Group						
Property, plant and equipment	–	–	(292)	(48)	(292)	(48)
Goodwill and intangibles	98	117	–	–	98	117
Employee benefits	–	–	(874)	(876)	(874)	(876)
Provisions	57	64	–	–	57	64
	155	181	(1,166)	(924)	(1,011)	(743)

	Assets		Liabilities		Net	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Parent						
Property, plant and equipment	–	–	(231)	(247)	(231)	(247)
Goodwill and intangibles	98	117	–	–	98	117
Employee benefits	–	–	(874)	(876)	(874)	(876)
Provisions	57	64	–	–	57	64
	155	181	(1,105)	(1,123)	(950)	(942)

15. Inventories

	Group		Parent	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Finished goods	7,601	8,592	5,865	6,754
Raw materials	1,125	730	42	122
	8,726	9,322	5,907	6,876

At the year end, the Group provision for the write-down of inventories to net realisable value amounted to £229,000 (2024: £356,000).

Notes to the Financial Statements continued

Year ended 31 December 2025

16. Trade and other receivables

	Group		Parent	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	48,761	43,679	39,269	35,525
Less: provision for impairment of trade receivables	(1,706)	(2,559)	(1,210)	(1,959)
Trade receivables – net	47,055	41,120	38,059	33,566
Amounts owed by Group undertakings	–	–	148	15,813
Other receivables	3,657	1,290	3,265	1,707
Prepayments	1,803	1,930	1,141	1,826
	52,515	44,340	42,613	52,912

All amounts above are short-term receivables and are non-interest bearing. The difference between the carrying value and fair value of all receivables is not considered to be material.

A total provision for the impairment of trade receivables of £1,706,000 (2024: £2,559,000) has been recorded as at 31 December 2025.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables, excluding any reimbursement assets or amounts specifically provided for. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period to the year end. The historic loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, such as inflation, interest rates and economic growth rates. The total credit loss allowance was £495,000 (2024: £523,000) and specific provisions totalled £1,211,000 (2024: £2,059,000). This largely relates to the International division.

We have assessed amounts receivable from Group undertakings in accordance with the expected credit loss model prescribed by IFRS 9. The provision for impairment against these balances is considered to be immaterial.

The Group's expected credit loss provision was determined as follows:

	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2025						
Expected loss rate	0.8%	1.5%	0.1%	25.1%	0.0%	
Gross carrying amount	39,658	4,536	978	401	3,188	48,761
Credit loss allowance	326	67	2	100	–	495
Specific provision	–	–	–	–	1,211	1,211
31 December 2024						
Expected loss rate	1.2%	0.6%	6.7%	0.2%	0.4%	
Gross carrying amount	37,751	4,578	510	455	385	43,679
Credit loss allowance	461	26	35	–	2	523
Specific provision	–	–	–	–	2,059	2,059

Movements in the expected credit loss allowance was as follows:

	At 1 January 2025 £'000	Charge in the year £'000	Released in the year £'000	Utilised £'000	At 31 December 2025 £'000
Group					
Expected credit loss provision	523	–	(9)	(19)	495

	At 1 January 2024 £'000	Charge in the year £'000	Released in the year £'000	Utilised £'000	At 31 December 2024 £'000
Group					
Expected credit loss provision	767	–	(192)	(52)	523

	At 1 January 2025 £'000	Charge in the year £'000	Released in the year £'000	Utilised £'000	At 31 December 2025 £'000
Parent					
Expected credit loss provision	1	–	(1)	–	–

	At 1 January 2024 £'000	Charge in the year £'000	Released in the year £'000	Utilised £'000	At 31 December 2024 £'000
Parent					
Expected credit loss provision	219	–	(166)	(52)	1

The release of the expected credit loss provision in the year, as shown above, represents cash received against previously provided for debts under the expected credit loss model.

17. Cash and cash equivalents

	At 1 January 2025 £'000	Cash flow £'000	At 31 December 2025 £'000
Group			
Cash and cash equivalents	55,185	551	55,736
Current borrowings	(1,512)	1,512	–
Net cash	53,673	2,063	55,736

	At 1 January 2025 £'000	Cash flow £'000	At 31 December 2025 £'000
Parent			
Cash and cash equivalents	45,068	7,880	52,948
Current borrowings	(1,512)	1,512	–
Net cash	43,556	9,392	52,948

Notes to the Financial Statements continued

Year ended 31 December 2025

17. Cash and cash equivalents continued

Included within cash at bank and in hand are short-term deposits of £22,526,322 (2024: £32,286,000) that are readily convertible to known amounts of cash.

