

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR")

22 March 2017

FRANCHISE BRANDS PLC

("Franchise Brands", the "Group", or the "Company")

Statement re share price movement and suspension of share trading on AIM

Franchise Brands, a multi-brand international franchisor, notes the recent price movement of its shares on AIM and confirms that the Company is in advanced stages regarding a potential acquisition which would constitute a reverse takeover under the AIM Rules for Companies. Whilst the Company has entered into an exclusive agreement regarding the potential acquisition, any transaction remains subject to a number of factors, including completing due diligence and negotiations to the Company's satisfaction, and, as such, there can be no certainty that a final binding agreement will be reached.

The potential acquisition would be consistent with the Company's strategy, as outlined at the time of its recent IPO, to pursue selective acquisitions of complementary franchise businesses that could benefit from the Company's central services and also the experience of the Board and management team in developing franchise businesses.

Should the proposed acquisition proceed, as it would constitute a reverse takeover under rule 14 of the AIM Rules for Companies, shareholder approval will be required. As such, a further announcement with full details of the transaction would be issued at the appropriate time once binding contracts are entered into and an admission document published and sent to shareholders with a notice of general meeting. In accordance with rule 14 of the AIM Rules for Companies, the Company's shares will be suspended from trading on AIM with immediate effect until either publication of the admission document or announcement of the transaction not proceeding.

The Company is also in the process of finalising its audited financial results for the year to 31 December 2016, which are expected to be announced shortly.

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Further information on Franchise Brands:

Franchise Brands is a group of international multi-brand franchisors with a combined network of over 400 franchisees in 12 countries, but predominantly in the UK. Prior to the acquisition of Barking Mad, the Group's two main brands were ChipsAway, a mobile car paintwork repair specialist and Ovenclean, a mobile domestic oven cleaning business. These businesses deliver services to individuals of a similar socio-economic group through the Group's franchisees. In October 2016, Franchise Brands acquired Barking Mad Ltd, a pioneer in the market for professionally-organised dog sitting services with 75 franchised territories across the UK.

Founded in September 2008 by Stephen Hemsley (Executive Chairman) and Nigel Wray (Non-Executive Director), the Group's principal shareholders, Franchise Brands has a highly experienced management team and Board with extensive expertise in franchising (gained through their notable involvement with Domino's Pizza), operating and growing profitable businesses and investigating acquisition targets.

Franchise Brands has developed a highly professional central services platform including marketing, franchise recruitment and support services, which enable it to support the acquisition of new franchise brands without significantly increasing its central overhead.

The Board has a clear strategy to build the Group by the selective, earnings enhancing acquisition of high quality franchise businesses that can benefit from its central services and also the experience of the Board and management team in developing franchise businesses. Selective acquisitions are intended to supplement organic growth derived from increasing the number of franchisees in the existing brands and supporting existing franchisees who wish to grow their businesses.

Franchise Brands was admitted to AIM in August 2016 (ticker code: FRAN.L).

www.franchisebrands.co.uk