

# DRIVING SHAREHOLDER VALUE

**UNLOCKING SHAREHOLDER VALUE  
FOR LONG-TERM GROWTH**

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13/06/2026

**M&C SAATCHI PLC ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

COMPANIES HOUSE

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Toolkit image from adidas Adizero  
'For The Fast' campaign created by  
M+C Saatchi Sport & Entertainment for  
adidas UK in April 2025. Shot by Matt  
Moran and featuring adidas runners  
alongside a running talent cast.

# DRIVING SHAREHOLDER VALUE

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Please see our Company website at [www.mcsaatchiplc.com](http://www.mcsaatchiplc.com)

This report provides an update on our strategic progress, financial performance and sustainability. Our sustainability review, including the TCFD, begins on page 55.

### Welcome from Dame Heather Rabbatts, Executive Chair

"I welcome our shareholders and other stakeholders to the Company's 2025 Annual Report and Accounts. In a year marked by macro and geopolitical volatility, our diverse business has shown balance sheet strength and resilience as we continue to transform the Company, as well as undertaking our first acquisition in seven years. Market pressures impacted our like-for-like revenue this year, principally with ongoing clients, due to a temporary reduction in spend and extended caution. However, I would like to remind readers that despite the reduction in like-for-like revenue, our client retention remains best-in-class at over 94%, owing to our creative expertise, broad range of connected Specialisms and superb client satisfaction.

As we will demonstrate in this report, our unique market position lies in our deep understanding of our clients' business, our broad expertise across both government and commercial sectors and our data-driven systems, supported by our ability to measure the return on our Cultural Power proposition. I hope you will share my enthusiasm and optimism for our future success in this transitional year."

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# A GLOBAL CREATIVE NETWORK

We are one of the world's largest independent creative networks, uniquely positioned across sectors, geographies and industries to unlock and develop Cultural Power for our clients.

Our transformative market proposition, Cultural Power, developed in conjunction with the Saïd Business School, University of Oxford, is the advantage we create for our clients. Launched last year, it helps clients harness cultural forces to fuel desire, drive demand and deliver brand growth – because in today's world, culture is the driving force behind how people see, think and act.

- M+C Saatchi is a leading worldwide brand partnering with clients across government and commercial sectors to drive their business growth across the whole marketing chain. We have evolved far beyond our famous advertising heritage and offer solutions across digital and performance media, branding, technology and design, strategy, behavioural change and consumer insights.
- Our highly talented and creative people offer clients innovative, strategic and AI-driven solutions to help grow their brands.
- We pride ourselves on our deep and meaningful relationships with our clients, partnering with them to deliver amazing work.
- As behavioural change experts, we use Cultural Power to benefit our clients, our people and our shareholders through inter-disciplinary expertise across our Specialisms and advanced digital capabilities, and through our global footprint.

# 2025 HIGHLIGHTS

These results reflect a difficult macroeconomic and geopolitical context in 2025.

## Strong balance sheet and net cash flow to support future growth opportunities

Like-for-like net revenue <sup>1</sup>	Like-for-like operating profit:	Like-for-like operating margin:	Like-for-like EBITDA <sup>3</sup> :	Like-for-like PBT:	Like-for-like EPS (basic) <sup>4</sup> :	Net cash <sup>5,6</sup> :	Operating cash conversion <sup>8</sup> :
<b>£204.7M</b> (-7.3%)	<b>£24.9M</b> (-26.1%)	<b>12.2%</b> (-310bps)	<b>£31.5M</b> (-22.6%)	<b>£19.4M</b> (-33.6%)	<b>9.4P</b>	<b>£13.3M</b> 2024: £11.8m	<b>94%</b> (2024: 85%)
<b>Statutory:</b>	<b>Statutory:</b>	<b>Statutory:</b>	<b>Statutory:</b>	<b>Statutory:</b>	<b>Statutory:</b>		
<b>£210.0M</b> (2024: £231.4m)	<b>£10.2M</b> (2024: £22.5m)	<b>4.8%</b> (2024: 9.7%)	<b>£17.2M</b> (2024: £29.7m)	<b>£4.6M</b> (2024: £18.1m)	<b>(1.9)P</b> (2024: 9.6P)		

## Our brilliant people deliver amazing creative solutions for our clients

Number of employees <sup>7</sup>	Number of awards	Number of business wins	Repeat client business <sup>9</sup>	Employee engagement	Employee voluntary churn, global <sup>9</sup>	Females in senior leadership
<b>1,829</b> (2024: 2,003)	<b>136</b> (2024: 141)	<b>219</b> (2024: 171 including project extensions)	<b>94%</b> (2024: 92%)	<b>67</b> (2024: 71)	<b>20%</b> (2024: n/a)	<b>40%</b> (2024: 39%)

## Responsibility for our environmental impact

GHG Scope 1 and 2 emissions <sup>10</sup>	GHG Scope 3 emissions <sup>10</sup>	Electricity from renewable sources
<b>165.9</b> <b>TCO<sub>2</sub>E</b> (2024: 657.2 TCO <sub>2</sub> E)	<b>48,714</b> <b>TCO<sub>2</sub>E</b> (2024: 61,387 TCO <sub>2</sub> E)	<b>96%</b> (2024: 57%)

## Definitions applied throughout this report

- We discuss our results on a like-for-like (LFL) basis throughout, unless otherwise stated, to provide a more comparable and better basis for understanding our current and future performance, reflecting the Directors' view of the underlying profitability of the business units. Statutory performance remains the primary IFRS measure, however. LFL results exclude items that are not part of routine expenses, including one-off and exceptional items, which form Headline results. LFL results translate 2024 figures to 2025 foreign exchange (FX) rates and excludes results of subsidiaries which management had or intends to exit in the current and prior year, and those of newly acquired subsidiaries in the current year. LFL adjustments are summarised in the Financial review and Note 1 to the financial statements. All figures are subject to rounding.
- Refer to Notes to the financial statements for the definitions of net revenue and net cash.
- EBITDA is calculated excluding the income statement charges relating to IFRS 16.
- Earnings are calculated after deducting tax and the share of profits attributable to non-controlling interests. Please see Note 1 to the financial statements for a detailed view on Statutory vs Headline EPS.
- Adjusted net cash includes £0.2 million of restricted cash (down from £3.5 million in 2024). Adjusted net cash was £13.5 million in 2025 and £16.3 million in 2024.
- Conversion of LFL operating profits into adjusted operating cash (operating cash generated from operations (excluding put option payments, non-Headline cash costs and discretionary employee bonus items) net of purchases of intangible/tangible fixed assets and payment of leases).
- Includes employed individuals across all companies, excluding contingent workers, at 31 December 2025.
- Based on retained clients, who accounted for 94% of 2024 revenue, who also spent in 2025.
- Includes permanent workers only, excludes fixed-term workers, contingent workers and freelance.
- Please see page 61 for our statement on greenhouse gas (GHG) emissions.

# M+C SAATCHI: 30-YEAR ANNIVERSARY

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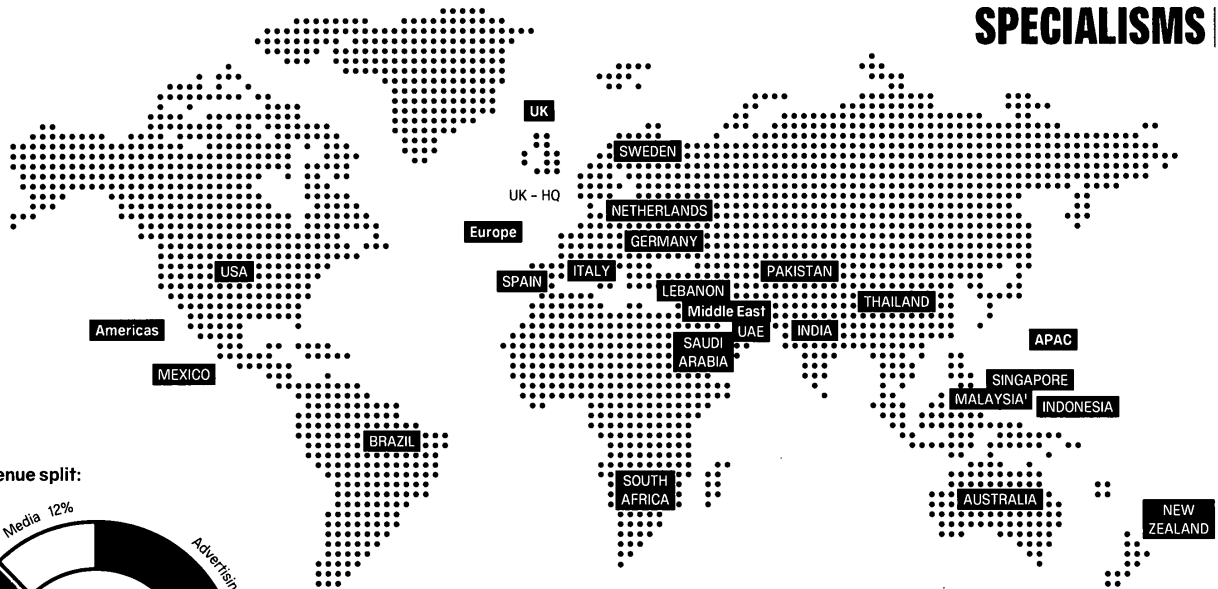
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# M+C SAATCHI AT A GLANCE

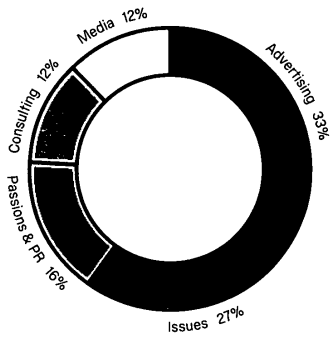
<p><b>OUR PURPOSE</b></p>	<p>To deliver creative solutions which drive growth for clients, tackling the most complex business and societal challenges; and to create and curate Cultural Power for both our commercial and public sector clients.</p>				
<p><b>OUR VISION</b></p>	<p>Brilliant people, extraordinary creativity and amazing client service to create a sustainable advantage for clients.</p>				
<p><b>DELIVERING CULTURAL POWER FOR OUR CLIENTS THROUGH...</b></p>	<p><b>Connected creativity:</b> Ideas that make an impact in the world.</p>	<p><b>Brutal simplicity of thought:</b> We make the complex simple with incisive, innovative creative solutions.</p>	<p><b>Driving growth:</b> We build agile, channel-agnostic teams with the sole objective of driving brand growth.</p>	<p><b>Connecting with culture:</b> Our team of diverse thinkers and experts in their fields live and breathe all areas of culture.</p>	<p><b>Cutting-edge digital tools:</b> Our suite of proprietary data-backed tools helps us understand Cultural Power and harness it to grow our clients' businesses, identifying their priority areas.</p>
<p><b>OUR STRENGTHS</b></p>	<p><b>A world-famous brand with strong heritage in creativity.</b></p> <hr/> <p><b>Resilient and diverse portfolio of geographies and Specialisms.</b></p>	<p><b>Agile with diverse expertise to deliver Cultural Power for a range of clients across sectors.</b></p> <hr/> <p><b>Operationally levered, capital-light, cash-generative and with a strong balance sheet.</b></p>	<p><b>Focused on shareholder returns through capital growth and our share buyback programme.</b></p> <hr/> <p><b>Increasingly digitalised, data-driven and AI-focused businesses to deliver solutions for clients.</b></p>		
<p><b>WHAT DIFFERENTIATES US...</b></p>	<p><b>For our clients:</b> Our unique combination of global reach and breadth of services, combined with flexibility, agility and creative flair. We aren't cumbersome and bureaucratic with a templated approach - but neither are we too small to scale ideas. <b>See our business model on page 19.</b></p>	<p><b>For our people:</b> Our entrepreneurial client-focused culture, providing creative solutions and scope for people to grow. <b>See people and culture on page 28.</b></p>	<p><b>For our shareholders:</b> Our goal is to set the foundation to unlock the intrinsic value that is not currently realised and to accelerate shareholder returns through revenue growth, margin accretion and cash generation, leading to capital appreciation. <b>See how we drive shareholder returns on page 21.</b></p>		

# OUR REGIONS AND SPECIALISMS

**SPECIALISMS** | 5 REGIONS  
20 COUNTRIES



Our revenue split:



Our operations matrix

Americas	
UK	
APAC	
Europe	No Media
Middle East	No Issues

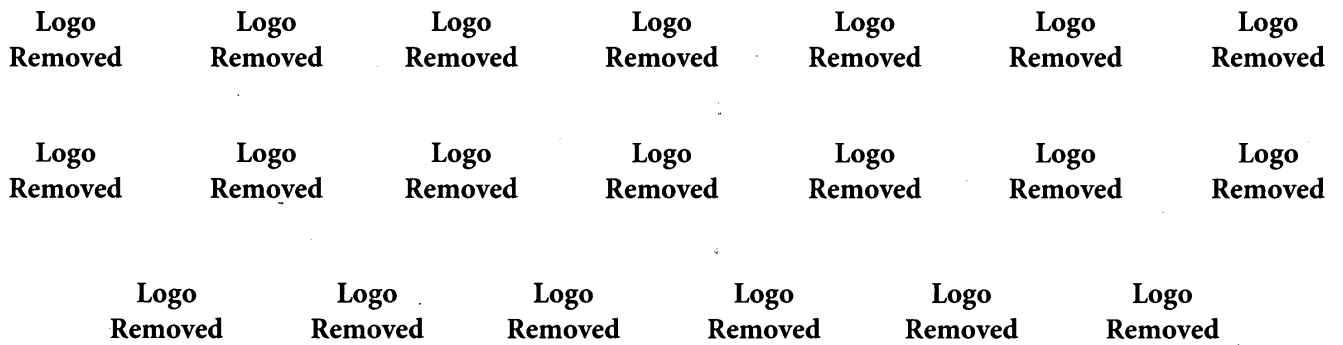
Our best-in-class solutions portfolio

<b>Advertising</b>	Connecting brands to consumers through ideas and creativity.
<b>Consulting</b>	Upstream brand strategy, innovation, technology and design.
<b>Passions &amp; PR</b>	Engaging consumers via experiences, sports, experiential marketing.
<b>Media</b>	Digital media, performance, e-retail and high return on investment.
<b>Issues</b>	Entire marketing funnel, but for the public sector, QUANGOs and charities.

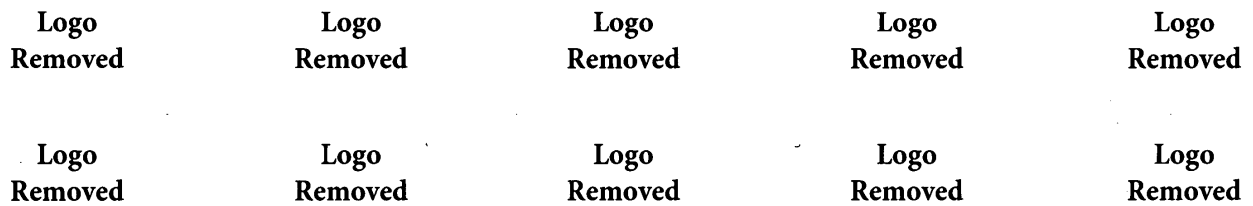
1. Disposed of in the first quarter of 2026.

# KEY CLIENTS AND AWARDS IN 2025

Some of our key clients



Some of our industry awards



# SUPERBOWL DOMINANCE

**+** Wegovy was launching the first-ever weight loss GLP-1 pill during the Super Bowl. But there was a problem: cultural stigma. People believed taking weight-loss medication was “cheating.”

So beyond introducing the pill, we needed to challenge that stigma. And we chose to do it on advertising's biggest stage.

Our insight: people accept help everywhere else without second thought. They'd take a pill to make parallel parking easier, or a professional wrestling dream come true. Weight loss was the one place where that logic mysteriously broke down.

The strategy: use humor to expose that contradiction, while responsibly educating viewers on the considerations and safety profile of Wegovy. We built the spot around a repeatable hook (“If there was a pill for \_\_\_\_, I'd take it”) and paired it with absurd scenarios, from wrestling to cat-rescuing. The comedy did the heavy lifting. One key line by Ana Gasteyer took stigma head-on: “If there was a pill to make people less judgmental about how to lose weight...”

We cast A-list comedic talent across demographics—Kenan Thompson, DJ Khaled, Danielle Brooks, Ana Gasteyer, Danny Trejo, and John C. Reilly in his first-ever commercial—to signal inclusivity and cultural acceptance.

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# CHAIR'S STATEMENT AND REVIEW

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I am honoured to be the Executive Chair of this world-famous company, assuming the role in April 2026. We have made significant progress over the last three years, under the transformation and cost-efficiency programme initiated by Zillah Byng-Thorne in 2023 and then continued by Zaid Al-Qassab after joining in 2024. Zaid stepped down from the Board at the end of March 2026, and I would like to express my gratitude for his service and the momentum he helped build during his tenure.

2025 was marked by considerable macroeconomic and geopolitical challenges, which impacted the financial performance of the business. I am clear on the action that the business needs to take.

Our focus will be to simplify our businesses, making sure that our key growth engines and digital expertise are empowered, and to begin to unlock the intrinsic value in the business that is not currently realised.

Our unique market position lies in our deep understanding of our clients' business, our broad expertise across both government and commercial sectors and our data-driven systems, supported by our ability to measure the return on our Cultural Power proposition. Through this key differentiator, we are well-positioned to deliver on our growth ambitions and create value for shareholders.”

**DAME HEATHER RABBATTS**  
Executive Chair

Like-for-like net revenue	Like-for-like operating margin	Like-for-like PBT	Net cash
<b>£204.7M</b> (-7.3%)	<b>12.2%</b> (-310bps)	<b>£19.4M</b> (-33.6%)	<b>£13.3M</b> (2024: £11.8m)
Statutory	Statutory	Statutory	Operating cash conversion
<b>£210.0M</b> (-9.2%)	<b>4.8%</b> (-490bps)	<b>£4.6M</b> (-74.6%)	<b>94%</b> (2024: 85%)

## Chair's Statement and Review continued

The Group operated in a very challenging market context in 2025 with a weak consumer sentiment, particularly in Australia. This, combined with US trade policy changes, caused many clients to delay or reduce their marketing spend while project-based work was postponed entirely. The Group suffered from the US Government shutdown in the fourth quarter, which impacted the high-margin Issues Specialism; government revenues were lost while staffing had to be maintained due to uncertainty of the timing on the restart of funding and work.

Our like-for-like net revenue decline of 7.3% reflects the market conditions while the decline in Group profitability (26.1%) is also driven by sustained targeted investments by the Group (including the annualisation of prior year initiatives) to support growth across the business, in parallel to revenue decline. Despite the tough context, the Group had over 200 wins (new clients and new projects with existing clients) with new clients such as Betway, On, EA Sports and Pizza Hut as well as registering over 50 clients who commission more than one Specialism as part of our integrated, multi-Specialisms pitching approach.

Like-for-like EBITDA declined by 22.6%, while like-for-like profit before tax declined by 33.6%.

Basic like-for-like EPS was 9.4p (2024: 17.0p), with the decline driven by reduced revenue and profitability. The remaining put option liabilities are expected to reduce further over the short term; there is a current residual liability of £3 million, of which we expect to settle the majority in the current financial year.

Our operating cash conversion was strong at 94%, exceeding our long-term target of 80%, which allows for some variability over the cycle. Net cash was strong at £13.3 million, up 12.7% thanks to our continued focus on cash management and improved working capital. This cash delivery reflects the continued put option settlements which absorbed £0.5 million of cash, while the 2024 dividend payment to shareholders absorbed £2.4 million in the first half of 2025. The adjusted net cash balance also reflects the payment and associated costs for the acquisition of Dune 23 and The Women's Sports Group as well as the divestment of Saatchinvest.

**Our operational review at a glance**

- Decline of 7.3% in like-for-like net revenue driven by a prolonged uncertain macro environment causing near-term client caution and deferred project spend, particularly in Australia. The unprecedented US Government shutdown also impacted our Issues Specialism in the last quarter, which is typically a strong quarter for the business.
- Excluding Australia, which declined by 31.9%, Group like-for-like net revenue registered a 3.1% decline largely due to weakness in Issues (-4.1%) and Consulting (-18.8%).
- Non-Advertising Specialisms declined 6.5% like-for-like (-3.8% excluding Australia), with ongoing growth in Media (11.5%), but softness in project-based Consulting (-18.8%) and Passions & PR (-11.4%) as well as Issues.
- Advertising overall declined 8.9% like for like, (-1.1% excluding Australia) as good growth in the US and Europe was countered by Australia as well as a soft UK market.
- Full-year decline in like-for-like operating profit of 26.1%, with like-for-like operating margin at 12.2% (-310bps). This was primarily driven by macro-driven revenue shortfall across quarters two and three, and the impact of the US Government shutdown on the high-margin Issues Specialism in the last quarter.
- The Group's working capital improvement continues to drive a material positive cash balance, with end-of-year net cash of £13.3 million (2024: £11.8 million) and a strong operating cash conversion rate of 94%.
- The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board intends to reallocate the amount that would otherwise have been proposed as a final dividend for the year ended 31 December 2025 to an enhanced share buyback programme.

To read more about our Specialisms, please see page 29.

	Like-for-like (LFL) results <sup>10</sup>			Statutory results		
	2025 £m	2024 £m	% change	2025 £m	2024 £m	% change
Revenue	341.0	377.6	(9.7%)	347.4	395.4	(12.1%)
Net revenue <sup>2</sup>	204.7	220.9	(7.3%)	210.0	231.4	(9.2%)
Operating profit <sup>3</sup>	24.9	33.7	(26.1%)	10.2	22.5	(54.7%)
Operating profit margin	12.2%	15.3%	-310bps	4.8%	9.7%	-490bps
Profit before tax	19.4	29.2	(33.6%)	4.6	18.1	(74.6%)
Net cash <sup>2,4</sup>	13.3	11.8	12.7%			
EPS (basic) pence <sup>5</sup>	9.4p	17.0p	(44.7%)	(1.9)p	9.6p	(119.8%)
Dividends (pence per share)	-	1.95p				

1. We discuss our results on a like-for-like (LFL) basis throughout, unless otherwise stated, to provide a more comparable and better basis for understanding our current and future performance, reflecting the Directors' view of the underlying profitability of the business units. Statutory performance remains the primary IFRS measure, however. LFL results exclude items that are not part of routine expenses, including one-off and exceptional items, which form Headline results. In addition, LFL results translate 2024 figures to 2025 foreign exchange (FX) rates and excludes results of subsidiaries which management had or intends to exit in the current and prior year, and those of newly acquired subsidiaries in the current year. LFL adjustments are summarised in the Financial review and Note 1 to the financial statements. All figures are subject to rounding.

2. Refer to Notes for the definition of net revenue and net cash.

3. Headline operating profit of £26.1 million, which includes contributions from M&A.

4. Like-for-like net cash excludes £0.2 million of restricted cash (2024: £3.5 million). Adjusted net cash of £13.5 million in 2025 and £15.3 million in 2024.

5. Basic and diluted earnings per share are calculated by dividing the appropriate earnings metrics by the weighted average number of shares of the Company in issue during the year. Please see Note 1 to the financial statements for a detailed view on adjustments in calculating EPS.

## Chair's Statement and Review continued

**Statutory results**

- Statutory results reflect all activities of the business including one-off items, non-recurring events and other regulatory elements. To that end, the Group closed its Australian media buying business in September 2025 which contributed to the £210.0 million of statutory net revenue.
- Net revenue of £210.0 million (-9.2%), largely due to the weaker performance of the Australian business and the US Government shutdown in the last quarter of 2025.
- Operating profit of £10.2 million (2024: £22.5 million) reflects the revenue decline and all pre-tax separately disclosed items of £9.1 million in 2025 (2024: £7.2 million), largely attributable to restructuring costs.
- Operating margin of 4.8% (2024: 9.7%).

**Strategy and transformation**

Building on the transformation programme's Phase One that was delivered during 2023 and 2024, the Company has not only delivered Phase Two (middle-office functions, e.g. production), but has also completed a number of other strategic objectives, including M&A activity with two small acquisitions.

In light of the macro difficulties and geopolitical volatility that have been prevalent across a multitude of markets this year, the Company has engaged in restructuring initiatives to reduce the cost base, with responsive actions particularly targeting Advertising and Consulting in Australia to improve profitability and reshape the business.

Alongside completion of Phase Two of the transformation programme, the Group has successfully united behind Cultural Power, our proposition for understanding the forces which drive purchasing behaviour and brand growth for our clients. This has been deployed in tandem with our data-led and AI-driven Cultural Power Index, which helps our clients to navigate a fragmented consumer and channel landscape.

Moreover, we have further reduced put option liabilities, lowering the future cash settlements required. This, combined with greater financial discipline, has strengthened our balance sheet and our cash profile.

There is always more to do, but these are strong foundations upon which we will continue to build.

**Strategic M&A**

Marking a return to inorganic growth, the Company executed its first M&A activity in seven years, successfully completing two small strategic acquisitions during the period. In May 2025, we announced the acquisition of Dune 23, an award-winning sports agency based in Dubai and Abu Dhabi. This acquisition complements our popular sport and entertainment capability in the Middle East. In September 2025, the Company acquired The Women's Sports Group, a leading specialist advisory and media rights consultancy in women's sport, based in the UK, which will further strengthen our end-to-end sport and entertainment capabilities. Both businesses are now fully integrated into the Group's local operations.

It is important to stress that the Group is mindful of macroeconomic conditions and while it remains agile and active for bolt-on M&A opportunities, the focus will be to both support our organic businesses through investments and to create value for shareholders, for example through our share buyback programme.

**Read more: Our M&A in 2025 on page 22.**

**Our people and culture**

As a people-focused business, our culture and our ability to attract and retain high-quality talent are fundamental to our success. Creativity, innovation and entrepreneurship underpin everything we do across all functions, Specialisms and geographies. Despite market volatility and organisational change, our people have remained highly committed and have responded positively to the challenges presented throughout the transformation. Employee engagement has remained broadly stable and in line with the industry average, at 67 (2024: 71). This year, thanks to our new systems, we are able to measure global churn rates, with our voluntary global churn rate at 20% (2024: n/a), which supports healthy talent renewal across the Group. We thank all our colleagues for their dedication, including those in our Shared Service Centre in South Africa, whose contribution continues to make a meaningful impact.

**Cultural Power proposition**

The Cultural Power proposition, launched last year, helps clients harness cultural forces to fuel desire, drive demand and deliver brand growth. This is supported by our Cultural Power proposition: our AI-powered measurement framework that enables us to assess a brand's cultural relevance relative to competitors and inform a more effective investment. We are working in collaboration with the Saïd Business School, University of Oxford to further strengthen the underlying methodology and advance the development of Cultural Power as an industry-leading metric for growth as well as enhancing the Company's ability to evaluate the return on Cultural Power. The return on Cultural Power will evolve in 2026, moving from concept to measurement, establishing a new industry metric.

**Strategic focus for 2026**

The potential and intrinsic value of the Company's high-margin growth businesses is not reflected in our market capitalisation, and our strategic focus is to simplify businesses and clarify the opportunities which should unlock the value for shareholders. Our broad range of expertise and our connected specialist capabilities are increasingly supported by data-driven insights, data-driven systems and AI-powered processes. Our unique positioning across both government (public) and commercial (private) sectors drive our deep understanding of our clients' businesses, supported by data-backed consumer insights. Uniting behind our Cultural Power proposition, we have the capability to change behaviours, build influential brands and deliver business solutions for our clients.

**We further discuss our business model on page 19.**

**The Board**

2025 marked a period of significant change for the Board. As announced on 11 April 2025, Zillah Byng-Thorne stepped down as Non-Executive Chair following the conclusion of the Annual General Meeting on 15 May 2025. On behalf of the Board, I would like to thank Zillah for her leadership and dedication during her tenure as both Executive and Non-Executive Chair, during which she played a pivotal role in the Company's development. At the same meeting, Louise Jackson stepped down from the Board. We are grateful to Louise for her dedicated service and the valuable perspective she provided since joining the Board in March 2020.

Chair's Statement and Review continued

Following my tenure as Senior Independent Director, I was appointed interim Non-Executive Chair, before formally assuming the role of Non-Executive Chair on 17 June 2025 after a constructive period of shareholder consultation. More recently, following Zaid Al-Qassab's departure on 31 March 2026, I assumed the role of Executive Chair to ensure leadership continuity during the current transition period.

Consequent to my appointment as Non-Executive Chair, Georgina Harvey, Non-Executive Director and Chair of the Remuneration Committee, succeeded me as Senior Independent Director.

As announced in March 2026, the Board remains focused on accelerating initiatives to maximise shareholder value. To support this objective, we were pleased to strengthen the Board's expertise with the appointments of Nicholas Shott, as an independent Non-Executive Director, and Vin Murria as both the Company's Deputy Chair and a non-independent Non-Executive Director. Their combined experience will be instrumental in guiding the Company through its next phase of value creation.

You can read more about our Board members on pages 68 and 69.

I would like to express my sincere gratitude to all Board members for their unwavering dedication and significant contributions to the Company throughout a year of transformation.

**Shareholder returns and capital allocation**

Our key focus is to unlock the intrinsic value that is not currently recognised. Our Capital Allocation Policy aims to maintain an optimal capital structure to support our ambitions, prioritising reinvestment in organic growth, where there continue to be many opportunities. As we balance these priorities, the Board also considers how best to return value to shareholders. In light of this, the Board announced its intention to launch a share buyback scheme in November 2025 and commenced the programme in March 2026. The programme has a value of up to £4.5 million, in line with our commitment to deliver shareholder value.

The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board intends to reallocate the amount that would otherwise have been proposed as a final dividend for the year ended 31 December 2025 to an enhanced share buyback programme.

Please refer to page 21 for more on capital allocation.

**Outlook in line with market expectations**

M+C Saatchi's specialist capabilities and unrivalled broad range of expertise across industries and sectors enables it to build brands, solve global issues and drive behavioural change. Underpinned by Cultural Power, our stretch across commercial and government sectors generates powerful insights that drives our deep understanding of cultural change and brand resonance.

The Company targets net revenue growth, in line with market estimates, driven by positive momentum from the Issues and Media Specialisms, supported by regional growth in the US and Europe. Macroeconomic difficulty remains in some markets, while the conflict in the Middle East is likely to significantly impact our sport and entertainment and consumer-facing business.

The Group is targeting operating profit and operating margin improvement, in line with market estimates, with anticipated ongoing volatility being managed through our largely variable cost base. We expect our cash-generative and capital-light business to continue to generate an operating cash conversion rate of over 80%, in line with our mid-term target.



**DAME HEATHER RABBATTS**  
Executive Chair

19 April 2026

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# REFLECTIONS ON MY FIRST YEAR AS CHAIR

## “THE BOARD AND SHAREHOLDERS SHARE A FOCUS ON STRATEGIC DELIVERY AND UNLOCKING UNDERLYING INTRINSIC VALUE AS THE MEANS TO CREATE SHAREHOLDER RETURNS.”

Having joined the Board in January 2024 as Senior Independent Director, I succeeded Zillah Byng-Thorne as Chair in May 2025. Following the departure of Zaid Al-Qassab on 31 March 2026, I have transitioned to the role of Executive Chair to provide leadership continuity and oversee the next phase of the Group’s strategic development. It is my privilege to lead this world-famous company as we prepare for a new phase of business growth. I am clear on the action that the business needs to take and our focus will be to simplify the businesses, making sure that our key growth engines and digital expertise are empowered, and to unlock the intrinsic value in the business that is not currently realised. Our unique market offer combines our deep understanding of our clients’ business, our broad expertise across both government and commercial sectors and our data-driven systems, supported by our ability to measure the return on our Cultural Power proposition.

### Operational resilience and investing for growth

In light of the macroeconomic and geopolitical headwinds this year, we have remained disciplined and operationally resilient, controlling what we can control by managing costs, cash flow, and capital allocation, while modernising the Group for the next stage of development. While 2025 was not without its challenges, our diverse portfolio of businesses, broad range of expertise and global footprint allow us to remain resilient when the market context is fragile, while continuing to pursue our long-term growth ambitions. We have also reflected on lessons from this downturn to ensure they inform our future priorities.

Importantly, despite the tough environment, the Company has continued to invest in the business to support its long-term growth ambitions. In addition, we have engaged in bolt-on M&A activity for the first time in seven years, acquiring Dune 23 and The Women’s Sports Group in 2025, both high-growth, high-margin businesses which match our cultural, operational and strategic criteria. These bolt-on strategic additions complement our already impressive marketing services offerings and expand the list of capabilities that we can offer our client rosters.

### Leadership

Zaid Al-Qassab stepped down in March 2026 after leading the business for just under two years. Having delivered Phase One and Phase Two of the transformation programme and cost efficiency programme, Zaid ensured that the Company is a far more integrated business, which is stabilised around core leadership with professionalised services, global systems and new ways of working.

Our culture and creativity are critical to our success. It is important that we attract the right people, support them and nurture their creativity. We are only as good as our people and we are committed to developing exciting and fulfilling careers while fostering culturally aligned behaviours to drive Group growth.

### Shareholder engagement

The Board’s core role is to see that the Company meets its commitments to shareholders and all stakeholders. To support this, I spent time engaging directly with shareholders representing over 75% of our issued share capital during my first seven months as Chair to listen to their views, concerns and insights.

The tone and feedback from shareholders has been constructive and supportive, not only in relation to my assumption of the role of Chair, but also for the strategic direction of the Company. It is clear that there is a need for value creation. I want to make it clear that the delivery of value creation for shareholders is one of my top priorities. For the first time in the Company’s history, thanks to the transformation programme, the Company can continuously develop a stronger balance sheet, strengthen year-on-year cash flow and strategically invest behind growth capabilities as well as expand our footprint and increase exposure to high-potential markets through M&A. These elements, under the right leadership and with the right strategy in place, will create value for shareholders. As you will have seen, we launched a share buyback programme in March 2026 which not only returns surplus cash generated from our strong balance sheet to shareholders, but signals my confidence in the Company’s valuation and future growth expectations. Moreover, the Directors are not recommending a final dividend for the year ended 31 December 2025. Instead, the Board intends to reallocate these funds to an enhanced share buyback programme, underlining its commitment to driving long-term shareholder value.

Shareholders view the Company’s integrated operating model and broad expertise across industries, geographies and sectors as a key strength, recognising that our diverse and resilient portfolio provides a strong platform for sustainable growth.

Shareholders have been reassured by our continued emphasis on digitalisation, artificial intelligence, and the development of our centralised data stack, including our Cultural Power proposition. Our Capital Allocation Policy, which prioritises organic growth and returns to shareholders as well as considering strategic and selective M&A, has been another area of strong endorsement.

Finally, the Board and shareholders are fully aligned in believing that the Company’s immediate priorities should be to set the foundations to unlock our intrinsic value, as well as to focus on disciplined execution to drive earnings growth and improve returns on invested capital. I would like to thank our shareholders for their constructive engagement and continued support.



**DAME HEATHER RABBATTS**  
Executive Chair

19 April 2026

# US SOCCER KIT LAUNCH

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**+** As the Official Marketing Partner for the United States Soccer Federation, the integrated team delivered a record-breaking, commercial win with the launch of the US National Team Kits ahead of the FIFA Men's World Cup.

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Every kid grows up emulating their heroes. The celebrations. The iconic moments. The belief that anything is possible. We celebrated the best of the US, bringing together National team players alongside Youth players to show us their Stars and Stripes. Each purchase of the Official Jersey directly supported growing the game in the US and building fan momentum less than 100 days out from the tournament.

**+** 211% FIRST 8HRS

**+** 171% SUSTAINED 2 WEEKS VS  
HISTORICAL JERSEY SALES

**+** 2.7B+ IMPRESSIONS ACROSS NATIONAL  
SPORTS, LIFESTYLE AND CULTURAL MEDIA

# PANDASTIC

**+** Since 1980, the FIAT Panda has been spreading joy on streets around the world. In 2025, we faced a bold challenge: re-icon an automotive legend for its relaunch, showcasing how it could keep making life fantastic. Or better yet, Pandastic. So, we tapped into the 30<sup>th</sup> anniversary of an equally joyful, iconic hit: Boombastic. A song that transcended generations, much like the FIAT Panda itself.

Partnering with Shaggy and multi-award-winning director Joseph Kahn, we reimagined the song and its music video with the FIAT Grande Panda at the heart of the story: blending retro-futuristic aesthetics with urban energy, Grande Panda embodies a lifestyle driven by fun, creativity and personality, transforming everyday mobility into something truly Pandastic. The new “Life is Pandastic” earworm and mantra rolled out across TV, OOH, print, digital, and social—powered by TikTok activations and special content—positioning Grande Panda as the perfect companion for a smooooooth urban life.

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**+** MORE THAN 300 MILLION  
VIDEO IMPRESSIONS

**+** OVER 30 MILLION VIDEO VIEWS

**+** MORE THAN 1 MILLION ENGAGEMENTS

# UNAPOLOGETICALLY CONVENIENT

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**+** Gopuff, a leading instant commerce platform delivering essentials in as little as 15 minutes, set out to accelerate new user growth by clearly communicating what makes the brand different. By highlighting the advantages of its owned-and-operated fulfilment network, Gopuff aimed to reinforce its relevance in everyday moments, expand reach into new households, and drive first-time orders by highlighting value, curated assortments, exclusive products, and ideas for seasonal shops.

To achieve these goals, we deployed a multi-channel media strategy supported by a focused creative framework that consistently showcased Gopuff's differentiated value. "Search and Shopping" captured high-intent demand, while segments on shoppable formats surfaced products to consumers ready to buy. App Store activity converted users at the moment of consideration.

Social media played a central role, bringing Gopuff into daily routines through video, static assets, dynamic product ads, creators, and user-generated content. Creative input reinforced a clear brand voice – fast, on-tap, and unapologetically convenient – making Gopuff's differentiators visible across real-life scenarios such as hosting, grocery restocks, and late-night study sessions. Value was shown through everyday proof points, while assortment breadth was highlighted through spotlighting staples and the "Latest & Greatest" section.

**+** **48% LIFT IN NEW PURCHASES**

**+** **10.7% LOWER CUSTOMER ACQUISITION COSTS**

# STRATEGIC TRANSFORMATION

The Golden Staircase is how M+C Saatchi describes the way we move ideas from insight to impact, connecting strategy, creativity, and execution in a seamless journey. It is a framework that helps us focus, measure progress, and deliver work that drives meaningful results.

Transformation programme: Focus 2022–2025

## OPERATIONAL LEVERAGE

### BUSINESS EXITS AND PUT OPTION REDUCTION

Exited unprofitable businesses. Reduced put option liabilities.

### BACK-OFFICE EFFICIENCIES – PHASE ONE

Harmonised systems and migrated the business to our Shared Service Centre.

### MIDDLE-OFFICE EFFICIENCIES – PHASE TWO

Centralised data stack, Intelligence Insight function, products and production.

Focus 2026 +

## GOLDEN STAIRCASE

### SELLING IN, UP AND ACROSS

Creation and development of Cultural Power proposition to underpin our connected creativity.

### PORTFOLIO SHIFT TO HIGHER MARGIN MIX

Mix improvement through higher-margin Specialisms.

### INVESTMENT FOR GROWTH

High-quality leadership investment. Investing in data, artificial intelligence, tools and technology. Bolt-on strategic acquisitions in high-growth, high-margin areas.

Operating margin

Improved operating margin and enhanced shareholder value

Strategic pillars	Strategic goals	Transformation objectives	Achievements
<b>Business exits and put option reduction</b>	<p>Improve governance efficiency by simplifying and rationalising the Group structure.</p> <p>Extended Group-focused incentive metrics to all leadership cohorts.</p>	<ul style="list-style-type: none"> <li>Exited marginal and loss-making businesses.</li> <li>Reduced put option liabilities.</li> <li>Our simplified structure has 20 in-market operations including licensees.</li> <li>Allows focus on high-potential markets.</li> <li>Long-Term Incentive Plan measured against Group-wide performance targets.</li> <li>Executive Leadership Team rebuilt around senior business leaders across regions and Specialisms, which simplifies the reporting structure and encourages integrated pitches, in line with Group-wide metrics.</li> </ul>	<p><b>11</b> businesses exited since 2023.</p>
<b>Back-office efficiencies – Phase One</b>	<p>Free up creativity and focus on client service through shared administrative services as part of back-office efficiencies.</p> <p>Ensure greater financial visibility and controls through better operational information systems.</p> <p>Restructure the middle-office capabilities with systems and services for shared production.</p>	<ul style="list-style-type: none"> <li>Unleashed creativity by reducing the administrative burden on creative leaders through the Shared Service Centre in South Africa, supporting Finance, HR, Property, IT and Procurement across all five regions as of 2026.</li> <li>Single system for people management (Workday) and communications (MS 365) and increased use of AI tools.</li> <li>£10 million annualised savings during 2023 and 2024.</li> <li>Embedded NetSuite as our finance information system to enable unified reporting protocols.</li> <li>Launched our CRM tool, HubSpot, to facilitate cross-Specialism and cross-regional work.</li> <li>Global HR migrated to Workday for effective people and talent management.</li> </ul>	<p><b>6</b> integrated pitches in 2025.</p>
<b>Middle-office efficiencies – Phase Two</b>	<p>Right-size the business.</p> <p>Democratise data and products for our people. Partner with AI tools to enhance client-facing process.</p>	<ul style="list-style-type: none"> <li>Creation of centralised production capabilities through reducing duplication and creating wage arbitrages.</li> <li>Unlocked further efficiencies of £5 million annualised for 2025, up from the £3 million initially communicated.</li> <li>Global production set-up, ensuring the maximum of work kept in-house and reducing reliance on third parties.</li> <li>Adapting the business for an evolving landscape and increasing the margin in lower-margin businesses.</li> <li>Reduction of Advertising footprint in Australia in 2025.</li> <li>Democratised our data stack, enabling full benefit from Company-generated first-party data consumer insights.</li> <li>Developed our Cultural Power Index (CPI). The CPI has now expanded to cover over 4,000 brands across our key markets and is partnering with Oxford University-Saïd to develop the model into an industry-leading metric.</li> <li>Established partnerships with AI developers to enhance client-facing processes and capability.</li> </ul>	<p><b>Unlocked</b> <b>£5M</b> in efficiencies, up from £3 million.</p>
<b>Selling in, up and across</b>	<p>Selling in, up and across and our "two-door" approach.</p> <p>Holistic problem-solving solutions.</p>	<ul style="list-style-type: none"> <li>Integrated model achieved in Phase One enables joint pitching opportunities, where the client can benefit from a tailored approach across the full marketing chain.</li> <li>Wider problem-solving and deeper client engagement instead of specific resolutions.</li> <li>Clients can engage through our "two-door" approach. Front door: regional approach where clients will opt for an integrated solution to solve a wider problem or need. Side door: the client has a specific specialist need.</li> </ul>	<p><b>51</b> clients across multiple Specialisms.</p>
<b>Portfolio shift to higher margin mix</b>	<p>Achieve an overall high-margin, relatively lower cyclical profile by continued diversification of the portfolio and strong mix effect.</p>	<ul style="list-style-type: none"> <li>Non-Advertising Specialisms remains at 67% of like-for-like net revenue, with Advertising accounting for 33%.</li> <li>Advertising, with its greater cyclical and structurally lower margins, retains its marketing power for our world-famous brand and is a key door-opener with clients.</li> <li>Maintaining strong growth in low and anti-cyclical Issues Specialism by investing in data-secure solutions.</li> <li>Smaller markets moved to a licensing model.</li> </ul>	<p>Non-Advertising Specialisms at <b>67%</b> of net revenue.</p>
<b>Investment for growth</b>	<p>Investing for growth via organic investments and M&amp;A.</p>	<ul style="list-style-type: none"> <li>Investment into improved systems and capabilities such as AI, data, security.</li> <li>Roll-out of Adobe, Copilot and Springboard licences to boost creative process, efficiency and speed.</li> <li>Strong talent and senior leadership appointments to capitalise on the Company's integrated model.</li> <li>Bolt-on strategic acquisitions in high-margin and fast-growing areas such as Dune 23 and The Women's Sports Group in 2025.</li> </ul>	<p><b>2</b> acquisitions in 2025.</p>

# ADIDAS SUPERSTAR

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## A CULTURAL PLAYGROUND FOR A CULTURAL ICON

**+** To reignite love and drive demand, purchase and Gen-Z hype for the iconic adidas “Superstar” trainers, we transformed 180 Studios into a cultural playground for a three-day “This Is Superstar” event celebrating the shoe’s legacy in fashion, music, and skate.

The space featured a custom-built skatepark in the heart of London, standout performances from Xaviersobased and Confidence Man, and thought-provoking workshops led by FD from the Future alongside a panel hosted by Labrum.

Throughout the experience, we kept Superstar firmly embedded in culture, giving guests the opportunity to express themselves through sneaker customisation, t-shirt printing, nail art and even tooth gems.

**+** 3,000+ CONSUMERS ENGAGED

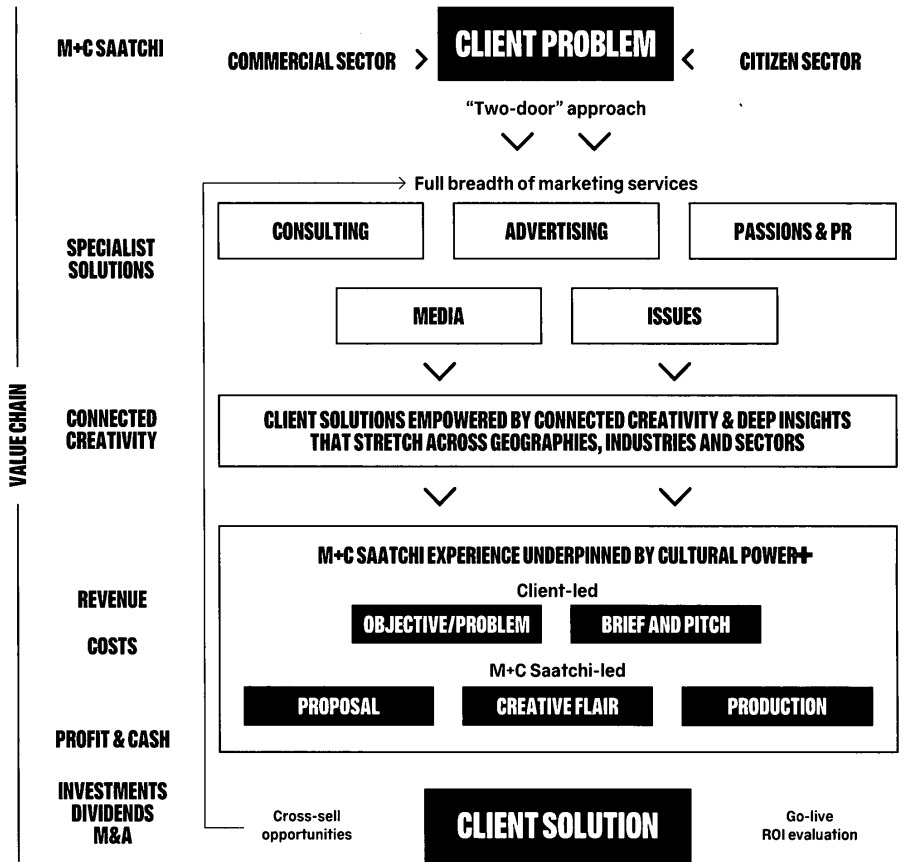
**+** 87.5 MILLION SOCIAL MEDIA IMPRESSIONS

# OUR BUSINESS MODEL

Our connected creativity is underpinned by Cultural Power and provides scaled creative excellence with a client-centric approach through a combination of culture-defining creativity, digital and data-backed solutions. We strive to solve client problems through our end-to-end marketing solutions and connected Specialisms which combine the creative flair and agility that clients desire, a trusted and famous brand and deep insights derived from our broad range of integrated expertise that stretches across public and private sectors. We offer high-quality creative output across a breadth of marketing services, supported by our Intelligence Insight team who deliver combined data and AI solutions. Our work with clients covers both strategic planning and the creation and execution of their marketing plans, from measurement to evaluation.

Through our "two-door" approach, where clients will opt for an integrated solution to solve a wider challenge or opt for help with a specific specialist need, our Consultancy, Advertising, Passions & PR, and Media Specialisms reflect the breadth of our capabilities and can flex to the different stages of a client's marketing journey, largely within the private or "Commercial" sector. Our Issues Specialism offers the full span of services, but focuses on the specific demands of largely public sector, or "Citizen" sector, clients. Critically, our expertise across these two broad sectors allows for cross-fertilisation of business and ideas as well as the generation of deep consumer insights.

Meanwhile our newly integrated operating model (replacing the previous federated model) allows the Group to engage more than ever before with clients across a range of Specialisms in the marketing chain, enabling cross-sell opportunities.



# REVOLUTION – NOT REPLACEMENT

**+** To tell a very human story, we leaned into artificial intelligence (AI). Working with L'Oréal Group in the USA, we took their global beauty brand and made it local, personal and relevant by telling the stories of people working at one of their production facilities. What once would have taken weeks to collate and organise, now just took days: interviews, video clips, storyboarding, filming, imagery. The client was able to view a near-finished production very early in the process thanks to AI efficiency across the entire project.

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**+** **AI IS REVOLUTIONISING  
THE INDUSTRY,  
NOT REPLACING IT.**

# HOW WE DRIVE SHAREHOLDER RETURNS

## Our Capital Allocation Policy is focused on organic growth and unlocking intrinsic value

The Board's key focus is to unlock the intrinsic value that is not currently recognised. The Company is a capital-light business which, over the medium term, is capable of converting at least 80% of its operating profits into cash, subject to some degree of variability over the cycle.

Our Capital Allocation Policy is designed to preserve an optimal capital structure that supports the delivery of our strategic objectives, with a primary focus on reinvesting in organic growth, where we continue to see substantial opportunities. As we balance these priorities, the Board also considers how best to return value to shareholders.

In light of this, the Board announced its intention to launch a share buyback scheme in November 2025 and commenced the programme in March 2026, with a value of up to £4.5 million, as part of its commitment to deliver shareholder value.

- The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board intends to reallocate the amount that would otherwise have been proposed as a final dividend for the year ended 31 December 2025 to an enhanced share buyback programme.
- Operationally, the Company will aim to drive earnings per share accretion through a combination of organic growth, margin enhancement and small bolt-on acquisitions to strengthen capabilities as well as share buybacks.
- The Company will re-invest to drive long-term growth and add capability, capacity and scale where we can generate the greatest return.

## Capital Allocation Policy: focused on organic growth

<b>RETURNS TO SHAREHOLDERS</b>	<b>VALUE CREATION VIA SBB, UNLOCKING INTRINSIC VALUE</b>
<b>ORGANIC INVESTMENT</b>	<b>ADDING CAPABILITY, CAPACITY AND SCALE</b>
<b>SELECTIVE M&amp;A</b>	<b>EXPANDING CAPABILITY</b>

## Our investment case: focused on building sustainable profitability and resilience

<b>REVENUE GROWTH OPPORTUNITY</b>	<b>+</b>	<b>DIVERSE, HIGHER MARGIN PORTFOLIO</b>	<b>+</b>	<b>STRONG CASH GENERATION</b>	<b>=</b>	<b>SHAREHOLDER RETURNS</b>
<b>CREATIVE SOLUTIONS</b>		<b>BRILLIANT PEOPLE</b>		<b>EXTRAORDINARY CREATIVITY</b>		<b>AMAZING CLIENT SERVICE</b>
<b>GOLDEN STAIRCASE</b>		<b>IN, UP AND ACROSS</b>		<b>PORTFOLIO MIX</b>		<b>INVESTMENT</b>
<b>GO-TO-MARKET</b>		<b>CONNECTED CREATIVITY + DEEP INSIGHTS</b>		<b>GLOBAL CAPABILITIES</b>		<b>CULTURAL POWER</b>

# OUR M&A IN 2025

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## THE WOMEN'S SPORTS GROUP

**Complementing our end-to-end offering with sports rights and content production capability.**

Acquired in September 2025, this business adds commercial and technical expertise to the Group and follows on from the launch of M+C Saatchi Football. It bolsters our ability to deliver end-to-end services across sports rights, marketing, representation, and partnerships.

The Women's Sports Group is a leading advisory and media rights consultancy specialising in women's sport, and delivering services across media rights, broadcast strategy, production, data and insights, and communications. Its client roster includes leading federations, clubs, broadcasters, brands, and government bodies.