The Group operates set-off arrangements with Royal Bank of Scotland plc to facilitate the day-to-day management of cash. The Group has presented the amounts held within the set-off arrangement on a gross basis without netting off individual accounts that are in credit or overdrawn.

Cash and cash equivalents of £135,000 (2024: £191,000) are held by the ESOT and are not immediately available for general use by the Company.

18. Trade and other payables

Current liabilities

	Group		Parent	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade payables	10,065	10,733	7,595	8,455
Amounts owed to Group undertakings	–	–	41,410	75,065
Other taxes and social security	1,345	449	–	438
Other payables	564	60	516	60
Derivative financial instruments – forward contracts (note 19)	25	44	25	44
Accruals	18,570	21,417	15,502	18,908
IFRS 16 lease liabilities (note 21)	1,106	568	40	431
	31,675	33,271	65,088	103,401

Non-current liabilities

	Group		Parent	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
IFRS 16 lease liabilities (note 21)	3,607	1,672	42	1,376
	3,607	1,672	42	1,376

The difference between the carrying value and fair value of all payables is not considered to be material.

All payables are generally not interest bearing.

Included within accruals are amounts related to brand support accruals. Of the balance at 31 December 2024, £3.6m was released within 2025 (2024: £3.1m) to the Consolidated Income Statement, related to various matters such as customers engaging in third-party audits, GSCOP application and ongoing negotiations with customers.

19. Financial instruments

Exposure to treasury management, liquidity, credit and currency risks arise in the normal course of the Group's business.

Treasury management

The Group's treasury activities are targeted to provide suitable, flexible funding arrangements to satisfy the Group's requirements. Interest rate and liquidity risk are managed at a Group level. Foreign currency risk is managed, in consultation with Group management, in subsidiaries which are responsible for the majority of purchases. The Group's policy for investing any surplus cash balances is to place such amounts on deposit.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs. The Group does this through the use of rolling cash flow forecasts, which are reviewed periodically. The acquisition of companies and the continuing investment in non-current assets will be achieved by a mix of operating cash and where required, short-term borrowing facilities.

Credit risk

The Group has no significant concentrations of credit risk. The Group has implemented stringent policies that ensure that credit evaluations are performed on all potential customers before sales commence. Credit risk is managed by limiting the aggregate exposure to any one individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary.

The possibility of a material loss arising in the event of non-performance by counterparties is considered to be unlikely. Cash at bank is held only with major UK banks with high-quality external credit ratings or government support.

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily US Dollars (USD) and Euros (€).

During 2025 the Group entered into foreign currency transactions resulting in a natural hedge for a large majority of the exposure experienced over the course of the year.

To supplement this, and to further reduce foreign currency risk, the Group entered into a number of forward contracts to minimise the impact of movements in foreign currency rates on the spot market.

US Dollar	2025	2024
Trade receivables	3,142	2,643
Cash	864	1,347
Trade payables	–	–
	4,006	3,990

Euro	2025	2024
Trade receivables	4,502	4,751
Other receivables	441	–
Cash	2,431	2,076
Trade payables	(1,141)	(1,186)
	6,233	5,640

Notes to the Financial Statements continued

Year ended 31 December 2025

19. Financial instruments continued

Foreign currency sensitivity

Management have undertaken sensitivity analysis to consider the financial impact if Sterling had both strengthened and weakened against the US Dollar and the Euro.

If Sterling had strengthened against the US Dollar and Euro by 5% (2024: 5%), then this would have had the following impact:

	2025			2024		
	USD £'000	Euro £'000	Total £'000	USD £'000	Euro £'000	Total £'000
Net result for the year	(191)	(297)	(488)	(190)	(269)	(459)

If Sterling had weakened against the US Dollar and Euro by 5% (2024: 5%), then this would have had the following impact:

	2025			2024		
	USD £'000	Euro £'000	Total £'000	USD £'000	Euro £'000	Total £'000
Net result for the year	211	328	539	210	297	507

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Derivative financial instruments

	2025 £'000	2024 £'000
Derivative financial liabilities		
Foreign currency forward contracts carried at fair value	(25)	(44)

In 2025, the Group entered into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated cash inflows in 2026.

