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5 August 2016

Franchise Brands plc

(the "Company" or the "Group")

ADMISSION TO AIM AND FIRST DAY OF DEALINGS

Franchise Brands plc, the international multi-brand franchisor, is pleased to announce the Company's admission to AIM following the placing and subscription of 10,606,061 new ordinary shares at 33 pence per share, as announced on 2 August 2016. Dealings in the Company's ordinary shares are expected to commence at 8.00am today under the ticker code FRAN.L.

Stephen Hemsley, Executive Chairman, commented:

“We are delighted to announce our admission to AIM following a well-supported fundraising in which a number of high quality institutional investors participated. We welcome our new shareholders and look forward to updating them and the wider market as we build on our success to date, and expand the Group through the acquisition of complementary businesses.”

For further information please contact:

**MHP Communications
(Financial PR)**

+44 (0) 20 3128 8100

Katie Hunt, Managing Director
Jade Neal, Associate Director

**Allenby Capital Limited
(Nominated Adviser and Joint Broker)**

+44 (0) 20 3328 5656

Jeremy Porter/ James Thomas / Liz Kirchner
Graham Bell

Background to Franchise Brands plc

Franchise Brands plc is a group of international multi-brand franchisors with a combined network of over 350 franchisees in 12 countries, but predominantly in the UK. Its current brands are ChipsAway, Ovensclean and MyHome, all of which deliver services to individuals of a similar socio-economic group through the Group's franchisees.

The Group was founded in September 2008 by Stephen Hemsley (Executive Chairman) and Nigel Wray (Non-Executive Director), the Group's principal shareholders, who have substantial experience in franchising, notably through their well-documented involvement with Domino's Pizza.

Key strengths:

Well established, international multi-brand franchisor. Over 350 franchisees across three B2C service brands:

- **ChipsAway** is a mobile car paintwork repair specialist focusing on small to medium sized repairs. It has 225 franchisees operating throughout the UK and is the most recognised brand in the sector in the UK.
- **Ovensclean** is a mobile domestic oven cleaning business with close to 100 franchisees.
- **MyHome** is a premium residential house cleaning business which the Group is currently test marketing prior to a possible full re-launch.

A highly experienced management team and Board

- The management team and Board have extensive expertise in franchising, operating and growing profitable businesses and investigating acquisition targets.

Clear strategy to grow by selective acquisition of franchise brands, supplementing organic growth

- The Group's strategy is to develop franchise businesses that provide services to individuals and SMEs.
- Continued growth of existing brands by increasing the number of franchisees and supporting existing franchisees who wish to grow their businesses.
- Increase the portfolio of franchise brands through the acquisition of franchise businesses which could benefit from the Group's established central services. Of particular interest are brands in the B2C service sector.

Profitable, cash generative business

- Profit before tax has increased by 52% from £0.7 million in 2013 to £1.1 million in 2015 (25% of turnover)
- Cash generative

Highly professional central services platform in place to support growth

- Since 2010, and in particular following the appointment of Robin Auld as Marketing Director, the Group has developed highly professional marketing, franchise recruitment and support services including IT. The Directors believe these are sufficiently well established that the Group is able to acquire some new franchise brands without significantly increasing its central overhead.

Strategy and objectives

The Group's strategy is to develop franchise businesses that provide services to individuals and SMEs. In addition to marketing the Group's services to new potential customers, the Group also aims to cross-sell its services and has a central database of over 700,000 customers, including individuals who have enquired about ChipsAway and Ovenclean's services since the CRM system was developed in 2011. Under the terms of the Franchise Agreement, the Group owns the customer database and the rights to use this.

The execution of this strategy is expected to be achieved in three ways as follows:

1. **Sale of new Franchise territories:** The Group aims to expand the size of the franchise network for its existing brands predominantly through the sale of new franchise territories. The Directors believe that there is considerable scope to grow ChipsAway and Ovenclean by expanding into currently unserved geographic areas and by splitting existing franchised areas where customer enquiries are not being adequately serviced at present.
2. **Growth of existing Franchisees' businesses:** The Group supports existing Franchisees who wish to grow their businesses, in particular through central marketing and business

development support, bringing a benefit to Franchisees and increased revenue to Franchise Brands. In particular, the Group supports ChipsAway Franchisees who indicate that they want to develop into a “Car Care Centre”.