The team of industry experts apply deep understanding of both women's and men's sport properties to create tailored strategies to deliver commercial objectives.

## DUNE 23

**Strengthening our presence and credentials in our fastest growing region.**

Building on our successful global sport and entertainment offering, we have created further expansion and integration in the Middle East through the acquisition of Dune 23 in June 2025.

Dune 23 has become one of the most successful sport and entertainment businesses in the Middle East since it launched over two years ago, with a substantial client portfolio and a team of over 50 working across PR, communications, digital and social media, experiential events and activations, and commercial partnerships.

# MARKET BACKGROUND<sup>1</sup>

## Macro trends

The outlook for 2026 remains uncertain, shaped by a backdrop of geopolitical tension and uneven global economic signals. While the US shows signs of strengthening, trends elsewhere are more subdued, with Australia and parts of Europe facing softer conditions and the Middle East embroiled in conflict. However, our streamlined cost base, balanced portfolio and broad geographic reach provide a strong foundation as we navigate this complexity. More detail on our portfolio can be found on page 29.

## Global advertising spend

Global digital advertising spend is forecast to grow **+7% in 2026**, reaching **69%** of total global advertising investment, reinforcing its position as the industry's primary growth driver versus more traditional advertising outlets.

Retail media will expand **+14%**, followed by online video (**+12%**) and social media (**+11%**), as brands prioritise measurable, commerce-led formats.

Programmatic now accounts for **over 80% of digital spend**, highlighting the ecosystem's automation and maturity.

Global ad investment has surpassed **\$1 trillion (+5%)** and digital continues to outpace the overall market, supported by AI-driven optimisation, data-enabled targeting and the integration of content, commerce and entertainment across platforms.

Traditional media:	Digital advertising:
TV: +2%	+7% growth; 69% share of total spend
Out-of-home: +4%	Retail media: +14%
Cinema: +2%	Online video: +12%
Print: -3%	Social media: +11%

Fastest-growing sectors:	Programmatic:
Technology: +10%	>80% of digital spend
Public sector: +10%	
Beverages: +10%	

% values vs. 2024.

Our key markets	Growth 2026	Key drivers
Global	+5%	Market surpasses \$1 trillion for the first time. Growth outpaces global GDP. Digital remains the core infrastructure of the "algorithmic era".
Americas	+5%	Solid regional expansion led by the US and Brazil. Major events stimulate spend. Expected to top over \$460 billion in 2026.
US	+5%	Boosted by FIFA World Cup and mid-term elections.
EMEA	+4%	Moderate but steady growth with varied speeds across European markets. Middle East conflict threatens to derail growth forecasts, which currently stands at \$200 billion.
UK	+6%	Fastest-growing major market in EMEA.
Italy	+5%	Second-fastest-growing market in EMEA. Supported by Milan-Cortina Winter Olympics (€22 million incremental spend) and FIFA World Cup (€100 million potential uplift). Remains among top 12 global markets.
Germany	+3%	Slower but positive growth trajectory.
APAC	+5%	Fastest-growing region globally. Driven by strong digitalisation and major sporting events.

## Our portfolio

The breadth of our portfolio continues to be one of our greatest strengths, providing resilience through diversified exposure across markets and industries. This balanced mix helps shield the Group from volatility in any single geography or sector, while also creating opportunities that move counter to broader economic cycles. Although the UK appears to represent a larger share of our activity, this is primarily due to our global Issues Specialism being led from London. Issues remains our largest Non-Advertising Specialism, delivering public sector work across the UK, the US, Australia and other western democracies. Beyond this, our exposure is well distributed, with retail as our second largest industry and financial services closely behind. Together, our top five industries account for around 65% of Group revenue and spread across public and private sectors, reflecting both scale and diversity in our client base.

1. Sources: Dentsu, International Monetary Fund, World Economic Forum, McKinsey & Company, OECD, UNCTAD (United Nations Conference on Trade and Development), Synergy Research Group, eMarketer (Insider Intelligence), PitchBook, Goldman Sachs, NielsenIQ, Deloitte, Kearney, SIPRI (Stockholm International Peace Research Institute), Atlantic Council, WFH Research (Stanford / Nick Bloom), LinkedIn Economic Graph.

# OUR GLOBAL AI PHILOSOPHY

## IT'S PEOPLE, NOT TECHNOLOGY, WHO CHANGE CULTURE

We use artificial intelligence (AI) to augment human creativity, scale bold ideas, and create content that matters. We want to make better, more culturally resonant work, not just more work. And to go further, faster, for our clients while being deliberately careful and curious in our approach.

## OUR AI PRINCIPLES

These principles guide how we use AI across the Group. They are here to protect our people, clients, audiences, and creative integrity. AI is revolutionising our industry, not replacing it.

**1. CREATIVITY & INNOVATION**

**2. USAGE TRANSPARENCY**

**3. HUMAN-CENTRED**

**4. HUMAN OVERSIGHT**

**5. DATA PRIVACY**

**6. INTELLECTUAL PROPERTY**

**7. ETHICAL BOUNDARIES**

**8. CONTINUAL IMPROVEMENT**

# OUR AI ADOPTION AND OPPORTUNITIES ACROSS THE CREATIVE PROCESS

Artificial intelligence (AI) is a transformative tool, especially when adapted to facilitate our creative solutions. This adaptation is needed to maximise the benefits that AI can provide across the creative process. Alongside our core investment in our proprietary AI-powered tool, the Cultural Power Index, we are partnering with the highest-profile AI developers in the world to ensure we are positioned at the forefront of AI tool emergence without excessive associated costs.

We see five areas where AI is making an impact in our industry (see right). AI presents an opportunity for the Group through both our AI Policy and subsequent adoption – which, when combined with our business model and portfolio of Specialisms, allows us to successfully navigate areas where AI can be perceived as a threat.

Read more on AI in the Principal Risks and Uncertainties section on page 43.

Opportunities grasped

<b>DATA</b>	<p>AI can speed up the filtering, collection and analysis of huge amounts of data to draw deep insights, which in turn allow us to calculate the return on investment (ROI) of a campaign, or make other outcomes-based assessments.</p> <p>The Group has its own in-house data agency, Fluency, within our Consulting Specialism. Data is centralised and democratised via our Intelligence Insight team who work across the Group – providing insights into brands, markets and consumers. Moreover, our investment in the Cultural Power Index tool, uses multiple large language models (LLMs) and draws data from numerous sources, giving billions of data points on over 4,000 brands worldwide. This tool can be used in the pitching process to analyse a brand before a campaign as well as later to measure the outcome of client campaigns.</p>
<b>IDEATION</b>	<p>While human creativity remains highly valued for differentiation and ingenuity, AI tools generate fast mock-ups and alternative versions at speed.</p> <p>We use specialist software tools designed for the creative industry. These tools allow for faster idea development, such as storyboard and mock-up generation to speed up client campaign processes.</p>
<b>EXECUTION</b>	<p>AI allows us to automate processes, provide digital templates, and translate instantly.</p> <p>We partner with the best in the business, such as the global giant Adobe, for task automation and time saving. Partnerships such as these allow us to stay at the forefront of AI tool usage while avoiding the deeply expensive and constant capex investments of independent AI development.</p>

Threats overcome

<b>PRODUCTION</b>	<p>AI tools have changed the game in production: there is now less reliance on traditional production with AI-generated ads.</p> <p>The Group does not have production capability, which has allowed us to leapfrog into digital production at minimal cost to provide production services via AI tools.</p>
<b>MEDIA BUYING</b>	<p>The automaton of media buying is growing, reducing the need for intermediaries. AI is now leading this statistically driven data-based activity, which has historically been a cash cow for peers.</p> <p>The Group has no exposure to traditional media buying.</p>

# BRANDS NEED CULTURAL POWER

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**+ CULTURAL POWER IS THE FORCE THAT SHAPES MARKETS – EARNED THROUGH INFLUENCE, EXPRESSED THROUGH BEHAVIOUR, AND PROVEN THROUGH IMPACT.**

## **THE CULTURAL POWER PROPOSITION: HELPING CLIENTS HARNESS CULTURAL FORCES TO FUEL DESIRE, DRIVE DEMAND AND DELIVER BRAND GROWTH.**

Our Cultural Power proposition, launched last year, helps clients harness cultural forces to fuel desire, drive demand and deliver brand growth. This is supported by the Cultural Power Index (CPI), our AI-powered measurement framework that enables us to assess a brand's cultural relevance relative to competitors and inform more effective investment. The CPI now covers over 4,000 brands across our key markets, and we are working in collaboration with the Saïd Business School, University of Oxford to further strengthen the underlying methodology and advance the development of Cultural Power as an industry-leading metric for growth.

As we develop the Cultural Power proposition, we are continuing to evolve the CPI to help clients better understand how cultural relevance translates into commercial performance over time. This includes ongoing research partnerships that are strengthening the framework and supporting the longer-term development of Cultural Power measurement, as well as understanding our ability to evaluate the return on Cultural Power.

**SEE MORE ON OUR WEBSITE:**  
[Cultural Power Index >](#)

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# HOW WE BUILD CULTURAL POWER THAT COMPOUNDS

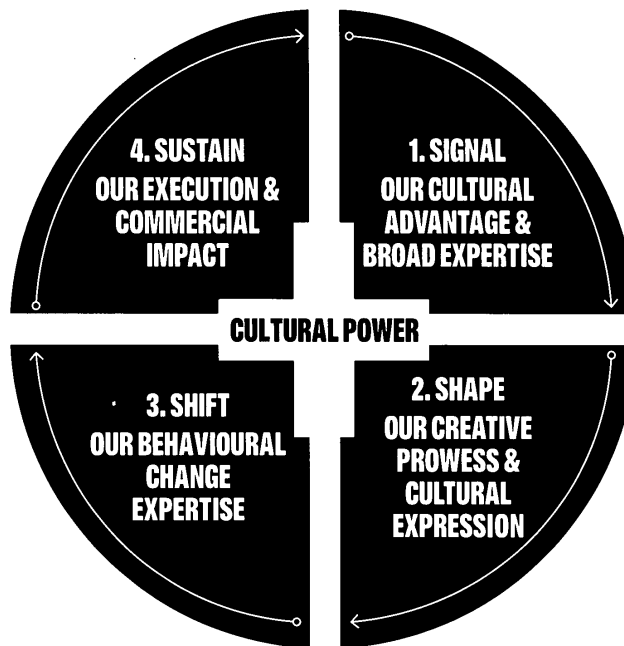
We use our diverse portfolio of expertise, deep insights and connected creativity to deliver behavioural change for our clients.

## BUILDING A CONNECTION THAT COMPOUNDS

We implement, measure and manage the entire process through media and loyalty. Our Media and Performance teams measure each campaign's efficacy to understand the return on Cultural Power.

## WE CREATE IDEAS, PLATFORMS AND EXPERIENCES THAT CONSUMERS ACTIVELY ENGAGE WITH

This work is led by our connected go-to-market offer across Advertising, PR and Social Media teams and talent/influencer partnerships.



## WE UNDERSTAND CULTURE BEFORE IT MOVES

Through multi-sector work, we identify tension, behaviours and opportunities for brand leadership via deep insights.

## WE MAKE CLEAR CHOICES, SET THE BRAND DIRECTION, ESTABLISH MEANING AND DESIGN EXPERIENCES

This work is led by our Consulting, Advisory and Creative teams.

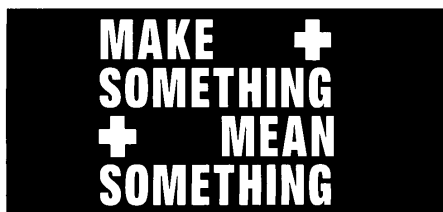
# PEOPLE AND CULTURE

## UNLOCKING CREATIVE POTENTIAL ACROSS THE GROUP

**Creativity sits at the heart of our performance, and our culture must be nurtured to sustain it. We foster an environment where innovation is encouraged, ideas are challenged, and creative excellence can thrive. Our approach focuses on attracting outstanding people, enabling them to do their best work, supporting their development, recognising great achievements and rewarding contribution fairly. Our ambition is to create a “fun and frictionless” workplace.**

### Our people and our ethos

Our success is dependent on our people, and their views matter. We actively seek feedback through our Loop survey, complemented by ongoing dialogue and collaboration across the Group. Huddle (our employee communication platform) continues to play an important role in sharing information and insights, while townhalls and informal communication remain a vital part of how we stay connected. In May 2025, we ran a series of regional events hosted by members of the Executive Leadership Team, where our people heard about our strategy, our Cultural Power proposition and our operating model. These events also launched our ethos statement: “Make Something Mean Something”, intended as a rallying call pointing towards our strategy, and an encapsulation of how we do our best work.



### Attracting and retaining exceptional talent

Our brand strength and creative heritage continue to attract talent, but we remain focused on evolving and improving. Our in-house Talent Acquisition team has a mission that includes a “human-first approach that treats every candidate like a client”. In 2025, we developed a “Talent Acquisition Playbook” tool for all managers to support the hiring of high-quality, diverse, talent, through a best-in-class process.

We recognise that our clients expect diverse perspectives and a deep understanding of the societies they serve. Since 2020, our Open House programme has helped remove barriers for individuals entering, re-entering or changing to careers in creative communications who may lack traditional access or networks. The programme is a free, seven-week online course, comprising weekly one-hour seminars. In 2025, we adjusted the timing of this programme to better support onward opportunities into internships, and to ensure that the programme is fully globalised. This means that 2025 was a fallow year and the 2026 programme began on 11 March 2026.

### Developing meaningful careers

We are committed to supporting meaningful careers. Our global training programme Skillshot blends external and internal expertise to offer employees insights on a wide range of topics from “How to Have An Idea” to resilience training.

### Leadership incentives

Strong leadership is the backbone of culture. During the year, we further evolved our leadership incentive framework to reinforce our regional operating model and support regional growth targets. We also introduced new environmental, social and governance metrics linked to our Planet and People Commitments: for example, each of our regional chief executive officers now has a target for employee engagement.

### Minimum standards

A successful culture needs guardrails and standards; our people and clients both expect it. In 2025, we launched refreshed and globally consistent policies, such as on social media use, and artificial intelligence guiding principles. We also implemented a globally consistent framework of mandatory training across all our businesses, including modules on cyber security and preventing sexual harassment. We achieved 100% completion in this first programme, which will run annually.

### The Loop 2025 – employee engagement

Our 2025 Loop survey results showed a small downturn in engagement, and it is clear that the recent period of change and transformation has impacted how people are feeling. Whilst this is not unusual for organisations going through intense change, we interpret this as a sign that we need to listen carefully and take action to ensure that employees continue to feel positive about working at the Group.

### Inclusion

Our Global Diversity and Inclusion Policy reflects our commitment to valuing the unique backgrounds, perspectives, and identities of every individual. We embrace diversity in all forms including race, gender identity, age, sexual orientation, disability, and socioeconomic status. To ensure equity, our recruitment tools and new Talent Acquisition Playbook empower hiring managers to identify and remove biases from the selection process. We encourage all applicants to request any necessary reasonable adjustments. As a certified Disability Confident Employer in the UK, supported by our “Enable” network and external occupational health partners, we are dedicated to providing the adjustments and advocacy needed for our neurodivergent and disabled colleagues to thrive.

# OPERATING REVIEW

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<p><b>ADVERTISING</b></p> <p><b>33%</b> of Group net revenue</p> <p><b>495</b> employees<sup>1</sup></p> <p>Advertising is the cornerstone and key entry point to the Group's expertise. Our world-famous brand is renowned for its boldness and creativity.</p> <p><b>Highlights</b></p> <ul style="list-style-type: none"> <li>• Core Specialism behind our first ever Super Bowl ad.</li> <li>• Strong momentum in the US and Europe with increased integrated pitching.</li> </ul>	<p><b>ISSUES</b></p> <p><b>27%</b> of Group net revenue</p> <p><b>362</b> employees<sup>1</sup></p> <p>Issues offers highly differentiated sector expertise for the public sector and provides our fully integrated marketing offering.</p> <p><b>Highlights</b></p> <ul style="list-style-type: none"> <li>• Strong growth engine for the Company with high margin.</li> <li>• Temporary decline due to US Government shutdown.</li> <li>• Untapped opportunities with significant white-space.</li> </ul>	<p><b>PASSIONS &amp; PR</b></p> <p><b>16%</b> of Group net revenue</p> <p><b>239</b> employees<sup>1</sup></p> <p>Expertise in sport, music, film, fashion and culture. Digitally focused social media and experiential expertise for an increasingly digital audience.</p> <p><b>Highlights</b></p> <ul style="list-style-type: none"> <li>• Strong potential for growth with launch in the Middle East as well as two acquisitions in this space.</li> <li>• Increasing demand for integrated social and cultural marketing.                         <ul style="list-style-type: none"> <li>• Strong data-backed consumer insights.</li> </ul> </li> </ul>	<p><b>CONSULTING</b></p> <p><b>12%</b> of Group net revenue</p> <p><b>149</b> employees<sup>1</sup></p> <p>Transformative growth enabler for clients through strategy and innovation, research and insight, design and technology, AI and products.</p> <p><b>Highlights</b></p> <ul style="list-style-type: none"> <li>• New leadership under Karen Boswell (also leads Media) with an increasingly digital focus.</li> <li>• Impacted by US policy changes and tough macro conditions.</li> </ul>	<p><b>MEDIA</b></p> <p><b>12%</b> of Group net revenue</p> <p><b>406</b> employees<sup>1</sup></p> <p>Mobile-first digital marketing capability, driving growth in mobile ecosystems via strategy advisory, AI and activation tools.</p> <p><b>Highlights</b></p> <ul style="list-style-type: none"> <li>• New leadership under Karen Boswell (also leads Consulting).</li> <li>• Strong demand for digital activation, AI-enabled tools and app expertise continues.</li> <li>• High appetite for measurable ROI.</li> </ul>
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1. Employees representative as of 31 December 2025

Operating Review continued

**Financial performance**

£m	Net revenue			Operating profit		
	2025	2024	Change %	2025	2024	Change %
Non-Advertising Specialisms	136.2	145.7	(6.5)%	23.3	37.7	(38.2)%
Advertising	68.5	75.2	(8.9)%	7.7	8.4	(8.3)%
Group central costs	-	-	-	(6.1)	(12.4)	50.8%
Total like-for-like results	204.7	220.9	(7.3)%	24.9	33.7	(26.1)%
Constant currency adjustment	-	7.0	-	-	0.6	-
Discontinued	5.3	3.5	-	1.2	0.8	-
Other adjustments <sup>1</sup>	-	-	-	(15.9)	(12.6)	-
Total Statutory	210.0	231.4	(9.2)%	10.2	22.5	(54.7)%

The US Government shutdown in quarter four had a material impact, leading to an overall decline in the year. The Group continues to invest in issues, enhancing our non-UK footprint, our data security capabilities and talent. We continue to develop our expertise in this unique and highly specialised field which has strong barriers to entry. With ongoing geopolitical uncertainty and a broadened client list, and an expected full 12 months of US Government spend, this Specialism will deliver growth in 2026.

**Passions & PR<sup>2</sup>**

- 16% of like-for-like Group net revenue (2024: 16%).
- Like-for-like net revenue of £32.0 million (-11.4%) (2024: £36.1 million).

Net revenue decline due to the tough market context, reduced client project spend and a client loss. Sport and Entertainment (S&E) remains a high-potential growth opportunity, powered by our data-systems, particularly in the US. Following our acquisitions in 2025 of Dune 23 and The Women's Sports Group, which add to our capabilities in the S&E area, the Company remains confident in the medium-term growth outlook. However, although the outlook for 2026 is more encouraging, PR continues to be affected by our exposure to the softer UK market while Sport and Entertainment will be affected by the conflict in the Middle East.

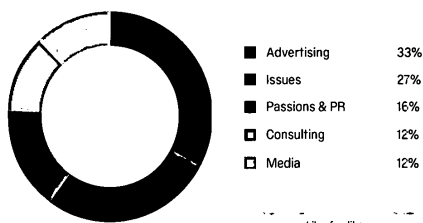
**Consulting<sup>3</sup>**

- 12% of like-for-like Group net revenue (2024: 14%).
- Like-for-like net revenue of £24.7 million (-18.8%) (2024: £30.4 million).

This Specialism was materially impacted by macro challenges leading to project deferrals, particularly in Australia, and following US Government policy changes, which led to a double-digit revenue decline. Sector challenges are expected to continue in 2026 given the wider economic pressures resulting in delays to project start dates and deferral of client spend.

1. Other adjustments comprise of: separately disclosed items that are one-off in nature and are not part of running the business; impairment of non-current assets; amortisation of acquired intangibles; gains or losses generated by disposals of subsidiaries and associates; fair value adjustments to unlisted equity investments; dividends paid to IFRS 2 put option holders; and put option accounting.
2. Passions includes the PR business (moved from Advertising) as of 2024.
3. 83% of the decline can be attributed to Australia.

**Net revenue mix by Specialism**



Net revenue by Specialism	Like-for-like	
	2025 £m	% change vs 2024
Advertising	£68.5	(8.9)%
Issues	£54.3	(4.1)%
Passions & PR	£32.0	(11.4)%
Consulting	£24.7	(18.8)%
Media	£25.2	11.5%
<b>Group</b>	<b>£204.7</b>	<b>(7.3)%</b>

**Specialisms' like-for-like performance**

**Advertising**

- 33% of like-for-like Group net revenue (2024: 34%).
- Like-for-like net revenue of £68.5 million (-8.9%) (2024: £75.2 million).

The decline is largely driven by Australia where macro conditions were very challenging, resulting in significant revenue shortfall due to client caution around campaign spend, particularly among consumer-facing businesses. These declines more than offset continued growth in the US and Europe, which continue to show progress. Excluding Australia, Advertising would have declined by only 1%. The outlook for 2026 remains challenging, driven by continued macro volatility and subdued market conditions offsetting stronger demand in Europe and the US.

**Issues**

- 27% of like-for-like Group net revenue (2024: 26%).
- Like-for-like net revenue of £54.3 million (-4.1%) (2024: £56.6 million).

Operating Review continued

**Media**

- 12% of like-for-like Group net revenue (2024: 10%).
- Like-for-like net revenue of £25.2 million (+11.5%) (2024: £22.6 million).

Media registered strong growth through a combination of client wins and retained work, largely driven by the UK and APAC markets. Performance media, digital expertise and digital app-related projects remain in high demand, particularly with clients looking to generate measurable increased return on investment on campaigns. This Specialism continues to strengthen its digital expertise and utilises both data and artificial intelligence to solve client problems and deliver measurable returns. The Group expects that Media will continue to grow in 2026, supported by recent wins and improving momentum on the back of our strong client offer.

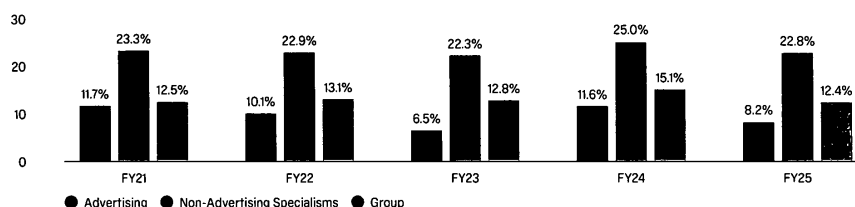
**Operating margin (like-for-like)**

Our higher-margin Non-Advertising Specialisms experienced a 38.2% decrease in operating profit, with an operating margin of 17.1% (-8.8pps) reflecting a shortfall in revenue growth, particularly in the high-margin Issues Specialism owing to the US Government shutdown where the cost base was maintained, and continued targeted investments into the Specialism. Advertising's 8.3% decline in operating profit, with operating margin at 11.3% (+20bps), reflects the revenue decline as well as the subsequent active management of the cost base and resizing of the business in Australia.

Group central operating costs decreased from £12.4 million in 2024 to £6.1 million in 2025, reflecting the absence of an LTIP charge in 2025, increased recharges from Group to the regions and Specialisms for services directly provided on their behalf and the annualisation of cost saving initiatives in 2024.

1. 62% of the APAC decline can be attributed to Australia.

**Headline operating margin**



**Tough macro conditions and geopolitical volatility impacting overall performance**

**UK:** -4.6% as positive momentum in Media was offset by a soft performance in Advertising and Consulting. The Issues Specialism, whose financial results are recognised entirely in the UK, also declined due to the material impact of the US Government shutdown.

**APAC:** -22.3% as the macroeconomic environment in the core Australia market remained very weak, affecting Advertising and Consulting, due to reduced client spend, particularly by consumer-facing businesses.

**Americas:** -1.9% as strong growth in US Advertising was entirely offset by project delays in Consulting.

**Europe:** -3.2% as strong growth in Advertising, particularly in Italy, was offset by temporary weakness in Germany.

**Middle East:** +3.6% growth in Advertising alongside positive momentum in our newly established local sport and entertainment offering. Growth will be tempered by a client loss in the second half of 2025, which will impact 2026 expectations, while the current conflict in the Middle East will affect the growth of our sport and entertainment business.

**Regional like-for-like performance**

The UK remains our biggest region, driven by the growth of Issues. APAC is predominantly Australia, while Americas is dominated by the US market. In Europe, the two largest markets are Italy and Germany, and in the Middle East we work predominantly in the UAE. Since the sale of the South Africa businesses, we no longer have an owned business in Africa. Like-for-like regional performance was as follows:

Net revenue by region	Like-for-like	
	2025 £m	% change vs 2024
UK	102.9	(4.6)%
APAC	36.3	(22.3)%
Americas	41.9	(1.9)%
Europe	12.0	(3.2)%
Middle East	11.6	3.6%
<b>Group</b>	<b>204.7</b>	<b>(7.3)%</b>

**Licenses:**

- Europe (Spain and Sweden)
- APAC (Japan and Thailand)
- Middle East (Lebanon)
- Africa (South Africa)

**Shared Service Centres**

- South Africa (Global) and India (Mecia)

**Acquisitions**

- Dune 23 (Middle East)
- The Women's Sports Group (UK)

# A CULTURAL STORYLINE RE-WRITTEN

**+** Every summer, “Love Island USA” draws millions of viewers to its romantic drama in Fiji. Last season, fan favourite Jalen Brown became a sensation, gaining 1.6 million followers overnight. But just four days into the show, he was dumped, leaving fans heartbroken.

At the same time, Iceland, beautiful but far from tropical, was competing for attention in a noisy travel market. We saw a moment where a heartbroken reality star—and a country—could tap into a cultural phenomenon at its peak.

Days after Jalen’s elimination, Inspired by Iceland posted an invitation via social channels to “forget Love Island – and instead Love Iceland”. Fans flooded the comments with support. Jalen reposted the content and packed his bags with fellow contestant JD, doubling reach through their bromance.

With Iceland’s biggest tourism partners, we helped create an all-expense-paid itinerary full of the country’s best sights, cuisine, and activities. Over five days, they traveled to geysers, waterfalls and glaciers, rode ATVs, sampled local food, and took part in the Reykjavik nightlife, and documented it all with hundreds of TikToks, Instagrams, and Snapchats.

In a sea of brands offering lip service, Iceland rewrote Jalen’s “Love Island: USA” ending in a way millions of fans pined for.

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**+ 19.6 MILLION VIEWS**

**+ 8.3% ENGAGEMENT RATE**

# CULTURAL HERITAGE

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**+** Continuing our work with iconic music brand Bowers & Wilkins, we unveiled its latest flagship headphone, the Px8 S2, with an exclusive launch alongside music artist James Blake, music lover David Beckham and music expert Lauren Laverne.

The global launch took place at London's Ladbroke Hall, a venue celebrated for its cultural heritage and artistic resonance, reinforcing the brand's longstanding commitment to craftsmanship. Guests were treated to a rare, stripped-back acoustic set from James Blake who performed new, unreleased material alongside a selection of his most critically acclaimed tracks from the past 15 years.

The event welcomed over 200 global media from over 20 markets and resulted in coverage output of over 500M reach.

Our partnership with Bowers & Wilkins started in 2022 and has seen us shift brand perception from a tech music brand to a lifestyle brand, converting coverage from 6% to 92% in lifestyle media and ushering in a new phase of commercial awareness and major brand partners.

**+** COVERAGE OUTPUT OF OVER 500M REACH

**+** BRAND PERCEPTION SHIFT FROM 6% TO 92% IN LIFESTYLE MEDIA

# FINANCIAL REVIEW

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While our 2025 results reflect the tough macroeconomic context in which we operated during the year, there are a number of positive developments to consider. The additional global efficiency and restructuring programme have delivered £7 million annualised savings, as anticipated, while Phase Two of the transformation programme which targeted cost efficiencies via centralisation and consolidation across production, products and data has delivered a further £5 million in annualised savings. This comes on top of the £10 million annualised savings after Phase One of the transformation that concluded in 2024. These efficiencies across back-office and middle-office functions have freed up resources for creativity and key investments in people, capabilities and structures. As we embed our operating model and look to rationalise the businesses, we will empower our key growth engines and digital expertise, which will help us to deliver on our growth ambitions and create value for shareholders.

**SIMON FULLER**  
Chief Financial Officer

**“I AM CONFIDENT THAT OUR BRILLIANT PEOPLE WILL RESPOND POSITIVELY TO OUR FOCUS ON GROWTH, EFFICIENCY AND CASH GENERATION, WHICH WILL PROVIDE COMPELLING RETURNS FOR OUR SHAREHOLDERS.”**

## Group results

£m	Like-for-like results <sup>1</sup>			Statutory results		
	2025	2024	Movement	2025	2024	Movement
Revenue	341.0	377.6	(9.7%)	347.4	395.4	(12.1%)
Net revenue <sup>2</sup>	204.7	220.9	(7.3%)	210.0	231.4	(9.2%)
Operating profit	24.9	33.7	(26.1%)	10.2	22.5	(54.7%)
Operating margin	12.2%	15.3%	-310 bps	4.8%	9.7%	-490 bps
Profit before taxation	19.4	29.2	(33.6%)	4.6	18.1	(74.6%)
Profit/(loss) for the year	11.7	21.3	(45.1%)	(2.0)	11.7	(117.1%)
Non-controlling interests	0.4	0.7	(42.9%)	0.2	0.0	-
Profit attributable to equity holders	11.3	20.7	(45.4%)	(2.2)	11.7	(118.8%)
Earnings/(loss) per share (basic) <sup>3</sup>	9.4p	17.0p	(44.7%)	(1.9)p	9.6p	(119.8%)
Dividends per share	-	1.95p	-	-	-	-

1. We discuss our results on a like-for-like (LFL) basis throughout, unless otherwise stated, to provide a more comparable and better basis for understanding our current and future performance, reflecting the Directors' view of the underlying profitability of the business units. Statutory performance remains the primary IFRS measure, however. LFL results exclude items that are not part of routine expenses, including one-off and exceptional items, which form Headline results. In addition, LFL results translate 2024 figures to 2025 foreign exchange (FX) rates and excludes results of subsidiaries which management had or intends to exit in the current and prior year, and those of newly acquired subsidiaries in the current year. LFL adjustments are summarised in the Financial review and Note 1 to the financial statements. All figures are subject to rounding.

2. Refer to Notes to the financial statements for the definition of net revenue.

3. Basic and diluted earnings per share are calculated by dividing the appropriate earnings metrics by the weighted average number of shares of the Company in issue during the year. Please see Note 1 to the financial statements for a detailed view on adjustments in calculating EPS.

Financial Review continued

**Like-for-like performance**

The Group generated £204.7 million of like-for-like net revenue in 2025, down 7.3% on last year, driven by a tough macroeconomic environment leading to reduced client spend, particularly in Australia, while geopolitical volatility also had a negative effect on client spend.

Like-for-like EBITDA contracted by 22.6% to £31.5 million (2024: £40.7 million) and like-for-like operating profit was £24.9 million, down 26.1%. Like-for-like operating profit margin was 12.2% (2024: 15.3%), with the reduction driven by key investments in senior talent, capabilities and structures, exacerbated by revenue shortfall and the quarter four impact to the high-margin Issues Specialism. Like-for-like profit before tax was £19.4 million, down 33.6%.

Separately disclosed one-off items, mainly relating to our global efficiency programme and Australia restructuring initiatives, were £9.1 million.

Like-for-like profit after tax attributable to shareholders was £11.3 million (2024: £20.7 million). Like-for-like basic earnings per share were down 44.7% to 9.4p (2024: 17.0p).

The Group delivered net cash of £13.3 million (2024: £11.8 million). Working capital registered an outflow of £4.2 million (2024: £3.6 million outflow) excluding transfers to restricted cash. Within the working capital outflow, there was a positive inflow of £4.9 million from operations which was offset by a £9.1 million bonus payment outflow. Excluding transfers to restricted cash, working capital saw an improvement over last year driven by improved cash management.

**Statutory results**

Statutory results reflect all activities of the business including one-off items, non-recurring events and other regulatory elements. The Group closed its Australian media buying business in September 2025, which contributed to the statutory net revenue decline of 9.2%, on top of the weaker performance of the Australian business and the US Government shutdown. Operating profit was £10.2 million (2024: £22.5 million) with an operating margin of 4.8% (2024: 9.7%) and reflects the revenue decline and all pre-tax separately disclosed items of £9.1 million in 2025 (2024: £7.2 million), largely attributable to restructuring costs.

Profit before tax declined to £4.6 million (2024: £18.1 million), due to the above factors and a slightly higher average drawing on the Group's revolving credit facility over the year versus 2024, resulting in increased finance costs.

**Like-for-like Specialisms and regional review**

The Group's segmental and regional performance is reviewed on a like-for-like basis to provide a more comparable and better basis for understanding our current and future performance.

Net revenue by Specialism (£m)	Like-for-like		
	2025	2024	Change
Issues	54.3	56.6	(4.1%)
Passions & PR	32.0	36.1	(11.4%)
Consulting	24.7	30.4	(18.8%)
Media	25.2	22.6	11.6%
<b>Non-Advertising Specialisms</b>	<b>136.2</b>	<b>145.7</b>	<b>(6.5%)</b>
Advertising	68.5	75.2	(8.9%)
<b>Total</b>	<b>204.7</b>	<b>220.9</b>	<b>(7.3%)</b>

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Net revenue by region (£m)	Like-for-like		
	2025	2024	Change
UK	102.9	107.9	(4.6%)
APAC	36.3	46.7	(22.3%)
Americas	41.9	42.7	(1.9%)
Europe	12.0	12.4	(3.2%)
Middle East	11.6	11.2	3.6%

Financial Review continued

**Shifts in Specialism revenue share over time**

Over the last four years there has been a significant change in the mix of our business, with the higher margin Specialisms, particularly Issues and Passions & PR making up a far greater proportion of net revenue, offset by a reduction in the Advertising business. On a regional basis, this is shown through the increase in UK net revenue, with the main reduction being Australia.

Like-for-like net revenue share by Specialism	Advertising	Issues	Passions & PR	Consulting	Media	Total
2025	33%	27%	16%	12%	12%	100%
2021	51%	14%	10%	12%	13%	100%

Like-for-like net revenue share by region	UK	APAC	Americas	Africa <sup>1</sup>	Europe	Middle East	Total
2025	50%	18%	20%	-	6%	6%	100%
2021	39%	30%	17%	6%	6%	2%	100%

1. The Group disposed of the South Africa businesses on 30 September 2024.

**Central costs**

Group central operating costs decreased from £12.4 million in 2024 to £6.1 million in 2025, reflecting the absence of an LTIP charge in 2025, increased recharges from Group to the regions and Specialisms for services directly provided on their behalf and the annualisation of cost saving initiatives in 2024.

Like-for-like 2025 - £m	Advertising	Non-Advertising	Group central costs	Total
Net revenue	68.5	136.2	-	204.7
Operating profit/(loss)	7.7	23.3	(6.1)	24.9
Operating profit margin	11%	17%	-	12%
Profit/(loss) before tax	7.3	21.9	(9.8)	19.4

Like-for-like 2024 - £m	Advertising	Non-Advertising	Group central costs	Total
Net revenue	75.2	145.7	-	220.9
Operating profit/(loss)	8.4	37.7	(12.4)	33.7
Operating profit margin	11%	26%	-	15%
Profit / (loss) before tax	7.9	35.9	(14.6)	29.2

**Like-for-like reporting**

Like-for-like results adjust Statutory results to reflect the underlying profitability of the business units by excluding a number of items that are not part of routine expenses, including one-off and exceptional items (defined as Headline adjustments), by excluding subsidiaries discontinued in 2024 and in 2025, and by retranslating 2024 figures at 2025 FX rates. We provide commentary on like-for-like figures, where applicable, to provide a more comparable and better basis for understanding our current and future performance. Like-for-like adjustments are summarised below and at Note 1 to the financial statements.

Management considers like-for-like figures are a better way to measure and manage the business, and they are used for internal performance management and reward. Like-for-like results is not a defined IFRS term and is not intended to be a substitute for, or be superior to, any IFRS measures of performance.

**Reconciliation of like-for-like to Statutory results**

The table below summarises the reconciliation from like-for-like to Statutory results for 2025 and 2024 including Headline results.

2025 £m	Like-for-like	Acquisitions & exits	FX	Discontinued	Headline Discontinued	Adjustments	Statutory
Revenue	341.0	6.4	-	-	-	-	347.4
Net revenue	204.7	5.3	-	-	-	-	210.0
Operating profit	24.9	1.2	-	-	-	(15.9)	10.2
Operating profit margin	12.2%	22.6%	-	-	-	-	4.8%
Profit before tax	19.4	1.1	-	-	-	(15.9)	4.6

2024 £m	Like-for-like	Acquisitions & exits	FX	Discontinued	Headline Discontinued	Adjustments	Statutory
Revenue	377.6	6.2	11.6	21.2	416.6	(21.2)	395.4
Net revenue	220.9	3.5	7.0	11.9	243.3	(11.9)	231.4
Operating profit	33.7	0.8	0.6	1.4	36.6	(1.4)	(12.6)
Operating profit margin	15.3%	22.9%	-	12.0%	15.0%	12.0%	9.7%
Profit before tax	29.2	0.7	0.5	1.5	31.9	(1.5)	(12.3)

## Financial Review continued

**Adjustments between like-for-like and Statutory results (Headline adjustments)****These comprise:**

- Separately disclosed items that are one-off in nature and are not part of running the business (further detail in Note 2 to the financial statements).
- Impairment of intangible and non-current assets.
- Amortisation of acquired intangibles.
- Gains or losses generated by disposals of subsidiaries and associates.
- Fair value adjustments to unlisted equity investments, acquisition-related contingent consideration, investment properties and put options.
- Dividends paid to IFRS 2 put option holders.

	2025 £000	2024 £000
Statutory profit before taxation	<b>4,589</b>	18,131
Separately disclosed items	<b>9,123</b>	7,248
Put option accounting – IFRS 9 and IFRS 2	<b>(116)</b>	(1,006)
Dividends paid to IFRS 2 put option holders	<b>83</b>	866
Revaluation of loans and investments	<b>1,237</b>	3,813
Impairment of intangible assets and assets held for sale	<b>1,710</b>	1,548
Impairment and revaluation of non-current assets	<b>3,498</b>	(658)
Amortisation of acquired intangibles	<b>363</b>	335
Gain on disposal of subsidiaries and associates	<b>4</b>	230
<b>Adjustments</b>	<b>15,902</b>	12,376
Exiting and acquired agencies	<b>(1,066)</b>	(732)
FX difference	<b>–</b>	(531)
<b>Like-for-like profit before taxation</b>	<b>19,425</b>	29,244

**Foreign exchange adjustments**

The Group is exposed to movements in foreign currency exchange rates on the translation of the results of its overseas businesses. The like-for-like basis applies the constant foreign exchange rates applicable for the current period to the comparative period in order to present the results on a comparable basis. Key Group currency movements reflected the strengthening sterling value compared to the US dollar, offset by sterling weakness versus the euro in 2025.

Key 2025 currencies and average FX rates used to retranslate the 2024 results are as follows:

Currency	December 2025	December 2024	Sterling stronger/ weaker
United Arab Emirates dirham (AED)	<b>4.8436</b>	4.5984	Stronger
Australian \$ (AUD)	<b>2.0449</b>	2.0228	Stronger
Euro € (EUR)	<b>1.1675</b>	1.2087	Weaker
US \$ (USD)	<b>1.3187</b>	1.2516	Stronger
South African R (ZAR)	<b>23.5678</b>	23.5705	Weaker

**Acquired and discontinued businesses**

In 2025, the Group acquired two businesses, Dune 23 Sport & Entertainment Sports Events Marketing Co. L.L.C, and The Women's Sports Group Limited for cash consideration of £1.7 million. Both businesses have been fully integrated and form part of our Passions & PR Specialism, operating within sport and entertainment. If both acquisitions had been completed on 1 January 2025, the Group results for the year would have included £4.8 million of revenue and £0.6 million of profit.

During 2024, we disposed of the agencies in the South Africa businesses, which was treated as a discontinued operation and excluded from the Statutory results of the Group. Up to the date of the disposal these businesses contributed net revenue of £11.9 million, operating profit of £3.5 million and profit before tax of £3.5 million. The 2024 results include the relevant gain on disposal of £2.1 million within operating profit.

**Financial income and expense**

The Group's financial income and expense includes bank interest, lease interest and fair value adjustments to minority shareholder put option liabilities (IFRS 9). Bank interest payable for the year was £2.0 million (2024: £2.0 million). The interest on leases remained consistent at £3.2 million (2024: £3.2 million). The fair value adjustment of put option liabilities created a debit of £0.1 million (2024: £0.3 million).

**Tax****Like-for-like tax**

Our like-for-like tax rate was 40% (2024: 27.1%). The variation is due to significant items such as specific costs not deductible for tax purposes and tax losses in the period on which no deferred tax asset is recognised due to future forecasts on recoverability.

**Statutory tax**

The effective Statutory tax rate was 143.8% (2024: 31.5%). We have experienced large variations in statutory tax rates because deferred tax assets have not been recognised on tax losses, predominantly in Australia, nor on other expenses including M&A transaction costs which are non-deductible against corporation tax.

**Non-controlling interests (minority interests)**

Like-for-like non-controlling interest share of the Group's profit represents the minority shareholders' share of each of the Group's subsidiaries' profit or loss for the year. The share of profit attributable to non-controlling interests reduced to £0.4 million (2024: £0.7 million) reflecting a reduction in minority interests to 3.1% (2024: 3.1%) of profit after tax.

Statutory non-controlling interests excludes any minority interests which relate to IFRS 2 put option holders (holders of put options that are contingent on being employed by the relevant company). The holder's share of the entity's Statutory profit is paid as dividends each year, which are reported as staff costs in the Statutory results.

## Financial Review continued

**Dividends**

The Company paid a final dividend of £2.4 million (1.95p per share) in respect of its financial year ended 31 December 2024 to its shareholders in 2025. The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board intends to reallocate the amount that would otherwise have been proposed as a final dividend for the year ended 31 December 2025 to an enhanced share buyback programme.

**Cash flow**

Total gross cash and cash equivalents (excluding bank overdrafts) at 31 December 2025 was £21.3 million (2024: £25.9 million), excluding restricted cash of £0.2 million (2024: £3.5 million). Net cash (excluding restricted cash) was £13.3 million (2024: £11.8 million).

The Group generated operating cash from trading (before working capital) of £22.5 million (2024: £31.8 million) after dividends paid to IFRS 2 put option holders of £0.5 million (2024: £5.8 million) and nil payments to acquire non-controlling interests (2024: £2.8 million). Working capital registered an outflow of £4.2 million (2024: £3.6 million outflow). Within the working capital outflow, there was inflow of £4.9 million from operations (2024: £3.6 million outflow) which was offset by payment of prior year (2024) accrued bonus of £9.1 million. Excluding transfers to restricted cash, working capital saw an improvement over last year driven by improved cash management. Lease payments were £8.4 million (2024: £8.5 million).

Net operating cash flow (operating cash generated from operations (excluding put option payments and non-adjusted cash costs) net of purchases of intangible/tangible fixed assets and the principal payment on leases) for the year was £23.7 million (2024: £25.6 million), which represents a cash conversion from like-for-like operating profit of 94%. This is well above our target of 80%.

The following table sets out the key movements in net cash during 2025:

	2025 £m	2024 £m
Movement in net cash		
<b>Net cash at the beginning of the year</b>	<b>11.8</b>	<b>8.3</b>
Increase in cash from trading	<b>23.0</b>	37.6
Dividends paid to IFRS 2 put option holders	<b>(0.5)</b>	(5.8)
Operating cash from trading (before working capital)	<b>22.5</b>	31.8
Decrease in cash from working capital movements	<b>(4.2)</b>	(3.6)
Purchase of own shares	<b>(0.8)</b>	(2.5)
Cash consideration for non-controlling interest acquired	-	(2.8)
Movement (to)/from restricted cash <sup>1</sup>	<b>3.2</b>	(3.5)
Tax paid	<b>(4.4)</b>	(3.0)
Net cash inflow from disposal of subsidiaries and associates	<b>2.7</b>	1.9
Net cash outflow from acquisition of subsidiaries	<b>(1.7)</b>	-
Purchases of intangible / tangible fixed assets	<b>(3.1)</b>	(2.9)
Payment of lease liabilities and interest	<b>(8.4)</b>	(8.5)
Dividends paid to Company shareholders	<b>(2.4)</b>	(1.9)
Net interest paid	<b>(1.5)</b>	(2.1)
FX movement on cash held	<b>(1.5)</b>	(0.3)
Other movements	<b>1.1</b>	0.9
<b>Net cash at the end of the year</b>	<b>13.3</b>	<b>11.8</b>
Restricted cash	<b>0.2</b>	3.5
<b>Adjusted net cash held in bank</b>	<b>13.5</b>	<b>15.3</b>

1. 2025 movement relates to an inter-company dividend plus working capital balances paid out of restricted cash. 2024 movement relates to the initial reclassification of cash to restricted cash.

**Banking arrangements**

At 31 December 2025, £8.0 million was drawn on the Group's £50 million revolving credit facility compared to £14.0 million at 31 December 2024.

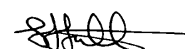
**Capital expenditure**

Total capital expenditure including software acquired increased to £3.1 million (2024: £2.9 million). This included £0.2 million on furniture, fittings and other equipment, £1.4 million on computer equipment, £0.7 million on leasehold improvements, and £0.2 million on software and film rights, plus intangible assets under construction of £0.6 million (2024: £0.3 million, £1.0 million, £0.4 million, £1.2 million and nil respectively).

**Outlook for 2026**

For 2026, the Company targets net revenue growth, in line with market estimates, driven by positive momentum from the Issues and Media Specialisms and supported by regional growth in the US and Europe. Macroeconomic challenges remain, while the conflict in the Middle East is likely to significantly impact our sport and entertainment and consumer-facing business.

The Group is targeting operating profit and operating margin improvement, in line with market estimates, with anticipated ongoing volatility being managed through our largely variable cost base. We expect our cash-generative and capital-light business to continue to generate an operating cash conversion rate of over 80%, in line with our mid-term target.



**SIMON FULLER**  
Chief Financial Officer

19 April 2026

# PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for internal controls and for reviewing their effectiveness. The Group operates a policy of continuous identification and review of business risks. This includes the monitoring of key risks, identification of emerging risks and consideration of risk mitigation after taking into account risk appetite and the impact of how risks may affect the achievement of business objectives and the future success of the Group.

The risks and uncertainties that the business faces evolve over time, and the Executive Directors and senior management are delegated the task of implementing and maintaining controls to ensure that risks are managed appropriately.

## Risk management framework

The Group's risk management framework is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives; and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Future threats that cannot be accurately assessed at the current time but could have a material impact on the business in the future are considered alongside existing risks, with a view to improving our response plans and exploiting potential opportunities.

As an international group we are reliant on a number of key global markets, including the Americas. Changes in US policy and tariffs and broader geopolitics may influence government client spend. The longer term implications remain uncertain, and therefore our individual business leaders continue to monitor this evolving situation.

We take a proactive approach to the changing market conditions and trends in the sectors within which we operate to ensure we continue to meet the expectations of our clients.

## Climate change

Climate change and the transition to a low-carbon economy could present some of our most significant challenges and opportunities in the future. Government commitments to reduce carbon emissions are expected to lead to further developments and changes in regulation across the supply chain and property management. There is significant opportunity in addressing climate-related matters to increase the reputation of our brands in respect of their sustainability credentials, as well as to meet client expectations and attract new clients as a result. We also recognise that there are diverging approaches to this issue in the different regions in which we operate, which will require us to demonstrate flexibility and responsiveness in our approach.

## Risk assessment

During the year, the Board carried out a robust assessment of the Company's emerging and principal risks, together with the actions taken to mitigate these risks. Virtual risk workshops were held with agencies to ensure that all key risks and mitigations had been identified and to benchmark whether these risks had increased, decreased or remained the same when compared to the prior year.

The following pages detail our principal risks and uncertainties for the year ahead. These are considered to be our most significant risks, but they do not comprise an exhaustive list of all risks identified and monitored through our risk management process.

One additional risk, Artificial Intelligence (AI), has been added to the risk register during 2025.

AI was identified during the risk assessment carried out during the year. The rapid proliferation of AI and advancing associated technologies, is an emerging area of exposure for the Group as well as an opportunity.

Two risks were removed during the year as they were no longer considered sufficiently material in impact for the Group and were considered to be covered by other, remaining, principal risks. These were physical security and global footprint.

In the table that follows, risks are ranked in descending order of net risk score. Their ranking is based on assessments from Group companies weighted by their 2025 revenue. We have also provided an explanation of the movement in our risk assessment against that shown on the previous year's risk register, to provide the reader with a better insight into the Board's risk assessment.

## Alignment to strategic transformation

We have assessed how the risks detailed overleaf impact the Company's strategic transformation.

The transformation is driven by the following key pillars:

- Create an agile go-to-market approach, leveraging our right to win.
- Grow revenue through a new Group culture and integrated model.
- Free up and strengthen creativity.
- Improve margins.
- Simplify and rationalise structure.
- Strengthen cash profile.

By aligning our risk mitigation strategies with these six pillars, we ensure that our transformation remains resilient. Management remains focused on monitoring these risks in real time, ensuring that any shifts in the landscape are met with the agility required to protect our margins and deliver on our 'right to win' objectives.

Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
-  Strengthen cash profile
-  Grow revenue through a new Group culture and integrated model
-  Simplify and rationalise structure
-  Free up and strengthen creativity

Principal risk

Potential impact

Mitigating actions

Explanation of risk movement and alignment to strategy

Loss of and/or reliance on key clients

We operate in a highly competitive industry which is constantly evolving, with changes in technology, data and AI. A significant reduction in spend by, or the loss of, one or more of the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, could have a significant impact on the business, revenues and results of the Group.

- The ability to retain or increase the amount of work from existing clients and to attract new clients may be affected if we fail to react quickly enough to changes in the market and to evolve the services we offer.
- Clients can reduce their spend or cancel projects at short notice. The loss of one or more of our largest clients or of a major assignment with them, if not replaced by new accounts or an increase in business from existing clients, would adversely affect our financial performance.

- New business activity driven both by dedicated new business specialists and also agency management.
- Exploit client leads from within the Group or from networks outside the Group.
- Continue to diversify our client portfolio and further integrate work across the Group. Regional teams have been created to focus on new business and cross-Specialism delivery.
- Continue development of our offering to reflect the changing market environment and client requirements.
- Proactively nurture key client relationships.
- Maintain close contact with important stakeholders at key clients so that we are seen as valuable partners.
- Focus on high-quality and value-added deliverables for key clients.
- Actively seek cross-selling opportunities with clients.
- Increase focus on the delivery of our Planet and People Commitments in order to meet client ESG requirements.



Risk has remained flat with no significant change in client concentration year on year.




Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
-  Grow revenue through a new Group culture and integrated model
-  Simplify and rationalise structure
-  Strengthen cash profile
-  Free up and strengthen creativity

Principal risk	Potential impact	Mitigating actions	Explanation of risk movement and alignment to strategy
<p><b>People and talent – retention and recruitment</b></p> <p>Employees remain our greatest asset and high levels of employee turnover are a principal risk, particularly given the high levels of change in our operating model. Highly skilled employees are vital to building and maintaining client relationships and winning new work.</p>	<ul style="list-style-type: none"> <li>• We rely on the talent, creative abilities and technical skills of our people as well as their relationships with clients. There is a risk that we lose people to competitors and clients, leading to disruption to the business.</li> <li>• Failures in leadership succession can pose a significant risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Leadership Team (ELT) succession planning undertaken by the Nomination Committee.</li> <li>• Refreshed Senior Leadership Team in place and identified key senior leaders.</li> <li>• Launched robust, regular talent-planning process to identify succession risks, together with development and retention actions to mitigate identified risks.</li> <li>• Benchmarking of salaries against industry standards.</li> <li>• Ongoing regional harmonisation and enhancement of employee benefits.</li> <li>• Support of flexible working for our employees including embedding ongoing hybrid working arrangements.</li> <li>• Comprehensive development programmes including mentoring, people management training, and Skillshot training.</li> <li>• Developing a leadership programme focused on integrated growth strategies and leadership retention.</li> <li>• Supporting employee mental well-being through regional workshops and Company-funded confidential one-on-one therapy with external counsellors.</li> <li>• Our short- and long-term incentivisation structure continues to evolve to improve transparency and consistency and to help retain talent and motivate employees to drive integrated growth. This includes an aligned global Group variable pay approach for senior leaders.</li> <li>• Continued focus on diversity and inclusion initiatives, which create a positive work environment and provide opportunities for all to reach their potential.</li> <li>• Annual "The Loop" survey undertaken to gather feedback from employees on their satisfaction, motivation, perception of the work environment etc. to identify and address areas of improvement.</li> </ul>	<p>  </p> <p>Risk has remained flat with significant focus on recruitment and development in key areas during 2025.</p>

Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
-  Strengthen cash profile
-  Grow revenue through a new Group culture and integrated model
-  Simplify and rationalise structure
-  Free up and strengthen creativity

Principal risk

Potential impact

Mitigating actions

Explanation of risk movement and alignment to strategy

**Failure to evolve service offering to clients**

The market in which the Group operates is highly competitive and subject to rapid change as audiences move online and fragment. Agencies must reorientate their models to target audiences in new ways and reflect client demands for more integrated (and often "social-first") solutions in this increasingly complicated marketing environment. We must also look for sustainable solutions to help clients respond to the climate emergency.

- We may not be able to service our clients as their needs change, potentially leading to a loss of project work from clients.
- Delayed implementation and insufficient leverage of AI, data and technology could hinder our ability to innovate client services, develop new revenue streams and improve operational efficiency.

- New operating model with global reach which includes the integration of high-growth offerings across the Group.
- Focus on investing in new skill sets (particularly creative, strategic and digital) to provide integrated offerings to clients.
- Partnerships with disruptive market leaders to deliver best-in-class solutions for customers.
- Development of our offering to reflect changing market environments and client requirements.
- Exploring how to evolve our offer and better deliver for our clients' needs by integrating new technology and approaches into our day-to-day activities.
- Consistently evolving how we sell and deliver the core brand strategy, brand design and digital product design output. Our capabilities always evolve as we embrace new methods/discipline of design and technologies.
- Expanding capabilities into new areas and diversifying the portfolio, evidenced by the two acquisitions in 2025.
- Establishment of M+C Saatchi Intelligence, providing all employees with access to data and insight, driven by our extensive data stack.
- Early adoption of third-party AI applications across the Group, particularly in creative and production use cases. Establishing Group governance and policy to guide responsible use.



In line with our Group strategy, we are evolving our service offering to reflect our clients' needs. As such we consider this risk unchanged.

**Geopolitical and macroeconomic risks**

Political, economic and security changes in the countries in which we operate may impact the Group. The rise in geopolitical uncertainty continues to have an adverse effect upon the economic outlook and business optimism. We also see a reduction in global cooperation and integration.

- Actual or threatened geopolitical tension and conflicts lead to greater uncertainty, economic instability and a general lack of confidence for many of our clients. They may, therefore, change their priorities or scale back their longer term investment with our agencies.

- The ELT collaborates with in-country teams and clients to monitor geopolitical risks across the Group and its regions. The Group's priority is the safety and security of our personnel. We maintain defined response protocols and escalation pathways to the ELT.
- We continue to build new business pipelines to ensure client diversification and resilience to market factors.
- Our dedicated Growth team and new senior hires are focusing on winning more contracts in Europe and other parts of the world where governments are investing money to counter global instability.
- See also other related risk items and specific responses, e.g. relating to people and talent and key clients.



This risk has increased versus last year given the continued heightened global tension and conflicts.






Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
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Principal risk	Potential impact	Mitigating actions	Explanation of risk movement and alignment to strategy
<p><b>Artificial intelligence (AI)</b></p> <p>We are already applying AI across our business to identify cultural insights, enhance our strategies, solve business problems, generate ideas for creative solutions, and assist with operational challenges.</p> <p>Businesses are legally responsible for their AI-generated statements. Risk can arise from non-compliance with AI legislation and regulations, including the EU AI Act and intellectual property (IP) infringement.</p> <p>IP law, and in particular the analysis of copyright infringement in generative AI, is evolving. Where AI is used in client deliverables, IP infringement risk, in particular copyright infringement risk, must be assessed in the context of the underlying data sets used in the creation of client work.</p>	<ul style="list-style-type: none"> <li>• Without the automation and efficiency gains offered by AI, we may experience increased costs and inefficiencies in our operations, affecting profitability and competitiveness.</li> <li>• We may struggle to keep up with the demands of our clients in the use of AI, leading to decreased relevance and cost-effectiveness of our services for clients.</li> <li>• The use of AI across the industry may lead to challenges to existing pricing structures.</li> <li>• Falling behind competitors in the use of AI could result in lost market share, decreased revenue and reduced profitability.</li> <li>• We may struggle to attract and retain talent.</li> <li>• There is a risk of confidential client information entering the public domain via AI tools. Materials generated using AI could infringe third-party IP, resulting in legal costs, and have a client reputation impact.</li> </ul>	<ul style="list-style-type: none"> <li>• We have taken a deliberately careful and curious approach to AI. We have explored, tested and learned through pilots, partner collaborations and comprehensive training to ensure we understand this evolving technology and can apply it responsibly.</li> <li>• We launched a set of AI Guidelines to define how we use AI responsibly and creatively across the Group. They set out our principles, answer common questions, and explain where to go for support.</li> <li>• All AI-enabled tools are checked by our in-house IT security before being "green-lit" for use.</li> <li>• We have also set up a Global AI Steering Committee. This helps to shape and pressure-test our strategy, evaluate potential tools and partners, and build the right capabilities for the future.</li> <li>• We do not use AI to replace what we are hired to do. We use it to elevate our work: to go further, faster for our clients with creativity, ethics and impact and to focus our energies on working smarter not just harder.</li> <li>• We actively monitor the changing regulatory landscape and the introduction of new laws regulating AI to assess the impact on our business.</li> <li>• We clearly label and disclose AI-generated content to clients and consumers where relevant.</li> <li>• We are exploring new pricing models, to evolve from a "time and materials" delivery model to more outcome-based options.</li> </ul>	<p>    </p> <p>New risk in 2025, which aligns with our strategy of using AI to amplify our creative work and enhance the productivity of our people.</p>



Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
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Principal risk	Potential impact	Mitigating actions	Explanation of risk movement and alignment to strategy
<p><b>System access and security</b></p>	<p>As our product range expands and becomes more data- and technology-dependent, there is an increased risk of cyber attacks that may cause the Group to suffer data corruption or lose operational capacity.</p> <ul style="list-style-type: none"> <li>• Information security incidents may cause significant disruption or unavailability of critical systems and may materially affect business operations and client service delivery.</li> <li>• We may be subject to investigative or enforcement action or legal claims, or incur fines, damages or costs and client loss if we fail to adequately protect data.</li> <li>• We could be affected reputationally if confidential client information is not handled appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group has established an Information Security Steering Committee which meets at least quarterly.</li> <li>• Employment of staff with relevant expertise.</li> <li>• Continuous monitoring, updating and standardisation of computer systems.</li> <li>• Training on data protection and awareness of information security risks for new joiners and existing employees on an ongoing basis.</li> <li>• Use of external security consultants (business compliance and risk management) to advise on ISO accreditation and risk management.</li> <li>• Expanding the scope of ISO 27001 regime coverage for the critical areas of our technology infrastructure.</li> <li>• Implementation of information security features such as mobile device management, identity management systems, email security and protection.</li> <li>• Use of a third-party security operations centre to monitor and identify network security breaches, and carry out scheduled penetration tests to check for any vulnerabilities or misconfigurations.</li> <li>• Insuring against cyber risk for all offices across the Group.</li> <li>• Use of a risk maturity framework based on recognised industry models (e.g. US National Institute of Standards and Technology (NIST)) to enhance the mitigation of information security risks.</li> </ul>	<p> </p> <p>While the volume of cyber attacks continues to rise, our enhanced response sophistication, and broader employee awareness training, ensure that the net risk remains unchanged from 2024.</p>

Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
-  Grow revenue through a new Group culture and integrated model
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Principal risk	Potential impact	Mitigating actions	Explanation of risk movement and alignment to strategy
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**Environmental, social and governance (ESG) compliance**

Client "request for proposal" (RFP) requirements are becoming increasingly stringent, demanding strong performance across a range of key areas, including environmental sustainability, diversity and inclusion (D&I), social value, health and safety and cyber security. Demonstrating performance, not just reporting it, is now essential for eligibility to compete for client work.

- By not meeting ESG requirements for client RFPs (in particular government clients), we may lose potential work, affecting our financial performance.

- Our People and Operations team are continually improving our ability to report and show progress in many of these areas, as well as reviewing client requirements on an ongoing basis.
- There has been increased focus on leadership oversight of our ESG performance via our Sustainability Leadership Group, which met six times in 2025.
- We continue to work towards delivering our global D&I strategy and ESG strategies.
- The continued delivery, measurement and reporting of our Planet and People Commitments helps drive increased compliance in these areas.
- New policies and processes have been communicated via the Senior Leadership Team.

**Explanation of risk movement and alignment to strategy**

   While ESG continues to increase in importance for clients, so too does our response. We do not consider that this risk has changed versus last year.

**Compliance with laws and regulation**

The Group is exposed to multiple regulators in the various countries in which it operates. If the Group fails to comply with applicable laws and regulations, it may have to pay penalties or damages. In particular, the Group needs to be aware of evolving IP legislation and copyright infringement risks related to generative AI.

- Failure to comply with laws and regulations could expose us to civil and criminal penalties, including fines and the imposition of economic sanctions against us, and reputational damage – which could materially impact our results.

- Standardising HR and finance policies and procedures within the Group to create a minimum framework where appropriate.
- Where possible, active and positive engagement with regulators and trade bodies, e.g. discussions with the Institute of Practitioners in Advertising and the UK Financial Reporting Council.
- Mandatory training for all employees globally on data protection, security and compliance.
- We ensure business-wide legal compliance through proactive monitoring of legislative changes and clear, timely communication.
- The use of external legal counsel to advise on local legal and regulatory requirements, as necessary.
- We stay ahead of sustainability reporting requirements through continuous learning, attending webinars, email updates and industry insights.

  Risk has remained flat.



Principal Risks and Uncertainties continued

Risk movement

-  Risk increase
-  Risk decrease
-  No change
-  New

Alignment to our strategic transformation

-  Create an agile, go-to-market approach, leveraging our right to win
-  Improve margins
-  Strengthen cash profile
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-  Free up and strengthen creativity

Principal risk	Potential impact	Mitigating actions	Explanation of risk movement and alignment to strategy
<p><b>Reputation</b></p> <p>The Group's brand and name have value and recognition and help win clients. The brand name is well known and our actions may be subject to public scrutiny which is disproportionate to the market size of the Group.</p>	<ul style="list-style-type: none"> <li>• Any harm to our brand could affect our ability to attract new clients and to retain or increase the amount of work from existing clients, affecting our financial performance.</li> </ul>	<ul style="list-style-type: none"> <li>• An established protocol is in place for responding to media enquiries, reflecting the need for client confidentiality.</li> <li>• Our Director of Sustainability provides expert advice and trains employees on the risks of greenwashing and other hot topics.</li> <li>• We use a third-party whistleblowing tool to allow our employees to report any form of misconduct in the workplace.</li> <li>• Mandatory training is in place for all employees globally on data protection, security and compliance.</li> <li>• The Group has an in-house Legal function which is focused on proactive reputation management.</li> <li>• Public relations support provided by third-party specialists, e.g. in relation to financial PR.</li> <li>• Other expert advisers used, e.g. brokers for shareholder audiences.</li> </ul>	<p> </p> <p>Risk has remained flat.</p>

# STAKEHOLDER ENGAGEMENT AND SECTION 172

## Engagement with stakeholders

The Board's decision-making is centred on promoting the Company's long-term success by delivering sustainable shareholder value and contributing positively to society. We view effective communication as a strategic priority, maintaining an open dialogue with employees, clients, investors, and suppliers. By integrating stakeholder perspectives into our governance process, we foster the trust and collaboration necessary to drive continuous improvement and informed decision-making. See page 92 of the Directors' Report for further detail.

### Why they are important

#### Our employees

Our people are what our clients value most; they are truly our greatest asset.

#### What matters to them?

Employees want their working lives to be fun and creative, with tools and systems that help them do their best work for clients and for each other. They value personal and professional growth, an inclusive culture, empowerment to use their skills, and competitive remuneration. They also want to work for a company whose reputation on environmental, social, and governance (ESG) matters is positive.

In 2025, we launched a global M+C Saatchi "ethos" statement: "Make Something Mean Something", intended as a rallying call pointing towards our strategy, and an encapsulation of how we do our best work. We strive to build an environment where innovation is encouraged, ideas are challenged, and creative excellence can thrive.

### How we engage

#### Board

- Georgina Harvey was appointed as the Non-Executive Director responsible for workforce engagement as of 1 October 2024.
- Relevant people data including the output of employee surveys is shared regularly with the Board.
- In 2025, different Non-Executive Directors conducted three engagement sessions with various employee groups. These discussions focused on senior leadership remuneration and management engagement, with key themes and sentiment subsequently reported back to the full Board.

#### Group

- Our success is dependent on our people, and their views matter. We actively seek feedback through our annual global employee survey "The Loop", complemented by ongoing dialogue and collaboration across the Group.
- Our employee communication platform continues to play a vital role in sharing information and insights, and townhalls and informal communication remain a vital part of how we stay connected.
- In May 2025, we ran a series of regional events hosted by members of our Executive Leadership Team, where our people heard about our strategy, our Cultural Power proposition, and the operating model.
- Our managers have access to high-quality tools and frameworks for effective people leadership. In 2025, we ran a series of skill-building sessions for managers on giving and receiving feedback and goal setting.
- Our global employee development series, Skillshot, continues to be popular with 2025 topics including data visualisation, resilience and artificial intelligence (AI).

### Outcomes

Global engagement score:

**67**  
(2024: 71)

Participation rate:

**71%**  
(2024: 80%)

The theme of "inclusion" is a particular strength, where our global score meets the external benchmark.

All regions and key Specialisms were required to develop localised engagement plans. With an 89% completion rate, these bespoke roadmaps ensure that decision-making is directly informed by employee feedback, driving targeted improvements across the Group.

In 2025, there were 800 sign ups, to our Skillshot series webinars.

Common responses to "What do you love about working here?" from our 2025 Loop Survey:

**Image Removed**

Stakeholder Engagement and Section 172 continued

**Why they are important**

 **Our clients**

The sustainability and growth of our business and the returns we deliver to shareholders rely on the effective management of our client base. Our client base is diverse, encompassing leading global brands, regional and local brands, emerging challenger brands, innovative startups, government departments, NGOs and charities across a wide variety of sectors. We serve them with diverse capabilities across the full range of marketing services, drawn from all our Specialisms.

Our client teams actively engage with clients on a daily basis to deliver services and ensure we are able to meet future client needs. They also engage with industry stakeholders continuously to enhance our product and service offerings and ensure we remain relevant and innovative.

**What matters to them?**

Clients require a full range of marketing services, from upstream strategic advice on brand, innovation, growth and marketing approaches, through day-to-day development and management of marketing and communication, to creative execution, and measurement and evaluation of the effectiveness of marketing spending.

Clients are increasingly faced with a fast-changing world, driven by digitalisation, which results in a constant need for innovation in how marketing and communication services are delivered to their customers. We use technology to stay ahead of these changes and advise clients on how they can keep up with the pace of change.

**How we engage**

**Board**

- The Board is kept abreast of key developments across the Group, including the client pipeline, new business wins and the ongoing cultivation of client relationships.
- During the year, the Chief Executive Officer met with an extensive range of clients and potential clients on a weekly basis, prioritising such conversations when on international visits to ensure a global perspective. He also met with intermediaries, analysts and other industry experts to maintain a broad understanding of the client landscape and developing needs.
- The Chief Executive Officer was present at industry events (e.g. Cannes Lions, and Advertising Association events) to maintain a deep understanding of client requirements and opportunities.
- The Chief Financial Officer also met with clients and external industry experts to better understand the wider industry context as well as how our client service is perceived.
- Non-Executive Directors enhance their understanding through both management presentations in Board meetings and through direct contact with stakeholders and clients in the industry.
- The Board reviewed each of our regions and Specialisms during the year, which included a summary of key clients and their requirements.

**Group**

- Operationally, we use a customer relationship management tool, HubSpot, to monitor and consolidate client engagement globally, including the pipeline of new business and the forecasts from existing clients.
- Individual business units use periodic client satisfaction surveys, often externally managed to ensure objectivity, to ensure we continue to meet client needs and identify new requirements.
- Client networking events and outreach are led by regional and Specialism growth leaders, allowing us to share thought leadership and best practice.
- By sharing new client wins and industry awards, we drive engagement with clients and enhance the understanding of our breadth of services.

**Outcomes**

**Existing clients**

During 2025, we retained clients who accounted for

**94%**

of 2024 revenue. During 2024, we retained clients who accounted for 92% of 2023 revenue.

We continued to serve some of the world's most famous global brands, as well as regional and local brands, including JP Morgan Chase, Lego, Heineken, Toyota, Amazon, Grab, Lidl and PepsiCo.

**New clients**

During 2025, we won work with a wide array of new clients, including Novo Nordisk, Gopuff, Ferrari, Stockland, Betway, Rentokil, the Investment Association, and the UK Department for Education.

Stakeholder Engagement and Section 172 continued

Why they are important

 Our investors

We recognise the importance of maintaining open communication, transparency and fair treatment for all shareholders. The Board supports shareholders' interests by acting in the long-term best interests of the Company and driving sustainable value creation.

What matters to them?

Investors focus on consistent financial performance, such as steady returns and other means of creating shareholder value. A strong balance sheet, reflecting financial stability and the ability to withstand economic challenges, is essential. When making investment decisions, investors prioritise effective financial risk management and a prudent capital allocation strategy that delivers sustainable returns and long-term shareholder value.

How we engage

Board

- Following the release of full-year and interim results, the Chief Executive Officer and Chief Financial Officer hosted interactive presentations for analysts and institutional investors. To ensure broader accessibility, a dedicated session was also held for retail shareholders.
- The Chair, Chief Executive Officer and Chief Financial Officer engaged with major shareholders through in-person and virtual meetings following the release of both interim and full-year financial results as well as offering their time to shareholders after trading updates.
- The Chief Executive Officer and Chief Financial Officer met regularly with institutional investors to discuss the business and respond to any concerns. Discussions often revolved around how we could create shareholder value during a subdued market environment, with support for a share buyback programme voiced by a large number of shareholders.
- Following the Annual General Meeting in May, the Chair's onboarding included a dedicated engagement programme, offering shareholders the opportunity to discuss their strategic priorities. These dialogues focused on business performance and outlook, capital allocation, shareholder value creation, and management succession planning. Investors voiced support for cash utilisation for M&A transactions, albeit more strategic and bolt-on in style given the fragility of the market. Any deal that would increase exposure to core capabilities or high-potential markets was favoured.
- The Board receives regular updates on investor relations activities, including analyst notes, broker briefings, and feedback from shareholder meetings, to ensure it remains informed of key investor themes and concerns.
- The Board welcomes direct dialogue with key shareholders to address significant Company matters as they arise.
- All Directors attended the Annual General Meeting, ensuring shareholders had direct access to the Board for questions and discussion.

Group

- Our Annual Report and Accounts provides shareholders with clear and comprehensive information on the Company's strategy and financial performance.
- The Company has an Investor Relations function, and a dedicated investor website, to ensure timely, accurate and transparent communication with investors and analysts.
- The investor relations programme supports ongoing engagement through investor and analyst meetings, results presentations, the Annual General Meeting, investor days, conferences and regular correspondence.
- Key shareholders and prospective investors also have access to ad hoc meetings with Executive Directors and senior leaders within the Group.

Outcomes

**88%**

of the shareholder register met during the year.

**18**

new shareholders on the register.

**90+**

shareholder meetings.

Announced the intention to launch a share buy back programme in November 2025 and commenced the programme in March 2026.

**2**

strategic bolt-on acquisitions completed in 2025.

Stakeholder Engagement and Section 172 continued

**Why they are important**

 **Our suppliers**

We value strong supplier relationships, which help us deliver quickly and exceed client expectations.

Our vendor selection is guided by our ESG and information security standards, and we prioritise consolidating spend with preferred providers to ensure consistent value and service.

**What matters to them?**

Our suppliers value our collaborative and trusted relationships with fair commercial and payment terms, aligned objectives and values and the potential for mutually beneficial new business opportunities.

**How we engage**

**Board**

- The Company's schedule of matters reserved for the Board ensures that any key high-value supplier contracts are brought to the attention of and approved by the Board.

**Group**

- Executive delegation of authority is in place to ensure appropriate sign-off levels for more material contracts, including at a regional and Group level.
- We run a consistent Group vendor selection approach which includes standardised requests for proposals and requests for information processes and templates, with comprehensive supplier due diligence.
- The Group's Procurement function works closely with Legal and Finance, ensuring we have standardised payment, legal and commercial terms where possible.
- We conduct regular reviews of the vendor base with a specialist vendor manager.
- We contract formally with vendors to provide protection against unforeseen circumstances.

**Outcomes**

**Templated business case documentation for key high-value and multi-year supplier contracts. Format includes project sponsorship, cost modelling, ROI projections and risk mitigation.**

**Faster, clearer decision-making through defined approval routes. Enables proactive engagement from internal stakeholders who are managing high-value suppliers.**

**Supplier management training undertaken in 2025 and due to roll out further in 2026, advising employees on how to use internal tools and templates to negotiate and get the best value from their supplier base.**

**Proactively managed terminations, negotiations and service improvements. Procurement project planning is based on consolidation and duplicative opportunities found through this process.**

# OUR ESG COMMITMENTS

## Strategic drivers

## Focus areas

## Highlights

## We deliver our strategy through our ten commitments:

### MAINTAIN ELIGIBILITY FOR RFPS

1. Clarify accountability for all environmental, social and governance (ESG) areas.
2. Deliver key goals and commitments.
3. Assess tricky sectors and emerging issues.

- 100% response rate to ESG sections of Requests for Proposals (RFPS).
- No concerns raised by clients/prospective clients.
- Over £20 million of client revenue received in 2025 was dependent upon ESG performance.

### BRILLIANT CLIENT WORK

1. Training and development.
2. Planet- and People-positive campaigns.
3. Championing and incentivising good work.

- Launch of first Global Compliance Training programme, including anti-greenwashing, sexual harassment, modern slavery and other critical regulatory and ethical standards.
- Re-launch of our Conscious Creativity programme, to embed ESG into our creative and production functions.
- Several Planet- and People-positive campaigns.

### FUTURE-FIT

1. Enhancing our Planet and People offering for growth.
2. New and emerging sustainable sectors.
3. Industry leadership on ESG.

- Maintained industry-leading activities (IPA: Sustainability Committee; Purpose Disruptors: Serviced Emissions; Ad Net Zero: Climate Risk).

## PLANET

### The way we work

1. Reduce our Scope 1, 2 and 3 emissions by 50% between 2019-2030 in line with our SBTi-verified targets.
2. Set an internal price on carbon and offset remaining emissions from our own operations by 2025 and across our value chain by 2030.

## PEOPLE

### The way we work

3. Evolve how we recruit, develop and reward our people to encourage broad representation.
4. Create an inclusive experience where all can flourish, perform and belong.
5. Inspire and support people from all backgrounds to start careers in the industry.

## PLANET AND PEOPLE

### The work we do

6. Build climate and Diversity & Inclusion (D&I)-literate teams.
7. Drive alignment with our Planet and People goals across our supply chains.
8. Grow our overall revenue from Planet- and People-positive campaigns year on year.<sup>1</sup>
9. Review potential new clients based on their impact on planet and people.
10. Offer time and funding to organisations that have a positive impact on planet and people.

In December 2024, we achieved one of our commitments: to set a net zero target in line with the Science-Based Targets initiative (SBTi) Net-Zero Standard. Our target wording is: The Company commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year. The Company also commits to reduce absolute Scope 3 GHG emissions by 90% within the same time frame.

1. We have slightly amended the wording of this Commitment to better reflect our growth strategy and open up scope for greater Planet and People impact; see page 54 for more details.

# OUR ESG COMMITMENTS: PLANET

## COMMITMENTS

1. Reduce our Scope 1, 2 and 3 emissions by 50% between 2019-2030 in line with our SBTi-verified targets.
2. Set an internal price on carbon and offset remaining emissions from our own operations by 2025 and across our value chain by 2050.

### Our rationale

We are already feeling the impacts of the growing climate crisis on our economy in the cost of living and through the direct effects on people and businesses experiencing extreme weather events. We recognise the importance of rapid and deep emissions cuts in our own business and among our supply chains in order to maintain a healthy business environment and eligibility for client work.

### Our actions

#### Emissions reductions initiatives

- Business travel emission reductions achieved through enforcing our Travel Policy. The majority of flights taken are now economy flights.
- Purchase of Energy Attribute Certificates (EACs) to cover 96% of our Scope 2 emissions. Our EACs adhere to Greenhouse Gas Protocol and SBTi reporting standards in terms of technology, market, and project commissioning date requirements.
- Tested the use of software to reduce emissions from digital media buying.
- Undertook energy efficiency activities in the UK head office to reduce Scope 1 emissions in the UK.
- Refreshed our Environmental Policy (which covers the role our people play in meeting our science-based targets and reducing other environmental impacts) and Waste Policy (which covers the role our people play in minimising waste in offices and on production shoots, and encourages a prevent, reuse, recycle, disposal hierarchy).

#### Internal carbon price

- Continued to apply our internal carbon price as a central charge on Group-wide Scope 1 and 2 emissions based on cost of Gold Standard removal offsets (\$52 per tCO<sub>2</sub>e).
- Purchased Sustainable Aviation Fuel (SAF) credits for 5,054 gallons of lower-carbon fuel, with a total reduction in life-cycle GHG emissions of 44,682 tCO<sub>2</sub>e. Our credits are ISCC-certified (International Safety and Carbon Certification) and available for viewing on the SAF registry operated by Avelia.

### Key outcomes

#### Emissions reductions

- 47% reduction in Scope 1 emissions since 2019.
- 97% reduction in Scope 2 market-based emissions since 2019.
- 57% reduction in business travel emissions since 2019.
- Our digital media buying test campaign resulted in a reduction in emissions and enhanced commercial performance. However, challenges remain to the effectiveness of this particular approach in some geographies and campaign types. We are exploring additional approaches in 2026 that we hope will be more universally applicable.

# OUR ESG COMMITMENTS: PEOPLE

## COMMITMENTS

3. Evolve how we recruit, develop and reward our people to encourage broad representation.
4. Create an inclusive experience where all can flourish, perform and belong.
5. Inspire and support people from all backgrounds to start careers in the industry.

### Our rationale

To be truly creative, advertising and communications agencies require diverse and inclusive teams. Our clients have a diverse range of customers and diverse teams are therefore better placed to solve problems for our clients.

### Our actions

#### Initiatives to encourage broad representation

- In 2025, we created our Talent Acquisition Playbook, setting a global minimum standard for hiring that embeds inclusivity at every stage of the process, ensuring fair, consistent, and equitable recruitment practices.
- As part of our talent mapping process, we introduced enhanced guidance for leaders and people partners to reduce bias when identifying and developing successors for leadership roles, ensuring a fair and inclusive approach to building our leadership pipeline.

#### Initiatives to support inclusive experiences

- In our ongoing commitment to making the Group a more inclusive place to work, we continue to deliver meaningful inclusion initiatives globally through our employee-led networks (ELNs). From Pride Bingo in Australia, to HER HOUR in South Africa, to our annual Kids' Day in London bringing families together at Christmas, these moments help build a culture where everyone feels connected, supported, and included.

#### Initiatives to inspire and support people from all backgrounds to start careers in the industry

- We have adjusted the timing of our Open House programme, which offers a free seven-week online course to anyone globally who is interested in learning more about the creative industries. This is to better support onward opportunities into internships and fully globalise the programme. The change meant 2025 was a fallow year, but we have restarted the programme in 2026. Registrations have now closed (exceeding the number from 2024's bumper year) and the latest cohort began on 11 March 2026.
- In November 2025, we welcomed 50 sixth formers from Oriel High School and Beaconsfield High School for a day of speed networking, pizza and creative brief workshopping as part of the industry's "Advertising Unlocked" programme.

### Key outcomes

#### Outcomes from across our People Commitments

- We now have much greater transparency and fairness in how leadership successors are identified. The process is now shared and discussed at leadership level. In 2026, 75% of the successors who are being invested in are female.
- Between 2020 and 2026, our Open House programme will have helped open doors for 16,200 people from 101 countries into creative communications through free seven-week online courses.
- Following our Open House programme in 2024, we were able to make 12 hires from the programme participants (11 in 2025 and one in 2026) alongside creating five internships in the UK, the US and Australia.

# OUR ESG COMMITMENTS: PLANET AND PEOPLE

## COMMITMENTS

- 6. Build climate and D&I-literate teams.
- 7. Drive alignment with our Planet and People goals across our supply chains.
- 8. Grow our overall revenue from Planet- and People-positive campaigns year on year.
- 9. Review potential new clients based on their impact on planet and people.
- 10. Offer time and funding to organisations that have a positive impact on planet and people.

### Our rationale

We seek to be part of growing a future we all want to live in, for both moral and ethical reasons, and also because history tells us that businesses that drop behind the curve will struggle the most to catch up.

### Our actions

#### In our operations

- Our first Global Compliance Training programme included anti-greenwashing, sexual harassment, modern slavery and other critical regulatory and ethical standards.
- We re-launched our Conscious Creativity programme, to embed ESG into our Creative and Production functions.
- We continued to take an ESG-first approach to major supplier RFPs (Requests For Proposals), including (in UK facilities management) ensuring living wage, safety and low emissions practices, as well as ensuring all new suppliers paid through our primary global finance system signed our Supplier Code of Conduct. Our Supplier Code of Conduct covers a range of environmental, social and governance topics, that are expected to be cascaded through suppliers' own supply chains.
- We continued to produce campaigns that are Planet- and People-positive for a range of government, NGO and commercial clients. We have also revised the wording of Commitment 8 to focus our people on growing the absolute value of Planet- and People-positive campaigns, opening up scope for greater impact.
- We continued to review clients in sensitive sectors through our key lenses of: client performance towards accelerating the energy transition; impacts on the people who work for them and live in affected communities; impacts on the people affected by client products; legislative, reputational and financial risk (e.g. risk of inadvertently greenwashing). In 2025, we reviewed five potential clients from sensitive sectors.
- We offered time and funding to a range of organisations globally, including Black Business Residency and The UK Sepsis Trust, with over £56,000 raised.
- Our people undertook community volunteering in the UK (Children's Book Project and the Westminster Food Bank), the US (The Island School, which serves 400+ at-risk students on the Lower East Side in New York), India (tree planting in Delhi), Dubai (The Giving Family, providing food and essentials to labour workers in Al Quoz) and South Africa (Soup Jar Drive to support local families facing food insecurity).

### Key outcomes

#### Across these Commitments

- Our global compliance training has reached near-total completion, with a current rate exceeding 97%.
- Conscious Creativity is now a key element of our creative values, how we show up to each other and to our clients, and is influencing what we consider during hiring, casting and production. Significant outcomes globally include:
  - Inviting juniors and others to join meetings they would not normally be part of; specific inclusion of environmental and D&I issues in our "Live Culture" insight sessions; "Open Drop-ins" for insights and candid conversations; mentoring and training opportunities through "FFWD", our Creative Accelerator programme.
  - Two members of our "FFWD" programme in the UAE have gone on to win both Young Lynx and Young Lions awards and have been promoted to Associate Creative Director.
  - Three of our creatives from the US, Australia and the UAE completed the exclusive "LIAisons" global mentoring programme, run by Creative Liaisons, and we have secured one place for a talented young creative in the "LIONS Creative MBA" programme, which began in March 2026.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

This is our fourth report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), identifying climate change risks to and opportunities for the business.

## Board oversight

### Board

- Twice-yearly environmental, social and governance (ESG) update includes climate-related risks and opportunities.

### Sustainability Leadership Group (see page 78)

- Met every two months in 2025. Regular agenda includes climate-related risks and opportunities. Governs the ESG risk register.
- The group comprises the Executive Directors and the Chief People & Operations Officer as well as our UK group agency Chair.

### Remuneration Committee

- Monitors progress against the environmental goals that are included in the bonus metrics for executives.

### Management's role in assessing and managing climate-related risks and opportunities

#### Chief People & Operations Officer

- Overall management responsibility for assessing and managing climate-related risks and opportunities.

#### Group Sustainability Director

- Strategy development, implementation and monitoring.

#### Sustainability Leadership Group

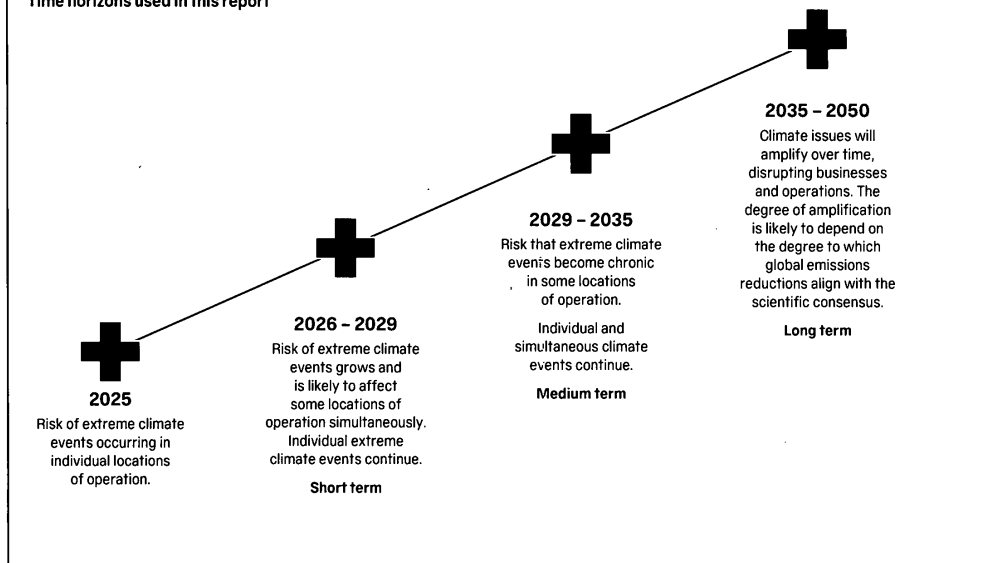
- Membership includes senior decision-makers and is designed to influence decisions in the business.

#### Executive Leadership Team

- All Executive Leadership Team (ELT) bonuses for 2025 were tied to relevant and material ESG targets (including targets linked to climate-related risks and opportunities).

## Climate risks

### Time horizons used in this report



TCFD continued

## Description of risks

### Physical risks in our own operations

As an office-based group of companies, our environmental physical risks are limited to where our people work and live. These general risks are already present in the short term (2026-2029), will increase in the medium term (2029-2035) and long term (2035-2050), and are likely to continue to amplify over time. At the moment, there are no chronic physical risks to our business locations. However, on current global emissions trajectories, these risks will become more regular and acute.

#### Physical risks to our locations

- Flooding, hurricanes and wildfires affecting our leased buildings, infrastructure and data storage.
- Increased costs of cooling buildings during heatwaves.
- Health impacts on our people from extreme weather including heat, rain and increased prevalence of disease.
- Loss of local transportation and other infrastructure due to extreme weather.
- General societal impacts from climate change.
- Stress and well-being issues for our people.

#### Financial impacts of these risks

- Costs of cooling during heatwaves.
- Service disruption (physical, digital).
- Interruptions to data storage.
- Building repairs.
- Increased cost of talent recruitment and retention (affected communities will have higher living costs).
- Health and well-being costs for our people.
- Client insolvency and/or reduction in advertising spend.

#### Impacts to our people and consumers of our clients' products and services

- Lower productivity.
- Poor mental health.
- Poor physical health.
- Water shortages.
- Reduced discretionary spending as a result of increased costs.
- Reduced access to and increased cost of food.
- Inability of local power grids to cope with demand.
- Melting airport runways, roads and rail infrastructure.
- Wildfires.
- Inability to travel, even locally.
- Political instability.
- Migration from affected areas to less-affected areas, and resulting civil unrest.

Health impacts of climate change are likely to vary by jurisdiction, depending on social welfare investment and access to food and water.

Given that we do not have material investments in fixed assets such as properties and given that we are able to deliver most of our clients' work remotely across our global footprint, we have not yet attempted to quantify the associated financial impact, because it is not sufficiently material.

However, severe climate change will be catastrophic to most businesses, including ours.

High-risk cities (wildfires, cyclones, extreme heat, flooding, sea-level rise) in our operations in 2025:

- London\*, New York\*, Sydney, Melbourne, Cape Town, Dubai\*, Abu Dhabi\*, Kuala Lumpur\*, Jakarta\* and Singapore.

Since we first undertook TCFD reporting, extreme weather events have increased around the globe. We have therefore reassessed climate risk to our cities of operation, updating risks in the light of extreme weather events that have occurred in those locations in the past few years. Climate risk to employees by headcount:

- 74% are in regions at extreme risk of wildfire.
- 37% are in regions at increased risk of hurricanes, typhoons and cyclones.
- 88% are in regions at extreme risk of prolonged extreme heat.
- 98% are in regions at extreme risk of flooding.
- 67% are in cities with significant areas that are predicted to be below the high-water tide level by 2035.

#### Transition risks

Our biggest short-term climate risk:

- Loss of clients due to not meeting GHG emissions targets.

Other transition risks:

- Risk of greenwashing – either in our client work or of our own reputation.
- Loss of clients because they do not want to work with agencies that have fossil-fuel clients.
- Loss of talent because employees and potential applicants do not want to work with agencies that have fossil-fuel clients.
- Loss of talent due to employees' preference for working with companies with apparently greener credentials.
- Reputational risk during political volatility and polarisation that arises from a "disorderly transition".
- Increased operating costs due to increasing utility prices.

Our exposure to fossil-fuel clients without a viable transition plan to renewable energy has reduced since 2024 and remains low at ~1% of our client revenue (~£2.1 million). This excludes revenue generated by those businesses that are operating as licensees.

\* An asterisk denotes those most at risk, even at the most optimistic temperature rise scenarios, according to the non-profit Climate Central's "Coastal Risk Screening Tool - 1.5°C warming scenario".

TCFD continued

**Risks to our client portfolio**

**Physical risks to our client portfolio**

Our business is dependent on the success of our clients' businesses. In 2025, we again analysed the physical climate risk exposure of our major clients (defined as bringing in over £1 million in annual revenue to us) and their progress in mitigating those risks. As in 2024, results were mixed, ranging from high exposure that is well mitigated, through high exposure that could be better mitigated, to clients who have medium exposure to climate risk. Some of our clients (e.g. telco clients) provide vital climate risk mitigation services to others. Climate risk to clients is a sector-wide issue, and we believe that full analysis should be undertaken for the sector. We are working with the Advertising Association's Ad Net Zero on a proposal to undertake initial analysis to help understand risks to the advertising sector and the role of agencies in helping their clients mitigate their risks.

We also note the recent publication of the UK's national security assessment related to global biodiversity loss, ecosystem collapse and national security. The report highlights the risks of global ecosystem degradation and collapse and how they threaten UK national security and economic prosperity. We anticipate ecosystem degradation to have similar impacts to climate change on our client portfolio.

**Transition risks to our client portfolio:**

We have some exposure to clients at higher risk of advertising regulation.

In 2025, the percentage of our revenue that came from:

- Fossil-fuel companies that do not have credible transition plans to shift to renewables: ~1%.
- Automotive companies that do not have a near-term science-based target set with the SBTi: 1%.
- Travel and tourism sector companies that are reliant on flying: less than 1%.

**How our core strategy mitigates transition risks**

(see section on our Commitments on pages 51 to 54):




- SBTi net-zero target verification and performance.
- Increasing the percentage of revenue we generate from Planet-positive campaigns.
- Building sustainability into marketing, talent onboarding, and learning and development.
- Implementing a three-step check process to scrutinise new business opportunities for climate risks.
- Training our people on how to avoid greenwashing in creative work.
- Developing a more thorough understanding of the value of different sectors in our client portfolio (which will help us ensure that our portfolio is diversified to mitigate key physical and transition risks).
- Reducing operating costs by generating operational efficiencies (see page 52).

Risk type	Description	Business impact	Mitigation actions	Impact after mitigation actions		
				Short term	Medium term	Long term
Direct, physical acute.	Impact of extreme weather events on office operations.	Disruption of business activities.	Ability to work remotely. Ability to spread client work geographically due to increased global integration. Leasing policy for office locations.	+	+	+
Direct, physical acute.	Impact of extreme weather events (e.g. flooding, wildfires) on data centres.	Disruption of business activities.	Ensuring distance between physical data centres and their back-up centres. Use of virtual data centres allowing us to deploy IT services across different continents while maintaining service availability.	+	+	+
Direct, physical chronic.	Impact of chronic weather conditions on office operations.	Increased costs, decreased productivity.	Ability to work remotely. Ability to spread client work geographically due to increased global integration. Leasing policy for office locations. Upgrading air conditioning where appropriate (e.g. New Delhi upgraded in 2024). Employee well-being initiatives.	+	+	+
Direct, physical chronic.	Impact of chronic weather conditions on heating and cooling costs.	Increased costs.	Ensuring new office spaces have maximised energy efficiency. Undertaking regular maintenance of our London head office.	+	+	+

+ Not yet mitigated     
 + Partially mitigated     
 + Successfully mitigated

TCFD continued

Risk type	Description	Business impact	Mitigation actions	Impact after mitigation actions		
				Short term	Medium term	Long term
Indirect, physical chronic.	Impact of climate change on cost of living for our people.	Increased costs (e.g. wages).	Not specifically built into business planning.	+	+	+
Physical risks to clients (acute and chronic).	Acute and chronic weather events affect our clients' businesses, reducing their revenue and advertising spend.	Decreased revenue.	We have undertaken climate risk profiling of our major clients and sector-level analysis, but have not yet built the results into business planning.	+	+	+
Physical and transition risks to global financial system.	Threat to global financial stability from climate impacts affects our clients and our own access to capital.	Decreased revenue, increased financial volatility.	Not specifically built into business planning.	+	+	+
Transition risk.	Loss of clients due to inability to meet emissions targets.	Decreased revenue, reputation impacts.	Inclusion of GHG emissions targets for key areas in ELT bonus plans; see page 87. See page 61 for more details on emissions.	+	+	+
Transition risk.	Use of AI significantly increases exposure to emissions and threatens targets.	Decreased revenue, reputation impacts.	The impact of AI on our emissions so far is minimal, although data service and cloud computing providers have experienced a major increase in their own emissions due to development of AI. We are seeking to achieve better data security and low-emissions processing from AI providers as part of our AI strategy.	+	+	+
Transition risk.	Greenwashing (in client work or in our own reputation).	Cost and reputation from fines and litigation.	Our entire ELT undertook anti-greenwashing training in 2024. Anti-greenwashing is now part of our Group-wide compliance training.	+	+	+
Transition risk.	Changing consumer demands.	Loss of revenue.	We have undertaken climate risk profiling of our major clients and undertaken sector-level analysis, but have not yet built the results into business planning.	+	+	+
Transition risk.	Loss of clients who do not want to work with agencies with fossil-fuel clients.	Loss of revenue.	We have undertaken climate risk profiling of sectors most likely to move in this direction, and we closely monitor developments in this space. Results not yet built into business planning.	+	+	+
Transition risk.	Loss of talent because people do not want to work for agencies with high-climate-impact clients.	Increased costs, decreased capabilities.	Although not directly measured, employee engagement suggests this is not yet a major issue for our people. However, this could change with increased scrutiny of agencies and their clients, particularly if we faced similar levels of external activism as other advertising and communications agencies.	+	+	+

 Not yet mitigated   
  Partially mitigated   
  Successfully mitigated

TCFD continued

**Our climate opportunities**

Type	Description	Business impact	Actions in 2025
Our operations (the way we work).	Energy efficiency.	Lower running costs and greater employee well-being.	Upgrade to our building management system and some lighting in the UK head office.
Our operations (the way we work).	Business Travel Policy.	Lower costs and increased employee availability (reduction in time spent travelling).	Improved enforcement of our Business Travel Policy, which has increased the use of economy class in flights booked through our central booking system.

**Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning**

The Directors consider that the current impacts of climate change on the Group are manageable under the existing strategy. Specific financial cost provisions have not yet been allocated to climate-related risks. In the UK in December 2025, we upgraded our building management system and replaced some light fittings in our head office as per our Energy Savings Opportunity Scheme (ESOS) action plan. This may offset rising operating costs due to increased utility prices. We also include ESG as a metric in bonus calculations; see page 87 for further details.

**Challenges**

Initiatives planned for 2025	Reason for non-delivery
Review our client portfolio for climate risk and impacts.	We are working with Ad Net Zero on a sector-wide approach to this issue to ensure that all industry actors use comparable methodologies. This inevitably takes time.
Increase client work for low-carbon solutions/NGOs to increase revenue and reputation in this space.	We continue to undertake work for low-carbon clients/NGOs, but increasing the volume of this work is not yet built into business strategy.

**Resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

Physical and transition risks associated with climate change are constantly developing. Given the nature of our business, including our limited fixed asset exposure, and our ability to reallocate the provision of our services remotely and across our global locations, we have not modelled specific scenarios at this stage.

In 2025, the impacts of short-term breaches of the 1.5°C threshold became increasingly visible, while global climate cooperation faced renewed uncertainty and political pressure.

This meant extreme weather and high global temperatures persisted despite La Niña conditions, with the ten most costly climate disasters of the year causing \$122 billion alone, and severe impacts to commodity crops such as coffee and chocolate. This underscores the fact that climate-related harms are a present-day reality and intensifies the urgency of accelerating fossil-fuel phase-out and climate adaptation across sectors.

We believe that an orderly transition to a world where temperatures have increased by less than 1.5°C is very unlikely and, based on current Nationally Determined Contributions, temperatures may breach 2°C.

TCFD continued

**Activities under our resilience strategy**

**Existing activities (physical risks)**

Improving energy efficiency to reduce the cost of energy and minimise the risk of supply disruption.

Reviewing data management and security solutions to ensure no single point of failure exists from physical climate risk exposure.

Using our digital capabilities to collaborate and offer our services remotely.

Continuing to understand the needs of our people and invest in employee well-being.

Providing client services for clients with products and services that support the transition.

Membership of Ad Net Zero, the primary industry body for addressing the climate impacts of advertising and communications.

Training our people on anti-greenwashing and ESG issues (see page 54).

Delivering our SBTi-verified net zero target.

Changing reporting requirements.

Consideration of client exposure to physical climate risks (see page 57).

Supporting the decarbonisation of business travel by purchasing alternative aviation fuels (commonly known as SAFs).

Preventing loss of talent caused by employees preferring to work with companies with greener credentials.

**Potential future activities to remain resilient**

We may need to expand this approach to other utilities, such as water in areas with high likelihood of water shortages (e.g. Cape Town).

Stronger engagement on this issue to minimise risk.

Enhance digital capabilities to meet increased client and employee expectations.

We may need to expand and invest in our well-being and support offering, particularly for people directly impacted by extreme weather events and/or political instability.

Continue to review and evolve our approach.

Stay ahead of eligibility requirements (see page 51 for how we are anticipating future evolution in the reporting of advertised/serviced emissions).

Screening client work more closely before it goes live.

See page 87 for information on ELT bonus goals and page 51 for details on advertised/serviced emissions.

Adopting new frameworks as they become mandatory.

See page 54 on our Planet-positive campaigns and for how we are reviewing our approach to potential new clients.

Potential future increase in volumes of SAF purchased if we are unable to directly reduce business travel in line with targets.

See pages 10, 28, 47 and 87 for how we monitor employee engagement.

**Description of the organisation's processes for identifying and assessing climate-related risks.**

The Audit & Risk Committee assesses the completeness of our risk register; see principal risks and uncertainties on pages 39 to 46. Individual agencies can escalate specific climate-related risks. There is currently no specific climate change risk terminology used, and we do not reference existing risk classification frameworks. The Finance function and Sustainability Leadership Group are responsible for reviewing and assessing emerging regulatory requirements and identifying any climate-related risks and risk mitigations.

Chaired by the Chief People & Operations Officer, the Sustainability Leadership Group operates at the executive level and includes all Executive Directors. The Group provides the Board with biannual in-person updates, supplemented by regular reporting to the Executive Leadership Team. For more information, see page 78.

TCFD continued

**Metrics and targets**

There is currently no sector-specific metrics guidance for advertising and marketing companies in the TCFD annex or under the more recently published IFRS S2.

We have identified the following metrics as most appropriate for assessing climate risks and opportunities related to our business:

- Business travel emissions per business.
- Number of our businesses with high physical climate risks that have appropriate mitigation plans in place.
- Percentage of revenue at risk from the climate transition.
- Percentage of overall revenue from Planet-positive campaigns (see page 54 for details).
- Supply chain metrics (see page 54 for details).

Please refer to page 87 for details of how these metrics are incorporated into the Company's remuneration policies.

**Scope 1, 2 and 3 GHG emissions<sup>1</sup>**

Scope 1 and Scope 2 – Global data summary Environmental KPIs

	Units	2019	2024	2025
<b>Energy consumption (MWh)</b>	MWh	<b>5,641</b>	<b>2,814</b>	<b>2,419</b>
Natural gas	MWh	894	636	372
Other fuels	MWh	48.2	32.9	27.4
Purchased electricity	MWh	4,699	1,849	2,020
Of which renewables	%	26%	57%	96%
<b>GHG emissions (location-based)</b>	tCO <sub>2</sub> e	<b>2,215</b>	<b>958.7</b>	<b>871.3</b>
Scope 1	tCO <sub>2</sub> e	221.4	233.7	117.3
Scope 2	tCO <sub>2</sub> e	1,993.6	725	754.1
<b>GHG emissions (market-based)</b>	tCO <sub>2</sub> e	<b>1978</b>	<b>657.2</b>	<b>165.9</b>
Scope 1	tCO <sub>2</sub> e	221.4	233.7	117.3
Scope 2	tCO <sub>2</sub> e	1,756.6	423.5	48.6
<b>Scope 1 and 2 tracking against our science-based target (% market-based emissions reduction from base year)</b>	%	<b>0%</b>	<b>-66%</b>	<b>-91.6%</b>
<b>Scope 3 category</b>				
Purchased goods and services	tCO <sub>2</sub> e	23,347	51,425.7	41,527.7
Capital goods	tCO <sub>2</sub> e	-	-	-
Fuel and other energy-related activities	tCO <sub>2</sub> e	662.6	289	278.6
Upstream transport and distribution	tCO <sub>2</sub> e	6.8	2.1	8.3
Waste generated in operations	tCO <sub>2</sub> e	475.3	216.8	206.7
Business travel	tCO <sub>2</sub> e	8,229.7	4,611.5	3,535.5
Commuting and teleworking	tCO <sub>2</sub> e	3,816	2,275.2	2,016.6
Upstream leased assets	tCO <sub>2</sub> e	-	47	71.3
Downstream transport and distribution	tCO <sub>2</sub> e	-	-	-
Processing of sold products	tCO <sub>2</sub> e	-	-	-
Use of sold products	tCO <sub>2</sub> e	-	-	-
End-of-life treatment of sold products	tCO <sub>2</sub> e	-	-	-
Downstream leased assets	tCO <sub>2</sub> e	-	-	-
Franchises	tCO <sub>2</sub> e	1,020.3	2,520	1,069.6
Investments	tCO <sub>2</sub> e	-	-	-
<b>Total Scope 3 emissions</b>	tCO <sub>2</sub> e	<b>37,557</b>	<b>61,387</b>	<b>48,714</b>
<b>Scope 3 tracking against our science-based target (% reduction from base year)</b>	%	<b>0%</b>	<b>+63%</b>	<b>+29.7%</b>

1. We have restated our GHG emissions for all years due to a change in methodology. Please see page 62 for full details.

TCFD continued

### A note on GHG emissions and re-baselining

Our Scope 3 figures in the Annual Report and Accounts for the year ended 31 December 2024 were unaudited figures. As we started to dig into our Scope 3 emissions ahead of the assurance process, we found an error in the calculations, which had inadvertently excluded some of our key suppliers. It mainly affected Category 1: Purchased Goods and Services. We have since moved to a new emissions data analysis provider who uses updated methodologies and emission factors. This methodological change has materially affected reported emissions values and has triggered a recalculation of the base year and select recent years in accordance with the GHG Protocol. In line with our Data Recalculation policy (available on request), we have recalculated the emissions for our 2019 baseline year and for 2024. We have not recalculated our emissions between 2020 and 2023 as the effort required to recalculate four full years of data would outweigh the benefit to stakeholders. Instead, we are prioritising the use of resources for actual emissions reductions and operational improvements.