The following table details the foreign currency forward contracts outstanding at the year end:

	Forward rate	Notional value in foreign currency (LOC'000)	Notional value in local currency (£'000)	Carrying amount of derivative financial liability (£'000)
Sell EUR - less than 12 months	1.1610	500	431	(6)
Sell EUR - less than 12 months	1.1615	1,300	1,119	(15)
Sell EUR - less than 12 months	1.1469	1,400	1,221	(1)
Sell USD - less than 12 months	1.3565	600	442	(4)
Sell USD - less than 12 months	1.3443	400	298	-

Capital management policies and procedures

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. This strategy remains unchanged from 2024.

At 31 December 2025, the Group had no debt and therefore the capital structure consists of equity only.

As the Group has no debt there is no exposure to interest rate risk.

20. Summary of financial assets and liabilities by category

The IFRS 9 categories of financial assets included in the Consolidated Statement of Financial Position and the headings in which they are included are as follows:

	Group				Parent			
	Fair value through profit or loss		Amortised cost		Fair value through profit or loss		Amortised cost	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets								
Trade receivables and other receivables	-	-	50,712	42,410	-	-	41,472	51,086
Cash and cash equivalents	-	-	55,736	55,185	-	-	52,948	45,068
Total financial assets	-	-	106,448	97,595	-	-	94,420	96,154

The IFRS 9 categories of financial liability included in the Consolidated Statement of Financial Position and the headings in which they are included are as follows:

	Group				Parent			
	Fair value through profit or loss		Amortised cost		Fair value through profit or loss		Amortised cost	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities								
Borrowings	-	-	-	1,512	-	-	-	1,512
Trade and other payables	25	44	10,629	10,793	25	44	49,521	83,580
Accruals	-	-	18,570	21,417	-	-	15,502	18,908
IFRS 16 lease liabilities	-	-	4,713	2,240	-	-	82	1,807
Total financial liabilities	25	44	33,912	35,962	25	44	65,105	105,807

The following table sets out the Group contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2025					
Trade and other payables	10,629	-	-	-	-
Accruals	18,570	-	-	-	-
Borrowings	-	-	-	-	-
Total	29,199	-	-	-	-
At 31 December 2024					
Trade and other payables	10,793	-	-	-	-
Accruals	21,417	-	-	-	-
Borrowings	1,512	-	-	-	-
Total	33,722	-	-	-	-

The contractual maturities of IFRS 16 lease liabilities are disclosed in note 21.

Notes to the Financial Statements continued

Year ended 31 December 2025

21. Leases

The Group has presented right-of-use assets within property, plant and equipment, with the corresponding liabilities presented within trade and other payables split between current and non-current liabilities on the Consolidated Statement of Financial Position.

The Group has classified the principal and interest portions of lease payments within financing activities on the Consolidated Statement of Cash Flows. Lease payments for short-term leases and low-value assets are not included in the measurement of the lease liability. These are presented within administrative expenses within the Consolidated Income Statement and are classified as cash flows from operating activities.

The following tables reconcile the Group's right-of-use assets and lease liabilities to 31 December 2025:

	Group			Parent		
	Property £'000	Motor vehicles £'000	Total £'000	Property £'000	Motor vehicles £'000	Total £'000
Right-of-use assets						
At 1 January 2024	1,779	455	2,234	1,359	455	1,814
Additions	172	162	334	95	162	257
Depreciation	(438)	(233)	(672)	(315)	(233)	(549)
At 1 January 2025	1,513	384	1,897	1,139	384	1,523
Additions	1,573	1,855	3,428	-	21	21
Transfers – intercompany	-	-	-	(1,138)	(287)	(1,425)
Disposals	-	-	-	-	-	-
Depreciation	(481)	(389)	(870)	(1)	(35)	(36)
At 31 December 2025	2,605	1,850	4,455	-	83	83

	Group			Parent		
	Property £'000	Motor vehicles £'000	Total £'000	Property £'000	Motor vehicles £'000	Total £'000
Lease liabilities						
At 1 January 2024	2,011	532	2,543	1,527	532	2,059
Additions	172	162	334	95	162	257
Interest expense	90	27	117	73	27	100
Lease payments	(466)	(289)	(755)	(321)	(289)	(610)
At 1 January 2025	1,807	432	2,239	1,374	432	1,806
Additions	1,485	1,829	3,314	-	21	21
Transfers – intercompany	-	-	-	(1,374)	(336)	(1,710)
Interest expense	98	90	188	-	5	5
Lease payments	(477)	(551)	(1,028)	-	(40)	(40)
At 31 December 2025	2,913	1,800	4,713	-	82	82

During the year assets with a net book value of £1,425,000 were transferred to Vimto (Out of Home) Limited, a subsidiary of the Parent Company.