- 3. Acquisition of new Franchise businesses:** The Group intends to increase its portfolio of franchise brands through acquisitions. It is the Group’s strategy to focus on the development of franchise businesses that provide services to individuals and SMEs. The Group is interested in businesses in the B2C service sector which can be sold to customers of a similar socio-economic profile to the Group’s existing brands. The Group is also interested in franchise businesses which provide services to small businesses where the marketing of these services is predominantly B2C rather than B2B. The rate of expansion by acquisition will be measured, as the Group wishes to take time to fully integrate acquired businesses before embarking on the next transaction, and there can be no certainty of when the Group may make any such acquisitions, if at all.

The Group is actively targeting brands which it deems to be successfully established but where the Directors anticipate that there is significant potential to grow the number of franchisees and / or the turnover of the existing franchisees. The Group considers it is very unlikely that start-ups or early stage franchise systems will be considered unless they are “bolt-ons” to existing brands.

The target franchise system universe for Franchise Brands is broadly the network categories as defined in the BFA/NatWest Survey 2015 of between 21-199 units, which showed a total of 274 businesses. Start-ups or very early stage franchise businesses, where the business model is unproven, are expected to be out of scope. Brands in excess of 500 units are generally in the food or drinks sector and will also not form part of the Group’s target market.

The Group will take a selective approach to acquisitions. As well as carefully reviewing the franchisee unit level economics to determine if they are established, scaleable and compelling for the franchisee, the Group will assess the existing management carefully to ensure that the Directors believe that their culture, values and philosophy with respect to franchising, are a good fit with Franchise Brands. The Group intends to ensure that any acquisitions will be made at a measured pace.

Whilst the Group has master franchisors or licensees in 11 countries outside the UK, in Europe, the Americas and Middle East, its main focus is the UK. However, the Group plans to develop internationally in due course, possibly through the acquisition of franchise businesses with international operations.

Directors

The Board currently consists of eight Directors who, between them, have substantial experience of franchising. The Directors also have considerable experience of operating and growing profitable businesses and of investigating acquisition targets.

Stephen Hemsley – Executive Chairman

Stephen qualified as a Chartered Accountant in 1982 and in 1984 joined the venture capital company 3i, rising to the position of Investment Director. In 1998 he joined the then private company Domino’s

Pizza as Finance Director, leading them to an IPO on AIM in 1999. Subsequently as CEO he led the business through a period of growth. During his 18-year association with Domino's Pizza, Stephen has taken the company from a market capitalisation of £25m to around £1.8 billion and membership of the FTSE 250 Index and from around 100 to over 900 stores across the UK, Ireland and Europe. He currently holds the position at Domino's Pizza of Non-Executive Chairman.

Tim Harris – Chief Executive Officer

Tim is a seasoned Franchise professional with 20 years' experience of successfully developing automotive, commercial and domestic franchise brands in both international and UK markets. Formerly Sales Director at Franchise Brands, Tim was appointed CEO and a director of FB Holdings in 2012 and has led the brands through a period of increased profitability and international reach, with Master Franchises opened in the Americas and across Europe. Prior to joining the Group, Tim held senior sales positions at a number of companies including Autosheen, Pitman Training and Jani-King. Tim joined the Group in 2008.

Andrew Mallows – Finance Director

Andrew has spent his finance career in the consumer sector and has particular experience in franchising. He was Finance Director of Domino's Pizza during the period 2001 to 2004, having taken over that role from Stephen Hemsley when he was promoted to CEO. Prior to that he was Financial Controller having originally joined Domino's Pizza in 1996. In 2004, Andrew was appointed Business Development Director of Domino's Pizza with responsibility for the property, franchise sales and foodservice division of the company. The early part of Andrew's career was as an accountant for Trusthouse Forte and Commercial Manager for Welcome Break. Since leaving Domino's Pizza Andrew has fulfilled his long held ambitions in agriculture. Andrew joined the Group and was appointed Finance Director of FB Holdings Limited in May 2016.