These revised calculations have had no impact on our sustainability-related performance metrics for executive remuneration.

### Scope 1, 2 and 3 GHG emissions, and the related risks

To understand our Scope 3 emissions, we calculate all categories listed in the GHG Protocol, including emissions from digital media buying. See page 61 for further details of our emissions and how we are performing against them. Digital media buying is currently a high emissions source for us (37% of our emissions) and we are part of industry discussions related to measuring and reducing emissions from media buying (see page 61). In 2026 we are employing dedicated resource to address emissions from other Purchased Goods and Services (48% of our emissions).

### Targets and performance in our management of climate-related risks and opportunities

Target	Performance
Scope 1, 2 and 3 emissions	See page 61
Supply chain engagement targets	See page 54
% of revenue at risk from climate transition	See page 57
% of overall revenue from Planet-positive campaigns	See page 54
Review of the environmental approaches of high-risk new clients	See page 54
% of client requests for ESG information answered accurately and in a timely manner	See page 51
Ability to continue bidding for client work as a result of meeting clients' sustainability performance requirements	100%
Number of our locations with high physical climate risks that have appropriate mitigation plans in place	Not yet measured
Purchase of high-quality Renewable Energy Certificates to cover >90% of our Scope 2 emissions	On track

**Methodology:** The GHG Protocol Corporate Accounting and Reporting Standard was used to calculate our emissions.

In 2025 and for the 2019 and 2024 recalculations, we have adopted Watershed's "Comprehensive Environmental Data Archive" (CEDA), which is a multi-region database that covers 95% of world GDP. Switching to the CEDA methodology typically results in an increase in reported emissions.

Where primary consumption data could not be retrieved from certain entities, we chose to either input last year's data where applicable or used Watershed to make estimates based on headcount and floor space data. Emissions reported here are calculated using both the location-based and market-based methods, using an operational control boundary. The method for calculating our Scope 3 emissions is aligned with the GHG Protocol Scope 3 Standard. For Category 1: Purchased Goods and Services, a spend-based approach was used. For air travel, we report against individual flight data by destination and cabin class.

# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information signposted in the table below is intended to help our stakeholders understand the Company's position on key non-financial matters.

It is produced in accordance with section 414CB of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

<u>Non-financial matter</u>	<u>Relevant policies/documents that govern our approach*</u>	<u>Where to find risk management, impact, KPIs and additional information</u>
Employees	<ul style="list-style-type: none"> <li>• People Commitments.</li> <li>• Stakeholder Engagement.</li> <li>• Talent Acquisition Playbook.</li> <li>• Bullying and Harassment Policy.</li> <li>• ESG Policy &amp; Code of Conduct for Network Members.</li> <li>• Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• Our ESG Commitments: People, page 53.</li> <li>• Stakeholder Engagement and Section 172 (Our employees), page 47.</li> <li>• People and Culture, page 28.</li> <li>• Nomination Committee Report (Culture and diversity and inclusion), page 78.</li> <li>• Directors' Report (ESG policies), page 93 and (Human rights policies), page 94.</li> <li>• Our ESG Commitments: Planet and People, page 54.</li> </ul>
Human rights	<ul style="list-style-type: none"> <li>• Modern Slavery Statement.</li> <li>• Child Labour Policy.</li> <li>• ESG Policy &amp; Code of Conduct for Network Members.</li> <li>• Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors' Report (Human rights policies), page 94.</li> <li>• Our ESG Commitments: Planet and People, page 54.</li> <li>• Stakeholder Engagement and Section 172 (Our suppliers), page 50.</li> <li>• Modern Slavery Statement and Child Labour Policy, see the Company's website: <a href="http://www.mcsaatchiplc.com/about-us/governance/corporate-governance">www.mcsaatchiplc.com/about-us/governance/corporate-governance</a>.</li> </ul>
Social matters	<ul style="list-style-type: none"> <li>• Planet and People Commitments.</li> <li>• ESG Policy &amp; Code of Conduct for Network Members.</li> <li>• Supplier Code of Conduct.</li> <li>• Group risk register.</li> </ul>	<ul style="list-style-type: none"> <li>• Our ESG Commitments: Planet, People and Planet and People Commitments, pages 52 to 54.</li> <li>• For anti-greenwashing training, see TCFD section page 58.</li> <li>• Principal Risks and Uncertainties (AI risk), page 43.</li> </ul>
Environmental matters	<ul style="list-style-type: none"> <li>• Environmental Policy.</li> <li>• Waste Policy.</li> <li>• Planet Commitments.</li> <li>• ESG Policy &amp; Code of Conduct for Network Members.</li> <li>• Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• ESG section (Our ESG Commitments: Planet), page 52.</li> <li>• TCFD Report, pages 55 to 62.</li> <li>• SECR (Streamlined Energy and Carbon Reporting), pages 92 and 93.</li> <li>• Planet and People section of the Group website at: <a href="http://www.mcsaatchi.com/planet-people">www.mcsaatchi.com/planet-people</a>.</li> <li>• Directors' Report (ESG policies), page 93.</li> </ul>
Anti-corruption and bribery	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy.</li> <li>• Whistleblowing Policy.</li> <li>• Anti-Fraud Policy.</li> <li>• ESG Policy &amp; Code of Conduct for Network Members.</li> <li>• Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors' Report, page 94.</li> <li>• Stakeholder Engagement and Section 172 (Our employees), page 47.</li> <li>• Planet and People section of the Group website at: <a href="http://www.mcsaatchi.com/planet-people">www.mcsaatchi.com/planet-people</a>.</li> </ul>

The Company's Strategic Report, set out on pages 1 to 63, was approved by the Board on 19 April 2026 and signed on its behalf by

**DAME HEATHER RABBATTS**  
Executive Chair  
19 April 2026



## ALDAR – AI LED CREATIVITY

With tight timelines and budget constraints, the challenge became clear: how do we capture the essence of Bal Harbour without ever setting foot in Miami? We built the brand from scratch, defining the positioning, designing the identity, and creating the creative platform that shaped every touchpoint. To bring it to life at speed, we used a hybrid production model: capturing lifestyle imagery that reflected our audience, pairing curated photography with AI-generated environments.

**+ 315**

HOMES SOLD IN DAYS ACROSS THREE BUILDINGS

**+ AED 300M**

GENERATED  
PROMPTING THE UNPLANNED IMMEDIATE  
RELEASE OF THE FOURTH BUILDING

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# GOVERNANCE

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# CHAIR'S INTRODUCTION TO GOVERNANCE

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**DAME HEATHER RABBATTS**  
Executive Chair

I am pleased to present the Corporate Governance Report for the year ended 31 December 2025. The Board remains committed to robust governance, proactive stakeholder engagement, and the delivery of long-term shareholder value. The Company achieved two major milestones in 2025: completing the Company's first acquisitions in seven years and initiating a share buyback programme that continues into the current financial year.

## Board changes

Following Zillah Byng-Thorne's departure in May 2025 and a period of consultation with shareholders, I was pleased to assume the role of Non-Executive Chair. More recently, Zaid Al-Qassab stepped down as Chief Executive Officer on 31 March 2026, at which point I assumed the role of Executive Chair on an interim basis. I would like to thank both Zaid and Zillah for their significant contributions to the Company and wish them every success in their future endeavours.

We were also pleased to welcome two new members to the Board on 9 March 2026: Vinodka "Vin" Murria, who joined as Non-Executive

Director and Deputy Chair, and Nicholas Shott, as an independent Non-Executive Director. As a substantial long-term shareholder and former Director of the Company, Vin offers a profound understanding of the business alongside her deep expertise in the media, digital, and technology sectors. Nicholas complements the Board with a wealth of financial acumen, drawn from his tenure in non-executive and advisory roles across listed financial services, government, and media organisations.

You can read more about our Board members on pages 68 and 69.

## Board role and effectiveness

The Board's core objective is to drive long-term success for the Company and maximise shareholder returns. This involves setting the Company's strategic direction, ensuring robust financial and organisational frameworks, overseeing management's execution of the strategy, and establishing the Company's risk tolerance. My role as Chair is to lead the Board and to ensure that the Company has a Board that works effectively in all aspects of its role.

Prior to each Board meeting, the Non-Executive Directors and I convene for a separate session. This allows for independent deliberation on key matters, ensuring alignment and identifying specific areas for further engagement with the Executive Directors. Furthermore, this dedicated time provides a structured forum for reviewing Executive Director performance.

## Board evaluation

The Board remains committed to continuous improvement, with our annual performance evaluation serving as a cornerstone of this commitment. Building on the findings of our 2023 external review and the 2024 internal assessment, we conducted a further internal evaluation of the Board and its committees for 2025 to ensure ongoing effectiveness. The assessment confirmed that the Board continues to operate effectively. As Chair, I am confident that our diverse composition provides the right balance of skills and experience to maintain a high standard of governance.

Further detail regarding the outcomes of the Board evaluation can be found on page 76.

The responsibilities of the Board and its committees and the way in which they uphold high standards of corporate governance are set out on page 70.

## Shareholder engagement

Led by our Chief Executive Officer and Chief Financial Officer, our successful investor engagement programme continued throughout the year. The Chief Financial Officer shares feedback from investor roadshows and meetings with the Board.

Following my appointment as Non-Executive Chair during the year, I prioritised direct engagement with our shareholders. I welcomed the opportunity to meet with all investors who expressed an interest, ensuring a clear understanding of their perspectives and fostering an open dialogue from the outset of my tenure. More recently, following Zaid's departure, I have further engaged with our shareholders and listened to their views. In parallel, the Remuneration Committee Chair conducted a targeted engagement during 2025 to gather specific feedback on the Company's executive pay framework. Together, these discussions provided the Board with a comprehensive understanding of investor perspectives on both our strategic direction and our approach to reward.

More detail on investor and other stakeholder engagement by the Board is presented in our stakeholder engagement and section 172 statement on pages 47 to 50.

## Remuneration

The Board considers that policies on executive remuneration should be transparent. They should be implemented in a manner which supports strategy and promotes long-term sustainable growth. In addition, remuneration should reflect both the performance of the Company and that of individuals. The Board has delegated to the Remuneration Committee responsibility for complying with these aspects of the UK Corporate Governance Code 2024 (the "Code") and the work of the committee is reported in full, starting on page 79.

The Group's remuneration policies are fully in compliance with the principles and provisions of the Code save for the reporting of Chief Executive Officer pay ratios as set out in Provision 41 of the Code, as further disclosed on page 71.

## Statement of compliance

Although as an AIM-listed entity the Company is not required to comply with the Code, the Board believes that to do so represents best practice. The Board confirms that throughout the year ended

## Chair's Introduction to Governance continued

31 December 2025, the Company applied the main principles and complied with the relevant provisions of the Code save for those exceptions set out on page 71.

The Code can be found on the Financial Reporting Council (FRC) website at [www.frc.org.uk](http://www.frc.org.uk).

The FRC published a revised UK Corporate Governance Code in January 2024. The Company has adopted the new Code for its 2025 financial year, with the exception of Provision 29, relating to internal controls, which becomes applicable from the Company's 2026 financial year.

#### Committees of the Board

The Board is supported by three key committees: Audit & Risk, Nomination, and Remuneration. The Board appoints members to each of these committees.

The Audit & Risk Committee Report can be found on page 72.

The Remuneration Committee Report can be found on page 79.

The Nomination Committee Report can be found on page 76.

Each committee has the authority to seek independent external advice as necessary. The Company Secretary serves as Secretary to all committees. The terms of reference for each committee are reviewed regularly and updated as required to maintain alignment with best practices. All committee terms of reference are approved by the Board.

Copies of the committees' terms of reference are available at [www.mcsaatchiplc.com/about-us/governance/corporate-governance](http://www.mcsaatchiplc.com/about-us/governance/corporate-governance).

#### Notices and Directors' conflicts of interest

Board meeting notices, agendas, and supporting documents are formally distributed to all Directors in advance as part of the Board papers. Directors are encouraged to propose any additional agenda items they deem relevant for discussion.

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's articles of association allow the Directors to authorise conflicts of interest, and the Board has adopted a policy for reviewing and managing conflicts of interest as they arise. Each Director must disclose the nature and extent of any actual or potential conflict of interest arising generally or in relation to any matter to be discussed as soon as the Director becomes aware of its existence. Directors must also disclose their shareholdings and any changes to

these that have occurred from time to time. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported by the Directors.

During the year, the Board noted my interest in the acquisition of The Women's Sport Group, arising from my shareholding in the target company. In accordance with the Company's Conflicts of Interest Policy, I recused myself from all deliberations and the decision-making process regarding the transaction.

While the Board recognises that Chris Sweetland could be regarded as being interested in any agreement or arrangement to be entered into in the future with Vin Murria, AdvancedAdvT Limited ("AdvT") or their associates by virtue of being an appointee recommended by both Vin Murria and AdvT, the Board does not believe there to be conflicts of interest for Chris Sweetland as a result of being such an appointee in all circumstances. The Board is satisfied that appropriate procedures are in place to manage this relationship and to ensure that Chris Sweetland can exercise independent judgement and that the influence of third parties does not compromise or override such independent judgement.

Vin Murria personally holds 14,437,452 ordinary shares in the Company, representing 11.87% of the Company's issued share capital (excluding treasury shares) and is therefore considered to be a substantial shareholder. Vin is also the Executive Chair and a substantial shareholder of AdvT, which holds 12,000,000 shares in the Company representing 9.86% of the Company's issued share capital (excluding treasury shares). AdvT is also considered to be a substantial shareholder. Vin Murria was not a Director of the Company during the financial year under review and therefore there were no Director conflicts to report arising from her role on the Board during that period. However, Vin Murria was appointed as a Director of the Company on 9 March 2026. The Board is aware of her significant interest in the Company's ordinary shares both personally and through her separate interest in AdvT, and has authorised these situational conflicts in accordance with the Company's articles of association. The Board has taken steps to ensure that appropriate procedures are in place to manage any conflicts that may arise from these interests and to ensure that the influence of substantial shareholders does not compromise or override independent judgement on the Board.

The Board notes the significant shareholdings referred to above and has implemented procedures to identify and manage any potential conflicts of interest that may arise from these substantial shareholdings,

in accordance with Provision 7 of the UK Corporate Governance Code 2024. A review of Directors' conflicts of interest is conducted at least annually.

#### Executive Leadership Team

The Executive Leadership Team (ELT), led by the Chief Executive Officer during the year, comprises 14 members. These individuals head key business lines driving the Group's revenue or lead critical functions within the Group's central organisation. The ELT meets monthly to ensure cohesive leadership, collaboration and effective execution of the Company's strategic objectives. These meetings focus on key areas including financial performance and strategic priorities, fostering collaboration and contributing to the achievement of our business goals. Throughout the year, the ELT dedicated significant focus to the Group's overarching strategy and financial performance. Key priorities included our growth strategy, the implementation of our integrated operational model, the development of our AI strategy and the evolution of our capabilities.

#### Shareholder returns

Towards the end of 2025, we announced our intention to initiate a share buyback programme. Our share buyback programme launched on 9 March 2026 for up to £4.5 million and is scheduled for completion during the current financial year. The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board does not intend to propose a final dividend in respect of the year ended 31 December 2025, but instead intends to reallocate the amount that would otherwise have been proposed as a final dividend for the year to an enhanced share buyback programme.

#### Looking ahead

Looking ahead, the Board will ensure our governance framework aligns with the Group's long-term ambitions and the expectations of our stakeholders. I look forward to meeting shareholders at our upcoming Annual General Meeting which will take place on 11 June 2026 at the Company's registered office at 36 Golden Square, London W1F 9EE.



**DAME HEATHER RABBATTS**

Executive Chair

19 April 2026

# BOARD OF DIRECTORS

The Code requires the Board and its committees to have an appropriate balance of skills, experience, independence and knowledge of the Company, to enable them to discharge their duties and responsibilities effectively and in line with the corporate strategy.

Members of the Board bring a wealth of knowledge and experience to the discussions, maintain memberships of a number of professional bodies, and ensure their skill sets are constantly developed.

The Directors of the Company who were in office during the year, and up to the date of signing the financial statements, are as set out here. Vinodka Murria and Nicholas Shott did not serve as Directors during the 2025 financial year, having been appointed to the Board on 9 March 2026.

## Board composition:

 See page 70

## Evaluation of the board and its committees:

 See page 76



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**DAME HEATHER RABBATTS, 70**  
Interim Executive Chair

Dame Heather is currently the Board's Interim Executive Chair having served as the Senior Independent Director and the Non-Executive Chair. She has extensive experience as a board member having held a number of executive and non-executive roles including in local government, infrastructure, media and sports. She has previously been a Non-Executive Director of Kier Group plc and Grosvenor Britain & Ireland. She was the first woman on the Board of the Football Association in over 150 years.

### External appointments

- Senior Independent Director and member of the Audit, Nomination and Remuneration Committees of Associated British Foods plc.
- Non-Executive Director and member of the Audit, Remuneration and Nomination Committees of Bloomsbury Publishing plc.
- Chair of Soho Theatre.
- Chair of UK Time's UP.

### Board committees

Nomination Committee.

### Independent

No. Dame Heather was independent on appointment as Non-Executive Chair. However, as she has been serving in an executive capacity since 1 April 2026, she is no longer classified as independent under the Code.

### Year of first appointment

2024.

### Board tenure:

- + 0-3 years
- + 3-6 years

### Board skills:

- + Advertising and media
- + Finance and audit
- + Management and strategy
- + People and HR
- + ESG and sustainability



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**SIMON FULLER, 48**  
Executive Director

Simon is an experienced listed Chief Financial Officer, having held several executive and senior management roles across a range of UK listed companies. His former positions include Chief Financial Officer of two FTSE listed businesses, the news media group, Reach plc and McColl's Retail Group plc. He has also held senior managerial roles in the finance functions of Tesco plc, BT Group plc and COLT Telecom plc. He qualified as a chartered accountant with PricewaterhouseCoopers in 2001. Simon is a Fellow of the Institute of Chartered Accountants in England and Wales.

### External appointments

None.

### Board committees

N/A.

### Independent

No.

### Year of first appointment

2024.



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**VINODKA MURRIA, OBE, 63**  
Non-Independent Non-Executive Director and Deputy Chair

Vin has over 30 years of experience in operating and advising public companies within the digital and technology sectors. She founded and led both Advanced Computer Software and Computer Software Group plc as Chief Executive Officer, with combined exits of \$1.7 billion. As a substantial long-term shareholder and former Director of the Company, Vin offers a profound understanding of the Company's operations alongside deep expertise in software and digital transformation. Her previous non-executive portfolio includes Softcat plc and Chime Communications plc, alongside advisory roles for Rothschild & Co and HgCapital. In 2018, Vin was awarded an OBE for her services to the British digital economy and her commitment to advancing women in the software sector.

### External appointments

- Non-Executive Director at Bunzl plc.
- Executive Chair of AdvancedAdvT Limited.

### Board committees

None.

### Independent

No. See further details on page 67.

### Year of first appointment

2026.

Board of Directors continued



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**GEORGINA HARVEY, 61**  
Senior Independent Director

Georgina serves as the Company's Senior Independent Director and is the designated Non-Executive Director for workforce engagement. She brings significant experience leading transformational change in highly competitive consumer markets. From 2005 to 2012, she served as Managing Director of Regionals and a member of the Executive Committee at Trinity Mirror plc. Georgina has a strong track record on public company boards. Her Non-Executive Director experience includes chairing the Remuneration Committees of Britvic plc, Superdry plc, McColl's Retail Group plc, Big Yellow Group plc, and William Hill.

**External appointments**

- Senior Independent Director, Chair of the Remuneration Committee and member of the Nomination, and Responsible Business Committees at Capita plc.

**Board committees**

Audit & Risk Committee, Nomination Committee and Remuneration Committee (Chair).

**Independent**

Yes.

**Year of first appointment**

2024.



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**COLIN JONES, 65**  
Independent Non-Executive Director

Colin has had a highly successful executive career in the technology, media and telecommunications sector and is an experienced FTSE-250 Chief Financial Officer. Colin served as Chief Operating Officer and Chief Financial Officer at Euromoney Institutional Investor Plc until 2018. Prior to this, Colin was a director at PricewaterhouseCoopers, working across strategy, remuneration, financing, technology and M&A in the UK and Europe. Colin is a chartered accountant.

**External appointments**

- Non-Executive Director and Chair of the Audit & Risk Committee of STV Group plc.
- Non-Executive Director of Datatec Limited (JSE-listed).
- Governor and Trustee of London's City Literary Institute and Chair of its Financial and Commercial Committee.

**Board committees**

Audit & Risk Committee (Chair), Nomination Committee and Remuneration Committee.

**Independent**

Yes.

**Year of first appointment**

2020.



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**CHRIS SWEETLAND, 70**  
Non-Independent Non-Executive Director

Chris is a chartered accountant who began his career with KPMG before spending nine years in various finance roles with PepsiCo Inc., lastly as Chief Financial Officer of its Central Europe Beverages division. In 1989, he joined WPP plc's central team, where he played a key role in the company's growth through acquisitions and oversaw operations and investor relations. He retired as WPP's Deputy Group Finance Director in 2016, having represented the company on numerous boards in the UK and internationally.

**External appointments**

- Non-Executive Director and Chair of the Audit, Risk and AIM Rules and Compliance Committee at TPXimpact Holdings plc.
- Non-Executive Director and Chair of the Audit and Risk Committee at Ebiquity plc.

**Board committees**

Remuneration Committee.

**Independent**

No. Chris serves as a representative of AdvancedAdvT Limited ("AdvT") and Vin Murria, who hold in aggregate 26,437,452 ordinary shares in the Company, representing 21.73% of the Company's issued share capital (excluding treasury shares). Chris is entitled to remain on the Board provided AdvT and Vin Murria retain an aggregate interest of at least 11.5% of the Company's issued share capital.

**Year of first appointment**

2023.



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**NICHOLAS SHOTT, 74**  
Independent Non-Executive Director

Nicholas has more than 30 years' experience in the financial services sector, spending much of his career at Lazard where he held senior roles including Vice Chairman of European Investment Banking, Head of UK Investment Banking, and member of the London Management Board. He began his career in media, has extensive finance expertise and has served in multiple Non-Executive Director and advisory positions across listed financial services companies, government bodies, and media organisations. Nicholas previously served for nine years as a Non-Executive Director at Phoenix Group Holdings, the FTSE 100 savings and retirement business.

**External appointments**

- Non-Executive Director and Chair of the Board and Nomination Committee, and member of the Remuneration Committee, at Conduit Holdings Limited.

**Board committees**

None.

**Independent**

Yes.

**Year of first appointment**

2026.

# GOVERNANCE REVIEW

## Division of responsibilities

Board		
<p>Chaired by Dame Heather Rabbatts, who joined the Board on 22 January 2024. Having served as interim Non-Executive Chair from 15 May 2025, she was formally appointed Non-Executive Chair on 17 June 2025 and more recently appointed interim Executive Chair on 1 April 2026.</p>	<p><b>Responsible for:</b></p> <ul style="list-style-type: none"> <li>Promoting the Group's long-term success through effective governance and prioritising the interests of stakeholders.</li> <li>Overseeing the Group's governance and internal controls.</li> </ul>	<p>The Board currently consists of seven members: the Chair, the Chief Financial Officer, and five Non-Executive Directors (two of whom are not considered to be independent; one is a significant shareholder and the other is a shareholder appointee). Details of the members of the Board can be found on pages 68 and 69. The Directors' Report can be found on page 91.</p>
Audit & Risk Committee		
<p>Chaired by Colin Jones, who was appointed to the Board on 3 February 2020.</p>	<p><b>Responsible for:</b></p> <ul style="list-style-type: none"> <li>Monitoring the integrity of the financial statements.</li> <li>Reviewing the Group's internal financial controls and risk management systems.</li> <li>Overseeing the Group's relationship with the external auditor.</li> </ul>	<p>The Audit &amp; Risk Committee consists of the two independent Non-Executive Directors. The Chair, the Executive Directors then in office, the General Counsel &amp; Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Audit &amp; Risk Committee requires. The Audit &amp; Risk Committee Report can be found on page 72.</p>
Remuneration Committee		
<p>Chaired by Georgina Harvey, who joined the Board on 1 October 2024 and was appointed Chair of the Remuneration Committee on 1 January 2025.</p>	<p><b>Responsible for:</b></p> <ul style="list-style-type: none"> <li>Determining the policy for Executive Director remuneration.</li> <li>Reviewing current remuneration practices and ensuring that remuneration, strategy and culture are fully aligned.</li> </ul>	<p>The Remuneration Committee currently consists of the two independent Non-Executive Directors and one of the non-independent Non-Executive Directors. The Executive Directors then in office, the Chief People &amp; Operations Officer, the General Counsel &amp; Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Remuneration Committee requires. The Directors' Remuneration Report can be found on page 79.</p>
Nomination Committee		
<p>Chaired by Dame Heather Rabbatts, who joined the Board on 22 January 2024. Having served as interim Non-Executive Chair from 15 May 2025, she was formally appointed Non-Executive Chair on 17 June 2025 and more recently appointed interim Executive Chair on 1 April 2026. Georgina Harvey will chair the committee from 1 April 2026 onwards.</p>	<p><b>Responsible for:</b></p> <ul style="list-style-type: none"> <li>All Executive and Non-Executive Director appointments.</li> <li>Overseeing the Executive Leadership Team.</li> <li>Making use of independent search consultancies for all Board appointments.</li> </ul>	<p>The Nomination Committee consists of the Chair and the two independent Non-Executive Directors. The Executive Directors then in office, the Chief People &amp; Operations Officer, the General Counsel &amp; Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Nomination Committee requires. The Nomination Committee Report can be found on page 76.</p>

Governance Review continued

**Company's purpose**

Our purpose is to deliver creative solutions which drive business growth for our commercial clients, and societal behaviour change for our public sector clients; and to create and curate Cultural Power for both. Our vision is to provide brilliant people, extraordinary creativity and amazing client service to create a sustainable advantage for clients.

To realise this vision, we are delivering our strategy which focuses on:

- Our transformation to a simpler, more efficient, technology-enabled, and more agile business, to deliver growth in revenue, increased profitability, and improved cash generation.
- Our differentiated positioning of Cultural Power, which helps our clients to harness the power of culture to fuel desire, drive demand and deliver growth.
- Our more integrated approach to client needs combined with connected Specialisms, which means that we are capable of delivering end-to-end market services.
- Our disciplined Capital Allocation Policy, which prioritises organic reinvestment and value creation for our shareholders.

**Attendance at Board and committee meetings during the year**

Seven scheduled meetings of the Board were held during the year. In addition, further unscheduled meetings were convened where necessary to consider matters that were time-sensitive in nature and could not wait until the next scheduled meeting. The attendance record of the Directors at the meetings of the Board and of the Board's committees is shown below.

	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
<b>Non-Executive Chair</b>				
Dame Heather Rabbatts <sup>2</sup>	5/5	-	2/2	3/3
Zillah Byng-Thorne <sup>2</sup>	2/2	-	3/3	1/1
<b>Executive Directors</b>				
Zaid Al-Qassab <sup>1</sup>	7/7	-	-	-
Simon Fuller	7/7	-	-	-
<b>Non-Executive Directors</b>				
Louise Jackson <sup>3</sup>	1/2	2/2	1/3	0/1
Colin Jones	7/7	5/5	5/5	3/4
Chris Sweetland	7/7	-	5/5	-
Dame Heather Rabbatts <sup>2</sup>	2/2	2/2	3/3	1/1
Georgina Harvey	7/7	5/5	5/5	4/4

1. Departed the Board on 31 March 2026.  
 2. Interim Non-Executive Chair from 15 May 2025, formally appointed Non-Executive Chair on 17 June 2025 and appointed interim Executive Chair on 1 April 2026.  
 3. Departed the Board on 15 May 2025.

**Compliance with the Code**

As an AIM-listed entity, the Company is not required to comply with the Code, but the Board believes that to do so represents best practice and it has therefore moved significantly towards full compliance with the Code. The Board continues to work to implement the provisions of the Code and supports the focus that it places on relationships with stakeholders. The Company confirms that it has applied the UK Corporate Governance Code 2024 for the financial year commencing 1 January 2025. In accordance with the Financial Reporting Council's transitional arrangements, the Company will apply Provision 29 from 1 January 2026. Other than as detailed below, the Company complied with the provisions of the Code for the whole of 2025.

**Provision 12**

Due to the change in Chair during the year, the Senior Independent Director and Non-Executive Directors did not conduct a performance appraisal of the Chair, noting the current Chair's short tenure in office.

**Provision 26**

The Audit & Risk Committee remains of the belief that an internal audit function should be a key element of the Group's internal control framework, particularly given the complex structure of the Group, the significant number of small, decentralised operations, and the Group's incentive-based culture. However, the implementation of an internal audit function remains on hold until the transfer of all central services to the Shared Service Centre has been completed and the revised internal control environment has been embedded in the Group's operations. This matter will be further considered and assessed in 2026.

**Provision 32**

While Chris Sweetland, a non-independent Non-Executive Director, serves on the Remuneration Committee, the Company acknowledges this does not comply with the Code. However, the Company maintains strong governance by ensuring the committee includes two independent Non-Executive Directors in addition to Chris. Furthermore, a quorum for committee meetings cannot be achieved without two independent Non-Executive Directors being present.

**Provision 41**

Our remuneration practices continue to evolve, but are still not as mature as many FTSE main market companies listed in the Equity Securities (Commercial Companies) segment. The Company still does not comply with the reporting of Chief Executive Officer pay ratios as required under Provision 41. The Company has made good progress in the roll-out of its global HR information system, which takes us closer towards enabling the analysis of pay ratio data in the future.

The Code can be found on the FRC website at [www.frc.org.uk](http://www.frc.org.uk).

# AUDIT & RISK COMMITTEE REPORT

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**COLIN JONES**  
Chair of the Audit & Risk Committee

**“I AM PLEASED TO PRESENT THE AUDIT & RISK COMMITTEE’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2025.”**

## Chair’s introduction

**This year has seen continued progress in the development of the financial processes and controls to support the new integrated operating model. Progress has also been made in strengthening the Finance function and improving reporting, which the committee has overseen. Moving more activity to the Shared Service Centre (SSC) during the year will continue to provide greater harmonisation of controls and cost efficiency.**

This report presents the Audit & Risk Committee’s activities for the year ended 31 December 2025, reflecting oversight across financial reporting, internal controls, external audit and risk management. The year focused on continued transformation and enhanced internal controls via the SSC, and saw significant progress in cyber and data governance initiatives.

The committee, on behalf of the Board, is responsible for providing effective governance over the appropriateness of the Group’s financial reporting and the effectiveness of the external audit.

The committee also reviews and monitors the Group’s internal financial control and risk management processes and related compliance activities.

The committee comprised me as Chair and independent Non-Executive Directors Georgina Harvey, Dame Heather Rabbatts (until her appointment as interim Chair on 15 May 2025), and Louise Jackson (who served until she stepped down from the Board on 15 May 2025).

Committee meetings are also attended by the Chair of the Board, Chief Executive Officer, Chief Financial Officer, other Directors, the General Counsel & Company Secretary, and by the external auditor, all as required. The committee meets with the external auditor without the Executive Directors present at least annually.

During the year, the committee reviewed several significant financial judgements, including goodwill impairment and going concern

assessments, accounting for business acquisitions and disposals, and share-based payments for 2024. The impact of the lower than expected profits on the management forecasts underpinning these significant judgements, and on the audit, was also a key focus of the committee.

Oversight of the SSC programme included monitoring progress in process standardisation, documentation quality and control execution. A deep dive was performed on information and cyber security risks, including reviewing the security roadmap, vulnerability management and incident response readiness.

## Principal responsibilities

The principal responsibilities of the Audit & Risk Committee are:

### Financial reporting

- Monitor the integrity of the Company’s and the Group’s financial statements and any formal announcement relating to the Group’s financial performance.
- Review significant financial reporting judgements, issues and estimates.
- Confirm whether, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable.

### Risk management and internal controls

- On behalf of the Board, to review and monitor the effectiveness of the Group’s internal financial controls and risk management systems and procedures.

### External audit

- Assess the effectiveness of the external audit process.
- Review and monitor the external auditor’s independence and objectivity.
- Review and approve the provision of non-audit services by the external auditor.
- Make recommendations to the Board about the appointment, reappointment and removal of the external auditor, and their remuneration and terms of engagement.

### Internal audit

- Consider annually whether it is appropriate to introduce an internal audit function.

Audit & Risk Committee Report continued

The committee's full terms of reference, which are reviewed annually, are available at [www.mcsaatchiplc.com/about-us/governance/corporate-governance](http://www.mcsaatchiplc.com/about-us/governance/corporate-governance) and reflect the requirements of the UK Corporate Governance Code 2024.

The Audit & Risk Committee works to a programme aligned to key events in the financial reporting cycle. Meeting agendas include key audit, accounting and reporting issues as well as standing items required by the committee's terms of reference. In addition, one-off deep dives into specific risk areas may be requested by the committee at any time.

**Activities of the Audit & Risk Committee**

Since reporting on the 2024 Annual Report and Accounts in April 2025, and up until the date of this report, the Audit & Risk Committee has undertaken the following activities:

Area of focus	Matters considered
Financial reporting	<ul style="list-style-type: none"> <li>Review of significant accounting judgements, estimates and assumptions including: going concern and viability, revenue recognition, share-based payments, the valuation and impairment of goodwill, the accounting for business acquisitions and disposals, the use of alternative performance measures, and assessment of one-off matters such as litigation.</li> <li>Review of the Annual Report and Accounts and confirmation to the Board that they are fair, balanced and understandable.</li> <li>Review of other financial announcements made during the period.</li> </ul>
External audit	<ul style="list-style-type: none"> <li>Review and approval of the audit plan including key audit matters and approval of the audit fee.</li> <li>Monitoring implementation of the external auditor's recommendations for improving financial controls.</li> <li>Regular updates on audit progress.</li> <li>Review of external auditor's reports to the committee.</li> </ul>
Internal controls	<ul style="list-style-type: none"> <li>Annual assessment of the effectiveness of the Group's internal financial controls.</li> <li>Continued assessment and monitoring of the internal control framework in the SSC.</li> <li>Consideration of any key matters raised in the end-of-year checklist sign-off process.</li> <li>Assessment of the impacts of system implementations.</li> <li>Considering management's plans for compliance with Provision 29 of the Code for the 2026 financial year.</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Reviewing management's risk management processes and the Group's risk register.</li> <li>Deep dives into specific risk areas this year, including information and cyber security, and the progress made centralising IT infrastructure – with clear accountability and an increase in the Group NIST score as a result.</li> <li>Annual assessment of the Group's emerging and principal risks, including the increasing geopolitical risk and the risks and opportunities associated with the use of AI by the Group.</li> <li>Consideration of the disclosures in the Annual Report and Accounts.</li> </ul>
Corporate governance	<ul style="list-style-type: none"> <li>Confirming compliance with the Code and any exceptions to the Code.</li> <li>Consideration of the evolving regulatory landscape in order to anticipate and adapt to expected future changes.</li> <li>Annual review of the effectiveness of the external audit.</li> <li>Annual review of the committee's terms of reference.</li> </ul>

The most significant accounting issues and judgements considered by the Audit & Risk Committee, and discussed with the external auditor, are set out below.

**Significant issues and judgements**

**Goodwill carrying value and impairment**

The carrying value of goodwill as at 31 December 2025 was £29.2 million (2024: £29.9 million), full details of which are set out in Note 15 to the financial statements. The recoverable amount of goodwill was determined by management by reference to a value-in-use calculation for each cash-generating unit (CGU), based on the Board-approved three-year plans to December 2028 and a residual growth rate of 2% for each country, apart from Brazil for which a 3% growth rate was applied. Management also prepared sensitivity analyses for each CGU, for which the key variables are the forecast profits and cash flows and the discount rate used to measure the present value of these cash flows.

The Audit & Risk Committee has reviewed management's assessment of the recoverability of goodwill and the impairment recognised in 2025, taking into account the key judgements around cash flows and the discount rate and sensitivity analyses. The committee has also reviewed the disclosures relating to goodwill carrying values and impairment in Note 15 to the financial statements. The committee is satisfied with the conclusion that, other than the £1.5 million provision for impairment against the goodwill in Lida NY LLP (MCD Partners), no further impairment is required and is satisfied with the presentation of goodwill in the financial statements.

**Going concern and viability**

As explained on page 91, the financial statements have been prepared on the going concern basis. In this context, the Board and the Audit & Risk Committee considered the Group's ability to meet its obligations as they fall due for the foreseeable future, with particular reference to the general economic environment (including geopolitical changes), the continued strategic initiatives to simplify the business and improve profitability, and the support of the Group's lenders. For the purposes of assessing going concern, management prepared a set of cash flow forecasts, evaluating four different severe but plausible downside scenarios, as well as a reverse stress test, covering a period of twelve months from the date of these accounts.

Audit & Risk Committee Report continued

The Board and the Audit & Risk Committee reviewed these forecasts under each scenario, and the key assumptions on which they are based, and are satisfied that they are appropriate. Further details of these forecasts and assumptions are set out in the going concern statement in the Directors' Report on page 91.

Based on these forecasts and assumptions, the Board and the Audit & Risk Committee believe that it remains appropriate to prepare the financial statements on a going concern basis.

The Board and the Audit & Risk Committee have also assessed the viability statement in the Directors' Report in relation to the longer-term viability of the Group, including: reviewing the forecasts used in the going concern models (referred to above) extended to the end of 2028; considering the appropriateness of this viability period; and challenging the factors, assumptions and risks which are critical to the Group's viability over this period. The Board and the Audit & Risk Committee have concluded that the statement made by the Directors on page 91 in relation to the longer-term viability of the Group is appropriate.

**Revenue recognition**

Revenue recognition is a critical accounting policy and key audit matter for the Group. The Audit & Risk Committee has devoted considerable time to reviewing the many different aspects of revenue accounting (see Note 4 to the financial statements) and has noted the significant amount of training, oversight and guidance that continues to be provided to local entities by the Group Finance team, including detailed reviews of all material contracts and projects that spanned the year-end date. It is satisfied that the Group's Revenue Accounting Policy has been consistently applied and that revenue is not materially misstated.

**Alternative performance measures**

The Group uses "Headline" and "like-for-like" numbers to report its underlying results, as well as for internal reporting purposes (see Note 1 to the financial statements). The numbers strip out the impact of separately disclosed items, including one-off non-recurring revenues and expenses (see Note 2 to the financial statements), and also the accounting impact of acquisitions, disposals, fair value adjustments and put options. The total of separately disclosed items

in 2025 was a post-tax cost of £8.0 million (2024: £5.4 million), reflecting the continued material one-off costs associated with the strategy to simplify the Group's operating structure and improve efficiency, including the development of the SSC.

The committee has reviewed the Group's policy for the exclusion of certain items when presenting Headline and like-for-like results, and confirmed the consistent application and appropriateness of this policy from year to year. It also challenged management on the nature and amount of each separately disclosed item to ensure that each was appropriate and treated in accordance with the Group's accounting policy.

**Internal audit**

The Audit & Risk Committee remains of the belief that an internal audit function should be a key element of the Group's internal control framework, particularly given the complex structure of the Group, the significant number of small, decentralised operations, and the Group's incentive-based culture. The implementation of an internal audit function remains on hold until the transfer of all central services to the SSC has been completed and the revised internal control environment has been embedded in the Group's operations. This matter will be further considered and assessed in 2026.

**External auditor and audit effectiveness**

This is BDO LLP's ("BDO") fifth year as the Company's external auditor. The BDO partner responsible for the audit is Matthew Haverson (Senior Statutory Auditor).

The Audit & Risk Committee is responsible for monitoring the external audit process to ensure high standards of quality and effectiveness. The committee has satisfied this objective through a number of actions, including:

- Reviewing the audit plan's scope, materiality and resources.
- Challenging the auditor on the findings of the Financial Reporting Council's Audit Quality Review, and the steps taken by BDO to improve their audit quality.
- Monitoring the independence and transparency of the auditor (see below).

- Regular meetings between the Audit & Risk Committee Chair and the audit partner without management present.
- Obtaining feedback from the Chief Financial Officer and his team on the quality of the audit team, their understanding of the business and its risks, and the quality of their judgements and communications.

These steps have enabled the committee to be satisfied with the effectiveness of the external audit. As a result, the committee has recommended to the Board that a resolution for the reappointment of BDO be proposed at the Company's Annual General Meeting to be held on 11 June 2026.

The External Auditor's Report to the Directors and to the Audit & Risk Committee has confirmed that BDO remained independent throughout the 2025 audit, and the committee concurs with this view.

To help safeguard the external auditor's objectivity and independence, BDO is excluded from providing any non-audit services that, individually or in aggregate, could impair its independence. Prior approval from the Audit & Risk Committee is required for any provision of non-audit or other services, taking into account the relevant professional and regulatory requirements. There were no fees paid to BDO in respect of non-audit services during the year. The Company became an Other Entity of Public Interest in 2024, which further limited the external auditor's ability to provide any non-audit services.

**Effectiveness of the Group's system of internal controls and risk management**

The Audit & Risk Committee, on behalf of the Board, is responsible for reviewing the adequacy and effectiveness of the Group's internal financial controls and its internal control and risk management systems. These controls and systems are reviewed on a regular basis with a view to driving continuous improvement.

In recent years, there has been a continuing focus on improving the Group's internal financial controls and processes, including the continued roll-out of standard finance systems across all Group entities, investment in resources and skills within the Group Finance function, and a shift from a decentralised operating culture to one with more robust central control, oversight and accountability.

Audit & Risk Committee Report continued

Following the formation of the SSC in Cape Town in 2024, the transfer of more services from different regions to the SSC was closely monitored by the Audit & Risk Committee in 2025. The benefits of the SSC in terms of efficiency of transaction processing and consistency of financial reporting are already being seen.

The Audit & Risk Committee also continues to review and update the Group's principal risks. These are shown on pages 39 to 46, including a new principal risk relating to artificial intelligence. In 2026, the committee will continue deep dives into principal risks, particularly in the area of information and cyber security.

**2025 committee evaluation**

Following an internal evaluation of the Audit & Risk Committee in 2024, a similar review was conducted for 2025 as part of the broader Board and committee evaluation process (see page 76). The review confirmed the Committee's continued effectiveness.

In the coming year, management's priorities, which will be monitored by the committee, will include:

- Widening the internal controls attestation programme to ensure compliance with Provision 29 of the Code.
- Deepening the SSC scope to include complex revenue processes.
- Enhancing cyber maturity.
- Embedding integrated assurance across the Group.

**Annual Report and Accounts**

At the request of the Board, the Audit & Risk Committee has considered whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for shareholders to assess the Group's position, performance, business model and strategy. The Committee confirms that this is the case.



**COLIN JONES**  
Chair of the Audit & Risk Committee

19 April 2026

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# NOMINATION COMMITTEE REPORT

## Dear Shareholders

I am pleased to present the Nomination Committee Report for the year ended 31 December 2025. This report provides a summary of the key activities and areas of focus of the committee during the year.

I hope that you find this report useful in understanding the work of the Nomination Committee, and I welcome any feedback from shareholders in relation to the committee and its activities.

The committee met formally four times during 2025. Committee members' attendance at meetings is shown on page 71.

The Executive Directors, the Chief People & Operations Officer, the General Counsel & Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the committee requires.

During the year, the Nomination Committee was composed of my fellow independent Non-Executive Directors – Georgina Harvey and Colin Jones – and me as Chair. The committee members' qualifications and experience are detailed on pages 68 and 69.

Our Non-Executive Directors are independent from the business, and are regularly refreshed to ensure diversity and independent challenge to management. Our Executive Directors are responsible for the day-to-day running of the business.

The Company's articles of association require a Director appointed by the Board to retire at the Company's next Annual General Meeting. In addition, the articles of association require Directors to retire at each Annual General Meeting on the basis recommended by the corporate governance code adopted from time to time by the Company and, in any event, require that any Director who was not appointed or reappointed as a Director at either of the last two Annual General Meetings must retire and (if relevant) stand for reappointment.

As the Company has adopted the UK Corporate Governance Code 2024, all of the Directors currently must offer themselves for re-election at each Annual General Meeting.

During 2025, the committee reviewed the composition of the Board during the year and, more recently, the recommendations of the Board evaluation.

## Board and committees' evaluation

Questionnaires for this annual evaluation were prepared and distributed by the General Counsel & Company Secretary and focused on the effectiveness of the Board and its committees. The questionnaires, which considered a wide range of topics including strategic oversight, risk oversight, stakeholder oversight, Board composition and dynamics, management and focus of meetings, and the identification of priorities for the coming year, were completed by Board members.

Following the evaluation, the findings were shared with the Board and committee Chairs before being presented to the full Board and its committees for broader review. The feedback received was positive in nature, both concerning the Board as a whole and its committees.

No material areas of concern were identified by the review, which concluded that the Board and each of its committees are operating effectively.

In the 2024 evaluations, a number of priorities were identified for 2025:

- Maintain a rigorous and recurring evaluation of the Group's long-term strategy, ensuring alignment with evolving sector dynamics and a rapidly shifting competitive landscape.
- Elevate succession planning and talent management as core strategic imperatives to ensure leadership continuity and organisational resilience.
- Deepen engagement with key stakeholders to cultivate actionable insights that inform Board decision-making and strengthen corporate reputation.
- Mature the Board's risk oversight through structured "deep-dive" sessions, fostering a comprehensive understanding of emerging threats and the efficacy of mitigation strategies.

Alongside the above, the Board identified specific opportunities to further optimise its operations. These included increasing the frequency of informal sessions to facilitate the early discussion of strategic ideas, and enhancing the clarity of Board submissions to ensure that objectives and required actions are explicitly defined.

During the year, the Board implemented several key actions to enhance its oversight and strategic alignment:

- **Strategic cohesion and local insight:** To strengthen visibility of localised market dynamics, leaders from key regions and Specialisms were invited to participate in Board deliberations, fostering deeper engagement with the Group's operational leadership.
- **Client and commercial strategy:** The Board increased its focus on client-centric data, conducting reviews of the Group's client base to better evaluate emerging commercial risks and opportunities.
- **Technology and resilience:** A dedicated session was held to review the Group's cyber security posture and broader technology roadmap, ensuring the Board remains abreast of evolving risks.
- **Shareholder engagement:** The Board maintained an active dialogue with key shareholders, consulting on governance matters to ensure continued alignment with investor expectations.

Building on the 2025 evaluations, several key priorities for the coming year have been identified aimed at driving long-term value. Central to this is improving alignment around our primary strategic objectives and maintaining a disciplined focus on the issues most material to our success. Governance remains a priority, with an emphasis on succession planning. Additionally, we will enhance our decision-making processes regarding capital allocation through broader use of independent advice, conduct regular risk deep dives, and focus on the evolution and impact of AI within the sector.

## Looking ahead

The culture and values of the Group depend on the right individuals occupying key positions and delivering long-term sustainable value to stakeholders.

Ensuring we have the optimal leadership to drive the business forward and meet evolving challenges remains the Nomination Committee's priority. This strategic priority, together with our regular cycle of duties, will define the committee's focus for 2026.

In light of my interim role as Executive Chair, I am stepping down from the Nomination Committee. Georgina Harvey will take over as Chair until I transition back to Non-Executive Chair.

Nomination Committee Report continued

### Nomination Committee's activities and focus in 2025

The committee's key activities for the year ended 31 December 2025 are summarised below.

Committee function	Actions
<b>Board and committee composition</b>	<ul style="list-style-type: none"> <li>Reviewed the composition of the Board to support the strategy, values and culture of the business.</li> <li>Conducted an internal Board evaluation for 2025 using the outputs of the previous internal evaluation carried out by the Company.</li> <li>Considered the committee's own performance and constitution to ensure that it is operating at maximum effectiveness.</li> </ul>
<b>Board nominations</b>	<ul style="list-style-type: none"> <li>Dame Heather Rabbatts, formerly the Senior Independent Director, was appointed to the role of interim Non-Executive Chair on 15 May 2025 before her formal appointment as Non-Executive Chair on 17 June 2025.</li> <li>Georgina Harvey was appointed interim Senior Independent Director on 15 May 2025 and took over the role on a formal basis on 17 June 2025.</li> </ul>
<b>Succession planning for Board and Executive Leadership Team</b>	<ul style="list-style-type: none"> <li>Reviewed and updated performance, potential and succession planning data for the ELT, assessing the current and future skills and attributes required by the Company.</li> </ul>
<b>Diversity and talent management</b>	<ul style="list-style-type: none"> <li>Focused on existing and future diversity in both Board and ELT succession planning.</li> <li>Reviewed and approved organisation-wide approach to diversity and inclusion.</li> <li>The Company's dedication to diversity and inclusion is detailed within our Planet and People Commitments, outlined in Commitments 4, 5, and 6 on pages 53 and 54.</li> </ul>
<b>Workforce engagement</b>	<ul style="list-style-type: none"> <li>In 2024, we designated Georgina Harvey as the Non-Executive responsible for workforce engagement and implemented a workforce engagement schedule.</li> <li>During the year, the Non-Executive Directors carried out three workforce engagement sessions with a cross-section of the workforce to interact directly with colleagues in the business. The aim was to further equip the Directors in the performance of their roles.</li> </ul>

### Responsibilities and activities

The committee's role and responsibilities are governed by its terms of reference, which are reviewed and approved annually by the committee and, as required, by the Board.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, a copy of which can be found on the Company's website at [www.mcsaatchiplc.com/about-us/governance/corporate-governance](http://www.mcsaatchiplc.com/about-us/governance/corporate-governance).

### Nomination Committee evaluation

An internal evaluation of the Nomination Committee's effectiveness was conducted during the year as part of the wider 2025 Board and committee review process. The evaluation concluded that the committee continues to operate effectively and provides oversight of the Company's leadership requirements. Following this review, the committee has identified the following strategic priorities for the forthcoming year:

- Executive leadership and structural oversight:** The committee will intensify its focus on Chief Executive Officer succession and broader organisational design. This includes a comprehensive review of the Executive Leadership Team and Senior Leadership Team structures to ensure they remain aligned with the Company's long-term strategic objectives and possess the necessary strength to support seamless succession.
- Proactive succession frameworks:** The committee remains committed to a proactive, integrated succession model across both executive and non-executive levels. This involves identifying and developing a diverse pipeline of internal talent while maintaining a forward-looking view of Board composition to ensure an optimal balance of skills, experience, and independence.

### Board changes in 2025

The Board managed an orderly leadership transition following Zillah Byng-Thorne's departure on 15 May 2025.

After serving as interim Non-Executive Chair and completing a shareholder consultation process, I was formally appointed Non-Executive Chair on 17 June 2025.

Subsequently, Georgina Harvey succeeded me in the role of Senior Independent Director, further strengthening our Board's independent leadership.

Nomination Committee Report continued

**Induction process**

New Non-Executive Directors receive a personalised and comprehensive induction, tailored to their individual needs and role. This programme includes meetings with senior management, the external auditor, and advisers, ensuring a swift and effective integration into the Group's business and culture.

**Executive Leadership Team talent and succession planning**

At its meeting in December 2025, the committee reviewed talent and succession planning for the ELT, specifically addressing pipeline strength and diversity and the alignment of current skill sets with the Company's long-term strategic requirements. Following this review, several workstreams are underway to enhance leadership strength. These include the active management of career development for identified ELT successors, notably through a bespoke six-week in-house commercial and finance upskilling programme. Furthermore, to enhance executive accountability and leadership culture, the committee has overseen the introduction of a six-monthly feedback process for certain key ELT positions.