Of the total interest expense on lease liabilities, £169,000 was included in finance costs and £19,000 was charged to cost of sales.

The following table sets out the Group maturities of IFRS 16 lease liabilities based on the contractual undiscounted cash flows:

Group	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2025					
Lease liabilities	325	971	1,200	1,861	1,059
At 31 December 2024					
Lease liabilities	176	479	524	823	328

Parent	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2025					
Lease liabilities	11	32	32	10	-
At 31 December 2024					
Lease liabilities	137	363	370	658	328

The following table reconciles the changes in IFRS 16 lease liabilities from financing activities during the year to 31 December 2025:

	Group			Parent		
	Current loans and borrowings £'000 (note 18)	Non-current loans and borrowings £'000 (note 18)	Total £'000	Current loans and borrowings £'000 (note 18)	Non-current loans and borrowings £'000 (note 18)	Total £'000
At 1 January 2024	678	1,865	2,543	542	1,517	2,059
Cash flows	(755)	-	(755)	(609)	-	(609)
Non-cash flows						
- interest charged	117	-	117	100	-	100
- lease additions	334	-	334	257	-	257
- transfers	193	(193)	-	142	(142)	-
At 1 January 2025	567	1,672	2,239	431	1,376	1,807
Cash flows	(1,028)	-	(1,028)	(40)	-	(40)
Non-cash flows						
- interest charged	188	-	188	5	-	5
- lease additions	3,314	-	3,314	21	-	21
- transfers	(1,935)	1,935	-	(377)	(1,334)	(1,711)
At 31 December 2025	1,106	3,607	4,713	40	42	82

Notes to the Financial Statements continued

Year ended 31 December 2025

21. Leases continued

Lease payments incurred for short-term leases not included in the measurement of lease liabilities under IFRS 16 were as follows:

	2025		2024	
	Group £'000	Parent £'000	Group £'000	Parent £'000
Short-term lease expense	281	281	320	320

22. Related party transactions

Parent Company

The Parent Company entered into the following transactions with subsidiaries during the year:

	Transaction value		Balance outstanding	
	Year ended 31 December		As at 31 December	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amount	5,512	1,717	(41,262)	(59,252)

Transactions in the year related to recharge of costs. Balances outstanding relate to cash pooling, historic recharges and intercompany dividends.

Details of key management personnel compensation have been disclosed in note 7. No other transactions were entered into with key management personnel in the year.

During the year, one family member of the Non-Executive Director, P J Nichols, was employed in a management role within the business. The total remuneration paid to this family member in the year was £287,000 (2024: £233,000).

23. Pension obligations and employee benefits

The Group operates two employee benefit plans: a defined benefit plan that provides benefits based on final salary, which is now closed to new members, and a defined contribution Group personal plan.

The Group personal plan consists of individual contracts with contributions from both the employer and employee. The charge for the year for the Group personal plan was £1,129,000 (2024: £1,142,000).

The Company operates a defined benefit plan in the UK. A full actuarial valuation was carried out on 5 April 2023 and approximately updated to 31 December 2025 by an independent qualified actuary.

The assets of the defined benefit plan are managed by a pension fund that is legally separated from the Group. Governance of the plan is the responsibility of appointed trustees, acting on professional advice.

The plan is exposed to a number of risks, including changes to long-term UK interest rates and inflation expectations, movements in global investment markets, changes in UK life expectancies and regulatory risk from changes in UK pension legislation.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high-quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Sterling. A decrease in market yield on high-quality corporate bonds will increase the Group's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of the plan assets.

Investment risk

The plan assets at 31 December 2025 are predominantly credit, liability-driven investments and bonds.

Longevity risk

The Group is required to provide benefits for life for the members of the defined benefit liability. Increases in the life expectancy of the members will increase the defined benefit liability.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities, which will mitigate some of the effects of inflation.

A reconciliation of the pension obligation and plan assets to the amounts presented in the Statement of Financial Position for 2025 and 2024 is shown below:

	31 December 2025 £'000	31 December 2024 £'000
Present value of funded obligations	(16,903)	(16,966)
Fair value of plan assets	20,464	20,687
Surplus in the plan	3,561	3,721
Related deferred tax liability	(890)	(930)
Net surplus recognised	2,671	2,790

The Trust Deed provides Nichols plc with an unconditional right to a refund of surplus assets assuming IFRIC 14 paragraph 11(b). Furthermore, in the ordinary course of business, the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits, due to members of the scheme. Based on these rights, the net surplus has been recognised in full as at 31 December 2025.

