



26th March 2020

Dear Shareholder,

Please find enclosed our Annual Report, Notice of our AGM and Proxy Form for our AGM. Our AGM will take place at 24 Chesham Mews, London, SW1X 8HS on Tuesday 28 April 2020 at 11:00 am.

Given the unprecedented measures being taken as a result of the Covid-19 pandemic, we assume that most of our shareholders will not be willing or indeed able to attend in person. Therefore, shareholders may also participate by dialling in to the meeting on 0121 296 6480 and by using the PIN code 2580.

2020 Final Dividend

On 5th March 2020 we announced our results for the year ended 31 December 2019 to the stock-market. This included a proposal from the Board that a final dividend of 0.65p per Ordinary Share should be paid, taking the total dividend for 2019 to 0.95p. This dividend is subject to shareholder approval at the AGM.

Given the current extraordinary environment as a result of the Covid-19 pandemic and the resulting economic and business uncertainties, we consider it necessary for the Company to adopt a very cautious approach and preserve the strength of its balance sheet by retaining cash.

Therefore, we will be giving shareholders the option to receive the final dividend as a scrip dividend. The Board strongly recommends that this option is taken to allow the Company to preserve cash. A scrip dividend is a dividend which is payable to shareholders in the form of new Ordinary Shares in the Company rather than in cash. The number of new Ordinary Shares which are issued instead of the cash dividend will be calculated according to the following formula:

$$(\text{Number of Ordinary Shares held at the dividend record date} \times 0.65\text{p}) \div \text{scrip reference price}$$

The scrip reference price is the average share price over five trading days prior to the posting of the AGM notice (i.e. 19 March to 25 March 2020).

We will be sending shareholders a Circular before the AGM which will set out in more detail the process by which the dividend will be paid, and how shareholders can elect to be paid in new Ordinary Shares rather than in cash.

Yours faithfully,

Chris Dent
CFO

Franchise Brands plc is incorporated and registered in England and Wales with registration number 10281033.
Registered Address: Ashwood Court, Tytherington Business Park, Macclesfield, SK10 2XF.
Further information about us is available at www.franchisebrands.co.uk.