**Culture and diversity and inclusion**

We continue to foster a culture where diversity and inclusion (D&I) is fundamental to how we operate, lead, and grow. Each year, we review the gender representation across the Executive Leadership Team and their direct reports to ensure that our leadership reflects the diversity of the colleagues and communities we serve.

Our Board and ELT comprise experienced and dedicated individuals whose backgrounds span a broad range of sectors, genders, ethnicities and generations.

A diverse leadership team brings a richer mix of perspectives, enabling more effective challenge, better decision-making and a greater capacity for creativity across the organisation. We remain committed to ensuring that all recruitment processes, at every level, are fair, inclusive and designed to attract a strong and diverse pool of candidates.

Our Board and Executive Leadership Team play an essential role in shaping an environment where colleagues feel they belong and can thrive. Together, they champion diversity of thought, experience and capability, recognising that these differences are critical to delivering our long-term strategy and sustainable growth.

In line with the requirements of the Code, the committee continued to consider all aspects of diversity in its work during the year, including the balance of gender and ethnicity within senior management and their direct reports.

As at 31 December 2025, our ELT had a gender distribution of 38% female and 62% male. In the Senior Leadership Team (approximately our top 60 leaders below the ELT), 60% report as male, and 40% report as female.



**DAME HEATHER RABBATTS**  
Chair of the Nomination Committee in the year

19 April 2026

**SUSTAINABILITY LEADERSHIP GROUP**

The Sustainability Leadership Group held six scheduled meetings over the course of the year.

**Objectives**

- Understand key issues and opportunities, and make strategic decisions on behalf of the business, relating to the Group's Planet and People agenda.
- Support and influence the leadership team to ensure accountability is maintained appropriately in order to drive progress.
- Govern the sustainability risk log. This may require members of the Sustainability Leadership Group to take action to address issues and improve risk management.
- Ensure the Board and the Executive Leadership Team receive a formal update on sustainability at least twice a year, and are consulted and informed appropriately.

**Membership**

The Sustainability Leadership Group is chaired by the Chief People & Operations Officer and comprises the Executive Directors alongside the Chair of the UK agency group. The responsibility of the Sustainability Leadership Group is delegated to the Executive Directors. To ensure a holistic approach, the group is supported by a cross-functional team of internal experts from the Group's sustainability function and other relevant business departments.

**Governance**

The Sustainability Leadership Group operates in alignment with UK and international frameworks, maintaining memberships of sustainability-related industry bodies to stay at the forefront of best practice.

In 2025, the group leveraged the Responsible Media Forum's 2022 Media Materiality Report to define the Sustainability Leadership Group's core focus areas.

Further information can be accessed here:  
<https://mcsaatchi.com/planet-people>

	No. of Board members	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive
<b>Diversity disclosures as at 31 December 2025</b>					
<b>Reporting on gender</b>					
Men	4	67%	2	2	100%
Women	2	33%	2	0	0%
<b>Reporting on ethnic background</b>					
White British or other white (including minority white groups)	4	67%	50%	1	50%
Underrepresented ethnicities	2	33%	50%	1	50%

# DIRECTORS' REMUNERATION REPORT

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**GEORGINA HARVEY**  
Chair of the Remuneration Committee

**“THE REMUNERATION COMMITTEE BELIEVES THAT THE DIRECTORS’ REMUNERATION POLICY CONTINUES TO BE CLOSELY ALIGNED WITH THE COMPANY’S STRATEGIC DIRECTION.”**

## Dear Shareholders

On behalf of the Board, I am pleased to present the Directors’ Remuneration Report for the year ended 31 December 2025.

Over the past 12 months, the committee has focused on the following key activities:

- The operation of the Remuneration Policy.
- Agreeing 2025 LTIP award levels.
- Agreeing the remuneration arrangements in respect of joiners and leavers for members of the Executive Leadership Team (ELT).
- Consideration of executive pay and its alignment with that of the wider workforce.
- The ongoing review of incentivisation.

As disclosed in prior years, although we are not required to do so as an AIM-listed business, we follow the provisions of the UK Corporate Governance Code 2024 (save for as disclosed on page 71 of this report), aligning our remuneration practices accordingly; and we will be seeking approval from shareholders for the Directors’ Remuneration Report.

Details of the committee’s approach to remuneration in 2025, and the proposed implementation of the policy for 2026, are set out below.

## Operation of the committee

The committee’s annual agenda is set subject to the key events and associated decisions required by the annual remuneration cycle.

Meeting agendas are set in line with the annual remuneration planner and include several standing agenda items, such as a review of remuneration arrangements for members of the ELT and a performance update on all in-flight long-term incentives.

Over the course of the year, in addition to matters concerning Executive Directors and members of the ELT, the committee discussed papers covering wider workforce arrangements which included the annual pay review, incentive scheme arrangements, gender pay reporting, and engagement on how executive remuneration aligns with the wider Company pay policy. In addition, the committee spent time considering the fees for the incoming Board Chair, taking into account the size and complexity of the Company as well as external benchmarking data.

Throughout the year, updates on corporate governance and regulatory developments are received from the committee’s external remuneration adviser.

This report sets out the implementation of the Company’s Directors’ Remuneration Policy (the “**Remuneration Policy**” or “**Policy**”) and the remuneration paid to the Directors for the year in the context of the Remuneration Policy, which can be found on pages 82 to 85 of this report.

## Committee composition

The Remuneration Committee consisted of my fellow Non-Executive Directors: Dame Heather Rabbatts, Colin Jones and Chris Sweetland at 31 December 2025. The committee is independently advised by Korn Ferry.

## Alignment with vision and strategy

The Company’s purpose is to deliver creative solutions which drive business growth for our commercial clients, and societal behaviour change for our public sector clients. Our vision is to provide brilliant people, extraordinary creativity and amazing client service to create a sustainable advantage for clients.

To realise this vision, we are delivering our strategy which focuses on:

- Our transformation to a simpler, more efficient, technology-enabled, and more agile business, to deliver growth in revenue, increased profitability, and improved cash generation.
- Our differentiated positioning of Cultural Power, which helps our clients to harness the power of culture to fuel desire, drive demand and deliver growth.
- Our more integrated approach to client needs combined with connected Specialisms, which means that we are capable of delivering end-to-end market services.
- Our disciplined Capital Allocation Policy, which prioritises organic reinvestment and value creation for our shareholders.

The Remuneration Policy and framework support the strategy through the setting of short-term and long-term incentive objectives.

## Executive Directors

The Remuneration Committee has responsibility for Executive Directors’ remuneration as well as the remuneration of members of the ELT.

Directors' Remuneration Report continued

For 2025, the threshold Group operating profit hurdle to trigger any bonus payment was not met, and therefore there is no annual bonus payment due for Executive Directors or members of the ELT.

No Executive Directors held LTIP awards vesting based on 2025 performance.

**Board changes in 2025**

Zillah Byng-Thorne stepped down from the Board at the 2025 Annual General Meeting held on 15 May 2025. Dame Heather Rabbatts was appointed as interim Board Chair on 15 May 2025, and on the same date stepped down from the role of Senior Independent Director (SID), at which point her associated SID fee ceased. A temporary fee supplement of £17,037 per month was applied for the interim Board Chair role. Dame Heather Rabbatts was appointed to the role of Board Chair on a permanent basis on 17 June 2025.

After careful consideration, the committee determined that the fee for the role of Board Chair should more closely reflect the external market, and therefore the fee for Dame Heather Rabbatts was set at £215,000 per annum, a c.17% reduction on the previous incumbent's.

I assumed the role of Senior Independent Director on 15 May 2025 and an associated fee of £26,523 per annum was applied from the same date.

Board changes for 2026 are detailed on page 66, and associated remuneration and fee arrangements will be disclosed in next year's report.

**Implementing the Remuneration Policy in 2026**

The Remuneration Policy is summarised in the report below and contains the normal elements of fixed and variable pay. The bonus and long-term incentives are capped by reference to base salary and are subject to malus and clawback; and Executive Directors have shareholding guidelines.

Base salary is reviewed annually. Taking Company performance and other external factors into account there is no base pay award proposed for either Zaid Al-Qassab or Simon Fuller for the year ending 31 December 2026.

The annual bonus continues to be a key component, used to incentivise in-year performance in line with financial goals shared externally. For 2026, targets will be based on headline operating profit.

The purpose of the LTIP is to focus on driving longer-term performance aligned to the financial goals shared externally,

with targets being set for total shareholder return (50%) and Headline adjusted earnings per share (50%).

Zaid Al-Qassab stepped down from the Board on 31 March 2026, but remains employed by the Company and on garden leave until 31 May 2026 and as such will not participate in either the annual bonus or LTIP for 2026.

**Shareholder engagement**

On assuming the role of committee Chair, I undertook a series of introductory meetings with our largest shareholders to understand their views on the Company's approach to executive remuneration. Shareholders confirmed that they were supportive of the current Remuneration Policy. Key themes discussed included:

- Positive response to the normalisation of executive remuneration practices.
- Executive incentives.

**Committee effectiveness**

An internal evaluation, conducted as part of the broader Board and committees review (see page 76), confirmed the committee's continued effective operation. In the coming year, the committee will continue to prioritise:

- Consideration of remuneration practices for the wider workforce.
- Shareholder engagement.

These priorities, alongside regular committee duties, will shape the agenda for the forthcoming year.

I trust that you will find this report informative and agree that the determinations taken by the committee are appropriate and in the long-term interests of the Company and our shareholders.

I would like to take the opportunity to thank you, our shareholders, for your ongoing support and hope that you endorse the Directors' Remuneration Report for the year at the Company's Annual General Meeting to be held in June 2026. I will be available to answer any questions that you may have regarding the work of the committee at that meeting.



**GEORGINA HARVEY**

Chair of the Remuneration Committee

19 April 2026

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**John Turturro has spent years on the road. A campaign for seasoned travellers who know the drill and pack smart, with a Samsonite in tow.**

Directors' Remuneration Report continued

**Committee composition**

This section details the Remuneration Committee's composition and activities undertaken over the past year.

**Committee members**

The committee members at 31 December 2025 and the dates they joined the committee are:

- Georgina Harvey (Chair), 1 October 2024 (Committee Chair from 1 January 2025).
- Colin Jones, 17 March 2020.
- Chris Sweetland, 15 June 2023.
- Dame Heather Rabbatts, 22 January 2024.

Zillah Byng-Thorne and Louise Jackson stepped down from the committee and from the Board on 15 May 2025.

No Directors are involved in determining their own remuneration. The committee may invite other individuals to attend all or part of any committee meeting, as and when appropriate and necessary, including members of management and external advisers.

**Role**

The Remuneration Committee is a committee of the Board. The committee has responsibility for determining the remuneration of the Company's Executive Directors, the Chair and members of the ELT, taking into account the need to ensure executives are properly incentivised to perform in the interests of the Company, its people and its shareholders.

The Remuneration Committee's key responsibilities are:

- Shaping and agreeing with the Board the policy framework for the remuneration of Executive Directors and members of the ELT.
- Determining the total individual remuneration package of each Executive Director with due regard to the performance of the individual, in line with the agreed Remuneration Policy.

- Agreeing Executive Directors' contractual terms.
- Acting on behalf of the Board in the establishment and administration of all elements of remuneration for Executive Directors and members of the ELT (including but not limited to base pay, variable pay and incentives).
- Acting on behalf of the Board in connection with the establishment and administration of the Company's current and/or future share plans, including the selection of participants, determining the structure of awards and the setting of performance targets.
- Drafting and approving any remuneration-related resolutions to be put to the shareholders at the Company's Annual General Meeting.

The committee formally met five times during 2025.

Over the course of the year, its main activities were:

- Ensuring the smooth operation of the Remuneration Policy.
- Agreeing 2025 LTIP award levels.
- Agreeing the remuneration arrangements for joiners and leavers within the ELT.
- Considering executive pay and its alignment with that of the wider workforce.

- Ongoing review of incentivisation arrangements for our workforce below the ELT.
- The committee discussed and agreed the final vesting outcomes of the 2022 LTIP award, as well as key design changes to variable pay arrangements for the wider Senior Leadership Team outside the ELT.

In addition, the committee spent time considering the fees for the incoming Board Chair, taking into account the size and complexity of the Company as well as external benchmarking data.

**Advisers**

The committee retains Korn Ferry to provide independent remuneration consultancy services to the Group. Korn Ferry is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under its code of conduct in relation to executive remuneration consulting in the UK. The code of conduct can be found at [www.remunerationconsultantsgroup.com](http://www.remunerationconsultantsgroup.com).

The total fee for advice provided to the committee during the year was £18,678 (2024: £17,025). The committee is satisfied that the advice it received has been objective and independent.

**Shareholder considerations**

The Company is committed to ongoing shareholder dialogue and takes an active interest in feedback we receive from our shareholders and voting outcomes. The voting result from the Annual General Meeting held in May 2025 on the resolution to approve the Remuneration Report, including the Remuneration Policy, is set out below.

	For	Against	Withheld	Total votes as % of issued share capital (excluding treasury shares)
Approval of the 2024 Directors' Remuneration Report (including the Remuneration Policy)	100% (91,574,154)	0% (250)	-	100%

# DIRECTORS' REMUNERATION POLICY

This section sets out the Company's Directors' Remuneration Policy (the "Remuneration Policy"). The Remuneration Policy was developed taking into account the regulations applicable to main market listed companies<sup>1</sup>, the principles of the UK Corporate Governance Code 2024 (the "Code") and relevant UK institutional investor guidance.

Whilst the Company is listed on AIM and is therefore not required to comply with the requirements for main market listed companies in the Equity Securities (Commercial Companies) segment, the Board and committee have chosen to follow these requirements insofar as is possible and practicable for the Company. The Group's remuneration

policies are fully in compliance with the principles and provisions of the Code save for the reporting of Chief Executive Officer pay ratios as set out in Provision 41 of the Code, as further disclosed on page 71.

## Key principles of the Remuneration Policy

The Company is committed to ensuring that its remuneration practices enable it to: appropriately compensate Executive Directors and the wider workforce for the services they provide to the Company; attract and retain employees with the skills required to effectively manage the operations and growth of the business; and motivate employees to perform in the best interests of the Company.

The Company's remuneration principles ensure that:

- It offers a suitable package to attract, retain and motivate people with the skills and attributes needed to deliver the Company's business goals.
- Its policy and practices aim to drive behaviours that support the Company strategy and business objectives.
- Incentive plans are linked to Company and local performance and aim to encourage high performance from employees, at both an individual and collective level.

These policy objectives will be achieved by ensuring remuneration is reflective of applicable market conditions, statutory obligations and how Executive Directors and members of the ELT are incentivised by variable remuneration. Our aim is to deliver outstanding performance, whilst providing organisational flexibility and operational efficiency.

## Summary of our Remuneration Policy

Purpose	Operation	Opportunity	Performance measures
<b>Base salary</b>			
Provide a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	Salaries are normally reviewed annually with any changes typically effective from the beginning of the financial year. When determining an appropriate level of base salary, the committee considers: <ul style="list-style-type: none"> <li>• Remuneration practices within the Company.</li> <li>• The performance of the individual Executive Director.</li> <li>• The experience and responsibilities of the Executive Director.</li> <li>• The general performance of the Company.</li> <li>• Base salary level prior to appointment.</li> <li>• Salaries paid by comparable companies.</li> <li>• The economic environment.</li> </ul>	Increases will normally be in line with average percentage increases made to the wider employee workforce, although in exceptional circumstances larger increases may be provided, for example to reflect a change in role/responsibilities. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set at a lower level with larger increases provided as they gain experience.	None, although individual and corporate performance are considered during any annual base salary review.
<b>Benefits</b>			
Provide a market-competitive level of benefits to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	The Executive Directors may receive benefits which include, but are not limited to: car allowance and related benefits, family private health cover, critical illness cover, life assurance cover, income protection and accident/sickness/business travel insurance (including tax payable if any). Other benefits such as relocation allowances may be offered if considered appropriate and reasonable by the committee. Any reasonable business-related expenses can be reimbursed in accordance with the Company's Expenses Policy, including the tax thereon if determined to be a taxable benefit. The Executive Directors may participate in any all-employee share plans operated by the Company, on the same terms as other employees.	The maximum will be set at the cost of providing the benefits described.	None.

1. Large and Medium-size Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, as amended.

Directors' Remuneration Policy continued

Purpose	Operation	Opportunity	Performance measures
<b>Pensions</b>	The Company may provide pension contributions in the form of a base salary supplement and/or as an employer contribution to a defined contribution pension plan.	The maximum pension contribution as a percentage of base salary will be in line with the contribution level provided to most of the workforce (currently 6% of base salary in the UK).	None.
<b>Group annual bonus</b>	<p>Performance measures, weightings and targets are reviewed and set annually by the committee, in line with the Company's strategic objectives at that time.</p> <p>Levels of award, determined by the committee after the year-end, will be based on performance against the targets set, based on audited results unless otherwise noted. The committee retains overriding discretion to adjust the outcome upwards or downwards if the formulaic outcome is, in the view of the committee, not a fair and accurate reflection of business performance.</p> <p>The bonus may be paid wholly in cash, or the committee may determine that a portion of the bonus should be delivered in deferred shares.</p> <p>Malus and clawback provisions apply such that in certain circumstances the committee may withhold or recover bonus payments.</p>	<p>The maximum bonus opportunity of 100% of base salary will apply for the Chief Financial Officer in 2026.</p> <p>The departing Chief Executive Officer will not participate in the Annual Bonus Plan in 2026.</p> <p>No more than 25% of the relevant portion of the bonus is payable for delivering a threshold level of performance, rising to full pay-out of the relevant portion for delivering in line with the maximum target. No more than 50% of the relevant portion is payable for delivering a target level of performance.</p>	<p>Performance measures will be set to support the strategy based on a range of key financial and personal/strategic objectives.</p> <p>At least 50% of the bonus is based on Group financial metrics and no more than 25% of bonuses will be based on personal objectives.</p> <p>For 2026, the bonus will be based on Group operating profit.</p> <p>The targets, and performance against them, will be disclosed in the 2026 Annual Report and Accounts following the end of the performance period.</p>

Directors' Remuneration Policy continued

Purpose	Operation	Opportunity	Performance measures
<b>Long-Term Incentive Plan (LTIP)</b>			
Awards are designed to incentivise the Executive Directors to maximise returns to shareholders by successfully delivering the Company's objectives over the long term in a sustainable manner.	<p>Awards may be granted annually to Executive Directors under the LTIP.</p> <p>The awards normally vest no earlier than the third anniversary of grant, and only to the extent the performance conditions have been satisfied.</p> <p>The committee retains overriding discretion to adjust the outcome upwards or downwards if the formulaic outcome is, in the view of the committee, not a fair and accurate reflection of business performance.</p> <p>A two-year holding period will normally apply to the vested shares, such that the shares may not be sold by the Director during this period other than to settle tax liabilities in relation to those shares.</p> <p>Malus and clawback provisions apply such that in certain circumstances the committee may withhold or recover LTIP payments.</p>	<p>The maximum annual grant level is 200% of salary.</p> <p>It is expected that for 2026 award levels for the Chief Financial Officer will be consistent with the approach taken in the prior year (100% of base salary award).</p> <p>The departing Chief Executive Officer will not receive a grant under the LTIP in 2026.</p> <p>No more than 25% of the relevant portion of an award will vest for delivering a threshold level of performance, rising to full pay-out of the relevant portion for delivering in line with the maximum target.</p>	<p>Performance measures are set by the committee over a three-year period prior to the grant being made.</p> <p>At least 50% of the LTIP will be based on Group financial and/or total shareholder return (TSR) metrics.</p> <p>2026 awards will be assessed against TSR performance versus the FTSE SmallCap Index (50% weighting) and adjusted earnings per share (50% weighting).</p>
<b>Shareholding requirement</b>			
To support long-term commitment to the Company and the alignment of Executive Director interests with those of shareholders.	<p>The committee has adopted shareholding guidelines that encourage the Executive Directors to build up and then subsequently hold a shareholding equivalent to 200% of their base salary.</p> <p>The requirement for an Executive Director to maintain a holding of 100% of base salary for a year after leaving excludes any shares purchased by the Director.</p> <p>The committee retains discretion with respect to the operation of the shareholding requirement.</p>	None.	None.
<b>Board Chair and Non-Executive Directors</b>			
To provide a competitive fee for undertaking the role which is sufficient to attract high-calibre individuals to the role.	<p>Fees are structured as follows:</p> <ul style="list-style-type: none"> <li>The Non-Executive Board Chair is paid an all-inclusive fee for all Board responsibilities.</li> <li>Non-Executive Directors are paid a base fee, plus additional fees for additional responsibilities such as chairing Board committees.</li> <li>The Board Chair's fee is determined by the committee, with the Non-Executive Directors' fees being determined by the Board.</li> <li>Additional fees may also be paid to the Board Chair and/or Non-Executive Directors on a per diem (or other) basis to reflect increased time commitment in certain limited circumstances.</li> <li>Fees are normally paid in cash.</li> <li>Any reasonable business-related expenses can be reimbursed, including the tax thereon if deemed to be a taxable benefit.</li> <li>Non-Executive Directors are encouraged to build a shareholding equal to at least 1x their annual fees. While there is no time limit for this, it is hoped it will be achieved by the end of their second three-year term.</li> </ul>	Overall fees will not exceed the maximum specified in the Company's articles of association.	None. The Non-Executive Directors are not entitled to receive any remuneration which is performance-related.

## Directors' Remuneration Policy continued

**Remuneration Committee discretion**

The committee retains discretion to make any payments, notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed (i) before the Policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the committee, the payment was not in consideration of the individual becoming a Director of the Company.

The committee will operate the variable pay plans (i.e. Group Annual Bonus Plan, LTIP and other incentive plans) according to their respective rules. The committee retains certain discretions in respect of the operation and administration of these arrangements.

In addition, the committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. a material acquisition and/or divestment of a Group business) that cause it to determine that the conditions are no longer appropriate, and the amendment is required to ensure the conditions achieve their original purpose and are not materially less difficult to satisfy.

**Malus and clawback provisions**

Annual bonus and LTIP payments remain subject to malus and clawback until two years after they have vested/been paid. Circumstances that may result in a clawback or malus being applied for an individual include financial misstatement, erroneous calculations in determining payments, corporate failure, serious misconduct, or if material reputational damage is caused by the individual to the Group. A period of two years has been determined to be appropriate for the operation of malus and clawback provisions at the Company, in line with standard market practice. The Committee is satisfied that this period of time should be sufficient for audit procedures to identify any event that might give rise to the operation of malus or clawback.

Documentation for Executive Directors relating to annual bonus and awards made under the Company's LTIP sets out scenarios in which malus and clawback may apply.

Executive Directors and other members of the ELT are required to agree in writing, on an annual basis, their adherence to malus and clawback terms applicable to the annual bonus and awards made under the Company's LTIP.

**Recruitment policy**

The remuneration arrangements for a new Executive Director would normally be in line with the terms of the Remuneration Policy and would be set considering the specific circumstances of the individual. In addition, the committee may offer additional remuneration to replace remuneration forfeited on leaving a previous employer.

Where a position is filled internally, the committee may honour any pre-existing remuneration obligations or outstanding variable pay arrangements in relation to the individual's previous role, such that these shall be allowed to continue according to the original terms (adjusted as relevant to take account of the Board appointment).

For internal and external appointments, the committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

**Service contracts and cessation of employment**

Service contracts may be terminated by either the Company or an Executive Director with no more than 12 months' notice. The Company may determine to make a payment in lieu of notice in respect of base salary and contractual benefits only.

The treatment of outstanding variable pay schemes shall be determined by the committee considering the time employed during the respective performance periods and the circumstances of departure. The committee will fulfil its duty to seek to ensure that there is no reward for failure and, in doing so, not pay more than is necessary whilst acting fairly and reasonably to all parties.

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# ANNUAL REMUNERATION REPORT

This section summarises remuneration paid out to the Directors for the 2025 financial year, and details of how the Remuneration Policy will be implemented in the 2026 financial year.

## Directors' remuneration for the 2025 financial year (audited)

	Base salary/fees £000		Benefits £000		Pension £000		Annual bonus £000		Long-term incentives £000		Total £000		Total fixed remuneration £000		Total variable remuneration £000	
	2025	2024 <sup>1</sup>	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Zaid Al-Qassab <sup>2,3</sup>	594	385	2	-	42	23	-	175	-	-	638	583	638	408	-	175
Simon Fuller <sup>4</sup>	400	200	3	-	24	12	-	43	-	-	427	255	427	212	-	43
Zillah Byng-Thorne <sup>5</sup>	101	434	1	2	-	22	-	-	-	-	102	458	102	458	-	-
Chris Sweetland	53	51	-	-	-	-	-	-	-	-	53	51	53	51	-	-
Colin Jones	79	77	-	-	-	-	-	-	-	-	79	77	79	77	-	-
Louise Jackson <sup>6</sup>	20	77	-	-	-	-	-	-	-	-	20	77	20	77	-	-
Dame Heather Rabbatts <sup>7</sup>	168	73	-	-	-	-	-	-	-	-	168	73	168	73	-	-
Georgina Harvey <sup>8</sup>	96	13	-	-	-	-	-	-	-	-	96	13	96	13	-	-
<b>Total</b>	<b>1,511</b>	<b>1,310</b>	<b>6</b>	<b>2</b>	<b>66</b>	<b>57</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>1,583</b>	<b>1,587</b>	<b>1,583</b>	<b>1,369</b>	<b>-</b>	<b>218</b>

1. Base pay figures for 2024 for Zaid Al-Qassab and Simon Fuller reflect part-year payments due to them joining the Company on 16 May 2024 and 1 July 2024 respectively. 2024 fee payments for Georgina Harvey reflect a part-year payment due to her being appointed to the Board on 1 October 2024.

2. Zaid Al-Qassab's base salary was reduced by £2,000 per month during February, March and April 2025 as he was incorrectly auto-enrolled into the Company's pension scheme.

3. Zaid Al-Qassab's 2024 pension contribution has been increased by £6,000 as a result of him being incorrectly auto-enrolled into the Company pension scheme.

4. Simon Fuller was paid a bonus of £42,673 for 2024. This was rounded in error to the figure of £44,000 reported in the 2024 Annual Report and Accounts.

5. Zillah Byng-Thorne stepped down from the Board on 15 May 2025.

6. Louise Jackson stepped down from the Board on 15 May 2025.

7. Dame Heather Rabbatts stepped down from the role of Senior Independent Director and was appointed to the role of interim Board Chair from 15 May 2025. This role was confirmed as permanent on 17 June 2025. Her fee was set at £215,000.

8. Georgina Harvey was appointed as Senior Independent Director from 15 May 2025 and the associated fee of £26,523 was applied from the same date.

Annual Remuneration Report continued

**Directors' remuneration for the 2025 and 2026 financial years**

**Base salary**

As disclosed in last year's report, Zaid Al-Qassab and Simon Fuller's base salaries were set at £600,000 and £400,000 respectively on joining the Company and there were no increases made to them in the year ended 31 December 2025.

There are no proposed base salary increases for Zaid Al-Qassab or Simon Fuller in the year ending 31 December 2026.

Zaid Al-Qassab stepped down from the Board on 31 March 2026, but remains an employee until 31 May 2026.

Dame Heather Rabbatts was appointed as Executive Chair from 1 April 2026 and her salary was set at £400,000 per annum. Her Board Chair fee ceased from the same date, for the duration of her executive appointment.

**Pension and benefits**

Pension allowance for both Zaid Al-Qassab and Simon Fuller was set at 6% of base salary on appointment, which is in line with the rate for the wider workforce. Zaid Al-Qassab was incorrectly auto-enrolled into the Company's pension scheme in February 2025 for a period of three months, resulting in personal pension contributions of £6,000 being taken via salary sacrifice and paid into his pension account. This error is reflected in a lower base salary shown in the single figure table on page 86 of this report. The associated Company contributions of £6,000 have been repaid to the Company.

Benefits consisted principally of private healthcare, life assurance and income protection.

Dame Heather Rabbatts will be eligible to receive pension contributions and Company-funded private healthcare for the duration of her executive appointment.

**Group Annual Bonus Plan**

Executive Directors are eligible for a performance-related bonus that is paid in cash following the year-end.

**2025 Group annual bonus**

For 2025, the Group annual bonus was structured in line with the Remuneration Policy. The maximum opportunity for the Chief Executive Officer and the Chief Financial Officer was 100% of base salary.

The performance measures, weightings, targets and achievements used to determine the bonuses for the Chief Executive Officer and Chief Financial Officer are detailed in the following table. Bonus for the financial elements is earned on a straight-line basis from 0% for meeting the "threshold" level, to 50% for meeting the "target" level, and 100% for meeting the "stretch" targets.

The table below reflects formulaic performance against the 2025 targets.

Measure	Weighting (% of bonus)	Targets £m (threshold-target-stretch)	Performance achieved £m	% of bonus earned
Group operating profit	40%	31.5-39.5-41.5m	24.9m	0%
Group net revenue <sup>1</sup>	20%	232.5-244.7-257.0m	204.7m	0%
Group cash conversion ratio	20%	80.0%-95.0%-110.0%	94%	9.5%
Planet and People measures	20%	See below	See below	5.6%

1. Group operating profit and net revenue are reported on a like-for-like basis

**Planet and People measures**

Measure	Weighting (% of bonus)	Targets	Performance achieved	% of bonus earned
Planet	10%	<ul style="list-style-type: none"> <li>Meeting SBTi carbon reduction targets of 7% per year since 2019</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 and Scope 2 emission reduction targets partially met</li> </ul>	2.5%
People	10%	<ul style="list-style-type: none"> <li>Improved employee engagement scores (70 threshold to 74 maximum) (5%)</li> <li>Strive to improve gender and ethnic diversity at leadership levels (5%)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>67 employee engagement score</li> <li>Partially met</li> </ul>	0.0%
		<ul style="list-style-type: none"> <li>1. Always in compliance with local labour laws and never through any action constituting positive discrimination</li> </ul>		3.1%

As an underpin, the threshold Group operating profit had to be met in order for any part of the 2025 bonus scheme to be triggered. With performance of £24.9 million against a threshold target of £31.5 million, this condition has not been met, meaning that payment under the bonus scheme is not triggered for 2025 and no bonus payments are due to the Executive Directors.

Annual Remuneration Report continued

**2026 Group annual bonus**

For 2026, the Group annual bonus is structured in line with the Remuneration Policy. The maximum opportunity for the Chief Financial Officer is 100% of base salary. Neither the departing Chief Executive Officer nor the Executive Chair will participate in the annual bonus for 2026. Performance will be measured against Group operating profit. As the targets are forward-looking, these are considered commercially sensitive by the Board and will be disclosed next year.

**Long-Term Incentive Plan (LTIP)**

**2025 LTIP awards**

The Chief Executive Officer and the Chief Financial Officer received awards under the LTIP in 2025, equivalent to 150% and 100% of base salary respectively, resulting in them being awarded options over 564,617 and 250,941 shares in the Company respectively. The awards, which were made on 13 May 2025, will deliver shares, following the end of the three-year performance period, only to the extent that the performance targets are met and – normally – that participants remain employed at the time. Executive Directors are required to hold any shares that vest for an additional two-year period following the end of the performance period.

The performance metrics and weightings, which are measured over the period to 31 December 2027, are as summarised in the table below.

Performance measure	Weighting
Relative total shareholder return (TSR) vs. FTSE Small Cap Index	50%
Earnings per share (EPS)	50%

The targets attached to the TSR element require performance to match the index TSR for vesting to start, rising from 0% on a straight-line basis to full vesting for 10% per annum outperformance of the index. TSR is the share price movement over the period of three years including the value of dividends for the Company's shareholders. The FTSE Small Cap Index TSR will be calculated by a financial information provider. The same vesting scale applies to the EPS targets. However, as the EPS targets are felt to be commercially sensitive at the current time these will be disclosed in a future Remuneration Report.

Malus and clawback provisions apply in line with the Remuneration Policy and are detailed in award documentation for Executive Directors.

**LTIP awards vesting in the year**

LTIP awards granted to former Executive Directors and other members of the ELT in September 2022 reached the end of their performance period on 31 December 2024 and vested on 31 May 2025. For Executive Directors, any vested awards were subject to a two-year post-vesting hold period, although no current Executive Directors participated in this award.

Awards were subject to two performance conditions between 1 January 2022 and 31 December 2024 as set out below:

Measure	Weighting (% of LTIP)	Targets (threshold-target-stretch)	Performance achieved	% of LTIP measure earned
Relative TSR (to FTSE Small Cap Index)	50%	In line with or below comparator group – 10% pa compound or more	FTSE Small Cap Index + 5.22%	52.2%
Headline adjusted EPS	50%	25.12p-28.12p	18.7p	0.0%

The above performance outcomes resulted in the 2022 LTIP award vesting at 26.1% of maximum. In addition, in line with the rules of the LTIP, dividend equivalent shares were applied, meaning that the award vested at 26.5% of maximum.

No current Executive Directors or Executive Directors in office during 2025 were recipients of awards under the 2022 LTIP. Details of the awards vesting for the former Chief Executive Officer and Chief Financial Officer are set out on page 89.

LTIP awards granted in August 2023 reached the end of the performance period on 31 December 2025, but are not due to vest until 2 August 2026. Neither the TSR metric nor the EPS metric met the threshold level of performance and, as such, all awards are expected to lapse on the vesting date. No current Executive Directors had awards under the 2023 LTIP.

## Annual Remuneration Report continued

**2026 LTIP awards**

LTIP awards granted in 2026 will vest to the extent performance targets are met over the period to 31 December 2028 against equally weighted TSR and EPS measures.

Awards made to Executive Directors will be in line with the Remuneration Policy. Neither the departing Chief Executive Officer nor the Executive Chair will participate in the 2026 LTIP.

The table below details all awards held by Executive Directors under the LTIP at 31 December 2025:

Executive Director	Grant date	Number of shares	Percentage vesting at threshold performance	Performance period	Vesting date	Holding period
Zaid Al-Qassab	30 May 2024	586,510	0%	FY24 to FY26	30 May 2027	100% of any vested shares will be released on the second anniversary of the vesting date.
	13 May 2025	564,617	0%	FY25 to FY27	13 May 2028	100% of any vested shares will be released on the second anniversary of the vesting date.
Simon Fuller	1 July 2024	201,409	0%	FY24 to FY26	1 July 2027	100% of any vested shares will be released on the second anniversary of the vesting date.
	13 May 2025	250,941	0%	FY25 to FY27	13 May 2028	100% of any vested shares will be released on the second anniversary of the vesting date.

**Payments to past Executive Directors**

As disclosed in last year's report, Moray MacLennan and Bruce Marson were both treated as "good leavers" in respect of their 2022 LTIP awards, which vested on 31 May 2025. In accordance with the rules of the LTIP, there was no timebound pro-rating in respect of the vested award.

A total of 26.5% of the award vested, resulting in Moray MacLennan receiving 232,676 and Bruce Marson receiving 24,610 nil-priced options. Using the share price on the date of vesting of £1.73, the vested awards had a face value of £401,366 and £42,452 respectively. A two-year post-vesting holding period applies to the vested award for Moray MacLennan. There is no holding period in respect of Bruce Marson's vested award as he was not an Executive Director at the point the award was made.

There were no other payments to past Directors in the year ended 31 December 2025.

**Policy on external appointments (unaudited)**

The committee believes that the Group can benefit from Executive Directors holding approved non-executive directorships in other companies, offering Executive Directors the opportunity to broaden their experience and knowledge. Our policy is to allow Executive Directors to retain fees paid from one external appointment.

Neither Zaid Al-Qassab nor Simon Fuller held any external appointments during the year.

**Chair and Non-Executive Directors' remuneration (unaudited)**

The fee structure for the Non-Executive Directors in respect of 2025 is set out in the table below.

With the exception of Zillah Byng-Thorne, fees for Non-Executive Directors increased from 1 March 2025 by 3%, in line with average UK base salary increases for colleagues across the Group.

On appointing Dame Heather Rabbatts as Chair on 17 June 2025, the Board set her fee at £215,000, a reduction of 17% on the prior Chair's fee, as it was felt that this more appropriately reflected the market rate for the role.

The fee structure for the Non-Executive Directors in respect of 2025 is set out in the table below:

	2025 fee	% increase
<b>Base fee</b>		
Chair <sup>1</sup> – 1 Jan 2025 to 15 May 2025	<b>£257,500</b>	0%
Chair <sup>2,3</sup> – 17 Jun 2025 to 31 Dec 2025	<b>£215,000</b>	-17%
Non-Executive Directors	<b>£53,045</b>	3%
<b>Additional fees</b>		
Senior Independent Director <sup>4</sup>	<b>£26,523</b>	3%
Audit & Risk Committee Chair	<b>£26,523</b>	3%
Remuneration Committee Chair	<b>£26,523</b>	3%

- Zillah Byng-Thorne stepped down from the Board on 15 May 2025.
- During her interim appointment as Board Chair from 15 May 2025 to 16 June 2025, Dame Heather Rabbatts was paid a temporary monthly fee supplement of £17,037 in addition to her standard Non-Executive Director fee.
- Dame Heather Rabbatts assumed the role of interim Board Chair on 15 May 2025 and was appointed to this role on a permanent basis on 17 June 2025, at which point her fee was set at £215,000 per annum.
- Dame Heather Rabbatts held the role of Senior Independent Director until her permanent appointment to the role of Board Chair on 17 June 2025, at which point Georgina Harvey assumed the role of Senior Independent Director.

Annual Remuneration Report continued

**Fees for 2026**

After careful consideration, fees for Non-Executive Directors have not been increased for 2026 and remain in line with the prior year.

In addition to the standard Non-Executive Director fee set out on page 89, Vin Murria will receive a fee of £26,523 per annum in respect of the role of Deputy Chair.

**Shareholdings and share interests (audited)**

Under the Remuneration Policy, Executive Directors are required to build and maintain a shareholding equivalent to 200% of their base salary.

The table below summarises the Executive Directors' and Non-Executive Directors' shareholdings at 31 December 2024 and 31 December 2025 (or the date they ceased to be a Director), including shares subject to deferral or a holding period and performance conditions.

Director	Beneficially owned shares on 31 December 2024	Beneficially owned shares on 31 December 2025	Shares subject to deferral/holding period (but not performance)	Unvested shares subject to performance conditions	% of base salary held counting towards shareholding requirement <sup>1</sup>
Zaid Al-Qassab	53,541	177,128	-	1,151,127	39%
Simon Fuller	36,043	36,043	-	452,350	12%
Zillah Byng-Thorne <sup>2</sup>	213,536	213,536	-	-	n/a
Colin Jones	37,758	37,758	-	-	n/a
Chris Sweetland	45,000	45,000	-	-	n/a
Dame Heather Rabbatts	-	-	-	-	n/a
Georgina Harvey	-	-	-	-	n/a

1. 31 December 2025 share price of £1.31 used for calculation.  
 2. Zillah Byng-Thorne stepped down from the Board on 15 May 2025.

**Engagement with the workforce (unaudited)**

The Company is committed to regularly engaging with its workforce and appreciates the value of listening to and acting on employee views across the organisation.

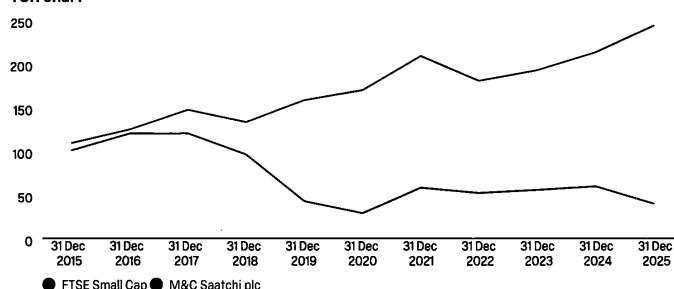
Multiple mechanisms exist across both the Group and its individual companies to facilitate this, including participative "all hands"-style meetings, regular all-company video updates led by the Chief Executive Officer, and our digital communications portal to aid collaboration. In addition, the Board engaged with the workforce during the year, providing opportunities for employees to both ask questions and provide feedback to the Board.

During 2025, the Board held three workforce engagement sessions with various employee cohorts, two of which covered the roles and responsibilities of the Board and its committees, how executive pay at the Company is linked to Company performance and strategy, and the approach to pay for the wider workforce.

**Performance graph (unaudited)**

The chart below illustrates the Company's TSR performance compared with the performance of the FTSE Small Cap Index, over the last ten years. The FTSE Small Cap Index has been selected as an appropriate benchmark, as this index is used in the Company's targets for long-term incentives.

TSR chart



*Georgina Harvey*

**GEORGINA HARVEY**  
 Chair of the Remuneration Committee

19 April 2026

# DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2025, which has been prepared in accordance with the Companies Act 2006.

## Strategic Report

The Company's Strategic Report is set out on pages 1 to 63 and includes the section 172 statement on pages 47 to 50. The Strategic Report contains an indication of likely future developments in the business of the Company and the Group.

## Principal activity, trading activity and future developments

The principal activity of the Company during the year was the provision of marketing services. The review of trading, future developments and key performance indicators can be found in the Strategic Report.

## Legal form

The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange.

## Dividends

The Company paid a final dividend of 1.95p per share in respect of its financial year ended 31 December 2024 to its shareholders in 2025 (2024: 1.6p). The Company understands the importance of returning capital to shareholders. The Board believes that greater value can be created for shareholders by increasing the share buyback programme rather than through the payment of a dividend. Accordingly, the Board does not intend to propose a final dividend in respect of the year ended 31 December 2025, but instead to reallocate the amount that would otherwise have been proposed as a final dividend for the year ended 31 December 2025 to an enhanced share buyback programme. That decision and the final allocation of funds remains subject to formal Board approval.

## Share buyback programme

The Company announced its intention to launch a share buyback programme in November 2025 and commenced the buy back programme on 9 March 2026, after the year-end. See Events since the end of the year, on page 95.

## Going concern

These financial statements have been prepared on the going concern basis, as detailed below and as set out in the Audit & Risk Committee Report.

The Board has concluded that under the most likely going concern scenarios, the Group will have sufficient liquidity and headroom under the financial covenants in the Group's revolving credit facility (the "Covenants") to continue to operate for a period of not less than a year from approving the financial statements.

The Board has formed its opinion after evaluating four different severe but plausible forecast scenarios and a reverse stress test, extending to twelve months from the date of this Annual Report and Accounts (the "Viability Review Period").

The four scenarios comprise:

1. A significant reduction in new business wins.
2. A significant increase in wage inflation.
3. A significant number of top clients are lost.
4. A significant economic downturn.

These severe but plausible scenarios are assumed to materialise from the first quarter of 2026 onwards. The estimated decline in EBITDA ranges from £18 million to £46 million compared to the base case plan for the cumulative period ending 31 December 2028, including a £10 million to £15 million decline in EBITDA in 2026.

The reverse stress test case evaluates how extreme conditions would need to be for the Group to break the Covenants within the Viability Review Period. The conditions go significantly further than the severe but plausible scenarios and reflect a scenario that the Directors consider to be highly unlikely.

The Directors consider that the current impacts of climate change do not constitute a material uncertainty under the Group's existing strategy. Further details on these impacts, our mitigation efforts, and future climate evolution can be found in our TCFD Report on pages 55 to 62.

The Board has concluded that, under all scenarios modelled by management, the Company will have sufficient liquidity to operate and will not breach the Covenants.

In their review of the severe but plausible scenarios, the Directors have also considered several mitigations that would help maintain headroom on the Covenants, and are at their discretion, including but not limited to:

- Reduction or postponement of dividend payments.
- Reduction of bonus payments.
- Reduction of overheads and operating expenses.
- Renegotiation of the terms of the Group's revolving credit facility including Covenant relaxation.
- Closure of loss-making entities.
- Reduction of staff levels in line with revenue reduction.

The Board is satisfied that the Group's forecasts, which take into account reasonably possible changes in trading performance, show that there are no material uncertainties over going concern, and that, even under the severe but plausible scenarios, the Group will continue to have sufficient liquidity and headroom to operate within the Covenants. The Board, therefore, has concluded the going concern basis of preparation continues to be appropriate.

## Viability statement

The Directors assess the prospects of the Group and appropriateness of the period used for the viability assessment by taking into account various factors, including the Group's current position, the nature of its business, risks to the future success of the Group's business model and strategy, its principal risks, its liquidity and its expected performance, all of which have also been considered in the going concern review.

Directors' Report continued

The Directors have determined that a three-year time horizon (from 31 December 2025) is the maximum length of time the Directors can reasonably be expected to assess the Group's viability at the present time. This period has been chosen as it reflects the Directors' best estimate of the future viability of the Company and encompasses three years of detailed forecasts.

In testing the viability of the Group, management have undertaken a robust scenario assessment of the principal risks which could threaten the viability or existence of the Group. As per the going concern statement set out above, management evaluated four different severe but plausible forecast scenarios. Management also built a reverse stress test model which involves building further downside on top of the downsides built into the severe but plausible model.

Based on the assessment explained above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, until at least 31 December 2028. However, the impacts of a series of additional unforeseen risks, such as policies on data handling or employee welfare not being followed or the occurrence of a banking crisis, could result in additional financial burdens on the Group and may change the Board's expectation of the Group's viability.

**Principal risks and uncertainties**

The Group's principal risks and uncertainties are detailed on pages 39 to 46, including information on the nature of the risk, the actions being taken to mitigate risk exposure, the change in exposure compared to last year and an indication of the significance of the risk by reference to its potential impact on the Group's business and financial condition. Not all potential risks are listed, and some risks are excluded because the Board considers them not to be material to the Group as a whole. In addition, there may be risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, that may also have an adverse effect on the Group.

**Section 172, employee and other stakeholder engagement**

When making decisions and setting the Company's strategy, the Directors consider the long-term interests of the Company. In doing so, the Directors weigh the competing interests of the Company's stakeholders, including how the Company fosters its business relationships with customers, suppliers and others, and the effect their decisions may have on the Company's reputation. As part of this, the Board reviews papers and other information and comments on how it fits with, strengthens, or otherwise impacts the Company's strategy and budget. Papers are submitted by the Executive Directors, ELT members and other business leaders. During the year, the Board considered matters such as the Company's Capital Allocation Policy, the Group's new business pipeline, the two acquisitions and the Group's budget.

Further information on how the Company considers the interests of its stakeholders can be found on pages 47 to 50 and more details of how the Company seeks to limit its impact on the environment are provided in the ESG section starting on page 51. Information on the Company's policies relating to the employment of disabled persons, and action taken to inform, consult and involve employees in the Company's affairs is set out in the Strategic Report on pages 28 and 47. Information on how directors have engaged with employees during the year is set out in the Directors' Remuneration Report on page 90 and Stakeholder Engagement and Section 172 (Employees) on page 47.

**Financial instruments**

The financial risk management objectives and policies of the Group, including its exposure to price risk, credit risk, liquidity risk, cash flow risk, interest rate risk and foreign exchange risk, are provided in Note 31 to the financial statements on pages 137 to 139.

**Political and charitable donations**

During the year, the Group made no political donations (2024: £nil), but made £44,596 in charitable contributions (2024: £50,075).

**Streamlined energy and carbon reporting (SECR)**

The UK Government's SECR Policy was implemented on 1 April 2019. This is the sixth year that the Group has provided disclosures on energy and carbon and comparative figures for 2020 onwards are given. The tables represent the Group's energy use and associated green house gas (GHG) emissions from electricity and fuel for its UK-based companies (the "UK Group") for the year ended 31 December 2025.

In the tables that follow, Scope 1 emissions cover direct GHG emissions from fuel combustion and Scope 2 emissions cover emissions from purchased electricity. Scope 3 emissions cover all other indirect emissions that occur in a company's value chain. They are not included in the reporting shown, but are covered in the ESG section on pages 61 and 62.

	2025	2024	2023	2022	2021	2020	
<b>Scope 1</b>							
Natural gas utilised	285,824	322,452	369,636	424,097	402,037	398,862	kWh
Vehicle operations (below materiality threshold)	-	-	-	-	-	-	km
Fugitive emissions (HVAC refrigeration gas top-up)	-	1.6	-	0.28	-	-	kg
<b>Scope 2</b>							
Electricity (supplied from National Grid with REGO certs)	911,338	806,297	892,109	1,006,537	819,498	793,057	kWh
Electricity (supplied from National Grid without REGO certs)	11,737	38,317	42,165	89,404	119,179	126,562	kWh
<b>Total electricity (supplied from National Grid)</b>	<b>923,075</b>	<b>844,614</b>	<b>934,274</b>	<b>1,095,941</b>	<b>938,677</b>	<b>919,619</b>	<b>kWh</b>

Directors' Report continued

Corresponding emissions from activities for which the Company is responsible:	2025	2024	2023	2022	2021	2020	
<b>Scope 1</b>							
Natural gas utilised	52.29	58.98	67.62	78.02	73.74	73.43	tCO <sub>2</sub> e
Vehicle operations	-	-	-	-	-	-	tCO <sub>2</sub> e
Fugitive emissions (HVAC refrigeration gas top-up)	-	1.08	-	0.59	-	-	tCO <sub>2</sub> e
<b>Total Scope 1 emissions</b>	<b>52.29</b>	<b>60.06</b>	<b>67.62</b>	<b>78.61</b>	<b>73.74</b>	<b>73.43</b>	<b>tCO<sub>2</sub>e</b>
<b>Scope 2 (dual reporting)</b>							
<b>Market-based emissions</b>							
Electricity (supplied from National Grid with REGO certs)	-	-	-	-	-	-	tCO <sub>2</sub> e
Electricity (supplied from National Grid without REGO certs)	4.94	14.88 <sup>1</sup>	8.73	17.28	25.84	31.41	tCO <sub>2</sub> e
<b>Total electricity (market-based emissions determination)</b>	<b>4.94</b>	<b>14.88<sup>1</sup></b>	<b>8.73</b>	<b>17.28</b>	<b>25.84</b>	<b>31.41</b>	<b>tCO<sub>2</sub>e</b>
<b>Total gross Scope 1 and Scope 2 emissions (market-based included)</b>	<b>57.23</b>	<b>74.94<sup>1</sup></b>	<b>76.35</b>	<b>95.89</b>	<b>99.58</b>	<b>104.84</b>	<b>tCO<sub>2</sub>e</b>
<b>Total Scope 2 location-based emissions</b>							
Total electricity (supplied from National Grid, UK Grid mix factors)	163.38	174.88	193.46	211.93	203.73	226.35	tCO <sub>2</sub> e
Total Scope 1 emissions (as above)	52.29	60.06	67.62	78.61	73.74	73.43	tCO <sub>2</sub> e
<b>Total gross Scope 1 and Scope 2 emissions (all location-based included)</b>	<b>215.67</b>	<b>234.94</b>	<b>261.08</b>	<b>290.54</b>	<b>277.47</b>	<b>299.78</b>	<b>tCO<sub>2</sub>e</b>

The UK Group's gross location based Scope 1 and Scope 2 emissions decreased by 8.2% vs 2024 and market-based emissions reduced by 23.6% over the same period, continuing the downward trend from all five reported years. There was approximately a 10% increase in UK Group turnover compared to 2024. This year's location-based intensity ratio is consequently 16.4% lower than the previous reporting year emissions, while the market-based intensity ratio is 30.5% lower. Electricity consumption rose by 9.29% in 2025 compared to 2024, however, due to the UK's national grid decarbonising significantly between 2024 and 2025, this rise in energy consumption still resulted in a 6.57% reduction in electricity emissions compared to 2024. There was also a 11.36% decrease in gas consumption compared to 2024.

**Energy efficiency action taken in the financial year**

In 2025, several key energy-saving initiatives were undertaken to enhance operational efficiency and reduce our carbon footprint. These included:

- Upgraded the current Trend 963 building management system in our London head office to a building energy management system with a higher level of building services/system connectivity and energy management functionality. This was completed in December 2025.
- Replaced 68% of our plant area lighting systems with 38-watt LED fittings.
- Developed an energy action plan covering the period 2024 to 2027, outlining key strategic measures to further improve energy efficiency and reduce emissions in line with regulatory and sustainability commitments.

**ESG policies**

The Company maintains various ESG policies, including its ESG Conduct for Network members and its Supplier Code of Conduct. The Company ensures ethical alignment across its branded network through its ESG Policy and Code of Conduct for Network Members which lays out how the Company expects its Network Members to uphold its values and ways of working. It includes supporting the Company's Net Zero target and roadmap, its Planet and People Commitments, and a broader set of ethical business and governance requirements.

The Company's Supplier Code of Conduct covers a range of environmental, social and governance topics, that are expected to be cascaded through the Company's suppliers supply chains.