Defined benefit obligation

The details of the Group's defined benefit obligation are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Opening defined benefit obligation	16,966	18,892
Current service cost (Company only)	7	12
Interest cost	881	826
Actual contributions paid by plan participants	2	3
Experience adjustment	39	(64)
Actuarial gains from changes in financial assumptions	(182)	(1,477)
Actuarial losses/(gains) from changes in demographic assumptions	209	(124)
Benefits paid – including insurance premiums	(1,019)	(1,102)
Closing defined benefit obligation	16,903	16,966

Notes to the Financial Statements continued

Year ended 31 December 2025

23. Pension obligations and employee benefits continued

Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:

	31 December 2025 £'000	31 December 2024 £'000
Fair value of plan assets at start of accounting period	20,687	22,906
Interest income	1,077	1,006
Return on plan assets (excluding amounts included in net interest)	(157)	(2,099)
Contributions paid by the employer	7	24
Actual contributions paid by plan participants	2	3
Benefits paid	(1,019)	(1,102)
Expenses paid	(133)	(51)
Fair value of plan assets at end of accounting period	20,464	20,687

The actual return on plan assets was a gain of £920,000 (2024: loss of £1,093,000).

Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies.

The fair value of the scheme assets in each category has been summarised below.

The major categories of plan assets, measured at fair value are:

	31 December 2025 £'000	31 December 2024 £'000
Credit	13,716	13,959
Liability-driven investments	4,409	4,509
Other, including cash	2,339	2,219
	20,464	20,687

Assumptions

The significant actuarial assumptions used for the valuations are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Future salary increases	3.30%	3.30%
Rate of increase in (post 1997) pensions in payment ¹	3.45%	3.60%
Discount rate	5.35%	5.35%
Expected rate of inflation – RPI	3.30%	3.30%

1. Increases on pre-6 April 1997 pensions are fixed at 3% per annum. Post-6 April 1997 increases are in line with consumer price inflation, subject to a minimum of 3% and a maximum of 5%.

Assumptions regarding future mortality experience are set based on the advice of actuaries and in accordance with published statistics. For members not yet retired, life expectancies have been estimated as 87 years for men (2024: 87 years) and 90 years for women (2024: 90 years). For pensioners currently aged 65, life expectancies have been estimated as 86 years for men (2024: 86 years) and 89 years for women (2024: 88 years).

Over the year the Company contributed to the plan at the rate of 16.6% of salaries. The Company will continue to contribute at this rate pending the results of the next actuarial valuation. The plan is now closed to new entrants. This means that the average age of the membership can be expected to rise which in turn means that the future service cost (as a percentage of scheme members' pensionable salaries) can be expected to rise.

Defined benefit plan expenses

Amounts recognised in profit or loss are:

	31 December 2025 £'000	31 December 2024 £'000
Current service cost (Company)	7	12
Net interest (on net defined benefit surplus)	(196)	(180)
Scheme administration expenses	133	51
Total amount recognised in the Consolidated Income Statement	(56)	(117)

The current cost is included in employee benefits expense and the net interest credit is included within interest receivable.

Notes to the Financial Statements continued

Year ended 31 December 2025

23. Pension obligations and employee benefits continued

Defined benefit plan expenses continued

Remeasurements recognised in other comprehensive income/(expense) relating to the Group's defined benefit plan are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Actuarial losses on assets	(157)	(2,099)
Experience adjustment	(39)	64
Actuarial gains from changes in financial assumptions	182	1,477
Changes in demographic assumptions	(209)	124
Total loss recognised in other comprehensive expense	(223)	(434)

Other defined benefit plan information

Participating employees of the Group are required to contribute a fixed 6% of their pensionable salary.

The remaining contribution is partly funded by the Group's subsidiaries. The funding requirements are based on the pension funds actuarial measurement framework as set out in the funding policies.

Based on historical data, the Group expects contributions of £nil to be paid in 2025.

The weighted average duration of the defined benefit scheme obligation at 31 December 2025 is ten years (2024: 11 years).

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the inflation assumption and life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The table below summarises the sensitivity of a reasonably possible change to one significant actuarial assumption, holding all other assumptions constant, on the obligation.

	31 December 2025		31 December 2024	
	£'000	%	£'000	%
Increase in discount rate by 0.5%	(822)	(4.86)	(813)	(4.79)
Increase in price inflation adjustment by 0.5%	227	1.34	189	1.11
One-year increase in life expectancy	820	4.85	721	4.25

The sensitivities may not be representative of the actual change in the present value of the scheme obligation, as it is unlikely that the change in assumptions would occur in isolation of each other, as the assumptions may be linked.