Julia Choudhury – Corporate Development Director

Julia has over 25 years of commercial, finance and investment experience. Her early career was spent in Corporate Finance at BZW predominantly in mergers and acquisitions and equity financing. Between 1993 and 1997 she was Product Development Manager and subsequently Assistant Director at BZW Investment Management. In these roles she oversaw the structuring and launch of a number of specialist funds. In 1997, Julia joined AXA Investment Managers as Strategic Development Director. Following a year's secondment to Paris as Deputy Head of the AXA Group's Strategy Group, she was appointed Head of Marketing, Head of Retail, and latterly Managing Director of AXA Investment Manager's UK operation. Julia joined the Group in 2008 and has been a director of FB Holdings since the first few months after incorporation and has a particular focus on corporate development, which includes acquisitions.

Robin Auld – Marketing Director

Robin has a successful track record of consumer marketing success over nearly 20 years. He is best known for his work at Domino's Pizza. As Head of Marketing and then Sales and Marketing Director, working closely with Stephen Hemsley, Robin guided the brand through a period of growth during the period 2004 to 2010. Managing a budget of £18 million, he was responsible for Domino's Pizza highly successful sponsorship of "Britain's Got Talent" and the early growth in e-commerce revenues. Prior

to joining Domino's Pizza, Robin had a senior role at a WPP group agency working with a range of blue chip clients and prior to that was Senior Brand Manager at Carlsberg-Tetley UK. More recently Robin has also worked as Head of Marketing for Topps Tiles helping to reposition and re-launch the brand. Having joined FB Holdings Group as group marketing director in 2010, Robin established consumer marketing campaigns for the brands, generating increases in demand and raising brand awareness.

Nigel Wray – Non-Executive Director

Nigel is an entrepreneurial investor in both public and private companies. He is a former director and significant shareholder in Carlton Communications plc, Singer & Friedlander plc and Domino's Pizza and a former director of Burford Group plc and Networkers International plc. Currently he is a substantial shareholder and director at Prestbury Investment Holdings Ltd and a director at Chapel Down Group plc and many other companies. He is also the chairman and co-owner of Saracens Rugby Club. He is a significant investor in a wide ranging number of AIM quoted companies including Avingtrans Plc, Alliance Pharma plc, Rotala plc, Hunters plc, Tekcapital plc, Reach4Entertainment Enterprises plc and MXC Capital plc, as well as a number of private companies in the domiciliary care, computer network solutions, engineering, hotel and restaurant sectors.

David Poutney – Non-Executive Director

David started his career with Midland Bank PLC before becoming a number one Extel ranked Financials Analyst from 1986 at a number of leading firms including BZW, James Capel & Co and UBS. In 1996 he joined WestLB Panmure as Head of the UK Banks team before moving to a formal Corporate Marketing role. From 2001 to January 2016 he was Director and Head of Corporate Broking at Numis Securities Limited during which time he helped establish Numis as a leading institutional stockbroker and corporate advisor to companies on both AIM and the main market. Between May 2014 and February 2016 he was an Executive Director of Numis Corporation plc. In his 20 years as a corporate broker, David was involved in the listings of over 30 companies and advised many through extended periods of growth. In particular, he advised Domino's Pizza from 2002 to January 2016. David was recently appointed a Non-Executive Director of Be Heard Group plc.

Rob Bellhouse – Non-Executive Director

Rob is an experienced Company Secretary with strong commercial experience gained over a period of 30 years of working with primarily quoted companies. He was most recently interim Company Secretary at Domino's Pizza where he was responsible for all board, governance, risk management and compliance activities. Between 2003 and 2015 he was Company Secretary of Lonmin plc, accountable for all board, governance, compliance and legal issues, the design and implementation of the group's ethics programme and management of the share plans. Prior to 2003, he was Assistant Company Secretary of four FTSE 250 companies and a privately owned business. Rob is a member of the ICSA Company Secretaries' Forum, the Shareholder Voting Working Group and a former member of the Executive Committee of the GC100. He was voted ICSA Company Secretary of the Year in 2014. Rob is also the founder and Director of Governance Professionals Limited, which provides corporate governance and company secretarial services to UK listed companies and other corporates.