**Energy intensity ratio**

The energy intensity ratio calculation has been based upon the standard measure of tCO<sub>2</sub>e (gross Scope 1 + 2) per £100,000 revenue. The intensity ratios from 2020 to 2025 are as follows:

	2025	2024	2023	2022	2021	2020	
Turnover of UK Group companies	£149,276,675	£135,924,000	£153,538,000	£157,928,000	£145,803,000	£134,357,000	
Market-based intensity ratio: tCO <sub>2</sub> e (gross Scope 1 + 2)/£100,000 revenue	0.038	0.055 <sup>1</sup>	0.050	0.061	0.068	0.078	tCO <sub>2</sub> e /£100,000
Location-based intensity ratio: tCO <sub>2</sub> e (gross Scope 1 + 2)/£100,000 revenue	0.145	0.173	0.170	0.184	0.190	0.223	tCO <sub>2</sub> e /£100,000

1. An amendment to the 2024 SECR figures has been made to correct the market based assessment for the UK Group's other property.

Directors' Report continued

### Anti-bribery and corruption

A zero-tolerance policy applies to practices at odds with our values and culture, such as bribery, corruption, and modern slavery. We are committed to acting ethically and with integrity in all business dealings and relationships. We are also committed to implementing and enforcing effective systems and controls to ensure such practices are not taking place anywhere in our businesses or supply chain. The Group has well-established anti-bribery and anti-corruption policies aimed at ensuring adherence to associated legal and regulatory requirements.

### Human rights policies

The Group has a zero-tolerance policy to slavery and human trafficking both within its businesses and in its supply chains, as reflected in its modern slavery statement. In accordance with the Modern Slavery Act 2015, we maintain a zero-tolerance approach to forced labour, human trafficking, and child labour within our operations and supply chains. While our direct risk as a professional services provider is low, we recognise that modern slavery is endemic in deeper supply chain tiers, specifically within the food and beverage, electronics, and construction sectors. To mitigate these risks, we have implemented a Supplier Code of Conduct that mandates fair wages, safe working environments, and effective remediation for victims. We enhanced our due diligence by partnering with a UK-based NGO to screen our largest suppliers and initiated a "sustainability first" procurement policy. We remain committed to protecting whistleblowers and providing continuous compliance training to ensure our global business operates to the highest ethical standards.

Under our Child Labour Policy, we maintain a strict minimum working age of 16 and verify all new hires to ensure zero child labour within our direct operations. While the risk in professional services is low, we recognise the systemic challenges in deeper supply chains particularly in electronics and construction and are implementing contractual obligations that require suppliers to cascade these standards and provide NGO-supported remediation. Beyond our operations, we are committed to protecting children's well-being in advertising production and ensuring their safety from inappropriate content across our digital marketing activities.

The Group maintains a Global Bullying and Harassment Policy which aims to prevent workplace issues before they arise by setting clear behavioural standards and providing straightforward reporting procedures for all employees.

Please also see Our ESG Commitments: Planet and People in the ESG section, on page 54, for information on how we are strengthening our approach to addressing modern slavery in our supply chain.

Our Modern Slavery Statement and Child Labour Policy can be accessed via [www.mcsaatchiplc.com/about-us/governance/corporate-governance](http://www.mcsaatchiplc.com/about-us/governance/corporate-governance).

### Whistleblowing

Employees are encouraged to report any potential, or apparent, malpractice or misconduct in confidence, in accordance with the Group's internal Board approved Whistleblowing Policy. We continue to look at innovative ways to allow our employees to report any potential, or apparent, malpractice or misconduct in confidence. The Company uses a third-party mobile app, Vault, which gives employees a safe space to report any form of misconduct in the workplace, including but not limited to harassment, bullying, discrimination, and racism, through to fraud and corruption.

### Governance

AIM-listed companies are required to adopt a recognised corporate governance code. The Board has selected the UK Corporate Governance Code 2024. We believe that this choice demonstrates our commitment to enhancing the Group's governance arrangements as the Code contains principles that are appropriate for our needs and circumstances, and align with our values as a company. Exceptions to compliance with the provisions of the Code can be found on page 71. The Company's Governance Report is provided on page 66 of this report.

### Fraud

The Board approved a Group-wide Anti-Fraud Policy. The Group reported no frauds during 2025.

### Research and development

The Group carries out such research and development as it deems necessary to support its principal activities.

### Subsidiaries

A complete list of the Company's subsidiaries is provided at Note 32 to the financial statements starting on page 140.

### Share capital

As at 17 April 2026 (being the latest practicable date before the publication of this Annual Report and Accounts), the Company had 121,853,435 ordinary shares of £0.01 each in issue. Of this total, 485,970 ordinary shares are held in treasury. Therefore, the total number of ordinary shares in issue with voting rights as at that date is 121,367,465. The Company did not purchase any of its own shares during the year ended 31 December 2025. The Company commenced a share buyback programme after the year-end. See Events since the end of the year on page 95.

### Treasury shares

At the Company's Annual General Meeting held in 2025, the Directors were given the authority to purchase up to 12,225,746 of the Company's ordinary shares. The total number of shares held in treasury on 31 December 2025 was 485,970 (2024: 485,970). The Company's employee benefit trust holds shares to facilitate the settlement of awards under the Company's Long-Term Incentive Plan and these are not considered treasury shares under company law. For information on the employee benefit trust, see overleaf.

### Employee benefit trust

In 2024, the Group established the M&C Saatchi plc Employee Benefit Trust (EBT) to acquire shares in the Company to satisfy awards made under the Company's Long-Term Incentive Plan. FCM Trust Limited acts as the trustee of the EBT. As at 31 December 2025, the EBT held 1,154,454 ordinary shares in the Company.

Directors' Report continued

**Directors' power to issue shares**

At the Company's Annual General Meeting held in 2025, the Directors were given the authority to issue shares in the capital of the Company up to a maximum nominal amount of £407,524, which was equivalent to approximately one third of the total issued ordinary share capital of the Company, of which up to a maximum nominal amount of £122,256 (which is equivalent to 10% of the total issued ordinary share capital of the Company) was approved to be issued for cash on a non-pre-emptive basis. During the year, the Company did not issue any shares for cash.

**Events since the end of the year**

On 27 February 2026, the Group disposed of its interest in each of its Malaysian subsidiaries; M&C Saatchi (M) Sdn. Bhd, Design Factory Sdn. Bhd and Watermelon Production Sdn. Bhd. The Company simultaneously entered into a brand licence agreement so that M&C Saatchi (M) Sdn. Bhd could use the brand name going forward.

On 9 March 2026, the Company commenced a share buyback programme to purchase its own ordinary shares pursuant to the authority granted by shareholders at the 2025 Annual General Meeting.

On 9 March 2026, the Company announced changes to its Board. Zaid Al-Qassab stepped down from the Board and left his position as Chief Executive Officer on 31 March 2026. Following his departure, Dame Heather Rabbatts assumed the role of interim Executive Chair with effect from 1 April 2026. Vinodka Murria was appointed as Non-Executive Director and Deputy Chair, and Nicholas Shott was appointed as an independent Non-Executive Director, both with effect from 9 March 2026.

The Directors are not aware of any other events since the end of the financial year that have had, or may have, a significant impact on the Group's operations, the results of those operations, or the state of affairs of the Group in future years.

**Directors' conflicts of interest**

Under the UK Companies Act 2006, Directors are subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company. The Directors are required to notify the Company of any conflict or potential conflict of interest under an established procedure and any conflicts or potential conflicts are noted and managed accordingly at each Board and committee meeting.

**Directors' insurance and indemnity**

As permitted by the articles of association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 236 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements. The Group purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

**Reappointment of Directors**

The Company's articles of association require a Director appointed by the Board to retire at the Company's next Annual General Meeting. In addition, the articles of association require the Directors to retire at each Annual General Meeting on the basis recommended by the corporate governance code adopted from time to time by the Company and, in any event, require that any Director who was not appointed or reappointed as a Director at either of the last two Annual General Meetings must retire and (if relevant) stand for reappointment. As the Company has adopted the UK Corporate Governance Code, all of the Directors currently must offer themselves for re-election at each Annual General Meeting.

**Directors**

The names of the Directors and details of their careers and skills are set out on pages 68 and 69. Details relating to Board meeting attendance and the composition of the committees of the Board are shown in the Governance review on pages 70 and 71 respectively. The Directors of the Company who were in office during 2025 and up to the date of signing the financial statements are detailed in the table below:

	Joined Board	Departed Board
<b>Executive Directors</b>		
Zaid Al-Qassab	16 May 2024	31 March 2026
Simon Fuller	1 July 2024	-
Dame Heather Rabbatts <sup>1</sup>	22 January 2024	-
<b>Non-Executive Directors</b>		
Zillah Byng-Thorne	15 June 2023	15 May 2025
Colin Jones	3 February 2020	-
Louise Jackson	17 March 2020	15 May 2025
Chris Sweetland	15 June 2023	-
Dame Heather Rabbatts	22 January 2024	-
Georgina Harvey	1 October 2024	-
Vinodka Murria	9 March 2026	-
Nicholas Shott	9 March 2026	-

<sup>1</sup> Dame Heather Rabbatts became interim Executive Chair on 1 April 2026.

Directors' Report continued

**Significant shareholdings**

Shareholders holding 3% or more of the Company's issued share capital (excluding treasury shares) at 7 April 2026:

Shareholders	Number of ordinary shares	Percentage of the Company's issued share capital
Octopus Investments	19,243,968	15.82
Artisan Partners	15,211,193	12.50
Vinodka Murria	14,437,452	11.87
AdvancedAdvT Limited	12,000,000	9.86
Paradice Investment Management	7,351,705	6.04
Harwood Capital	7,300,000	6.00
M&G Investments	5,049,799	4.15
Ruffer	4,472,500	3.68
Fidelity International	4,469,499	3.67
Lord Maurice Saatchi	4,124,882	3.39

Regularly updated details of the Directors' shareholdings and significant shareholdings can be found on the Company's investor website, [www.mcsaatchiplc.com](http://www.mcsaatchiplc.com).

**External auditor**

The Company appointed BDO LLP as its external auditor for the financial year ending 31 December 2025. BDO LLP has indicated its willingness to continue to act as external auditor to the Company and a resolution for its reappointment, and to authorise the Board to fix its remuneration, will be proposed at the forthcoming Annual General Meeting.

**Fair, balanced and understandable statement**

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

**Disclaimer**

The purpose of the Annual Report and Accounts are to provide information to shareholders of the Company, and they have been prepared for, and only for, the shareholders of the Company as a body, and no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

The Directors' Report was approved by the Board on 19 April 2026 and signed on its behalf by:



**VICTORIA CLARKE**

General Counsel & Company Secretary

M&C Saatchi plc  
Company Number 05114893

19 April 2026

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards, in conformity with the requirements of the Companies Act 2006; and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law). Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements – in each case, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- 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 safeguarding the assets of the Group, and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with applicable law and regulations.

## Website publication

The Directors are responsible for the maintenance and integrity of the Company's website ([www.mcsaatchiplc.com](http://www.mcsaatchiplc.com)). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' confirmations

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 68 and 69 confirms that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company taken as a whole, together with a description of the principal risks and uncertainties that they face.

## Disclosure of information to auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and the Company's auditor is aware of that information.

This responsibility statement was approved by the Board on 19 April 2026 and signed on its behalf by:



**DAME HEATHER RABBATTS**  
Executive Chair

19 April 2026

# FINANCIAL STATEMENTS

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# PREPARATION

## Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards, in conformity with the requirements of the Companies Act 2006.

The financial statements are presented in pounds sterling and, unless stated otherwise, rounded to the nearest thousand. They have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

## Going concern

These financial statements have been prepared on the going concern basis, as set out in the Directors' Report and the Audit & Risk Committee Report.

The Board has concluded that under the most likely going concern scenarios, the Group will have sufficient liquidity and headroom under the financial covenants in the Group's revolving credit facility (the "Covenants") to continue to operate for a period of not less than a year from approving the financial statements.

The Board has formed its opinion after evaluating four different severe but plausible forecast scenarios and a reverse stress test, extending to twelve months from the date of this Annual Report and Accounts (the "Viability Review Period"). The four scenarios comprise:

1. A significant reduction in new business wins.
2. A significant increase in wage inflation.
3. A significant number of top clients are lost.
4. A significant economic downturn.

These severe but plausible scenarios are assumed to materialise from the first quarter of 2026 onwards. The estimated decline in EBITDA ranges from £18 million to £46 million compared to the base case plan for the cumulative period ending 31 December 2028, including a £10 million to £15 million decline in EBITDA in 2026.

The reverse stress test case evaluates how extreme conditions would need to be for the Group to break the Covenants within the Viability Review Period. The conditions go significantly further than the severe but plausible scenarios and reflect a scenario that the Directors consider to be highly unlikely.

The Directors consider that the current impacts of climate change do not constitute a material uncertainty under the Group's existing strategy. Further details on these impacts, our mitigation efforts, and future climate evolution can be found in our TCFD Report on pages 55 to 62. The Board has concluded that, under all scenarios modelled by management, the Company will have sufficient liquidity to operate and will not breach the Covenants.

In their review of the severe but plausible scenarios, the Directors have also considered several mitigations that would help maintain headroom on the Covenants under the Facility, and are at their discretion, including but not limited to:

- Reduction or postponement of dividend payments.
- Reduction of bonus payments.
- Reduction of overheads and operating expenses.
- Renegotiation of the terms of the Group's revolving credit facility including Covenant relaxation.
- Closure of now loss-making entities.
- Reduction of staff levels in line with revenue reduction.

The Board is satisfied that the Group's forecasts, which take into account reasonably possible changes in trading performance, show that there are no material uncertainties over going concern, and that, even under the severe but plausible scenarios, the Group will continue to have sufficient liquidity and headroom to operate within the Covenants. The Board, therefore, has concluded the going concern basis of preparation continues to be appropriate.

## Like-for-like results

As stated in the Financial Review, the Directors believe that the like-for-like results and like-for-like earnings per share (see Note 1 to the financial statements) provide additional useful information on the underlying performance of the business. The like-for-like (LFL) results reflect the underlying profitability of the business units, by excluding a number of items that are not part of routine business income and expenses.

In addition, the LFL results may be used for internal performance management and reward. The term "like-for-like" is not a defined term in IFRS. Note 1 reconciles Statutory results to LFL results and the segmental reporting (Note 3 to the financial statements) reflects LFL results, in accordance with IFRS 8.

The items that are excluded from LFL results are:

- Separately disclosed items that are one-off in nature and are not part of running the business.
- Revaluation of assets on transition to assets held for sale.
- Impairment of assets held for sale, right-of-use assets, leasehold improvements, acquired intangibles and goodwill.
- Gains or losses generated by disposals of subsidiaries.
- Fair value adjustments to unlisted equity investments, acquisition-related deferred consideration and put options.
- Dividends paid to IFRS 2 put option holders. However, in non-controlling interest, we deduct profit share attributable to IFRS 2 put option holders.
- Results of subsidiaries which management has or intends to exit in the current and prior year, and those of newly acquired subsidiaries in the current year.
- Effects of foreign exchange movements on the underlying results, by retranslating prior year figures using current year foreign exchange rates.

Preparation continued

**Consolidation**

Where a consolidated company is less than 100% owned by the Group, the treatment of the non-controlling interest share of the results and net assets is dependent on how the non-controlling interests' equity is accounted for. Where the equity is accounted for as a share-based payment award under IFRS 2, all dividend outflow is taken to staff costs, and there is no non-controlling interest. In all other cases, the non-controlling interest share of the results and net assets is recognised at each reporting date in equity, separately from the equity attributable to the shareholders of the Company.

**Material accounting policies**

Certain of the Group's accounting policies are considered by the Directors to be material due to the level of complexity, judgement or estimation involved in their application and their potential impact on the financial statements. The critical accounting policies are listed below and explained in more detail in the relevant notes to the financial statements.

**Revenue recognition**

The Group's revenue is earned from the provision of advertising and marketing services, together with commission-based income in relation to media spend and to talent performance. Revenue from contracts with customers is recognised as, or when, the performance obligations present within the contractual agreements are satisfied. Depending on the arrangement with the client, the Group may act as principal or as agent in the provision of these services.

See Note 4 to the financial statements for a full description of the Group's revenue accounting policies.

**Significant accounting judgements and key sources of estimation uncertainty**

In the course of preparing financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The estimates and judgements that are made are continually evaluated, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the financial statements within the next financial year are outlined below.

**Significant accounting judgements**

Management has made the following judgements, which have the most significant effect in terms of the amounts recognised, and their presentation, in the financial statements.

**Impairment – assessment of CGUs and assessment of indicators of impairment**

Impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. Assets with finite lives are reviewed for indicators of impairment (an impairment "trigger") and judgement is applied in determining whether such a trigger has occurred. External and internal factors are monitored by management, including: a) adverse changes in the economic or political situation of the geographic locale in which the underlying entity operates; b) heightened risk of client loss or chance of client gain; and c) internal reporting suggesting that an entity's future economic performance is better or worse than previously expected. Where management has concluded that such an indication of impairment exists, then the recoverable amount of the asset is assessed.

The Group assesses whether an impairment is required by comparing the carrying value of the cash-generating unit (CGU) assets (including the right-of-use assets under IFRS 16) to their value in use. Discounted cash flow models, based on the Group's latest budget and three-year financial plan, and a long-term growth rate, are used to determine the recoverable amount for the CGUs. The appropriate estimates and assumptions used require judgement and there is significant estimation uncertainty. The results of impairment reviews conducted at the end of the year are reported in Note 13 (Assets Held For Sale), Note 14 (Investment property), Note 15 (Intangible Assets), and Note 18 (Leases) to the financial statements.

The Group has recognised a total impairment charge of £1,916k in the year (2024: £890k), of which nil relates to impairment of investment property (2024: £361k reversal) and £206k relates to the impairment of right-of-use assets (2024: £297k reversal). There was an impairment of £1,500k in the year of goodwill (2024: £1,634k) and £210k in other intangible assets (2024: nil). There was an impairment of nil of associate investments held in assets held for sale (2024: £86k reversal).

**Significant estimates and assumptions**

Some areas of the Group's financial statements are subject to key assumptions and other significant sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared.

**Deferred tax assets**

The Group assesses the future availability of carried forward losses and other tax attributes, by reference to jurisdiction-specific rules around carry forward and utilisation, and whether it is probable that future taxable profits will be available against which the attribute can be utilised. Changes in such assessments would allow unrecognised deferred tax to be recognised and vice versa. Analysis of deferred tax can be seen in Note 9 to the financial statements.



## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December	2025 £000	2024 £000
<b>(Loss)/profit for the year</b>	<b>(2,009)</b>	<b>14,805</b>
Other comprehensive profit/(loss)*		
Exchange differences on translating foreign operations	(105)	527
Historic translation reserve on disposal of subsidiaries	-	(1,464)
<b>Other comprehensive (loss)/profit for the year net of tax</b>	<b>(105)</b>	<b>(937)</b>
<b>Total comprehensive (loss)/profit for the year</b>	<b>(2,114)</b>	<b>13,868</b>
Total comprehensive (loss)/profit attributable to:		
Equity shareholders of the Group	(2,339)	13,790
Non-controlling interests	225	77
<b>Total comprehensive (loss)/profit for the year</b>	<b>(2,114)</b>	<b>13,867</b>

\* All items in the consolidated statement of comprehensive income may be reclassified to the income statement.

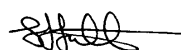
The notes on pages 99 to 100 and 106 to 145 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

At 31 December	Note	2025 £000	2024 £000	At 31 December	Note	2025 £000	2024 £000
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Intangible assets	15	32,273	32,318	Deferred tax liabilities	9	(1,113)	(1,032)
Investments in associates	16	138	138	Borrowings	24	(7,366)	(13,399)
Plant and equipment	17	6,107	6,002	Lease liabilities	18	(33,115)	(37,230)
Right-of-use assets	18	16,456	25,544	Minority shareholder put option liabilities	26, 27, 28	-	(3,132)
Investment properties	14	4,205	1,244	Other non-current liabilities	25	(2,223)	(2,020)
Other non-current assets	19	3,819	5,282	<b>Total net assets</b>		<b>34,836</b>	<b>40,111</b>
Deferred tax assets	9	2,214	4,840	<b>Equity</b>			
Financial assets at fair value through profit or loss	20	34	668	Share capital	29	1,227	1,227
		<b>65,246</b>	<b>76,036</b>	Share premium		50,327	50,327
<b>Current assets</b>				Merger reserve		37,554	37,554
Trade and other receivables	21	110,544	126,298	Treasury reserve		(2,765)	(2,698)
Current tax assets		2,335	1,390	Minority interest put option reserve		(1,175)	(1,175)
Restricted cash		237	3,462	Non-controlling interest acquired		(34,428)	(34,428)
Cash and cash equivalents		21,317	25,855	Foreign exchange reserve		1,309	1,414
		<b>134,433</b>	<b>157,005</b>	Accumulated losses		(17,526)	(12,198)
<b>Assets held for sale</b>	13	-	2,717	<b>Equity attributable to shareholders of the Group</b>		<b>34,523</b>	<b>40,023</b>
		<b>134,433</b>	<b>159,722</b>	Non-controlling interest		313	88
<b>Current liabilities</b>				<b>Total equity</b>		<b>34,836</b>	<b>40,111</b>
Trade and other payables	22	(111,550)	(131,536)				
Provisions	23	(39)	(90)				
Current tax liabilities		(1,253)	(1,626)				
Borrowings	24	(29)	(43)				
Lease liabilities	18	(5,101)	(5,014)				
Minority shareholder put option liabilities	26, 27, 28	(3,054)	(525)				
		<b>(121,026)</b>	<b>(138,834)</b>				
<b>Net current liabilities</b>		<b>13,407</b>	<b>20,888</b>				
<b>Total assets less current liabilities</b>		<b>78,653</b>	<b>96,924</b>				

Reserves are defined in Note 37 to the financial statements.

These financial statements on pages 99 to 145 were approved and authorised for issue by the Board of Directors on 19 April 2026 and signed on its behalf by:



**SIMON FULLER**  
Chief Financial Officer

19 April 2026

M&C Saatchi plc  
Company number 05114893  
The notes on pages 99 to 100 and 106 to 145 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	Minority interest put option reserve £000	Non-controlling interest acquired £000	Foreign exchange reserves £000	Retained earnings / (accumulated losses) £000	Sub-total £000	Non-controlling interest in equity £000	Total £000
<b>At 31 December 2023</b>		<b>1,227</b>	<b>50,327</b>	<b>37,554</b>	<b>(550)</b>	<b>(2,506)</b>	<b>(33,168)</b>	<b>2,351</b>	<b>(26,232)</b>	<b>29,003</b>	<b>533</b>	<b>29,536</b>
Share option charge	28	-	-	-	-	-	-	1,030	1,030	-	-	1,030
Share option exercise		-	-	-	342	-	-	(342)	-	-	-	-
Tax on share options		-	-	-	-	-	-	35	35	-	-	35
Exercise of put options	27	-	-	-	-	1,000	(1,000)	-	-	-	-	-
Purchase of own shares		-	-	-	(2,490)	-	-	-	-	(2,490)	-	(2,490)
Disposal of subsidiaries		-	-	-	-	331	(260)	-	209	280	(522)	(242)
Revaluations		-	-	-	-	-	-	415	415	-	-	415
Tax on revaluations		-	-	-	-	-	-	(93)	(93)	-	-	(93)
Dividends	10	-	-	-	-	-	-	(1,948)	(1,948)	-	-	(1,948)
Total transactions with owners		-	-	-	(2,148)	1,331	(1,260)	-	(694)	(2,771)	(522)	(3,293)
Total profit for the year		-	-	-	-	-	-	14,728	14,728	77	-	14,805
Historic translation reserve on disposal of subsidiaries		-	-	-	-	-	-	(1,464)	-	(1,464)	-	(1,464)
Total other comprehensive income for the year		-	-	-	-	-	-	527	-	527	-	527
<b>At 31 December 2024</b>		<b>1,227</b>	<b>50,327</b>	<b>37,554</b>	<b>(2,698)</b>	<b>(1,175)</b>	<b>(34,428)</b>	<b>1,414</b>	<b>(12,198)</b>	<b>40,023</b>	<b>88</b>	<b>40,111</b>
Exercise of share options	27	-	-	-	740	-	-	(740)	-	-	-	-
Purchase of own shares		-	-	-	(807)	-	-	-	-	(807)	-	(807)
Dividends	10	-	-	-	-	-	-	(2,354)	(2,354)	-	-	(2,354)
Total transactions with owners		-	-	-	(67)	-	-	(3,094)	(3,161)	-	-	(3,161)
Total (loss)/profit for the year		-	-	-	-	-	-	(2,234)	(2,234)	225	-	(2,009)
Total other comprehensive loss for the year		-	-	-	-	-	-	(105)	-	(105)	-	(105)
<b>At 31 December 2025</b>		<b>1,227</b>	<b>50,327</b>	<b>37,554</b>	<b>(2,765)</b>	<b>(1,175)</b>	<b>(34,428)</b>	<b>1,309</b>	<b>(17,526)</b>	<b>34,523</b>	<b>313</b>	<b>34,836</b>

The notes on pages 99 to 100 and 106 to 145 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December	Note	2025 £000	2024 £000	Year ended 31 December	Note	2025 £000	2024 £000
Operating profit from continuing operations		10,163	22,495	Purchase of plant and equipment	17	(2,278)	(1,718)
Operating profit from discontinued operations	12	-	3,526	Purchase of capitalised software and intangible assets under construction	15	(797)	(1,214)
<b>Total operating profit</b>		<b>10,163</b>	<b>26,021</b>	Interest received	7	526	106
Adjustments for:				Principal sublease repayment		953	-
Depreciation of plant and equipment	17	2,014	2,107	<b>Net cash (consumed)/generated by investing activities</b>		<b>(408)</b>	829
Depreciation of right-of-use assets	18	4,233	4,995	<b>Net cash from operating and investing activities</b>		<b>16,705</b>	22,531
Impairment (reversal) of right-of-use assets	18	206	(297)	<b>Financing activities</b>			
Impairment (reversal) of assets held for sale	13	-	(86)	Dividends paid to equity holders of the Company		(2,354)	(1,948)
Revaluation of investment properties	14	3,292	(361)	Purchase of own shares (re-presented***)		(807)	(2,490)
Revaluation of financial assets at FVTPL	20	636	4,277	Cash consideration for non-controlling interest acquired and other options	27	-	(2,811)
Revaluation of deferred consideration		-	(464)	Payment of lease liabilities	18	(5,265)	(5,167)
Amortisation of acquired intangible assets	15	363	336	Repayment of bank loans	24	(6,013)	(2,000)
Impairment of goodwill and other intangibles	15	1,710	1,634	Borrowing costs		(135)	(795)
Impairment and amortisation of capitalised software intangible assets	15	351	278	Interest paid	7	(2,001)	(2,140)
Exercise of put options	28	(488)	(5,780)	Interest paid on leases	18	(3,166)	(3,351)
Gain on disposal of discontinued operation	12	-	(2,084)	<b>Net cash consumed by financing activities</b>		<b>(19,741)</b>	(20,702)
Equity-settled share-based payment expenses	28	-	1,195	<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,036)</b>	1,829
<b>Operating cash before movements in working capital</b>		<b>22,480</b>	<b>31,771</b>	Effect of exchange rate fluctuations on cash held		(1,502)	(300)
Decrease/(increase) in trade and other receivables		14,779	(5,589)	Cash and cash equivalents at the beginning of the year		25,855	24,326
(Decrease)/increase in trade and other payables		(18,920)	2,961	<b>Total cash and cash equivalents at the end of the year</b>		<b>21,317</b>	25,855
(Decrease)/increase in provisions		(51)	(960)				
Transfer from/(to) restricted cash**		3,225	(3,462)	<b>Net debt reconciliation</b>			
<b>Cash generated from operations</b>		<b>21,513</b>	<b>24,721</b>	Cash and cash equivalents		21,317	25,855
Tax paid		(4,400)	(3,019)	<b>Total cash and cash equivalents at the end of the year</b>		<b>21,317</b>	25,855
<b>Net cash from operating activities</b>		<b>17,113</b>	<b>21,702</b>	Bank loans and borrowings*	24	(8,030)	(14,043)
<b>Investing activities</b>				<b>Net cash</b>		<b>13,287</b>	11,812
Disposal of subsidiary (net of cash disposed of)	12	2,713	1,926				
Disposal of associate (net of cash disposed of)		-	856				
Acquisition of subsidiary (net of cash acquired)	11	(1,727)	-				
Long-term loans	19	150	-				
Investment loans	20	-	148				
Proceeds from sale of unlisted investments	20	-	642				
Proceeds from sale of plant and equipment and software		52	83				

\* Bank loans and borrowings are defined in Note 24 to the financial statements; they exclude the lease liability of £38,216k (2024: £42,244k) (Note 18 to the financial statements).

\*\* Cash and cash equivalents at the balance sheet date relate to cash at bank and in hand. This excludes £237k (2024: £3,462k) which has been classified as restricted cash due to ongoing litigation. The balance has been classified as a current asset on the face of the balance sheet.

\*\*\* The cash flow statement has been updated to correct a presentation error relating to the buyback of shares. As a result of this adjustment, operating cash flows have increased by £2,490k, and financing cash flows have decreased by £2,490k. There is no impact on the total cash movement for the year.

The notes on pages 99 to 100 and 106 to 145 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Like-for-like results, earnings per share and EBITDA

The analysis below provides a reconciliation between the Group's Statutory results and the LFL results (as defined in the glossary on page 159) for the current year.

Year ended 31 December 2025	Note	Statutory 2025 £000	Separately disclosed items (Note 2) £000	Acquiring and exiting agencies £000	Gain/loss on disposal of subsidiaries (Note 12) £000	Amortisation of acquired intangibles (Note 15) £000	Impairment of goodwill and intangibles (Note 15) £000	Impairment and revaluation of non-current assets (Note 14, 18) £000	Revaluation of loans and investments (Note 19, 20) £000	Dividends paid to IFRS 2 put holders (Note 5)* £000	Put option accounting (Note 27 & 28) £000	Like-for-like results £000
<b>Revenue</b>		<b>347,399</b>	-	(6,420)	-	-	-	-	-	-	-	<b>340,979</b>
<b>Cost of sales</b>		<b>(137,428)</b>	-	1,159	-	-	-	-	-	-	-	<b>(136,269)</b>
<b>Net revenue</b>		<b>209,971</b>	-	(5,261)	-	-	-	-	-	-	-	<b>204,710</b>
Staff costs	5	(152,196)	6,424	3,080	-	-	-	-	-	83	(52)	(142,661)
Depreciation	17, 18	(6,247)	-	59	-	-	-	-	-	-	-	(6,188)
Amortisation	15	(714)	-	-	-	363	-	-	-	-	-	(351)
Impairments	14, 15, 18	(1,916)	-	-	-	-	1,710	206	-	-	-	-
Other operating charges		(34,202)	2,699	937	-	-	-	-	-	-	-	(30,566)
Other gains/(losses)	20	(4,529)	-	-	-	-	-	3,292	1,237	-	-	-
Loss allowance		-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of subsidiaries		(4)	-	-	4	-	-	-	-	-	-	-
<b>Operating profit</b>		<b>10,163</b>	<b>9,123</b>	<b>(1,185)</b>	<b>4</b>	<b>363</b>	<b>1,710</b>	<b>3,498</b>	<b>1,237</b>	<b>83</b>	<b>(52)</b>	<b>24,944</b>
Share of results of associates	16	-	-	-	-	-	-	-	-	-	-	-
Other non-operating income		62	-	(1)	-	-	-	-	-	-	-	61
Finance income	7	526	-	(6)	-	-	-	-	-	-	-	520
Finance expense	7	(6,162)	-	126	-	-	-	-	-	-	(64)	(6,100)
<b>Profit before taxation</b>		<b>4,589</b>	<b>9,123</b>	<b>(1,066)</b>	<b>4</b>	<b>363</b>	<b>1,710</b>	<b>3,498</b>	<b>1,237</b>	<b>83</b>	<b>(116)</b>	<b>19,425</b>
Taxation	8	(6,598)	(1,128)	380	-	(108)	(317)	-	-	-	-	(7,771)
<b>(Loss)/profit for the year</b>		<b>(2,009)</b>	<b>7,995</b>	<b>(686)</b>	<b>4</b>	<b>255</b>	<b>1,393</b>	<b>3,498</b>	<b>1,237</b>	<b>83</b>	<b>(116)</b>	<b>11,654</b>
Non-controlling interests		225	-	-	-	-	-	-	-	137	-	362
<b>(Loss)/profit attributable to equity holders of the Group**</b>		<b>(2,234)</b>	<b>7,995</b>	<b>(686)</b>	<b>4</b>	<b>255</b>	<b>1,393</b>	<b>3,498</b>	<b>1,237</b>	<b>(54)</b>	<b>(116)</b>	<b>11,292</b>

\* The non-controlling interest charge is moved to operating profit due to underlying equity being defined as an IFRS 2 put option.

\*\* Like-for-like earnings are profit attributable to equity holders of the Group after adding back the adjustments noted above.

Notes to the Financial Statements continued

1. Like-for-like results, earnings per share and EBITDA continued

The analysis below provides a reconciliation between the Group's Statutory results and the LFL results for the prior year.

Year ended 31 December 2024	Note	Statutory 2024 £000	Separately disclosed items (Note 2) £000	Exiting agencies £000	Gain/loss on disposal of subsidiaries (Note 12) £000	Amortisation of acquired intangibles (Note 15) £000	Impairment of assets held for sale (Note 13) £000	Impairment of goodwill (Note 15) £000	Impairment of non-current assets (Note 14, 18) £000	FVTPL investments under IFRS 9 (Note 20)** £000	Dividends paid to IFRS 2 put holders (Note 5)* £000	Put option accounting (Note 27, 28) £000	Constant currency adjustment £000	Like-for-like results £000
<b>Revenue</b>		<b>395,418</b>	-	<b>(6,175)</b>	-	-	-	-	-	-	-	-	<b>(11,616)</b>	<b>377,627</b>
<b>Cost of sales</b>		<b>(164,008)</b>	-	<b>2,627</b>	-	-	-	-	-	-	-	-	<b>4,643</b>	<b>(156,738)</b>
<b>Net revenue</b>		<b>231,410</b>	-	<b>(3,548)</b>	-	-	-	-	-	-	-	-	<b>(6,973)</b>	<b>220,889</b>
Staff costs	5	(163,791)	5,776	2,121	-	-	-	-	-	-	866	(712)	4,788	(150,952)
Depreciation	17, 18	(6,535)	-	6	-	-	-	-	-	-	-	-	147	(6,382)
Amortisation	15	(600)	-	-	-	335	-	-	-	-	-	-	(317)	(582)
Impairments	13, 14, 15, 18	(890)	-	-	-	-	(86)	1,634	(658)	-	-	-	-	-
Other operating charges		(32,864)	1,472	438	-	-	-	-	-	-	-	-	1,823	(29,131)
Other gains/losses	20	(3,813)	-	-	-	-	-	-	-	3,813	-	-	-	-
Loss allowance		(192)	-	201	-	-	-	-	-	-	-	-	(116)	(107)
Gain on disposal of subsidiaries		(230)	-	-	230	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>		<b>22,495</b>	<b>7,248</b>	<b>(782)</b>	<b>230</b>	<b>335</b>	<b>(86)</b>	<b>1,634</b>	<b>(658)</b>	<b>3,813</b>	<b>866</b>	<b>(712)</b>	<b>(648)</b>	<b>33,735</b>
Share of results of associates	16	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating income		60	-	(15)	-	-	-	-	-	-	-	-	-	45
Finance income	7	878	-	(6)	-	-	-	-	-	(872)	-	-	-	-
Finance expense	7	(5,302)	-	71	-	-	-	-	-	872	-	(294)	117	(4,536)
<b>Profit before taxation</b>		<b>18,131</b>	<b>7,248</b>	<b>(732)</b>	<b>230</b>	<b>335</b>	<b>(86)</b>	<b>1,634</b>	<b>(658)</b>	<b>3,813</b>	<b>866</b>	<b>(1,006)</b>	<b>(531)</b>	<b>29,244</b>
Taxation	8	(6,394)	(1,824)	52	-	(107)	-	-	219	-	-	-	142	(7,912)
<b>Profit for the year</b>		<b>11,737</b>	<b>5,424</b>	<b>(680)</b>	<b>230</b>	<b>228</b>	<b>(86)</b>	<b>1,634</b>	<b>(439)</b>	<b>3,813</b>	<b>866</b>	<b>(1,006)</b>	<b>(389)</b>	<b>21,332</b>
Non-controlling interests		20	-	-	-	-	-	-	-	-	685	-	(50)	655
<b>Profit attributable to equity holders of the Group**</b>		<b>11,717</b>	<b>5,424</b>	<b>(680)</b>	<b>230</b>	<b>228</b>	<b>(86)</b>	<b>1,634</b>	<b>(439)</b>	<b>3,813</b>	<b>181</b>	<b>(1,006)</b>	<b>(339)</b>	<b>20,677</b>

\* The non-controlling interest charge is moved to operating profit due to underlying equity being defined as an IFRS 2 put option.

\*\* Like-for-like earnings are profit attributable to equity holders of the Group after adding back the adjustments noted above.

\*\*\* Included in this adjustment is £872k of Group interest in Saatchinvest Limited, which is treated as non-like-for-like given the nature of the entity's activities and the sale of the subsidiary in 2025.

Notes to the Financial Statements continued

**1. Like-for-like results, earnings per share and EBITDA continued**

**Earnings per share**

Basic and diluted earnings per share are calculated by dividing the appropriate earnings metrics by the weighted average number of ordinary shares of the Company in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of the Company's ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. Anti-dilutive potential ordinary shares are excluded. The dilutive effect of unvested outstanding options is calculated based on the number that would vest had the balance sheet date been the vesting date. Where schemes have moved from equity to cash payment and vice versa, the potential dilution is calculated as though they had been in their year-end position for the whole year.

Year ended 31 December 2025	Total 2025	Like-for-like 2025
<b>(Loss)/profit attributable to equity shareholders of the Group (£000)</b>	<b>(2,234)</b>	<b>11,292</b>
<b>Basic earnings per share</b>		
Weighted average number of shares (thousands)	120,747	120,747
<b>Basic EPS</b>	<b>(1.85)p</b>	<b>9.35p</b>
<b>Diluted earnings per share</b>		
Weighted average number of shares (thousands) as above	120,747	120,747
Add		
• LTIP	-	1,176
• Put options	-	605
<b>Total</b>	<b>120,747</b>	<b>122,528</b>
<b>Diluted EPS</b>	<b>(1.85)p</b>	<b>9.22p</b>
Excluding the put options (payable in cash)	-	(605)
Weighted average number of shares (thousands) including dilutive shares	120,747	121,923
<b>Diluted EPS – excluding items the Group intends and is able to pay in cash</b>	<b>(1.85)p</b>	<b>9.26p</b>

Year ended 31 December 2024	Continuing operations 2024	Discontinued operations 2024	Total 2024	Like-for-like 2024
<b>Profit attributable to equity shareholders of the Group (£000)</b>	<b>11,717</b>	<b>3,011</b>	<b>14,728</b>	<b>20,677</b>
<b>Basic earnings per share</b>				
Weighted average number of shares (thousands)	121,616	121,616	121,616	121,616
<b>Basic EPS</b>	<b>9.63p</b>	<b>2.48p</b>	<b>12.11p</b>	<b>17.00p</b>
<b>Diluted earnings per share</b>				
Weighted average number of shares (thousands) as above	121,616	121,616	121,616	121,616
Add				
• LTIP	2,042	2,042	2,042	2,042
• Put options	751	751	751	751
<b>Total</b>	<b>124,409</b>	<b>124,409</b>	<b>124,409</b>	<b>124,409</b>
<b>Diluted EPS</b>	<b>9.42p</b>	<b>2.42p</b>	<b>11.84p</b>	<b>16.62p</b>
Excluding the put options (payable in cash)	(751)	(751)	(751)	(751)
Weighted average number of shares (thousands) including dilutive shares	123,658	123,658	123,658	123,658
<b>Diluted EPS – excluding items the Group intends and is able to pay in cash</b>	<b>9.48p</b>	<b>2.43p</b>	<b>11.91p</b>	<b>16.72p</b>
As 2025 basic EPS is negative, no adjustment has been made for LTIP and put options in the dilutive EPS calculation, as these would be anti-dilutive, i.e. would increase EPS had they been included.				
<b>Like-for-like earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				
			2025 £000	2024 £000
<b>Profit before tax (LFL)</b>			<b>19,425</b>	<b>29,244</b>
Add back:				
LFL depreciation & amortisation (incl. IFRS 16)			<b>6,539</b>	<b>6,964</b>
LFL finance expense (incl. IFRS 16)			<b>6,100</b>	<b>4,536</b>
LFL finance income			<b>(520)</b>	-
<b>EBITDA</b>			<b>31,544</b>	<b>40,744</b>

Notes to the Financial Statements continued

**2. Separately disclosed items**

**Policy**

Separately disclosed items include one-off, non-recurring income or expenses. These are shown separately and are excluded from LFL profit to provide a better understanding of the underlying results of the Group.

**Analysis**

Separately disclosed items for the year ended 31 December 2025 comprise of the following:

2025	Staff costs £000	Operating costs £000	Taxation £000	After tax total £000
Restructuring – ongoing businesses	4,039	29	(302)	3,766
Restructuring – global efficiency programme	302	142	(113)	331
Transformation project costs	1,858	1,611	(713)	2,756
Acquisition-related and other costs	225	917	-	1,142
<b>Total separately disclosed items</b>	<b>6,424</b>	<b>2,699</b>	<b>(1,128)</b>	<b>7,995</b>

The Group has been pursuing a strategy to simplify its operating structure and improve efficiency across the Group. This programme continued into 2025:

- Local businesses within the Group have continued to review their own future, permanent operational structures, following market changes, which has resulted in staff redundancy costs in the period across 12 ongoing businesses across the Group. The restructuring costs are treated as separately disclosed items only when a role has been permanently eliminated from the business (there should be no intention for the role to be replaced in the next 12 months). There are £4,039k (2024: £3,403k) of redundancy costs included within non-like-for-like restructuring for ongoing businesses, and £313k (2024: £430k) of redundancy costs included within the like-for-like staff costs.
- The Group's global efficiency programme has continued to identify and reduce specific central HQ roles, which will be replaced overseas to save cost. The redundancy costs associated with this restructuring programme of £302k (2024: £983k) have been treated as an exceptional non-like-for-like cost, as these are one-off exit costs relating to compensation to employees for periods not worked.

In the second half of 2022, the Group commenced a global efficiency programme. The £1,858k staff costs of the project team dedicated to this transformation project (2024: £723k) have been classified as separately disclosed items in line with the treatment since 2022. The project team continued to manage the project through to conclusion in December 2025. The operating cost in 2025 mainly relates to systems migration and implementation costs.

Other separately disclosed items relate to acquisition related management bonus, legal and transaction related costs of acquisitions during the year and certain other one-off legal fees.

2024	Staff costs £000	Operating costs £000	Taxation £000	After tax total £000
Restructuring – discontinued businesses	58	-	(17)	41
Restructuring – ongoing businesses	3,403	62	(841)	2,624
Restructuring – global efficiency programme	983	571	(295)	1,259
CEO/Executive Chair compensation	(158)	-	40	(118)
People costs – additional headcount	767	-	(192)	575
Transformation project costs	723	839	(519)	1,043
<b>Total separately disclosed items</b>	<b>5,776</b>	<b>1,472</b>	<b>(1,824)</b>	<b>5,424</b>

**Staff costs**

- Additional headcount costs (£767k) related to Shared Service Centre salaries where there was non-productive duplication of roles during the transition. These costs were treated as separately disclosed items as they are one-off costs relating to the period of overlap of local with newly created central roles, in relation to those functions being moved to the Shared Service Centre.
- Chief Executive Officer compensation (credit of £158k) related to the over accrual of three months of costs in 2023 relating to the gardening leave of the former Chief Executive Officer, which was not worked.

**Operating costs**

The operating cost in 2024 mainly relates to recruitment costs for roles that were moved to the Shared Service Centre and service charges and rates for the vacant 30 Great Pulteney Street office in London.

**3. Segmental information**

**Like-for-like segmental income statement**

Segmental results are reconciled to the income statement in Note 1 to the financial statements. The Board reviews LFL results.

The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker (CODM), namely the Board, in making strategic decisions, assessing performance and allocating resources.

Assets and liabilities are not regularly reported to the Board and so are not presented here by operating segment.

The operating segments have historically comprised individual country entities, the financial information of which is provided to the CODM and is aggregated into specific geographic regions on an LFL basis, with each geographic region considered a reportable segment. Each country included in a region has similar economic and operating characteristics. The products and services provided by entities in a geographic region are all related to marketing communications services and generally offer complementary products and services to their customers.

Notes to the Financial Statements continued

**3. Segmental information continued**

When considering segmental information by Specialism, as the Group continues to move away from the traditional Advertising business, we present the Non-Advertising Specialisms in aggregate to allow users to understand the different financial performance of these Specialisms when compared to the Advertising business. The Group chooses to aggregate the Non-Advertising Specialisms in one segment as we consider that they have similar economic characteristics, with similar products, services and production processes.

The Group's performance is also assessed under a structure of Specialisms, and this is reported under two segments: Advertising and Non-Advertising Specialisms, excluding Group central costs.

**Segmental information by geography**

	UK £000	Americas £000	APAC £000	Middle East £000	Europe £000	Group central costs £000	LFL total £000
Year ended 31 December 2025							
Net revenue	102,916	41,920	36,211	11,631	12,032	-	204,710
Operating profit/(loss)	19,377	2,863	4,769	1,787	2,228	(6,080)	24,944
Operating profit margin	19%	7%	13%	15%	19%	-	12%
Profit/(loss) before tax	18,855	2,775	3,774	1,673	2,171	(9,823)	19,425
Year ended 31 December 2024							
Net revenue	107,887	42,688	46,730	11,227	12,357	-	220,889
Operating profit / (loss)	27,367	6,016	8,406	2,179	2,201	(12,434)	33,735
Operating profit margin	25%	14%	18%	19%	18%	-	15%
Profit/(loss) before tax	26,183	5,683	7,637	2,124	2,195	(14,578)	29,244

Included within the Group's revenues is a customer that makes up more than 10% of total net revenue, contributing £30.5 million (2024: £36.8 million). This is included within the UK and within the Non-Advertising Specialisms.

**Segmental information by Specialism**

	Advertising £000	Non- Advertising Specialisms £000	Group central costs £000	LFL total £000
Year ended 31 December 2025				
Net revenue	68,552	136,158	-	204,710
Operating profit/(loss)	7,718	23,306	(6,080)	24,944
Operating profit margin	11%	17%	-	12%
Profit/(loss) before tax	7,328	21,920	(9,823)	19,425
Year ended 31 December 2024				
Net revenue	75,173	145,716	-	220,889
Operating profit / (loss)	8,369	37,800	(12,434)	33,735
Operating profit margin	11%	26%	-	15%
Profit/(loss) before tax	7,888	35,934	(14,578)	29,244

Notes to the Financial Statements continued

**3. Segmental information continued**

**Non-current assets other than excluded items:**

	2025 £000	2024 £000
As at 31 December		
UK	32,722	35,195
APAC	8,881	11,891
Americas	14,050	17,680
Europe	4,136	4,239
Middle East	3,209	1,523
<b>Total non-current assets other than excluded items</b>	<b>62,998</b>	<b>70,528</b>
<b>Non-current assets excluded from analysis above:</b>		
Deferred tax assets	2,214	4,840
Other financial assets	34	668
<b>Total non-current assets per balance sheet</b>	<b>65,246</b>	<b>76,036</b>

Allocation of non-current assets by country is based on the location of the business units. Items included comprise fixed assets, intangible assets, IFRS 16 assets and equity-accounted investments.

**4. Revenue from contracts with customers**

Billings comprises all gross amounts billed, or billable, to clients and is stated exclusive of VAT and sales taxes. Billings is a non-GAAP measure and is included as it influences the quantum of trade and other receivables recognised at a given date. The difference between billings and revenue is represented by costs incurred on behalf of clients for whom entities within the Group operate as an agent, and timing differences where invoicing occurs in advance or in arrears of the related revenue being recognised.

Net revenue (as defined in the glossary on page 159) is a non-GAAP measure and is reviewed by the CODM and other stakeholders as a key metric of business performance (Note 3 to the financial statements).

**Revenue recognition policies**

Revenue is stated exclusive of VAT and sales taxes. Net revenue is exclusive of third-party costs recharged to clients, where entities within the Group are acting as principal.

**Performance obligations**

At the inception of a new contractual arrangement with a customer, the Group identifies the performance obligations inherent in the agreement. Typically, the terms of the contracts are such that the services to be rendered are considered to be either integrated or to represent a series of services that are substantially the same, with the same pattern of transfer to the customer. Accordingly, this amalgam of services is accounted for as a single performance obligation.

Where there are contracts with services that are distinct within the contract, then they are accounted for as separate obligations. In these instances, the consideration due to be earned from the contract is allocated to each of the performance obligations, in proportion to their standalone selling price.

Further discussion of performance obligations arising in terms of the main types of services provided by the Group, in addition to their typical pattern of satisfaction, is provided below.

**Measurement of revenue**

Based on the terms of the contractual arrangements entered into with customers, revenue is typically recognised over time. This is based on either the fact that (i) the assets generated under the terms of the contracts have no alternative use to the Group and there is an enforceable right to payment, or (ii) the client exerts editorial oversight during the course of the assignment such that they control the service as it is provided.

**Principal vs agent**

When a third-party supplier is involved in fulfilling the terms of a contract, then, for each performance obligation identified, the Group assesses whether the Group is acting as principal or agent. The primary indicator used in this assessment is whether the Group is judged to control the specified services prior to the transfer of those services to the customer. In this instance, it is typically concluded that the Group is acting as principal.

When entities within the Group act as an agent, the revenue recorded is the net amount retained. Costs incurred with external suppliers are excluded from revenue. When the Group acts as principal the revenue recorded is the gross amount billed, and when allowable by the terms of the contract, out-of-pocket costs, such as travel, are also recognised as the gross amount billed with a corresponding amount recorded as an expense.

**Treatment of costs**

Costs incurred in relation to the fulfilment of a contract are generally expensed as incurred if revenue is recognised over time.

Notes to the Financial Statements continued

**4. Revenue from contracts with customers continued**

**Disaggregation of revenue**

The Group monitors the composition of revenue earned on a geographic basis and by Specialism.

Revenue	LFL		
	2025 £m	2024 £m	2025 vs 2024 Movement
<b>Specialism</b>			
Advertising	138.2	152.7	(9%)
Issues	98.7	109.5	(10%)
Passions & PR	53.0	57.5	(8%)
Consulting	25.9	35.3	(27%)
Media	25.2	22.6	12%
<b>Group</b>	<b>341.0</b>	<b>377.6</b>	<b>(10%)</b>

Revenue	LFL		
	2025 £m	2024 £m	2025 vs 2024 Movement
<b>Region</b>			
UK	170.3	188.7	(9%)
APAC	53.2	70.1	(24%)
Americas	68.3	69.8	(2%)
Middle East	23.2	24.6	(6%)
Europe	26.0	24.4	7%
<b>Group</b>	<b>341.0</b>	<b>377.6</b>	<b>(10%)</b>

**Assets and liabilities related to contracts with customers**

Contract assets and liabilities arise when there is a difference (generally due to timing) in the amount of revenue that can be recognised and the amount that can be invoiced under the terms of the contractual arrangement.

Where revenue earned from customers is recognised over time, many of the Group's contractual arrangements have terms that permit the Group to remit invoices for the amount of work performed to date on a specific contract (described in the accounting policies as "right-to-invoice"). Where the terms of a contractual arrangement do not carry such right to invoice, then a contract asset is recognised over time, as work is performed until such point that an invoice can be remitted.

Where revenue earned from customers is recognised at a point in time, then this will be dependent on satisfaction of a specific performance obligation. At such point, it is usual that there are no other conditions required to be met for receipt of consideration and, as such, a trade receivable should be recognised at the point the entity's right to consideration is unconditional, which normally will be at the time the purchase order is satisfied (which may not be the same as when an invoice is raised).