The method and assumptions used in this analysis have been reviewed and remain unchanged from the prior year.

24. Audit exemption and parental guarantee statement

Under Section 479A of the Companies Act 2006, the Group is claiming exemption from audit for the subsidiary companies listed below.

The parent undertaking, Nichols plc (registered number 00238303), guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year (being the year ended 31 December 2025 for each company unless otherwise stated). The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.

	Company number
Adrian Mecklenburgh Limited	01481282
Beacon Drinks Limited	01732905
Ben Shaws Dispense Drinks Limited	00231218
Cabana Soft Drinks Limited	00938594
Dayla Liquid Packing Limited	00603111
Dispense Solutions (Wales) Limited (year ended 30 September 2025)	08671127
DJ Drink Solutions Limited (year ended 31 May 2025)	05787898
Festival Drinks Limited	01256006
Nichols Dispense (S.W.) Limited	08766560
The Noisy Drink Company North West Limited	05024347
The Noisy Drinks Co Limited	05905631
Vimto (Out of Home) Limited	08795779
Nichols International (Holdco) Limited	14872239

25. Share capital

	2025 £'000	2024 £'000
Allotted, issued and fully paid 36,968,772 (2024: 36,968,772) 10p ordinary shares	3,697	3,697

The share capital of Nichols plc consists of ordinary 10p shares. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

The group has no authorised share capital. There were no movements in the Group's allotted, issued and fully paid share capital for the financial years ending 31 December 2025 and 31 December 2024.

The total number of shares held in Treasury as at 31 December 2025 is 399,204 (2024: 438,410).

At the Group's 2025 AGM the Group was, generally and unconditionally, authorised by its shareholders to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of up to a maximum of 3,653,036 of its ordinary shares. This replaced a similar authority granted in 2022 and is due to be renewed at the AGM held on 21 April 2026.

No repurchases of ordinary shares were made in the year. The Group, therefore, has an unexpired authority to purchase up to 3,653,036 ordinary shares with a nominal value of £365,304 (2024: 3,696,877 ordinary shares with a nominal value of £369,688).

Notes to the Financial Statements continued

Year ended 31 December 2025

26. Employee share schemes

The Group operates three equity-settled share-based payment schemes; a Save As You Earn (SAYE) scheme open to all employees; a Hybrid Incentive Plan for certain Directors and senior executives and a Restricted Share Plan for certain Directors and senior executives. All schemes comprise the grant of options under the Group's share option schemes.

Hybrid Incentive Plan

A combination of financial and non-financial measures and targets are set annually with outcomes determined by performance against this scorecard. Awards made under the Hybrid Incentive Plan vest provided the participant remains under employment within the two-year vesting period following the award. Awards made under the Hybrid Incentive scheme have a £nil exercise price.

The weighted average fair value of Hybrid Incentive Plan awards at their grant date in previous years are set out below. The fair value is calculated using the Black-Scholes valuation model.

	Grant date	Awards	Share price on grant date £	Expected dividend yield	Risk-free rate	Volatility	Fair value per award with dividend equivalents £	Fair value per award without dividend equivalents £
2022 Hybrid Incentive Plan	16/05/2023	40,016	10.80	2.60%	3.81%	38.10%	10.80	10.25
2023 Hybrid Incentive Plan	25/03/2024	83,551	9.66	2.50%	3.81%	36.10%	9.66	9.19
2024 Hybrid Incentive Plan	24/03/2025	91,562	12.90	2.50%	4.26%	35.20%	12.90	12.27

The movement of outstanding awards during the year is also set out below.

	Awards outstanding at 1 January 2025	Granted	Exercised	Lapsed	Awards outstanding at 31 December 2025
2022 Hybrid Incentive Plan	33,293	–	–	–	33,293
2023 Hybrid Incentive Plan	73,158	–	–	–	73,158
2024 Hybrid Incentive Plan	–	91,562	–	–	91,562

Of the total number of options outstanding at 31 December 2025, nil had vested and were exercisable.

SAYE

The Group's SAYE scheme is open to all employees. To participate in the scheme, the employees are required to save an amount of their gross monthly salary, for a period of 36 or 60 months. At the end of the 36 or 60-month period, the employees are entitled to purchase shares using funds saved at a price of 20% below the market price at grant date. Only employees that remain in service and save the required amount of their gross monthly salary for 36 or 60 consecutive months will become entitled to purchase the shares.

The weighted average fair value of SAYE options at their grant date in previous years are set out below. The fair value is calculated using the Black-Scholes valuation model.

	Grant date	Awards	Exercise price per option	Share price on grant date	Expected dividend yield	Risk-free rate	Volatility	Fair value per option
2020 5 year SAYE	15/04/2020	15,014	7.93	11.35	1.87%	0.09%	31.30%	4.14
2021 5 year SAYE	15/04/2021	5,967	10.15	13.95	2.70%	0.40%	37.50%	4.33
2022 3 year SAYE	26/04/2022	33,545	10.79	13.70	1.50%	1.54%	47.66%	4.76
2022 5 year SAYE	26/04/2022	4,197	10.79	13.70	1.50%	1.58%	41.00%	4.96
2023 3 year SAYE	26/04/2023	59,870	8.96	11.40	2.60%	3.68%	43.74%	3.75
2023 5 year SAYE	26/04/2023	4,351	8.96	11.40	2.60%	3.24%	42.19%	4.07
2024 3 year SAYE	24/04/2024	63,457	7.88	10.00	2.50%	4.29%	37.43%	3.09
2024 5 year SAYE	24/04/2024	13,032	7.88	10.00	2.50%	4.22%	43.12%	3.76
2025 3 year SAYE	29/04/2025	23,711	10.27	12.30	2.50%	3.82%	35.10%	3.36
2025 5 year SAYE	29/04/2025	1,242	10.27	12.30	2.50%	3.95%	40.60%	4.24

The movement of outstanding SAYE options during the year is also set out below.

	Options outstanding at 1 January 2025	Granted	Exercised	Lapsed	Options outstanding at 31 December 2025
2020 5 year SAYE	9,341	–	(7,440)	(1,901)	–
2021 5 year SAYE	295	–	–	–	295
2022 3 year SAYE	14,388	–	(11,860)	(2,528)	–
2022 5 year SAYE	834	–	(162)	(116)	556
2023 3 year SAYE	35,640	–	(511)	(8,318)	26,811
2023 5 year SAYE	4,351	–	–	–	4,351
2024 3 year SAYE	59,812	–	(674)	(11,493)	47,645
2024 5 year SAYE	13,032	–	–	–	13,032
2025 3 year SAYE	–	23,711	–	(3,234)	20,477
2025 5 year SAYE	–	1,242	–	–	1,242

Of the options outstanding at 31 December 2025, 8,199 were exercisable.

Notes to the Financial Statements continued

Year ended 31 December 2025

26. Employee share schemes continued

SAYE continued

The weighted average remaining life of SAYE awards at 31 December 2025 is 1.7 years.

Volatility has been determined using statistical analysis of the Group's share price over a three or five-year period preceding the grant date.

The share price on the vesting date of the awards vested in the year was £14.00.

Restricted Share Plan

On 11 December 2025 the Group made awards of 51,556 share options to the Chief Executive Officer. The Award will vest in two equal tranches: 50% on the third anniversary of the grant date and 50% on the fourth anniversary, subject to continued employment with the Group. Awards made under the Restricted Share Plan have a £nil exercise price. No additional performance conditions applied.

	Grant date	Awards	Share price on grant date £	Expected dividend yield	Risk-free rate	Volatility	Fair value per award £
2025 3 year Restricted Share Plan	11/12/2025	25,778	9.64	2.50%	3.82%	33.48%	8.94
2025 4 year Restricted Share Plan	11/12/2025	25,778	9.64	2.50%	3.90%	35.09%	8.72

	Awards outstanding at 1 January 2025	Granted	Exercised	Lapsed	Awards outstanding at 31 December 2025
2025 3 year Restricted Share Plan	–	25,778	–	–	25,778
2025 4 year Restricted Share Plan	–	25,778	–	–	25,778

The weighted average remaining life of Restricted Share Plan awards at 31 December 2025 is 3.4 years.

Volatility has been determined using statistical analysis of the Group's share price over a three or four-year period preceding the grant date.

Amounts in Consolidated Statement of Changes in Equity

The equity-settled share-based payment charge recognised within the Consolidated Statement of Changes in Equity in the year is as follows:

	2025 £'000	2024 £'000
SAYE	168	173
Hybrid Incentive Plan	1,074	430
Restricted Share Plan	13	–
Total charge	1,255	603

27. Alternative performance measures

The Group uses a number of alternative performance measures to assess business performance and provide additional useful information to shareholders about the underlying performance of the Group.