Contract liabilities arise where a customer has made payments relating to services prior to their provision. Where payments are received in advance, IFRS 15 requires assessment of whether these cash transfers contain any financing component. Under the terms of the contractual arrangements entered into by entities within the Group, there are no instances where such financing elements arise. This is the case even for those arrangements where the Group receives monies more than a year in advance by virtue of the terms of the contractual agreement entered into.

The Group operates a standard 30-day credit terms policy. All contract liabilities and contract assets (other than receivables per Note 21 to the financial statements) brought forward from the previous year have been realised in the current period.

**Revenue recognition policies and performance obligation satisfaction by category of services performed**

Further details regarding revenue recognition and performance obligations of the Group's main service offerings are summarised below.

**Provision of advertising and marketing services**

The provision of advertising and marketing services to clients typically meets the criteria identified above for revenue to be recognised over time. The quantum of revenue to be recognised over the period of the assignments is either based on the "right-to-invoice" expedient or accrues as the services are provided, depending on the contractual terms. In measuring the progress of services provided in an assignment, the Group uses an appropriate measure depending on the circumstances, which may include inputs (such as internal labour costs incurred) or outputs (such as media posts). Where projects are carried out under contracts, the terms of which entitle an entity within the Group to payment for its performance only when a discrete point is reached (e.g. an event has occurred or a milestone has been reached), then revenue is recognised at the time that payment entitlement occurs, i.e. at a point in time.

The provision of advertising and marketing services can encompass provision of a range of media deliverables in addition to development and deployment of a media strategy. Often the range of services provided within these arrangements is considered to be integrated to an extent that no separable performance obligations can be identified other than a single over-arching combined performance obligation relating to the delivery of the project. In these instances, revenue is recognised over time as the performance obligation is being satisfied depending on the circumstances, which may include inputs (such as internal labour costs incurred) or outputs (such as media posts).

## Notes to the Financial Statements continued

**4. Revenue from contracts with customers continued**

When services provided are considered separable, and not integrated, then multiple performance obligations are recognised. In these scenarios the conceptual preparation element and the deliverable are considered to form separate performance obligations with the revenue and corresponding cost of sales (typically third-party pass-through costs) assigned to the obligation to which they relate.

In instances where revenue cannot be recognised over time, the element of the transaction price assigned to each performance obligation (in proportion to stand-alone selling prices) is recognised as revenue once an obligation has been fully satisfied – for example an event has occurred or a milestone has been reached.

Some entities within the Group enter into retainer fees that relate to arrangements whereby the nature of the entity's contractual promise is to agree to "stand-ready" to deliver services to the customer for a period of time rather than to deliver the goods or services underlying that promise. Revenue relating to retainer fees is recognised over the period of the relevant assignments or arrangements, typically in line with the "stand-ready" incurred costs.

Where fees are remunerated to the agency in excess of the services rendered, then a contract liability is recognised. Conversely, where the services rendered are in excess of the actual fees paid, then a contract asset is recognised when there is a right to consideration.

Certain of these arrangements have contractual terms relating to the agency meeting specific customer-identified KPIs. As a result, the overall level of consideration can increase or decrease as a result of performance against these KPI metrics. To reflect this variability in the overall level of consideration, the most likely outcome is estimated by management and is reflected in the revenue recognised as the performance obligation(s) of the contract are satisfied. When determining the likely outcome position, the estimated consideration is such that it is highly probable there will not be significant reversal of the revenue in the future. The estimated portion of the variable element is recalculated at the earlier of the completion of the contract or the next reporting period and revenue is adjusted accordingly. These estimates are based on historical award experience, anticipated performance and best judgement at the time.

**Commission-based income in relation to media spend**

The Group arranges for third parties to provide the related goods and services to its customers in the capacity of an agent. Revenue is recognised in relation to the amount of commission the Group is entitled to. Often additional integrated services are provided at the same time as part of the development and deployment of an overarching media strategy. Due to the integration of the services provided under the terms of the contract, management judgement is applied to assess whether there is a single combined performance obligation.

The performance obligation for media purchases is considered to have been satisfied when the associated advertisement has been purchased. In the majority of instances where the Group purchases media for clients, the Group is acting as agent.

**Commission-based income in relation to talent performance**

Revenue in relation to talent performance involves the Group acting as agent. Typically, such arrangements have a single, or a sequence, of specific performance obligations relating to the talent (or other third party) providing services. The performance obligations are generally satisfied at a point in time once the service has been provided, at which point revenue is recognised. The consideration for the services is normally for a fixed amount (as a percentage of the talent's fee) with no degree of variability.

**Recognition of supplier discounts and rebates as revenue from contracts with customers**

The Group receives discounts and rebates from certain suppliers for transactions entered into on behalf of clients, which the clients have agreed the Group can retain. When the contractual terms of the agreements entered into are such that the Group acts as agent in these instances, then such rebates are recognised as revenue from contracts with customers. By contrast, when the contractual terms of the agreements are such that the Group is acting as principal, then such rebates are recognised as a reduction in direct costs. Certain of the Group's clients, however, have contractual terms such that the pricing of their contracts is structured with the rebate being passed through to them.

Notes to the Financial Statements continued

**5. Staff costs**

**Policy**

The Group does not operate any defined benefit pension schemes. The Group makes payments, on behalf of certain individuals, to personal pension schemes which are charged to the income statement in the period in which they are due. Bonuses are given on an ad hoc basis, or as otherwise agreed, and are accrued in the year to which the services performed relate.

**Staff costs (including Directors)**

	Note	2025 £000	2024 £000
Year ended 31 December			
Wages, salaries and bonuses		127,560	136,264
Social security costs		12,287	13,678
Pension costs		6,833	7,572
Other staff costs*		5,485	4,928
<b>Total</b>		<b>152,165</b>	<b>162,442</b>
Allocations and dividends paid to holders of IFRS 2 put options	1	83	866
<b>Share-based incentive plans:</b>			
Cash-settled	28	(52)	(547)
Equity-settled	28	-	1,030
<b>Total share-based incentive plans</b>		<b>(52)</b>	<b>483</b>
<b>Total staff costs</b>		<b>152,196</b>	<b>163,791</b>

\* Other staff costs include profit share, LTIP charges and other staff benefits.

Staff numbers	2025	2024
UK	641	639
Europe	129	213
Middle East	143	95
Africa	67	28
APAC	710	716
Americas	278	292
<b>Total</b>	<b>1,968</b>	<b>1,983</b>

These staff numbers are based on the average number of staff, excluding staff in discontinued operations.

**Compensation for key management personnel and Directors**

	2025 £000	2024 £000
Key management remuneration		
Wages and salaries	1,517	1,451
Pension costs	66	57
Annual bonus	-	248
<b>Total</b>	<b>1,583</b>	<b>1,756</b>

Key management personnel include the Directors and employees responsible for planning, directing and controlling the activities of the Group. Refer to Directors' remuneration for the 2025 financial year (audited) on page 86 of the Directors' Remuneration Report for details of the Directors' remuneration, including the highest paid Director.

**6. External auditor's remuneration**

The Company paid the following amounts to its external auditor in respect of the audit of the financial statements and for other services provided to the Group:

	2025 £000	2024 £000
Year ended 31 December		
Audit services		
Fees payable to the Company's external auditor for the audit of the Company's annual accounts	1,233	1,257
Fees payable to associates of the Company's external auditor for the audit of the accounts of subsidiaries	128	141
	<b>1,361</b>	<b>1,398</b>
Other services provided by the external auditor:		
Taxation advisory services	-	4
	-	4
<b>Total</b>	<b>1,361</b>	<b>1,402</b>

## Notes to the Financial Statements continued

**7. Net finance expense****Policy**

Interest income and expense, including fair value adjustments to IFRS 9 put options, are recognised in the income statement in the period in which they are incurred, except for the amortisation of loan costs, which is recognised over the life of the loan.

**Analysis**

Year ended 31 December	2025 £000	2024 £000
Bank interest receivable	263	70
Other interest receivable*	-	772
Sublease finance income	263	36
<b>Financial income</b>	<b>526</b>	<b>878</b>
Bank interest payable	(2,016)	(1,973)
Amortisation of loan costs	(285)	(268)
Other interest payable*	(759)	(156)
Interest on lease liabilities	(3,166)	(3,199)
Valuation adjustment to IFRS 9 put option liabilities (Note 27)	64	294
<b>Financial expense</b>	<b>(6,162)</b>	<b>(5,302)</b>
<b>Net finance expense</b>	<b>(5,636)</b>	<b>(4,424)</b>

\* Includes Saatchinvest Limited interest relating to 2024 and foreign exchange on financing activities.

**8. Current taxation****Policy**

Current tax, including UK and foreign tax, is provided for using the tax rates and laws that have been substantively enacted at the balance sheet date.

**Analysis**

Income statement charge for year ended 31 December	2025 £000	2024 £000
<b>Taxation in the year</b>		
UK	798	2,323
Overseas	3,150	3,911
Withholding taxes payable	71	79
Adjustment for (over)/under provision in prior periods	(110)	124
<b>Total</b>	<b>3,909</b>	<b>6,437</b>
<b>Deferred taxation</b>		
Recognition of temporary differences	2,203	995
Adjustment for under / (over) provision in prior periods	486	(344)
Recognition of previously unrecognised deferred tax	-	(265)
Effect of changes in tax rates	-	(14)
<b>Total</b>	<b>2,689</b>	<b>372</b>
<b>Total taxation</b>	<b>6,598</b>	<b>6,809</b>
<b>Continuing and discontinued operations:</b>		
Income tax expense from continuing operations	6,598	6,394
Income tax expense from discontinued operation (Note 12)	-	415
<b>Total</b>	<b>6,598</b>	<b>6,809</b>

## Notes to the Financial Statements continued

**8. Current taxation continued**

The differences between the actual tax and the standard rate of corporation tax in the UK applied to the Group's Statutory profit for the year are as follows:

Year ended 31 December	2025 £000	2025 %	2024 £000	2024 %
Profit before tax from continuing operations	4,589		18,131	
Profit before tax from discontinued operations (Note 12)	-		3,483	
<b>Total profit/(loss) before taxation</b>	<b>4,589</b>		<b>21,614</b>	
<b>Taxation at UK corporation tax rate of 25.00% (2024: 25.00%)</b>	<b>1,148</b>	<b>25.0%</b>	<b>5,404</b>	<b>25.0%</b>
LTIP charges not deductible for tax <sup>2</sup>	471	10.3%	-	-
Impairment with no tax credit <sup>4</sup>	356	7.8%	408	1.9%
Tax losses for which no deferred tax asset was recognised <sup>1</sup>	3,128	68.2%	1,476	6.8%
Expenses not deductible for tax <sup>3</sup>	1,053	22.9%	606	2.8%
Disposal of subsidiaries on which no tax is charged	-	-	(463)	(2.1%)
Adjustment for tax over provision in prior periods	376	8.2%	(220)	(1.0%)
Recognition of previously unrecognised deferred tax	-	-	(265)	(1.2%)
Other adjustments <sup>5</sup>	66	1.4%	(137)	(0.6%)
<b>Total taxation</b>	<b>6,598</b>	<b>143.8%</b>	<b>6,809</b>	<b>31.5%</b>
<b>Effective tax rate</b>	<b>143.8%</b>		<b>31.5%</b>	

Large variations in future tax rates of the statutory accounts are expected due to significant items such as share-based payments (option charges) and put options being non-deductible against corporation tax as a result of these items being capital in nature. Such items are excluded from our like-for-like profits, allowing us to focus on the underlying business drivers of the tax rate.

The key differences between actual and standard tax rates are as follows:

1. The restructuring of our Australian business in the year and impairment of its non-current assets, along with changes in future forecasts affecting the recognition of deferred tax assets, has resulted in £3.1m (38.2%) increase in our tax charge.
2. Changes in assumptions on the likely vesting of many of the Group's LTIP schemes. The result is a non-deductible charge for LTIPs of £471k (10.3%) in the year (prior year deductible).
3. Other non-deductible expenses incurred, in particular costs relating to the two acquisitions made in the year.
4. A provision against historical loans made to a third party resulting in an impairment loss of £356k and additional tax charge of 7.8%.

**Tax on like-for-like profits**

Our like-for-like tax rate has increased from 27.1% to 40.0%. The key movements in the like-for-like tax rates are as follows:

- The performance of the Australian business and LTIP assumptions as discussed above (a 5.4% and 2.4% increase in tax rate respectively).
- Adjustments for prior period tax recognition have caused this year's tax rate to increase 1.4%, this has also caused us to increase our disallowable estimate increasing tax rate 2.2%.

Year ended 31 December	2025 £000	2025 %	2024 £000	2024 %
LFL profit before taxation (Note 1)	19,425		29,244	
<b>Taxation at UK corporation tax rate of 25% (2024: 25.00%)</b>	<b>4,856</b>	<b>25.0%</b>	<b>7,311</b>	<b>25.0%</b>
Tax losses for which no deferred tax asset was recognised	1,051	5.4%	510	1.7%
Expenses not deductible for tax	800	4.1%	596	2.0%
Different tax rates applicable in overseas jurisdictions	174	0.9%	(253)	-0.9%
LTIP charges not deductible for tax	471	2.4%	-	-
Withholding taxes payable	43	0.2%	79	0.3%
Adjustment for tax over provision in prior periods	376	1.9%	(66)	-0.2%
Recognition of unprovided for deferred tax	-	-	(265)	-0.9%
<b>LFL taxation (Note 1)</b>	<b>7,771</b>	<b>40.0%</b>	<b>7,912</b>	<b>27.1%</b>
<b>LFL effective tax rate</b>	<b>40.0%</b>		<b>27.1%</b>	

Notes to the Financial Statements continued

**9. Deferred taxation**

**Policy**

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not, however, provided for temporary differences that arise from: (i) initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; or (ii) the initial recognition of goodwill.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the Group intends to settle its current tax assets and current tax liabilities on a net basis. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Analysis**

	2025	2024
	£000	£000
At 31 December		
Deferred tax assets	2,214	4,840
Deferred tax liabilities	(1,113)	(1,032)
<b>Net deferred tax</b>	<b>1,101</b>	<b>3,808</b>

The deferred tax asset is recoverable against future profits. The following table shows the deferred tax asset/(liability) recognised by the Group and movements in 2025 and 2024.

	Intangibles	Capital allowances	Tax losses	LTP schemes	Working capital differences	Total
	£000	£000	£000	£000	£000	£000
<b>At 31 December 2023</b>	(1,255)	2,393	1,724	431	1,508	4,801
Exchange differences	139	(79)	(104)	-	236	192
Income statement (charge) / credit	(377)	(54)	(932)	364	630	(369)
Taken to reserves	-	-	-	46	-	46
Disposals	-	(224)	-	-	(638)	(862)
<b>At 31 December 2024</b>	<b>(1,493)</b>	<b>2,036</b>	<b>688</b>	<b>841</b>	<b>1,736</b>	<b>3,808</b>
Exchange differences	74	(2)	18	-	(59)	31
Income statement (charge) / credit	(140)	(977)	(228)	(465)	(879)	(2,689)
Acquisitions	(49)	-	-	-	-	(49)
<b>At 31 December 2025</b>	<b>(1,608)</b>	<b>1,057</b>	<b>478</b>	<b>376</b>	<b>798</b>	<b>1,101</b>

Based on the 2026 budget and three-year plans, approved by the Board, the Group has reviewed the deferred tax asset created by tax losses for their recoverability. Where the Group believes such losses may not be recoverable, they have not been recognised on the balance sheet.

Notes to the Financial Statements continued

**9. Deferred taxation continued**

Within the local entities £888k (2024: £1,000k) of deferred tax has been naturally offset. Disregarding this offset, the split of deferred tax is as follows:

	Intangibles £000	Capital allowances £000	Tax losses £000	LTIIP schemes £000	Working capital differences £000	Total £000
<b>At 31 December 2024</b>						
Deferred tax assets	181	2,059	688	841	2,071	5,840
Deferred tax liabilities	(1,674)	(23)	-	-	(335)	(2,032)
<b>Net deferred tax</b>	<b>(1,493)</b>	<b>2,036</b>	<b>688</b>	<b>841</b>	<b>1,736</b>	<b>3,808</b>
<b>At 31 December 2025</b>						
Deferred tax assets	-	1,149	478	376	1,099	3,102
Deferred tax liabilities	(1,608)	(92)	-	-	(301)	(2,001)
<b>Net deferred tax</b>	<b>(1,608)</b>	<b>1,057</b>	<b>478</b>	<b>376</b>	<b>798</b>	<b>1,101</b>

The working capital differences mostly relate to the tax effects of working capital in Australia, which calculates tax on a cash basis rather than the accruals basis used in other countries, along with the continuing tax effects of the adoption of IFRS 16 Leases and tax provision on any long-term deferred bonuses.

**Unrecognised deferred tax assets**

The unrecognised deferred tax assets in respect of certain losses in overseas territories have not been recognised as there is insufficient certainty of future taxable profits against which these would reverse. The unrecognised deferred tax asset in respect of carried forward tax losses is shown below:

	Capital revaluation £000	Losses £000	Total £000	Deferred tax impact** £000
<b>At 1 January 2025</b>	<b>4,041</b>	<b>9,809</b>	<b>13,850</b>	<b>3,284</b>
Exchange differences	-	(195)	(195)	(105)
Disposals	(4,041)	-	(4,041)	(1,010)
Losses in year	-	10,278	10,278	3,128
<b>At 31 December 2025</b>	<b>-</b>	<b>19,892</b>	<b>19,892</b>	<b>5,297</b>

\* At local tax rates.

Expiry date of unrecognised deferred tax assets:

	2025 £000	2024 £000
One to five years	476	88
Five to ten years	-	-
Ten years or more	4,821	3,196
<b>Total</b>	<b>5,297</b>	<b>3,284</b>

**10. Dividends**

**Policy**

Interim dividends are recognised when they have been approved by the Board and are legally payable. Final dividends are recognised when they have been approved by the shareholders at the Company's Annual General Meeting.

No interim dividends were declared in 2024 or 2025.

A final dividend for 2024 of 1.95 pence per share was approved at the Company's Annual General Meeting on 15 May 2025, which was a total amount of £2,354k. This was paid on 15 May 2025 to all shareholders in the Company's register of members as at 9 May 2025. The ex-dividend date for the shares was 8 May 2025.

The payment of this dividend did not have any tax consequences for the Group.

The Directors are not recommending a final dividend for the year ended 31 December 2025.

	2025 £000	2024 £000
2024 final dividend paid 1.95p on 15 May 2025	2,354	-
2023 final dividend paid 1.6p on 24 June 2024	-	1,948
<b>Total</b>	<b>2,354</b>	<b>1,948</b>

## Notes to the Financial Statements continued

**11. Acquisitions****Policy**

Acquisitions of entities in the Group are accounted for in accordance with IFRS 3, which requires the application of the acquisition method. This involves identifying the acquirer, determining the acquisition date, recognising and measuring the identifiable assets acquired and liabilities assumed, and calculating goodwill or a gain on a bargain purchase.

An investor controls an investee if and only if the investor has all of the following elements:

- Power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

**Analysis**

The Group acquired two entities in 2025.

On 15 May 2025, the Group, via its subsidiary M&C Saatchi Middle East FZ LLC, entered into an agreement to acquire 90% of Dune 23 Sport & Entertainment Sports Events Marketing Co. L.L.C. ("Dune 23 FZ"). The transaction closed on 13 June 2025. Based in Dubai, Dune 23 FZ provides specialist communications, advertising, and media buying services, and now serves as the Group's regional Sport and Entertainment capability.

On 30 September 2025, the Group acquired 100% of the share capital of The Women's Sports Group Limited ("WSG") via M&C Saatchi Worldwide Limited. Based in London, WSG is a sports rights agency specialising in the high-growth women's sports market. The acquisition strengthens the Group's Passions & PR Specialism, fully integrating WSG's expertise into the Group's Sport and Entertainment offering.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. These are the final fair values for the current year acquisitions.

	Dune 23 FZ £000	WSG £000	Total £000
Financial assets	344	229	573
Property, plant and equipment	45	1	46
Identifiable intangible assets (Customer relationships)	92	163	255
Financial liabilities	(279)	(186)	(465)
Deferred tax assets/(liabilities)	(8)	(41)	(49)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>194</b>	<b>166</b>	<b>360</b>
Plus: goodwill (Note 15)	592	964	1,556
<b>Net assets acquired</b>	<b>786</b>	<b>1,130</b>	<b>1,916</b>
Satisfied by:			
Cash	786	1,130	1,916
<b>Total consideration</b>	<b>786</b>	<b>1,130</b>	<b>1,916</b>
Net cash outflow arising on acquisition:			
Cash consideration	786	1,130	1,916
Less: Cash and cash equivalents acquired	(59)	(130)	(189)
<b>Net cash outflow arising on acquisition</b>	<b>727</b>	<b>1,000</b>	<b>1,727</b>

**Dune 23 FZ (now known as M&C Saatchi Sport and Entertainment Sports Events Marketing LLC)**

The fair value of the financial assets includes trade receivables that amount to £237k. It is expected that the full contractual amounts can be collected.

Goodwill is mainly attributable to the workforce and synergies and amounts to £592k. None of the goodwill is expected to be deductible for tax purposes.

The entity acquired contributed £2.9 million revenue and £0.4 million to the Group's operating profit for the period between the date of acquisition and the reporting date.

If the acquisition of this entity had been completed on the first day of the financial year, Group results for the year would have included £3.8 million of revenue and £0.3 million of profit.

**WSG**

The fair value of the financial assets includes trade receivables that amount to £96k. It is expected that the full contractual amounts can be collected.

Goodwill is mainly attributable to the workforce and synergies and amounts to £964k. None of the goodwill is expected to be deductible for tax purposes.

## Notes to the Financial Statements continued

**11. Acquisitions continued****WSG continued**

The entity acquired contributed £0.3 million revenue and £0.1 million to the Group's operating profit for the period between the date of acquisition and the reporting date.

If the acquisition of this entity had been completed on the first day of the financial year, Group results for the year would have included £1m of revenue and £0.3m of profit.

**12. Disposals****Policy**

Disposals of entities in the Group are accounted for in accordance with IFRS 10. When the parent's ownership of a subsidiary company changes and results in the parent's loss of control of a subsidiary within the Group, the parent:

- Derecognises the assets and liabilities attributable to the former subsidiary from the consolidated balance sheet.
- Recognises any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRS standards.
- Recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

**Analysis**

The Group sold its shares in Saatchinvest Limited on 26 February 2025 for £2.0 million plus £0.7 million of deferred consideration.

The total cash inflow relating to the disposal of this subsidiary was £2,713k.

The entity had no results for the year up until the point of disposal.

During 2024, the Group disposed of certain overseas subsidiaries in line with its strategy to simplify its operating structure and improve efficiency across the Group. M&C Saatchi (Switzerland) SA and the M&C Saatchi South Africa agencies were part of the Advertising Specialism, save for Leverage Agency Pty Limited (South Africa), which was part of the Passions & PR Specialism. All were acquired by the local leadership team.

Also during 2024, the Group disposed of its entire shareholding in M&C Saatchi (Switzerland) SA for CHF 100 and of the entities forming the South Africa business for ZAR 96,362,732 (£5,556,848). Given the size and nature of the disposal of the South African business, this disposal was treated as a discontinued operation in the Income Statement according to IFRS 5.

The Group disposed of its entire shareholdings in M&C Saatchi Holdings Asia Pte. Limited and its subsidiary, PT MCS Saatchi Indonesia, for £499,999 and £1 respectively in January 2024. Due to the timing of the disposal, which was ongoing in December 2023, the results of the entity were not included in the Group results for 2024.

The total cash inflow relating to the disposal of these subsidiaries was £1,926k.

The results of the entities disposed of in 2024, which were included in the results for the year, were as follows:

Year ended 31 December 2024	Europe £000	APAC £000	Total £000
<b>Revenue</b>	183	-	183
Project cost/direct cost	-	-	-
<b>Net revenue</b>	183	-	183
Staff costs	(232)	-	(232)
Depreciation and amortisation	(2)	-	(2)
Other operating charges	(34)	-	(34)
<b>Operating (loss)</b>	(85)	-	(85)
Net finance expense	-	-	-
<b>(Loss) before taxation</b>	(85)	-	(85)

The results of the entities disposed of in 2024, which have been excluded from the results for prior year as discontinued operations under IFRS5, were as follows:

Year ended 31 December 2024	£000
<b>Revenue</b>	21,214
Project cost / direct cost	(9,311)
<b>Net revenue</b>	11,903
Staff costs	(8,193)
Depreciation and amortisation	(581)
Other operating charges	(1,687)
Gain on disposal	2,084
<b>Operating profit</b>	<b>3,526</b>
Finance expense	(163)
Finance income	120
<b>Profit before tax</b>	<b>3,483</b>
Tax	(415)
<b>Profit for the year</b>	<b>3,068</b>
<b>EPS from discontinued operations (Note 1)</b>	
<b>Basic (pence)</b>	2.48
<b>Diluted (pence)</b>	2.42

Notes to the Financial Statements continued

**12. Disposals continued**

The gain/(loss) on disposal of the subsidiaries is calculated as follows:

	2025 Total £000	2024 Discontinued operations £000	2024 Other disposals £000	2024 Total £000
Consideration received in cash and cash equivalents	2,713	5,557	500	6,057
<b>Total consideration</b>	<b>2,713</b>	<b>5,557</b>	<b>500</b>	<b>6,057</b>
Plant and equipment	-	521	49	570
Intangible assets	-	47	-	47
Right-of-use assets	-	1,090	61	1,151
Assets held for sale	2,717	-	-	-
Other non-current assets	-	-	51	51
Deferred tax assets	-	411	37	448
Trade and other receivables	-	6,113	1,379	7,492
Current tax assets	-	-	128	128
Cash and cash equivalents	-	3,550	581	4,131
Trade and other payables	-	(5,495)	(1,202)	(6,697)
Current tax liabilities	-	(211)	-	(211)
Lease liabilities	-	(1,855)	(75)	(1,930)
Other non-current liability	-	-	(32)	(32)
Foreign exchange reserve	-	(1,464)	-	(1,464)
<b>Less net assets</b>	<b>(4)</b>	<b>2,850</b>	<b>(477)</b>	<b>2,373</b>
Reversal of put option liability*	-	-	334	334
Reversal of goodwill	-	(766)	-	(766)
Write-off of Company loan receivable	-	-	(87)	(87)
<b>Gain/(loss) on disposal of subsidiaries</b>	<b>(4)</b>	<b>2,084</b>	<b>(230)</b>	<b>1,854</b>

\* As part of the disposals, all put option obligations have been rescinded.

The statement of cash flows includes the following amounts relating to discontinued operations:

Year ended 31 December 2025	2025 £000	2024 £000
Operating activities	-	(407)
Investing activities	-	1,825
Financing activities	-	(653)
<b>Net cash from discontinued operations</b>	<b>-</b>	<b>765</b>

**13. Assets held for sale**

**Policy**

In accordance with IFRS 5, non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

**Analysis**

**Saatchinvest Limited**

On 26 February 2025, the Group sold its shares in Saatchinvest Limited to a venture capital fund for £2.0 million plus £0.7 million of deferred consideration received later in the year.

	2025 £000	2024 £000
<b>At 1 January</b>	<b>2,717</b>	<b>780</b>
Reclassification from FVTPL (Note 20)	-	2,000
Reclassification from deferred consideration	-	717
Reversal of impairment	-	86
Disposals	(2,717)	(856)
Foreign exchange difference	-	(10)
<b>At 31 December</b>	<b>-</b>	<b>2,717</b>

## Notes to the Financial Statements continued

**14. Investment property****Policy**

IAS 40 Investment property applies to the accounting for property held to earn rentals or for capital appreciation (or both).

Investment property is initially measured at cost and subsequently at fair value with any change recognised in profit or loss.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property and recognises any impairment losses that have occurred. The entity treats any difference at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

**Analysis**

At times, entities of the Group sublet certain of their properties when their underlying business requirements change.

Investment property at 31 December 2025 comprises two offices in Sydney and one in London: 459 Church Street; 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> floor 99 Macquarie Street; and 6<sup>th</sup> floor 36 Golden Square respectively.

The valuation technique for the investment property estimates the future cash flows for these office spaces using assumptions made by local property consultants based on similar properties.

The investment property value represents the estimated income that the Group could get in the current market by renting out these spaces.

The fair value of investment property is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

	2025	2024
	£000	£000
<b>At 1 January</b>	<b>1,244</b>	<b>2,369</b>
Impairment reversal	-	361
Fair value revaluation	(3,292)	-
Revaluation surplus through OCI	-	415
Reclassification from right-of-use assets (Note 18)*	6,222	1,128
Reclassification to right-of-use assets (Note 18)	-	(802)
Subleasing (Note 19 & 21)	-	(2,111)
Foreign exchange	31	(116)
<b>At 31 December</b>	<b>4,205</b>	<b>1,244</b>

\* This relates to 99 Macquarie Street and 6<sup>th</sup> floor 36 Golden Square.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements and how a reasonable change in the input would affect the value:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2025	2024	
Discount rate	5.87%	7.50%	The higher the discount rate the lower the fair value.
Expected vacancy rate	14.7% - 26.5%	0%	The higher the vacancy rate the lower the fair value.
Rental growth rate	3.5% - 3.75%	3.5% - 3.75%	The higher the rental growth rate the higher the fair value.

**15. Intangible assets****Policy**

Intangible assets are carried at cost less accumulated amortisation and impairment losses.

**Goodwill**

Under the acquisition method of accounting for business combinations, goodwill is the fair value of consideration transferred, less the net of the fair values of the identifiable assets acquired and the liabilities assumed.

**Other intangibles acquired as part of a business combination**

Intangible assets acquired as part of a business combination (which includes brand names and customer relationships) are capitalised at fair value if they are either separable or arise from contractual or other legal rights and their fair value can be reliably measured.

**Software and film**

Purchased software and internally created software and film rights are recorded at cost. Internally created software and film rights are created so that they can be directly used to generate future client income.

**Amortisation**

Goodwill is not amortised. Amortisation of other classes of intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives as follows:

Software and film rights:	3 years
Customer relationships:	1 to 8 years
Brand name:	1 to 10 years

The Group has no indefinite-life intangibles other than goodwill.

Notes to the Financial Statements continued

15. Intangible assets continued

Impairment

Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the assets may be impaired.

Impairment losses arise when the carrying amount of an asset or CGU is in excess of the recoverable amount, and these losses are recognised in the income statement. All recoverable amounts are from future trading (i.e. their value in use) and not from the sale of unrecognised assets or other intangibles.

The value-in-use calculations have been based on the forecast profitability of each CGU, using the 2025 budget and three-year plans approved by the Board, with a residual growth rate of 2% p.a. applied thereafter. The cost of corporate assets held centrally is recharged to CGUs based on their headcount. This forecast data is based on past performance and current business and economic prospects. Revenue growth rates by year and geography were determined using PWC's 2025 Global Entertainment and Media Outlook report, and operating cost growth was limited to a percentage of revenue growth aligned with current margins and improvements driven by the Group's global efficiency programme.

A discount rate is then applied to create a discounted future cash flow forecast (DCF) for each CGU, which forms the basis for determining the recoverable amount of each CGU. If the DCF of a CGU is not in excess of its carrying amount (that includes the value of its fixed assets and right-of-use assets), then an impairment loss would be recognised.

In conducting the review, a residual growth rate of 2% has been used for all countries. Market betas of 1.1 have been used for the UK, the US, Europe, Australia, Malaysia, the UAE, and Brazil, while 1.5 has been used for India and 1.3 has been used for the rest of the world.

Pre-tax discount rates are based on the Group's nominal weighted average cost of capital, adjusted for the specific risks relating to the country and market in which the CGU operates.

Key assumptions used for impairment review	Residual growth rates 2025	Residual growth rates 2024	Pre-tax discount rates 2025	Pre-tax discount rates 2024
Market	%	%	%	%
UK	2	1.5	16	14
Asia and Australia	2	1.5	11-12	12-16
Middle East	2	1.5	13	13
Americas	2-3	1.5	16-23	12-15

Analysis

Cost	Goodwill £000	Brand name £000	Customer relationships £000	Software and film rights £000	Total £000
<b>At 31 December 2023</b>	<b>58,858</b>	<b>8,353</b>	<b>14,631</b>	<b>2,543</b>	<b>84,385</b>
Exchange differences	(359)	(112)	(405)	(308)	(1,184)
Acquired	-	-	-	1,214	1,214
Reclassified*	-	-	-	(172)	(172)
Disposal	(735)	-	-	(101)	(836)
<b>At 31 December 2024</b>	<b>57,764</b>	<b>8,241</b>	<b>14,226</b>	<b>3,176</b>	<b>83,407</b>
Exchange differences	(1,410)	34	(87)	(164)	(1,627)
Acquired	1,556	-	257	151	1,964
Assets under construction	-	-	-	646	646
Capitalised grants	-	-	-	156	156
Reclassification	-	(198)	198	-	-
<b>At 31 December 2025</b>	<b>57,910</b>	<b>8,077</b>	<b>14,594</b>	<b>3,965</b>	<b>84,546</b>
Accumulated amortisation and impairment	Goodwill £000	Brand name £000	Customer relationships £000	Software and film rights £000	Total £000
<b>At 31 December 2023</b>	<b>26,383</b>	<b>7,659</b>	<b>13,350</b>	<b>2,400</b>	<b>49,792</b>
Exchange differences	(169)	(55)	(91)	(462)	(777)
Amortisation charge - continuing operations	-	70	266	264	600
Amortisation charge - discontinued operations	-	-	-	14	14
Impairment	1,634	-	-	-	1,634
Disposal	-	-	-	(120)	(120)
Disposal of subsidiaries	-	-	-	(54)	(54)
<b>At 31 December 2024</b>	<b>27,848</b>	<b>7,674</b>	<b>13,525</b>	<b>2,042</b>	<b>51,089</b>
Exchange differences	(710)	28	(128)	(430)	(1,240)
Amortisation charge	-	106	327	281	714
Impairment	1,500	-	-	210	1,710
<b>At 31 December 2025</b>	<b>28,638</b>	<b>7,808</b>	<b>13,724</b>	<b>2,103</b>	<b>52,273</b>
Net book value					
At 31 December 2023	32,475	694	1,281	143	34,593
At 31 December 2024	29,916	567	701	1,134	32,318
<b>At 31 December 2025</b>	<b>29,272</b>	<b>269</b>	<b>870</b>	<b>1,862</b>	<b>32,273</b>

\* Relates to assets reclassified from intangible assets to assets held at fair value through profit and loss (Note 20 to the financial statements), following the spin-off of our investment to DragNDrop Limited.

Notes to the Financial Statements continued

15. Intangible assets continued

	Balance held 31 December 2025 £000	Headroom 31 December 2025 %	Balance held 31 December 2024 £000	Headroom 31 December 2024 %	Region	Specialism
Goodwill						
Cash-generating units (CGUs)						
Shepardson Stern +						
Kaminsky LLP	5,336	142%	5,748	195%	Americas	Advertising
LIDA NY LLP (MCD) *	3,765	-	5,671	11%	Americas	Consulting
Clear Ideas Ltd	5,031	298%	5,031	224%	Europe	Consulting
M&C Saatchi Mobile Ltd	4,283	1,203%	4,283	866%	UK	Media
M&C Saatchi Agency Pty Ltd (Australia)	2,807	168%	2,663	349%	Australia	Various
M&C Saatchi Sport & Entertainment Ltd	1,184	781%	1,184	2,869%	UK	Passions & PR
M&C Saatchi Talent	3,376	74%	3,377	223%	UK	Passions & PR
M&C Saatchi Middle East Fz LLC (Dubai)	694	609%	746	1,851%	Middle East	Advertising
Santa Clara Participações Ltda	545	163%	522	80%	Americas	Advertising
M&C Saatchi Talk Ltd	625	446%	625	239%	UK	Advertising
M&C Saatchi (M) SDN BHD	70	1,538%	66	585%	Asia	Advertising
The Women's Sports Group	964	146%	-	-	UK	Passions & PR
M&C Saatchi Sport & Entertainment Sports Events Marketing LLC	592	434%	-	-	Middle East	Passions & PR
<b>Total</b>	<b>29,272</b>	<b>355%</b>	<b>29,916</b>	<b>437%</b>		

\* With exception of CGUs marked, all other movements in the table are due to foreign exchange differences.

The 2025 review of goodwill was undertaken as at 31 December and resulted in an impairment of £1,500k for LIDA NY LLP (MCD), reflecting some caution in relation to the local economic outlook.

A sensitivity analysis has been performed, showing the impact required if profit forecasts reduced by 20% and discount rates increased by 10 percentage points across the Group. This would give rise to an impairment in five CGUs (2024: two) and a total impairment of £6,431k (2024: £3,028k). Management believe that this is an extreme scenario and highly unlikely to happen.

16. Investments in associates

Policy

The Group invests in associates, either to deliver its services to a strategic marketplace, or to gain strategic mass by being part of a larger local or functional entity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is neither control nor joint control over those policies.

The carrying value of these investments comprise the Group's share of their net assets and any purchased goodwill. These carrying amounts are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Analysis

Region & name	Nature of business	Investment in associates Country of incorporation or registration	Proportion of ownership interest held at 31 December			
			2025 £000	2024 £000	2025 %	2024 %
<b>Europe</b>						
M&C Saatchi SAL	Advertising	Lebanon	-	-	10%	10%
M&C Saatchi AB	Advertising	Sweden	-	-	30%	30%
<b>APAC</b>						
Love Frankie Ltd	Advertising	Thailand	138	138	25%	25%
February Communications Private Limited	Advertising	India	-	-	20%	20%
M&C Saatchi Limited	Advertising	Japan	-	-	10%	10%
<b>Total</b>			<b>138</b>	<b>138</b>		

M&C Saatchi SAL has two subsidiaries, Aldallah Doha Ltd and Tamaha Sulaymaniyah Ltd. M&C Saatchi AB has two subsidiaries, M&C Saatchi PR AB and M&C Saatchi Go! AB.

All shares in associates are held by subsidiary companies in the Group.

Where an associate is granted the right to use the Company's brand, the Company reserves the right to revoke such usage to protect the integrity and reputation of its intellectual property.

Notes to the Financial Statements continued

**17. Plant and equipment**

**Policy**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided to write off the cost of all fixed assets, less estimated residual values, evenly over their expected useful lives.

Depreciation is calculated at the following annual rates:

Leasehold improvements	• Lower of useful life and over the period of the lease
Furniture and fittings	• 10% straight-line basis
Computer equipment	• 33% straight-line basis
Other equipment	• 25% straight-line basis
Motor vehicles	• 25% straight-line basis

The need for any fixed asset impairment write-down is assessed by a comparison of the carrying value of the asset against the higher of a) the fair value less costs to sell, or b) the value in use.

**Analysis**

Cost	Leasehold improvements £000	Furniture, fittings and other equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>At 31 December 2023</b>	<b>7,048</b>	<b>5,284</b>	<b>6,641</b>	<b>81</b>	<b>19,054</b>
Exchange differences	(156)	(354)	(28)	10	(528)
Additions	434	252	1,022	10	1,718
Disposal of subsidiaries	(749)	(532)	(922)	(84)	(2,287)
Disposals	(1)	(521)	(247)	-	(769)
<b>At 31 December 2024</b>	<b>6,576</b>	<b>4,129</b>	<b>6,466</b>	<b>17</b>	<b>17,188</b>
Exchange differences	(1,164)	(271)	(767)	(17)	(2,219)
Additions	682	202	1,378	16	2,278
Disposals	(7)	(46)	(153)	-	(206)
<b>At 31 December 2025</b>	<b>6,087</b>	<b>4,014</b>	<b>6,924</b>	<b>16</b>	<b>17,041</b>

	Leasehold improvements £000	Furniture, fittings and other equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>At 31 December 2023</b>	<b>4,065</b>	<b>2,935</b>	<b>4,976</b>	<b>71</b>	<b>12,047</b>
Exchange differences	(123)	(13)	(357)	(20)	(513)
Depreciation charge – continuing operations	526	244	1,158	1	1,929
Depreciation charge – discontinued operations	38	25	112	3	178
Disposal of subsidiaries	(696)	(371)	(607)	(43)	(1,717)
Disposals	-	(511)	(227)	-	(738)
<b>At 31 December 2024</b>	<b>3,810</b>	<b>2,309</b>	<b>5,055</b>	<b>12</b>	<b>11,186</b>
Exchange differences	(1,236)	163	(1,031)	(8)	(2,112)
Depreciation charge	601	244	1,168	1	2,014
Disposals	(3)	(31)	(120)	-	(154)
<b>At 31 December 2025</b>	<b>3,172</b>	<b>2,685</b>	<b>5,072</b>	<b>5</b>	<b>10,934</b>
<b>Net book value</b>					
At 31 December 2023	2,983	2,349	1,665	10	7,007
At 31 December 2024	2,766	1,820	1,411	5	6,002
<b>At 31 December 2025</b>	<b>2,915</b>	<b>1,329</b>	<b>1,852</b>	<b>11</b>	<b>6,107</b>

Total depreciation from continuing operations in the income statement is broken down as follows:

	Note	2025 £000	2024 £000
From plant and equipment	17	2,014	1,929
From right-of-use assets	18	4,233	4,606
		<b>6,247</b>	<b>6,535</b>

## Notes to the Financial Statements continued

**18. Leases**

The Group leases various assets, comprising properties, equipment and motor vehicles. The determination whether an arrangement is, or contains, a lease is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

**Policy****Right-of-use assets and lease liabilities**

At the inception of a lease, the Group recognises a right-of-use asset and a lease liability.

The value of the lease liability is determined by reference to the present value of the future lease payments, as determined at the inception of the lease. Lease liabilities are disclosed separately on the balance sheet. These are measured at amortised cost, using the effective interest rate (EIR) method. Lease payments are apportioned between a finance charge and a reduction of the lease liability, based on a constant interest rate applied to the remaining balance of the liability. Interest expense is included within net finance costs in the consolidated income statement. The interest rate applied to a lease is typically the incremental borrowing rate of the entity entering into the lease. This is as a result of the interest rates implicit in the leases not being readily determined. The incremental borrowing rate applied by each relevant entity is determined based on the interest rate adjudged to be required to be paid by that entity to borrow a similar amount over a similar term for a similar asset in a similar economic environment.

A corresponding right-of-use fixed asset is also recognised at an equivalent amount adjusted for a) any initial direct costs, b) payments made before the commencement date (net of lease incentives), and c) the estimated cost for any restoration costs the Group is obligated to at lease inception. Right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the asset's estimated life. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 "Impairment of Assets", when there is an indication of impairment.

**Lease term**

The lease term comprises the non-cancellable period of the lease contract. Periods covered by an option to extend the lease are included, if the Group has reasonable certainty that the option will be exercised. Periods covered by an option to terminate are included, if it is reasonably certain that this option will not be exercised.

**Lease payments**

Lease payments comprise fixed payments and variable lease payments (that depend on an index or a rate, initially measured using the minimum index or rate at inception date). Payments include any lease incentives and any penalty payments for terminating the lease, if the lease term reflects the lessee exercising that option. The lease liability is subsequently remeasured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments due to a) a renegotiation or market rent review, b) a change of an index or rate, or c) a reassessment of the lease term.

**Lease modifications**

Where there are significant changes in the scope of the lease, then the arrangement is reassessed to determine whether a lease modification has occurred and, if there is such a modification, what form it takes. This may result in a modification of the original lease or, alternatively, recognition of a separate new lease.

**Subleases**

At times, entities of the Group will sublet certain of their properties when their underlying business requirements change. Under IFRS 16, the Group assesses the classification of these subleases with reference to the right-of-use asset, not the underlying asset.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property (or the right-of-use asset) and recognises any impairment losses that have occurred. The entity treats any difference at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

When the Group acts as an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. At lease commencement, a determination is made whether the lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership in relation to the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lessor payments under operating leases as sublease income on a straight-line basis over the lease term. The Group accounts for finance leases by derecognising the ROU asset and recognising finance lease receivables using the EIR method.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (defined by the Group as being below £3,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements continued

**18. Leases continued**

**Analysis**

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the year:

	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000	Lease liabilities	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Right-of-use assets</b>									
<b>At 1 January 2024</b>	<b>33,463</b>	<b>271</b>	<b>38</b>	<b>33,772</b>	<b>At 1 January 2024</b>	<b>49,122</b>	<b>284</b>	<b>37</b>	<b>49,443</b>
Additions	4,734	73	29	4,836	Additions	4,734	73	29	4,836
Modifications	(4,090)	-	-	(4,090)	Modifications	(4,012)	-	-	(4,012)
Disposals	-	(3)	-	(3)	Disposals	(56)	(3)	-	(59)
Disposal of subsidiaries	(1,151)	-	-	(1,151)	Disposal of subsidiaries	(1,930)	-	-	(1,930)
Depreciation - continuing operations	(4,459)	(119)	(28)	(4,606)	Accretion of interest - continuing operations	3,180	17	2	3,199
Depreciation - discontinued operations	(389)	-	-	(389)	Accretion of interest - discontinued operations	152	-	-	152
Impairment reversal (Note 1)	297	-	-	297	Payments	(8,353)	(133)	(32)	(8,518)
Subleasing	(2,181)	-	-	(2,181)	Foreign exchange	(845)	(21)	(1)	(867)
Reclassification from investment property (Note 14)	802	-	-	802	<b>At 31 December 2024</b>	<b>41,992</b>	<b>217</b>	<b>35</b>	<b>42,244</b>
Reclassification to investment property (Note 14)	(1,128)	-	-	(1,128)	Additions	2,068	47	-	2,115
Foreign exchange	(592)	(19)	(4)	(615)	Modifications	(531)	-	-	(531)
<b>At 31 December 2024</b>	<b>25,306</b>	<b>203</b>	<b>35</b>	<b>25,544</b>	Accretion of interest	3,153	10	3	3,166
Additions	2,068	47	-	2,115	Payments	(8,255)	(136)	(40)	(8,431)
Modifications	(226)	-	-	(226)	Foreign exchange	(373)	(8)	34	(347)
Depreciation	(4,084)	(108)	(41)	(4,233)	<b>At 31 December 2025</b>	<b>38,054</b>	<b>130</b>	<b>32</b>	<b>38,216</b>
Impairment	(206)	-	-	(206)					
Reclassification to investment property (Note 14)	(6,222)	-	-	(6,222)					
Foreign exchange	(294)	(60)	38	(316)					
<b>At 31 December 2025</b>	<b>16,342</b>	<b>82</b>	<b>32</b>	<b>16,456</b>					

The additions in 2025 predominately relate to the new offices in Dubai, Australia and Indonesia.

Of lease payments made in the year of £8,431k (2024: £8,518k), £5,265k (2024: £5,167k) related to payment of principal on the corresponding lease liabilities and the balance to payment of interest of £3,166k (2024: £3,341k) due on the lease liabilities.

	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Lease liabilities</b>				
Amounts due within one year	4,869	122	23	5,014
Amounts due after one year	37,123	95	12	37,230
<b>At 31 December 2024</b>	<b>41,992</b>	<b>217</b>	<b>35</b>	<b>42,244</b>
Amounts due within one year	4,977	100	24	5,101
Amounts due after one year	33,077	30	8	33,115
<b>At 31 December 2025</b>	<b>38,054</b>	<b>130</b>	<b>32</b>	<b>38,216</b>

Notes to the Financial Statements continued

**18. Leases continued**

	2025 £000	2024 £000
Income statement charge		
Depreciation of right-of-use assets – continuing operations	(4,233)	(4,606)
Depreciation of right-of-use assets – discontinued operations	-	(389)
Short-term lease expense	-	104
Low-value lease expense	(471)	488
Right-of-use asset impairment	(206)	297
<b>Charge to operating profit</b>	<b>(4,910)</b>	<b>(4,106)</b>
Sublease finance income	263	36
Lease liability interest expense – continuing operations	(3,166)	(3,199)
Lease liability interest expense – discontinued operations	-	(152)
<b>Lease charge to profit before tax</b>	<b>(7,813)</b>	<b>(7,421)</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities and manages them in line with its approach to other month-to-month liquidity matters, as described in Note 31 to the financial statements.

The cash payment maturity of the lease liabilities held as at 31 December 2025, net of sublease receipts, is as follows:

	2025 £000	2024 £000
Future cash payments		
Period ending 31 December:		
2026	7,134	7,466
2027	6,633	7,081
2028	5,991	6,694
2029	6,137	6,536
2030	5,457	8,376
Later years	15,376	21,182
<b>Gross future liability before discounting</b>	<b>46,728</b>	<b>57,335</b>

Of the future lease payments post-2029, £15.6 million relates to a single office lease that expires in 2034. This lease agreement was entered into in April 1997.

**Subleases**

	2025 £000	2024 £000
At 1 January:	4,071	-
Transfer from investment property (Note 14)	-	2,112
Transfer from right-of-use-assets (Note 18)	-	2,181
Sublease rent receipt	(1,216)	(232)
Finance income on sublease	263	10
Foreign exchange	13	-
<b>At 31 December</b>	<b>3,131</b>	<b>4,071</b>
	2025 £000	2024 £000
Current lease receivables (Note 21)	728	755
Non-current lease receivables (Note 19)	2,403	3,316
<b>At 31 December</b>	<b>3,131</b>	<b>4,071</b>

**Finance sublease**

The Group has sublet four office properties under finance subleases, in London, Milan and Sydney (Note 19).

During the year, a gain of nil (2024: £0.4 million) was recognised on derecognition of the relevant right-of-use assets. Interest income on lease receivables was recognised of £0.3 million (2024: £1 million).

The following sets out a maturing analysis of sublease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2025 £000	2024 £000
Future cash payments		
Less than one year	235	1,165
One to two years	1,578	1,015
Two to three years	817	800
Three to four years	469	819
Four to five years	345	471
More than five years	185	466
<b>Gross future receivables before discounting</b>	<b>3,629</b>	<b>4,736</b>
Unearned finance income	(498)	(665)
<b>Net investment in the lease</b>	<b>3,131</b>	<b>4,071</b>

Notes to the Financial Statements continued

**18. Leases continued**

**Operating sublease**

The Group has part sublet its investment property at 459 Church Street, Sydney (Australia). The Group has classified this year as an operating sublease, as there is no substantial transfer of the risks and rewards incidental to ownership of the asset.

Rental income recognised by the Group during 2025 was £0.6 million (2024: £0.6 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025 £000	2024 £000
Future cash payments		
Less than one year	302	295
One to two years	-	305
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
<b>Total</b>	<b>302</b>	<b>600</b>

**19. Other non-current assets**

	2025 £000	2024 £000
At 31 December		
Other debtors including rent deposits	640	526
Long-term loans receivable*	776	1,440
Sublease receivable**	2,403	3,316
<b>Total other non-current assets</b>	<b>3,819</b>	<b>5,282</b>

\* This balance in 2025 relates to SEK7.5 million to M&O Saatchi AB.

\*\* This relates to the discounted rental income receivable on sublet properties in London, Milan and Sydney (see Note 18).

**20. Financial assets at fair value through profit and loss (FVTPL)**

**Policy**

The Group holds certain unlisted equity investments that are classified as financial assets at FVTPL. These investments are initially recognised at their fair value. At the end of each reporting period, the fair value is reassessed, with gains or losses being recognised in the income statement.

**Analysis**

The Group's unlisted equity investments consist of:

- A £636k convertible investment in DragNDrop Limited (which has built an end-to-end advertising design tool to help small businesses with their marketing), following its spinoff from the Group in 2023. The Group invested a further £607k in DragNDrop Limited in the form of a convertible loan, which is included in other non-current assets in the balance sheet.
- A 10% shareholding in 59A Limited.
- A 0.76% shareholding in Sesión Tequila Holdings Pty Ltd (Australia).

The investments were revalued during the year:

- The convertible investment in DragNDrop was revalued to nil and the convertible loan was fully provided for.

The closing balance of the equity investments held at FVTPL comprises a 0.76% shareholding in Sesión Tequila Holdings Pty Ltd (Australia). The Group's 10% shareholding in 59A Limited and convertible investment in DragNDrop Limited are valued at nil.

The activity in the year relating to the equity investments held at FVTPL is presented below:

	2025 £000	2024 £000
At 1 January	668	7,227
Disposals	-	(157)
Revaluation downwards	(636)	(4,277)
Reclassification to assets held for sale (Note 13)	-	(2,000)
Foreign exchange	2	(125)
<b>At 31 December</b>	<b>34</b>	<b>668</b>

Other gains/(losses) in income statement

	2025 £000	2024 £000
Revaluation of equity investments held at FVTPL	(636)	(4,277)
Revaluation of Investment Properties (Note 14)	(3,292)	-
Provision against loans receivable (Note 19)	(601)	-
Revaluation of deferred consideration	-	464
<b>Total</b>	<b>(4,529)</b>	<b>(3,813)</b>

Notes to the Financial Statements continued

**21. Trade and other receivables**

**Policy**

**Impairment – Expected credit losses**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss (ECL) allowance for all trade receivables and contract assets. To calculate the lifetime ECL, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environments in which the Group operates.