Reconciliation from GAAP-defined reporting measures to the Group's alternative performance measures

Consolidated Income Statement

	31 December 2025 £'000	31 December 2024 £'000
Adjusted profit before taxation		
Profit before taxation	29,190	24,034
Adjusted for:		
Exceptionals items (note 4)	4,405	7,370
Adjusted profit before taxation	33,595	31,404

	31 December 2025 £'000	31 December 2024 £'000
Adjusted operating profit		
Operating profit	27,305	21,491
Adjusted for:		
Exceptionals items (note 4)	4,405	7,370
Adjusted operating profit	31,710	28,861

	31 December 2025 £'000	31 December 2024 £'000	31 December 2023 £'000
Return on capital employed			
Capital employed:			
Net assets	94,752	84,045	97,342
Add back non-current liabilities	4,618	2,415	2,580
Total capital employed	99,370	86,460	99,922
Return on capital employed, being operating profit as a percentage of average (opening and closing) total capital employed	29.4%	23.1%	
Adjusted return on capital employed, being adjusted operating profit, as above, as a percentage of average (opening and closing) total capital employed	34.1%	31.0%	

Notes to the Financial Statements continued

Year ended 31 December 2025

27. Alternative performance measures continued

Reconciliation from GAAP-defined reporting measures to the Group's alternative performance measures continued

Consolidated Income Statement continued

	31 December 2025 £'000	31 December 2024 £'000
Adjusted EBITDA	27,305	21,491
Operating profit	27,305	21,491
Adjusted for:		
Depreciation	2,052	1,828
Amortisation	67	81
(Profit)/loss on disposal of fixed assets	(55)	52
EBITDA	29,369	23,452
Exceptionals items (note 4)	4,405	7,370
Adjusted EBITDA	33,774	30,822
	31 December 2025 £'000	31 December 2024 £'000
Free cash flow	2,063	(13,360)
Net increase/(decrease) in cash and cash equivalents	2,063	(13,360)
Adjusted for:		
Dividends paid	11,731	31,153
Free cash flow	13,794	17,793

28. Ultimate controlling party

The Company is listed on AIM of the London Stock Exchange. As a result of the wide dispersion of shares, the directors are of the opinion that there is no ultimate controlling party.

Unaudited Five-Year Summary

Years ended 31 December

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Revenue	175,054	172,809	170,741	164,926	144,328
Adjusted operating profit	31,710	28,861	25,193	24,602	21,922
Exceptional items	(4,405)	(7,370)	(2,907)	(11,146)	(39,477)
Operating profit/(loss)	27,305	21,491	22,286	13,456	(17,555)
Net finance income/(expense)	1,885	2,543	1,972	380	(101)
Adjusted profit before taxation	33,595	31,404	27,165	21,821	11,614
Profit/(loss) before taxation	29,190	24,034	24,258	13,836	(17,656)
Taxation	(7,748)	(6,196)	(5,896)	(2,201)	(4,512)
Profit/(loss) after taxation	21,442	17,838	18,362	11,635	(22,168)
Dividends paid	(11,731)	(31,153)	(10,177)	(9,383)	(6,868)
Retained earnings movement	9,506	(13,315)	8,185	2,252	(29,036)
Earnings/(loss) per share (basic)	58.67p	48.84p	50.34p	31.86p	(60.04)p
Earnings/(loss) per share (diluted)	58.33p	48.81p	50.32p	31.82p	(60.04)p
Earnings per share – (basic) before exceptional items	67.53p	64.02p	56.41p	55.38p	46.15p
Earnings per share – (diluted) before exceptional items	67.14p	63.98p	56.39p	55.32p	46.09p
Total dividend declared per share	33.7p	32.0p	28.2p	25.7p	13.3p
Special dividend declared per share	–	54.8p	–	–	–

Advisers

Registered office

Laurel House
Woodlands Park
Ashton Road
Newton-le-Willows
WA12 0HH

Registered number 00238303

Auditor

BDO LLP

Eden Building
Irwell Street
Manchester
M3 5EN

Solicitors

DLA Piper UK LLP

1 St. Peter's Square
Manchester
M2 3DE

Bankers

The Royal Bank of Scotland plc

1 Spinningfields Square
Manchester
M3 3AP

Registrars

MUFG Corporate Markets

Central Square
29 Wellington Street
Leeds
LS1 4DL

Corporate broker and nominated adviser

Singer Capital Markets Advisory LLP

One Bartholomew Lane
London
EC2N 2AX

Corporate broker

Joh. Berenberg, Gossler & Co KG, London

60 Threadneedle St
London
EC2R 8HP