	2025 £000	2024 £000
Trade receivables	66,723	83,101
Loss allowance	(2,103)	(1,544)
<b>Net trade receivables</b>	<b>64,620</b>	<b>81,557</b>
Prepayments	5,973	4,465
VAT and sales tax recoverable	91	114
Accrued income	19,249	13,153
Contract assets	4,717	2,553
Sublease receivables	728	755
Other receivables*	15,166	23,701
<b>Total trade and other receivables</b>	<b>110,544</b>	<b>126,298</b>

\* Other receivables comprise unbilled media receivables balances of £12.9 million (31 December 2024: £20.3 million), which has decreased due to customers moving spend to suppliers on their own credit line, plus other amounts receivable of £3.0 million (31 December 2024: £3.6 million). There is no additional ECL recorded in relation to these amounts.

Set out below is the movement in the loss allowance (which includes provision for expected credit losses) of trade receivables and contract assets.

	2025 £000	2024 £000
At 1 January	(1,544)	(2,251)
Release for expected losses during the year	-	9
Movement in forward looking provision for specific bad debts: (Charge)/release during the year	(56)	141
Utilisation of provision	-	353
Disposals	-	31
Acquired	(14)	-
Foreign exchange movement	(489)	173
<b>At 31 December</b>	<b>(2,103)</b>	<b>(1,544)</b>

The information about credit exposures is disclosed in Note 31 to the financial statements.

**22. Trade and other payables**

	2025 £000	2024 £000
Trade creditors	33,835	40,140
Contract liabilities*	22,597	18,385
Sales taxation and social security payables	2,959	2,475
Accruals	44,394	61,584
Other payables	7,765	8,952
<b>Total trade and other payables</b>	<b>111,550</b>	<b>131,536</b>

\* Contract liabilities relate to deferred income of £22.6 million (2024: £18.7 million). The amount of the 2024 balance was recognised within revenue in the current year.

Settlement of trade and other payables is in accordance with the terms of trade established with the Group's local suppliers.

**23. Provisions**

**Policy**

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of past events and where it is more likely than not an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

In February 2024, M&C Saatchi (UK) Limited entered into a client contract supported by an unlimited guarantee from the Company. The contract, which was subject to a maximum annual spend of £1 million and was for an initial term of two years, has subsequently been extended and is now scheduled to expire in February 2027.

The year-end provision is nil (2024: £0.1 million).

Notes to the Financial Statements continued

**23. Provisions continued**

**Analysis**

	2025 £000	2024 £000
At 1 January	(90)	(1,050)
Utilised or released in the year		
• Lease dilapidations	-	160
• Release of other provisions	51	-
• Release provision for retrospective rent reviews	-	800
<b>At 31 December</b>	<b>(39)</b>	<b>(90)</b>

As at the end of 2025, all amounts recognised as provisions were expected to be utilised within 12 months and are held as current liabilities. The Directors do not anticipate that any of the above will have a material adverse effect on the Group's financial position or on the results of its operations.

**24. Borrowings**

**Policy**

Loans and overdrafts are recognised initially at fair value, less attributable transaction costs. Subsequently, loans and overdrafts are recorded at amortised cost with interest charged to the income statement under the EIR method. Where there is a significant change to the future cash flows, the EIR is reassessed with a corresponding change in the carrying amount of the amortised cost. The change in the carrying amount is recognised in profit or loss as income or expense.

Interest payable is included within accruals as a current liability.

**Amounts due within one year**

	2025 £000	2024 £000
At 31 December		
Local bank loans	(29)	(43)

**Amounts due after one year**

	2025 £000	2024 £000
At 31 December		
Secured* bank loans	(7,366)	(13,399)

\* Bank loans are secured with share security over the companies acting as guarantors and an English law debenture.

**Secured bank loans**

On 7 March 2024, the Company entered into a £50 million revolving multicurrency facility agreement (the "Facility") with a syndicate of banks comprising National Westminster Bank Plc, HSBC UK Bank plc and Barclays Bank PLC. The primary purpose of the Facility is to provide the Group with additional liquidity headroom to support any variations in working capital and provide funding for selective bolt-on acquisitions. The Facility term is three years with two one-year extension options. Both extension options have been exercised, extending the Facility's maturity date to 7 March 2029.

The Facility also contains an optional accordion which would allow it to increase by a further £50 million if required for strategic acquisitions (subject to lender agreement).

At 31 December 2025, £8 million was drawn on the Facility compared to £14.0 million drawn at 31 December 2024.

The Facility includes two financial covenants which are measured quarterly, which if either were to be breached would result in a default:

**The Facility Covenants**

1. Interest Cover – EBITDA for the previous 12 months must exceed 5 times the net finance charge (external debt interest, excluding IFRS 16 finance lease interest payments) for the previous 12 months.
2. Leverage – total indebtedness at the period end must not exceed 2.75 times EBITDA for the previous 12 months (adjusted for acquisitions and disposals). This increases to 3.25 times for a 6-month period after an acquisition.

The Company has been compliant with the covenants in the Facility throughout the period. The actual calculation is based on EBITDA as defined by the debt documentation.

	2025 £000	2024 £000
At 31 December		
Gross secured bank loans	(8,000)	(14,000)
Capitalised finance costs	634	601
<b>Total secured bank loans</b>	<b>(7,366)</b>	<b>(13,399)</b>

Total secured bank loans are due as follows:

	2025 £000	2024 £000
At 31 December		
In one year or less, or on demand	-	-
In more than one year but not more than five years	(7,366)	(13,399)
	<b>(7,366)</b>	<b>(13,399)</b>

## Notes to the Financial Statements continued

**24. Borrowings continued**

Total bank loans and borrowings used to calculate net cash are as follows. IFRS 16 Leases are excluded from the calculation of net cash in accordance with the Company's bank covenants:

	Gross secured bank loans £000	Local bank loans £000	Total bank loans £000
<b>At 31 December 2023</b>	<b>(16,000)</b>	<b>(43)</b>	<b>(16,043)</b>
Cash movements	2,000	-	2,000
<b>At 31 December 2024</b>	<b>(14,000)</b>	<b>(43)</b>	<b>(14,043)</b>
Cash movements	6,000	13	6,013
<b>At 31 December 2025</b>	<b>(8,000)</b>	<b>(30)</b>	<b>(8,030)</b>

**25. Other non-current liabilities**

	2025 £000	2024 £000
31 December		
Employment benefits*	1,449	1,458
Other**	774	562
	<b>2,223</b>	<b>2,020</b>

\* This relates to long term service leave in some locations, deferred contributions to pension schemes and long-term bonus plans.

\*\* The balance includes a contractual make good liability in relation to the Australia office lease of £500k (2024: £297k).

**26. Equity related liabilities**

This note summarises information relating to all share schemes disclosed in Notes 27 and 28 to the financial statements.

Should the Group elect to settle any put option schemes via equity, the number of ordinary shares in the Company issued will be calculated by dividing the scheme liability by the Company's prevailing share price.

**Total put option liability**

	2025 Company Total £000	2025 Group Total £000	2024 Company Total £000	2024 Group Total £000
Put options liability (IFRS 2 – Note 28)	-	(1,046)	-	(1,586)
Put options liability (IFRS 9 – Note 27)	-	(2,008)	-	(2,071)
<b>Total</b>	<b>-</b>	<b>(3,054)</b>	<b>-</b>	<b>(3,657)</b>
Current – minority shareholder put option liabilities	-	(3,054)	-	(525)
Non-current – minority shareholder put option liabilities	-	-	-	(3,132)
<b>Total</b>	<b>-</b>	<b>(3,054)</b>	<b>-</b>	<b>(3,657)</b>

**27. Minority shareholder put option liabilities (IFRS 9)****Policy**

Two of the subsidiaries' local management have a put option arrangement in place. The put option arrangements give these employees a right to exchange their minority holdings in the subsidiary into shares in the Company or cash (at the Group's choice).

These schemes are considered as rewarding future business performance and, as they are not conditional on the holder being an employee of the business, they are accounted for in accordance with IFRS 9.

These instruments are recognised in full at the amortised cost of the underlying award on the date of inception, with both a liability on the balance sheet and a corresponding amount within the minority interest put option reserve being recognised. At each period end, the amortised cost of the put option liability is calculated in accordance with the put option agreement, to determine a best estimate of the future value of the expected award. Resultant movements in the fair value of these instruments are charged to the income statement within finance income/expense.

The put option liability will vary with both the Company's share price and the subsidiary's financial performance. Current liabilities are determined by the Company's year-end share price and the historical results of the companies where the option holders can exercise within the next 12 months. Non-current liabilities are determined by the Company's year-end share price and the projected results of the companies where the option holders cannot exercise their options within the next 12 months.

Upon exercise of an award by a holder, the liability is extinguished and the associated minority interest put option reserve is transferred to the non-controlling interest acquired reserve.

## Notes to the Financial Statements continued

**27. Minority shareholder put option liabilities (IFRS 9) continued****Analysis**

IFRS 9 put options exercisable from year ended 31 December 2025:

Subsidiary	Year	% of subsidiaries' shares exercisable
Santa Clara Participações Ltda	2026	24.9
This Film Studio Pty Ltd	2023	30.0

It is the Group's option to fulfil these options in equity or cash and it is the Group's present intention to fulfil the options in cash (if available). However, if they are fulfilled in equity, the estimated number of Company shares that will be issued to fulfil these options at the share price at 31 December 2025 of 131.0p is 1,532,824 shares (2024: at 170.0p, 1,573,491 shares).

Liability as at 31 December	2025 £000	2024 £000
Amounts falling due within one year	(2,008)	-
Amounts falling due after one year, but less than three years	-	(2,071)
	(2,008)	(2,071)

**28. Share-based payments (IFRS 2)****Policy**

Local management in some of the Group's subsidiaries (who are minority interests of the Group) have a put option over the equity they hold in the relevant subsidiary. Where this put option is dependent upon the holders continued employment by the relevant subsidiary, or where the holder received the option as a result of employment with the relevant subsidiary, these options are accounted for under IFRS 2 as equity-settled share-based payments schemes or as cash-settled share-based payment schemes. These options are redeemable, at the choice of the Group, either in shares of the Company or by a cash payment to the holder. Such schemes should be considered as rewards for future business performance, which are conditional on the holder being an employee of the business.

**Equity-settled share-based payment schemes**

Where an award is intended to be settled in equity, then the fair value of the award is calculated at the grant date of each scheme based on the Company's share price and its relevant multiple. The fair value of the awards is calculated by means of a Monte Carlo model with inputs made in terms of the Company's share price at the date of grant, risk free rate, the historical volatility of the share price, the dividend yield and the time to vest. The Group estimates the number of shares that will ultimately vest, using assumptions over conditions, such as profitability of the subsidiary to which the awards relate. This value is recognised as an expense in the income statement over the shorter of the vesting period or the period of required employment on a straight-line basis, with a corresponding increase in reserves.

Upon exercise of the awards, the nominal value of the shares issued is credited to share capital with the balance to share premium.

**Cash-settled share-based payment schemes**

When an award is intended to be settled in cash, then a liability is recognised at inception of the award, based on the Company's share price and its relevant multiple. This liability is recognised as an expense in the income statement on a straight-line basis from the date of award to the date it vests, and revalued annually until exercise.

**Income statement charge**

Group	2025 Equity £000	2025 Cash £000	2025 Total £000	2024 Equity £000	2024 Cash £000	2024 Total £000
Put options	-	(52)	(52)	(165)	(547)	(712)
Total not affecting like-for-like results (Note 1)	-	(52)	(52)	(165)	(547)	(712)
LTIPs	-	-	-	1,195	-	1,195
<b>Total</b>	-	(52)	(52)	1,030	(547)	483

Notes to the Financial Statements continued

**28. Share-based payments (IFRS 2) continued**

**Cash-settled liability**

**Group**

The movement in the liability by scheme is detailed below:

	Put options £000	South Africa non-recourse loan scheme £000	Total £000
<b>At 1 January 2024</b>	<b>(8,232)</b>	<b>(794)</b>	<b>(9,026)</b>
(Charge)/credit to income statement			
• Straight-line recognition	(176)	-	(176)
• Change in subsidiary profit estimates	527	-	527
• Change in Company multiple	196	-	196
Total income statement (charge) / credit	547	-	547
Disposed	319	794	1,113
Settled	5,780	-	5,780
<b>At 31 December 2024</b>	<b>(1,586)</b>	<b>-</b>	<b>(1,586)</b>
Exchange adjustment	-	-	-
(Charge) / credit to income statement			
• Change in subsidiary profit estimates	37	-	37
• Change in Company multiple	15	-	15
Total income statement charge	52	-	52
Settled	488	-	488
<b>At 31 December 2025</b>	<b>(1,046)</b>	<b>-</b>	<b>(1,046)</b>

**Company**

There were no movements in the liability by scheme in 2025.

There was a £17k revaluation of investments made in 2024.

**Summary of LTIP**

Certain senior executives across the Group participate in equity-settled LTIP schemes. These schemes grant a future award of the Company's shares, dependent on the achievement of certain future performance conditions.

The key components of the awards are total shareholder return (TSR) versus the TSR of the FTSE Small Cap Index, and Headline profit performance, both over a 3 year period. The awards are summarised as follows:

LTIP scheme	% TSR	TSR 3 year Period, December to December	% profit	Performance
2025	50%	2024 to 2027	50%	2027 Headline EPS
2024	0%	n/a	100%	2026 fulfilment of a Specialism's operating profit target
2024	50%	2023 to 2026	50%	2026 Headline EPS
2023	50%	2022 to 2025	50%	2025 Headline profit after tax
2022	50%	2021 to 2024	50%	2024 Headline profit after tax
2021	70%	2020 to 2023	30%	2023 Headline profit before tax

Notes to the Financial Statements continued

**28. Share-based payments (IFRS 2) continued**

For the Company's LTIP, an employee benefit trust was established to purchase the shares required to fulfil these schemes therefore the schemes are accounted for as equity-settled. The inputs to Monte Carlo models used to calculate the fair value of these share awards as follows:

LTIP scheme	Issue date	Vesting date	Share price at grant	Expected volatility	Risk-free rate	TSR element against FTSE Small Cap index:			Expected volatility	Fair value of award per share	Fair value of award per share
						Dividend yield	Fair value of award per share	Fair value of award per share			
2025	03/11/2025	15/10/2028	£1.34	31%	3.76%	0%	£1.33	29%	£0.37		
2025	11/07/2025	13/05/2028	£1.97	31%	3.88%	0%	£1.96	23%	£0.55		
2025	17/06/2025	13/05/2028	£1.92	31%	3.91%	0%	£1.91	32%	£0.51		
2025	10/06/2025	13/05/2028	£1.83	31%	3.91%	0%	£1.83	23%	£0.50		
2025	06/06/2025	13/05/2028	£1.77	36%	4.00%	0%	£1.76	30%	£0.58		
2025	30/05/2025	13/05/2028	£1.72	32%	4.00%	0%	£1.71	39%	£0.67		
2024	15/10/2024	15/10/2027	£1.92	41%	4.17%	0%	£1.92	68%	£0.95		
2024	01/07/2024	01/07/2027	£1.94	43%	4.19%	0%	£1.93	58%	£1.17		
2024	01/07/2024	17/05/2027	£1.94	43%	4.19%	0%	£1.93	n/a	n/a		
2024	17/05/2024	17/05/2027	£2.05	44%	4.15%	0%	£2.05	45%	£1.47		
2023	02/08/2023	02/08/2026	£1.34	55%	5.15%	0%	£1.34	268%	£0.21		
2022	12/12/2022	31/05/2025	£1.48	76%	3.32%	0%	£1.47	291%	£0.63		
2021	28/09/2021	28/09/2024	£1.56	81%	0.51%	0%	£1.55	158%	£0.67		

**LTIP shares required**

The table below shows the number of shares that the Company will need to fulfil the awards assuming all awards are held to their vesting date, any unvested shares fully vest and are fulfilled at the Company's share price at 31 December 2025 of 131.0p (2024: 170.0p). An employee benefit trust was established to purchase the shares, on the open market, required to fulfil the awards made under the Company's LTIP schemes.

Number of shares	LTIP '000
<b>At 1 January 2025</b>	5,967
Vesting adjustment	(1,029)
Forfeited on departure	(945)
Additional granted on dividend payment	35
Exercised	(393)
Granted	3,874
<b>At 31 December 2025</b>	7,509

**29. Issued share capital (allotted, called up and fully paid)**

**Policy**

Where the Company reacquires its own equity instruments (treasury shares), the consideration paid is deducted from equity attributable to the Company's shareholders and recognised within the treasury reserve.

**Analysis**

	Number of shares	to ordinary shares £000
<b>At 31 December 2024</b>	122,743,435	1,227
<b>At 31 December 2025</b>	122,743,435	1,227

The Company holds 485,970 (2024: 485,970) of its own shares in treasury. At the end of the year the Company's employment benefit trust held 1,154,454 (2024: 1,047,913) shares. Such shares are bought to fulfil the awards made under the Company's LTIP, and have been accounted for as treasury shares.

## Notes to the Financial Statements continued

**30. Fair value measurement****Policy**

See also Basis of preparation on page 99.

Some of the Group's financial assets and liabilities, in addition to certain non-financial assets and liabilities, are held at fair value.

The fair value of an asset or liability is the price that would be received from selling the asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

Both financial and non-financial assets and liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group holds both assets and liabilities that are measured at fair value on a recurring basis and those that are measured at fair value on a non-recurring basis. Items measured at fair value on a non-recurring basis typically relate to non-financial assets arising as a result of business combinations as accounted for under the acquisition method. In this regard, during the year, the Group recognised additions to intangible assets (brand names and customer lists) of £0.4 million (2024: nil).

In addition, the Group also calculates the fair value of certain non-financial assets when there is the need to conduct an impairment review. These calculations also fall within level 3 of the IFRS 13 hierarchy and, where applicable, are described in Note 15 to the financial statements.

Assets and liabilities measured at fair value on a recurring basis.

The following table shows the levels within the hierarchy of assets and liabilities measured at fair value on a recurring basis at 31 December 2025 and 31 December 2024:

	Level 1 £000	Level 2 £000	Level 3 £000
<b>At 31 December 2025</b>			
<b>Assets</b>			
Equity investments at FVTPL	-	-	<b>34</b>
Investment property	-	-	<b>4,205</b>
Deferred consideration	-	-	-
<b>Total</b>	-	-	<b>4,239</b>

	Level 1 £000	Level 2 £000	Level 3 £000
<b>At 31 December 2024</b>			
<b>Assets</b>			
Equity investments at FVTPL	-	-	668
Investment property	-	-	1,244
Deferred consideration	-	-	-
<b>Total</b>	-	-	<b>1,912</b>

The level at which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The movements in the fair value of the level 3 recurring financial assets and liabilities are shown as follows:

	Equity instruments at FVTPL £000	Investment property £000	Total £000
<b>At 1 January 2025</b>	668	1,244	<b>1,912</b>
Revaluations	(636)	(3,292)	<b>(3,928)</b>
Reclassification from right-of-use assets (Note 18)	-	6,222	<b>6,222</b>
Foreign exchange	2	31	<b>33</b>
<b>At 31 December 2025</b>	34	4,205	<b>4,239</b>

## Notes to the Financial Statements continued

**31. Financial risk management****Principal financial instruments**

The principal financial instruments held by the Group, from which financial instrument risk arises, include contract assets, trade and other receivables, cash and cash equivalents, contract liabilities, trade and other payables, loans and borrowings, minority interest put options accounted under IFRS 9 as liabilities and equity instruments representing long-term investments in non-listed entities.

The Group does not typically use derivative financial instruments to hedge its exposure to foreign exchange or interest rate risks arising from operational, financing and investment activities.

**Financial assets**

At 31 December	Fair value through profit or loss		Amortised cost	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade and other receivables	-	-	105,827	123,745
Contract assets	-	-	4,717	2,553
Cash and cash equivalents	-	-	21,317	25,855
Equity instruments	34	668	-	-
Long-term loans receivable (re-presented)*	-	-	776	1,440
<b>Total financial assets</b>	<b>34</b>	<b>668</b>	<b>132,637</b>	<b>153,593</b>

\* This note has been updated to include long-term loans receivable (Note 19). As a result of this adjustment, financial assets at amortised cost have increased by £1,440k. There is no impact on the balance sheet overall.

**31.1 – General objective, policies and processes**

The Board has overall responsibility for the determination of the Group's and Company's risk management objectives and policies. Whilst retaining ultimate responsibility for them, the Board has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's senior management of each core business unit.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and the flexibility of the global businesses of which it is comprised. Further details regarding these policies are set out below.

**31.2 – Market risk**

Market risk arises from the Group's use of interest-bearing financial instruments and foreign currency cash holdings. It is the risk that the fair value of future cash flows on its debt finance and cash investments will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) and other price risks such as equity price risk and share price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt, equity investments and minority interest (MI) put options.

Exposure to market risk arises in the normal course of the Group's business.

**31.3 – Foreign exchange risk**

Foreign exchange risk arises from transactions and recognised assets and liabilities and net investments in foreign operations. The Group's general operating policy historically has been to conduct business in the currency of the local area in which businesses of the Group are geographically located, thereby naturally hedging the consideration resulting from client work. Businesses of the Group maintain bank accounts in the currency of these transactions solely for working capital purposes. As the Group has grown, there has been an increase in services rendered being exported from the UK businesses to clients who transact in non-GBP currencies. The transactional risk arising from such exports is mitigated in terms of the structuring of the billing arrangements and agreement to regular invoices being remitted and promptly paid (<30 days).

The Group is exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries and equity-accounted investments. The Group does not hedge the translation effect of exchange rate movements on the income statements or balance sheets of foreign subsidiaries and equity-accounted investments, as it regards these as long-term investments.

The estimated impact on foreign exchange gains and losses of a +/-10% movement in the exchange rate of the Group's significant currencies is as follows:

Exchange rate	Increase/ (decrease) in profit before tax 2025 £000	Increase/ (decrease) in profit after tax 2025 £000	Increase/ (decrease) in profit before tax 2024 £000	Increase/ (decrease) in profit after tax 2024 £000
	USD +10%	164	120	563
USD -10%	(149)	(110)	(512)	(463)
AUD +10%	458	(667)	442	178
AUD -10%	(416)	(606)	(402)	(162)

The year-end and average exchange rates to GBP for the significant currencies are as follows:

Currency	Year-end rate		Average rate	
	2025	2024	2025	2024
USD	1.35	1.25	1.34	1.25
AUD	2.02	2.02	2.01	2.02

The Group assumes that currencies will either be freely convertible, or the currency can be used in the local market to pay for goods and services, which the Group can sell to clients in a freely convertible currency. Within the 2025 year-end cash balances the Group holds £912k in Indian rupees; £320k in Libyan dinars; and £151k in South African rand.

Notes to the Financial Statements continued

**31. Financial risk management continued**

**31.4 – Interest rate risk**

The Group is exposed to interest rate risk because it holds a revolving credit facility of up to £50 million and an overdraft facility of up to £2.5m, both based on floating interest risks. The Group does not consider this risk to be significant.

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments held at the balance sheet date. The analysis is prepared assuming the amount of borrowings outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s profit before tax for the year ended 31 December 2025 would (decrease)/increase by £40k (2024: £111k). This is principally attributable to the Group’s exposure to interest rates on its floating rate loan.

**31.5 – Liquidity risk**

Liquidity risk arises from the Group’s management of working capital and the finance charges and, when appropriate, principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as and when they fall due. The Group’s debt instruments carry interest at SONIA + 2.25%. This is based on a margin grid linked to the Company’s leverage and therefore can change at each quarterly reporting date. The margin range is between 2.25% and 3.25%.

The Group’s policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they fall due. To achieve this aim, the Group has a planning and budgeting process in place to determine the funds required to meet its normal operating requirements on an ongoing basis. The Group and Company ensures that there are sufficient funds to meet their short-term business requirements, taking into account their anticipated cash flows from operations, its holdings of cash and cash equivalent and proposed strategic investments.

The Board receives current year cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group had sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The Group breached no banking covenants during the year.

The maturity analysis for financial liabilities is disclosed in the Notes to the financial statements as follows:

- Trade and other payables (excluding both taxes and contract liabilities as these are not considered financial liabilities) are disclosed as in the balance sheet and Note 22
- Lease liabilities – Note 18
- Loans and borrowings – Note 24
- IFRS 9 put options – Note 27

**31.6 – Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group monitors credit risk at both a local and Group level. Credit terms are set and monitored at a local level according to local business practices and commercial trading conditions. The age of debt and the levels of accrued and deferred income are reported regularly. Age profiling is monitored, both at local customer level and at consolidated entity level. There is only local exposure to debt from significant global clients. The Group continues to review its debt exposure to foreign currency movements and will review efficient strategies to mitigate risk as the Group’s overseas debt increases.

Management determines concentrations of credit risk by reviewing amounts due from customers monthly. The only significant concentrations of credit risk that are accepted are with multinational blue chip (or their equivalent) organisations, where credit risk is not considered an issue and the risk of default is considered low.

**Impairment**

The Group has one principal class of assets in scope for expected credit loss test, trade receivables. Contract assets are also included in the review, but the impairment in relation to these assets is not material. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates for each business are based on the payment profiles of sales at least over a period of 24 months before 31 December 2025 or 31 December 2024 respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

## Notes to the Financial Statements continued

**31. Financial risk management continued**

The expected credit loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade receivables under IFRS 15.

		Trade receivables					
31 December 2025 (£'000's unless otherwise stated)		0 - 30 days past due	31 - 90 days past due	91 - 120 days past due	> 120 days past due		Total
Expected loss rate (%)	Not past due	0.0%	0.1%	0.1%	0.2%	1.8%	
Trade receivables		47,161	11,202	5,331	261	2,768	66,723
Calculated expected credit loss provision		-	10	4	1	41	56
Specific further loss allowances		-	-	-	-	2,047	2,047
<b>Total loss allowance</b>		-	10	4	1	2,088	2,103
		Trade receivables					
31 December 2024 (£'000's unless otherwise stated)		0 - 30 days past due	31 - 90 days past due	91 - 120 days past due	> 120 days past due		Total
Expected loss rate (%)	Not past due	0.0%	0.0%	0.0%	0.3%	1.9%	
Trade receivables		60,502	12,840	7,419	834	1,506	83,101
Calculated expected credit loss provision		2	1	-	3	26	32
Specific further loss allowances		-	-	-	32	1,480	1,512
<b>Total loss allowance</b>		2	1	-	35	1,506	1,544

Under IFRS 9 Financial Instruments, the expected credit loss is the difference between the asset's gross carrying amount and the present value of the estimated future cashflows discounted at the asset's original effective interest rate.

Contract assets relate to work in progress, and as the Group has no experience of material write-offs in relation to these financial assets, no expected credit loss allowance is recognised.

**31.7 - Share price risk**

As detailed in Note 28, the Group has used put option awards to incentivise certain local key management. The value of these awards is in part dependent upon the Company's share price.

**31.8 - Equity price risk**

The Group's non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification and by placing limits on individual and total equity investment securities. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board reviews and approves all equity investment decisions. The basis of the fair value calculations and the sensitivity of these calculations to the key inputs are detailed in Note 30 to the financial statements.

**31.9 - Capital management**

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 shareholders through the optimisation of the debt and equity balance. Strong financial capital management is an integral element of the Directors' strategy to achieve the Group's stated objectives. The Directors review financial capital reports on a regular basis and the Group finance function does so on a daily basis ensuring that the Group has adequate liquidity. The Directors' consideration of going concern is detailed in the Directors' Report.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 24 to the financial statements, cash and cash equivalents as disclosed in the cash flow statement and equity attributable to equity holders of the parent as disclosed in the Statement of Changes in Equity.

Notes to the Financial Statements continued

32. Group companies

Key

\* This subsidiary company is exempt from the requirements relating to the audit of individual accounts for the year ended 31 December 2025 by virtue of Section 479A of the Companies Act 2006. M&C Saatchi plc (the "Company") will guarantee the debts and liabilities of the subsidiary company in accordance with Section 479C of the Companies Act 2006.

\*\* Entities where all equity is directly held by the Company. All other subsidiary companies' equity is either in part or wholly held via subsidiaries of the Company.

\*\*\*Subsidiaries of subsidiaries with minorities at multiple levels in which the Company has control.

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
<b>United Kingdom</b>					
M&C Saatchi (UK) Limited*	United Kingdom	03003693	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi Accelerator Limited*	United Kingdom	09660056	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi Export Limited*	United Kingdom	03920028	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi PR Limited*	United Kingdom	07280464	36 Golden Square, London, W1F 9EE	Dormant	100
M&C Saatchi PR (UK) LLP*	United Kingdom	OC362334	36 Golden Square, London, W1F 9EE	Dormant	100
M&C Saatchi Talk Limited*	United Kingdom	04239240	36 Golden Square, London, W1F 9EE	Advertising	100
The Source (London) Limited*	United Kingdom	07140265	36 Golden Square, London, W1F 9EE	Advertising	100
The Source (W1) LLP*	United Kingdom	OC384624	36 Golden Square, London, W1F 9EE	Advertising	90
Clear Ideas Consultancy LLP*	United Kingdom	OC362532	36 Golden Square, London, W1F 9EE	Consulting	100
Clear Ideas Limited*	United Kingdom	04529082	36 Golden Square, London, W1F 9EE	Consulting	100
M&C Saatchi Fluency Limited*	United Kingdom	12853921	36 Golden Square, London, W1F 9EE	Consulting	100
M&C Saatchi Life Limited*	United Kingdom	14338008	36 Golden Square, London, W1F 9EE	Dormant	100
Re Worldwide Ltd*	United Kingdom	10503044	36 Golden Square, London, W1F 9EE	Consulting	100

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
Thread Innovation Limited*	United Kingdom	13510974	36 Golden Square, London, W1F 9EE	Dormant	100
Alive & Kicking Global Limited*	United Kingdom	11250736	36 Golden Square, London, W1F 9EE	Dormant	100
Human Digital Limited*	United Kingdom	07510403	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi World Services LLP*	United Kingdom	OC364842	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi WS .ORG Limited*	United Kingdom	10898282	36 Golden Square, London, W1F 9EE	Issues	100
Tricycle Communications Limited*	United Kingdom	07643884	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi Network Limited* & **	United Kingdom	07844657	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi International Holdings B.V.	United Kingdom	24295679 (FC024340)	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi European Holdings Limited*	United Kingdom	05982868	36 Golden Square, London, W1F 9EE	Dormant	100
M&C Saatchi German Holdings Limited*	United Kingdom	06227163	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi International Limited*	United Kingdom	03375635	36 Golden Square, London, W1F 9EE	Local Central Costs	100
M&C Saatchi Middle East Holcco Limited*	United Kingdom	09374189	36 Golden Square, London, W1F 9EE	Local Central Costs	100
M&C Saatchi Worldwide Limited*	United Kingdom	02999983	36 Golden Square, London, W1F 9EE	Local Central Costs	100
FYND Media Limited*	United Kingdom	10104986	36 Golden Square, London, W1F 9EE	Media	100
M&C Saatchi Mobile Limited*	United Kingdom	05437661	36 Golden Square, London, W1F 9EE	Media	100

Notes to the Financial Statements continued

**32. Group companies continued**

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025	As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
<b>United Kingdom continued</b>						ODD FZ LLC	United Arab Emirates	1497	PO BOX: 769557, Podium Level 3, Yas Creative Hub, Twofour54 Media Free Zone Abu Dhabi, UAE	Advertising	100
M&C Saatchi Merlin Limited*	United Kingdom	03422630	36 Golden Square, London, W1F 9EE	Passions & PR	100						
M&C Saatchi Social Limited* **	United Kingdom	09110893	36 Golden Square, London, W1F 9EE	Passions & PR	100						
M&C Saatchi Sport & Entertainment Limited*	United Kingdom	03306364	36 Golden Square, London, W1F 9EE	Passions & PR	100	World Services Middle East FZ-LLC	United Arab Emirates	102798	309, Third Floor, Thuraya 1, Dubai, United Arab Emirates	Issues	100
M&C Saatchi Football Limited*	United Kingdom	14970667	36 Golden Square, London, W1F 9EE	Passions & PR	51	M & C Saatchi Group Services (Pty) Ltd	South Africa	2024/038164/07	02 De Smidt Street, De Waterkant, Cape Town 8001, South Africa	Local Central Costs	100
The Women's Sports Group Limited*	United Kingdom	12082413	36 Golden Square, London, W1F 9EE	Passions & PR	100	M&C Saatchi Sport and Entertainment Sports Events Marketing LLC	United Arab Emirates	1771408	PO Box: 478441, Dubai, United Arab Emirates	Passions & PR	90
<b>Europe</b>											
M&C Saatchi Advertising GmbH	Germany	95484	Munzstrasse 21-23, 10178, Berlin, Germany	Dormant	100	Asia					
M&C Saatchi Digital GmbH	Germany	137809	Munzstrasse 21-23, 10178, Berlin, Germany	Dormant	100	Design Factory Sdn Bhd	Malaysia	201001034805	No. 15B, 2nd Floor, Jalan Tengku Ampuan, Zatedah F9/F, Section 9, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia	Advertising	100
M&C Saatchi PR S.r.L	Italy	IT08977250961	V.Le Monte Nero 76, Milano, 20135, Italy	Advertising	100						
M&C Saatchi SpA	Italy	IT07039280966	V.Le Monte Nero 76, Milano, 20135, Italy	Advertising	100						
M&C Saatchi Sport & Entertainment Benelux B.V.	Netherlands	76666670	Bloemgracht 135 B, 1016KL, Amsterdam	Passions & PR	100	M&C Saatchi Advertising (Shanghai) Limited	China	9130000740556813A	Room 248, Floor 2, Unit 5, No.11, Wanghang Road, New Lingang Area, China (Shanghai) Pilot Free Trade Zone, China	Ceased trading	80
M&C Saatchi GmbH	Germany	142905	Brunnenstraße 9, 10119 Berlin, Germany	Passions & PR	100						
<b>Middle East and Africa</b>											
M&C Saatchi FZ LLC	United Arab Emirates	177	PO Box: 77932, Abu Dhabi, United Arab Emirates	Advertising	100	M&C Saatchi (Hong Kong) Limited	Hong Kong	509500	Rm 2610, 26/F Prosperity, Millennia Plaza, 663 King's Rd, North Point, Hong Kong	Dormant	80
M&C Saatchi Middle East FZ LLC	United Arab Emirates	30670	3rd and 9th Floor, Al Thuraya Tower 1, Dubai Media City, Dubai United Arab Emirates	Advertising	100						
M&C Saatchi Arabia Limited	Saudi Arabia	1010834732	6299 Saif Al Dawlah Al Hamdani, Al Zahra District, 12815, Riyadh, Saudi Arabia	Advertising	100	M&C Saatchi Communications Pvt Limited	India	U74300DL2005PTC141682	Flat No.270-D, Pocket C Mayur Vihar Phase II, New Delhi, 110091, India	Dormant	94.8

Notes to the Financial Statements continued

32. Group companies continued

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025	As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
<b>Asia continued</b>											
Scarecrow M&C Saatchi Limited**	India	U22190MH2008PLC188548	2nd Floor, Kamani Chambers 32 Ramjibhai Kamani Marg, Ballard Estate Mumbai, Mumbai City, MH 400038 IN, India	Advertising	51	M&C Saatchi Mobile India LLP	India	AAK-8869	141b First Floor, Cl House Shahpur Jat, New Delhi, 110049, India	Media	100
M&C Saatchi (M) Sdn Bhd	Malaysia	606116-D	No.15b, 2nd Floor, Jalan Tengku Ampuan, Zabadah F9/F, Section 9, 40100 Shah Alam, Selangor, Malaysia	Advertising	100	M&C Saatchi Mobile Asia Pacific Pte Limited	Singapore	201410399M	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Media	100
Watermelon Production Sdn Bhd	Malaysia	1083441-M	No.15b, 2nd Floor, Jalan Tengku Ampuan, Zabadah F9/F, Section 9, 40100 Shah Alam, Selangor, Malaysia	Advertising	100	PT MCSaatchi Mobile Indonesia	Indonesia	2212230035592	Epicentrum walk 3rd Floor A 306 – A 307, Kawasan Rasuna Epicentrum Jl. HR. Rasuna Said, Desa/Kelurahan Karet Kuningan, Kec. Setiabudi, Kota Adm. Jakarta Selatan, Provinsi DKI Jakarta, Kode Pos: 12940.	Media	99
M&C Saatchi World Services Pakistan (Pvt) Ltd	Pakistan	0081911	48m, Block 6, P.Ec.H.S, Karachi, Pakistan	Issues	51	<b>Australia</b> Greenhouse Australia Pty Limited	Australia	629584121	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100
M&C Saatchi (S) Pte Limited	Singapore	199504816C	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Dormant	100	M&C Saatchi Melbourne Pty Limited	Australia	004777379	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100
Clear Ideas (Singapore) Pte Limited	Singapore	201020335R	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Consulting	100	M&C Saatchi Sydney Pty Limited	Australia	637963323	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100
Clear Asia Limited	Hong Kong	1289028	6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Dormant	100						
M&C Saatchi World Services (Singapore) Pte Limited	Singapore	202104508W	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Issues	100						
M&C Saatchi Asia Limited	Hong Kong	1959819	Rm 2610, 26/F Prosperity, Millennia Plaza, 663 King's Rd, North Point, Hong Kong	Dormant	100						

Notes to the Financial Statements continued

**32. Group companies continued**

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025	As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
<b>Australia continued</b>						<b>Americas</b>					
Resolution Design Pty Limited	Australia	621985288	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100	Agência Digital Zeroacem Ltda***	Brazil	NIRE-3522979148	Avenida Paulista, 2202, 7º andar, conj. 71, sala F, Bairro Cerqueira Cesar, São Paulo-SP, CEP 01310-932	Advertising	65
The Source Insight Australia Pty Limited	Australia	618841928	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100	CSZ Comunicação Ltda	Brazil	03.910.644/001-05	Avenida Paulista, 2202, 7º andar, conj. 71, sala F, Bairro Cerqueira Cesar, São Paulo-SP, CEP 01310-932	Advertising	75
This Film Studio Pty Limited	Australia	624003541	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	70	Lily Participações Ltda	Brazil	21.188.539/001-96	Avenida Brigadeiro Faria Lima, 1355, Jardim Paulistano 16 Andar, Sal, Sao Paulo, 01452-919, Brazil	Advertising	100
Tricky Jigsaw Pty Limited	Australia	069431054	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Advertising	100	M&C Saatchi, S.A. DE. C.V	Mexico	N-2017052183	Darwin 74, Piso 1, Miguel Hidalgo, 11590 Ciudad de México, CDMX, Mexico	Advertising	51
Re Team Pty Limited	Australia	105887321	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Consulting	100	Santa Clara Participações Ltda	Brazil	09.349.720/001-31	Avenida Paulista, 2202, 7º andar, conj. 71, sala F, Bairro Cerqueira Cesar, São Paulo-SP, CEP 01310-932	Advertising	75
Yes Agency Pty Limited	Australia	621425143	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Consulting	100						
World Services (Australia) Pty Limited	Australia	629191420	C/O Walker Wayland Services Pty Ltd, Suite 11.01, Level 11, 60 Castlereagh Street, Sydney NSW, Australia	Issues	100						
M&C Saatchi Agency Pty Limited	Australia	069431054	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Local Central Costs	100						
M&C Saatchi Asia Pac Holdings Pty Limited	Australia	097299020	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Local Central Costs	100						
Bohemia Group Pty Limited	Australia	154100562	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Ceased trading	100						
M&C Saatchi Sport & Entertainment Pty Limited	Australia	139568102	Level 20, 25 Martin Place, Sydney, NSW, 2000, Australia	Passions & PR	100						

Notes to the Financial Statements continued

**32. Group companies continued**

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
<b>Americas continued</b>					
Shepardson Stern + Kaminsky LLP	USA	4656653	80 State Street, Albany, 12207-2543, New York, USA	Advertising	100
Clear USA LLC	USA	20-8599548	138 West 25th Street, Floor 5, New York, 10001, USA	Consulting	100
LIDA NY LLP (MCD PARTNERS)	USA	4902983	138 West 25th Street, Floor 5, New York, NY 10001, USA	Consulting	80
Clear LA LLC	USA	6241713	2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Dormant	100
Clear NY LLP	USA	30-0891764	1209 Orange Street Wilmington, Delaware 19801, USA	Dormant	100
World Services US Inc.	USA	C2543767	88 Pine Street, 30th Floor, New York 10005, USA	Issues	100
M&C Saatchi Agency, Inc.	USA	13-3839670	304 East 45th Street, New York, 10017, USA	Local Central Costs	100
M&C Saatchi Mobile LLC	USA	45-3638296	2032 Broadway, Santa Monica California, 90404 USA	Media	100
M&C Saatchi Sport & Entertainment LA LLC	USA	6369786	874 Walker Road Suite C, Dover, Kent, Delaware 19904, USA	Passions & PR	100
M&C Saatchi Sport & Entertainment NY LLP	USA	46-5182795	160 Greentree Drive, Suite 101, Dover, Kent, Delaware, 19904, USA	Passions & PR	100

**Associate entities**

Entities in which the Group holds less than 50% of the share capital and that are accounted for as associates (Note 16).

As at 31 December 2025	Country	Company number	Registered office address	Specialism	Effective % ownership 2025
Love Frankie Limited	Thailand	105557000000	571 Rsu Tower, 10th Floor, Soi Sukhumvit 31, Sukhumvit Road, Wattana District, Bangkok, Thailand	Advertising	25
M&C Saatchi SAL	Lebanon	1010949	Quantum Tower, Charles Malek Avenue, St Nicolas, Beirut, Lebanon	Advertising	10
M&C Saatchi Limited	Japan	0110-01-060760	1-26-1 Ebisu-Nishi, Shibuya-Ku, Tokyo 150-0021, Japan	Advertising	10
February Communications Pvt Limited	India	U74999DL2012PTC233245	141b First Floor, CI House Shahpur Jat, New Delhi, 110049, India	Advertising	20
M&C Saatchi AB	Sweden	556902-1792	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30
M&C Saatchi Go! AB	Sweden	559076-6076	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30
M&C Saatchi PR AB	Sweden	559103-4201	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30

## Notes to the Financial Statements continued

**33. Related party transactions****Key management remuneration**

Audited details on Directors' remuneration is disclosed in the Directors' Remuneration Report on page 86.

**Other related parties**

During the year, the Group made purchases of £627k (2024: £283k) from its associates. At 31 December 2025, £44k was due to associates in respect of these transactions (2024: £12k).

During the year, £32k (2024: £508k) of fees were charged by Group companies to associates. At 31 December 2025, associates owed Group companies £7k (2024: £318k).

On 30 September 2025, 100% of the share capital of The Women's Sports Group Limited ("WSG"), was purchased by the Group for a total consideration of £1,130k, refer to Note 11 to the financial statements. Of the total consideration paid, £356k was paid to Dame Heather Rabbatts who was a shareholder of WSG and was the Company's Non Executive Chair at the time.

**34. Commitments****Capital commitments**

At the year end, the Group did not have committed costs (2024: £nil) to acquire property, plant and equipment.

Other than the normal contractual commitments to staff and the commitment to complete profitable projects for clients, the Group does not have any other material commitments that are not reflected on the balance sheet.

**35. Post-balance sheet events**

On 27 February 2026, the Group disposed of its interest in each of its Malaysian subsidiaries; M&C Saatchi (M) Sdn. Bhd, Design Factory Sdn. Bhd and Watermelon Production Sdn. Bhd for consideration of £100k.

On 9 March 2026, the Company commenced a share buyback programme to purchase its own ordinary shares pursuant to the authority granted by shareholders at the 2025 Annual General Meeting.

On 9 March 2026, the Company announced changes to its Board. Zaid Al-Qassab stepped down from the Board and left his position as Chief Executive Officer on 31 March 2026. Following his departure, Dame Heather Rabbatts assumed the role of interim Executive Chair with effect from 1 April 2026. Vinodka Murria was appointed as Non-Executive Director and Deputy Chair, and Nicholas Shott was appointed as an independent Non-Executive Director, both with effect from 9 March 2026.

The Directors are not aware of any other events since the end of the financial year that have had, or may have, a significant impact on the Group's operations, the results of those operations, or the state of affairs of the Group in future years.

**36. New and revised standards issued but not yet effective**

In the current year, the following standards and interpretations became effective:

- Amendments to IAS 21 – Lack of Exchangeability

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not yet effective:

New IFRS 18	Presentation and Disclosures in Financial Statements
New IFRS 19	Subsidiaries without Public Accountability Disclosures
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments

With the exception of IFRS 18, which could alter the presentation of the Income Statement, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

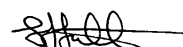
## COMPANY BALANCE SHEET

At 31 December	Note	2025 £000	2024 £000
<b>Non-current assets</b>			
Investments	38	117,854	120,697
Deferred tax		635	635
Amounts due from subsidiary undertakings	42	137,139	120,748
Other non-current assets	41	522	647
		<b>256,150</b>	<b>242,727</b>
<b>Current assets</b>			
Trade and other receivables	40	5,900	3,158
Cash and cash equivalents		2,151	975
		<b>8,051</b>	<b>4,133</b>
<b>Current liabilities</b>			
Trade and other payables	41	(86,703)	(68,897)
Put option liability	28	-	-
Bank loans	24	-	-
		<b>(86,703)</b>	<b>(68,897)</b>
<b>Net current liabilities</b>		<b>(78,652)</b>	<b>(64,764)</b>
<b>Total assets less current liabilities</b>		<b>177,498</b>	<b>177,963</b>
<b>Non-current liabilities</b>			
Amounts due to subsidiary undertakings		-	(4)
Employment benefit provision		(569)	(573)
Bank loans	24	(7,366)	(13,399)
		<b>(7,935)</b>	<b>(13,976)</b>
<b>Total net assets</b>		<b>169,563</b>	<b>163,987</b>
<b>Capital and reserves</b>			
Share capital	46	1,227	1,227
Share premium		50,327	50,327
Merger reserve		71,116	71,116
Treasury reserve		(550)	(550)
Share option reserve		2,315	3,055
Share based payment reserve		31,114	31,114
Profit and loss account		14,014	7,698
<b>Shareholders' funds</b>		<b>169,563</b>	<b>163,987</b>

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The result for the Company for the year ended 31 December 2025 was a profit after tax of £8,670k (2024: loss of £2,481k).

The notes on pages 148 to 150 form part of these financial statements.

These Company financial statements on pages 146 to 150 were approved and authorised for issue by the Board on 19 April 2026 and signed on its behalf by:



**SIMON FULLER**  
Chief Financial Officer

19 April 2026

M&C Saatchi plc  
Company number 05114893

## COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	Share option reserve £000	Share-based payment reserve £000	Profit and loss account £000	Total £000
<b>At 31 December 2023</b>	<b>1,227</b>	<b>50,327</b>	<b>71,116</b>	<b>(550)</b>	<b>2,157</b>	<b>31,114</b>	<b>12,127</b>	<b>167,518</b>
Tax on share option	-	-	-	-	44	-	-	44
Exercise of share option	-	-	-	-	(341)	-	-	(341)
Share option charge	-	-	-	-	1,195	-	-	1,195
Dividends paid	-	-	-	-	-	-	(1,948)	(1,948)
Total transactions with owners	-	-	-	-	898	-	(1,948)	(1,050)
Total comprehensive (loss) for the year	-	-	-	-	-	-	(2,481)	(2,481)
<b>At 31 December 2024</b>	<b>1,227</b>	<b>50,327</b>	<b>71,116</b>	<b>(550)</b>	<b>3,055</b>	<b>31,114</b>	<b>7,698</b>	<b>163,987</b>
Exercise of share option	-	-	-	-	(740)	-	-	(740)
Dividends paid	-	-	-	-	-	-	(2,354)	(2,354)
Total transactions with owners	-	-	-	-	(740)	-	(2,354)	(3,094)
Total comprehensive profit for the year	-	-	-	-	-	-	8,670	8,670
<b>At 31 December 2025</b>	<b>1,227</b>	<b>50,327</b>	<b>71,116</b>	<b>(550)</b>	<b>2,315</b>	<b>31,114</b>	<b>14,014</b>	<b>169,563</b>

The notes on pages 148 to 150 form part of these financial statements.

## NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 37. General information and accounting policies

The Company acts as the holding company of the Group. The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange and is domiciled and incorporated in England and Wales with registered number 05114893. The address of its registered office is 36 Golden Square, London, W1F 9EE, England.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, under the historical cost convention, in accordance with the reduced disclosure framework of FRS101. They have been prepared on a going concern basis, further details of which are in the Directors' Report on page 91.

In adopting the reduced disclosure framework of FRS101, the Company has taken advantage of the following exemptions from disclosure:

- The cash flow statement and related notes.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new but not yet effective IFRSs.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of the Group. These parent financial statements do not include certain disclosures in respect of:

- Share-based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment.
- Financial instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures.
- Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

#### Accounting policies applied

The Company applies the Group accounting policies as well as the following principal accounting policies. These have been applied consistently and there were no new policies adopted within the year:

##### a. Valuation of investments

Investments are stated at cost, less any provision for impairment.

##### b. Pensions

Contributions to personal pension plans are charged to the profit and loss account in the period in which they are due.

##### c. Share-based payments in Company

The cost of awards to employees of subsidiary entities, classified as conditional share awards, is accounted for as an additional investment in the employing subsidiary. When such awards are recharged to employing or acquiring entities, the investment in the Company's books is reduced by the value of equity awarded. In the event that this additional investment in the subsidiary is impaired, then there is an equal and opposite release from share-based payment reserve.

##### d. Dividends

Both interim dividends and final dividends are recorded in the period once they are declared, due and are payable. Disclosure of dividend activity can be found in Note 10 to the financial statements.

##### e. Treasury shares

When the Company reacquires its own equity instruments, those instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's treasury shares. Such treasury shares may be acquired and held by the Company or by other members of the Group. Consideration paid or received is recognised directly in equity.

##### f. Expected credit losses

Amounts owed by subsidiaries are recorded at amortised cost and are reduced by ECLs. Under IFRS 9 Financial Instruments, the ECLs are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

#### Key judgements

Management has made the following judgements, which have the most significant effect in terms of the amounts recognised, and their presentation, in the Company's financial statements.

##### Debt due from subsidiary undertakings

Debt due from other Group companies can be deemed to be either a quasi-investment under IAS 27 or an intercompany receivable under IFRS 9. Most of this debt balance has been assessed as an intercompany receivable under IFRS 9.

Where such debt is accounted for under IFRS 9, judgement is applied to assess whether the Company expects repayment of amounts which are technically due on demand within the next year, in which case the receivable is classified as current or whether it is not, in which case the receivable will be classified as non-current.

Notes to the Company Financial Statements continued

**37. General information and accounting policies continued**

**Key estimates**

Some areas of the Company's financial statements are subject to key assumptions and other significant sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared.

**Recoverability of amounts due from subsidiary undertakings**

Estimates on the future recoverability of intercompany receivables are based on underlying profitability and cash generation, in addition to the substance of the agreements, and can include subsequent asset sales by the debtor being used to clear the amounts due to the parent.

**Valuation of investments**

Estimates are made on the future value of investments, based on the lower of value in use and net realisable value. This assessment is performed after any debt from entities has been recovered. Impairments are made where necessary.

**38. Investments**

	2025 £000	2024 £000
<b>At 1 January</b>	<b>120,697</b>	<b>127,459</b>
Subsidiary loan capitalisation	2,716	-
Disposal of shares in subsidiary	(2,716)	(1,112)
Put option revaluation	-	(17)
Reclassification to other non-current assets (Note 39)	-	(563)
Transfer to other Group companies	(1,857)	-
Impairment charge	(986)	(5,070)
<b>At 31 December</b>	<b>117,854</b>	<b>120,697</b>

The value-in-use calculations has been based on the forecast profitability based on the 2025 Board-approved budget and three-year plans, with a residual growth rate of 2% per annum applied thereafter. This forecast data is based on past performance and current business and economic prospects. This data is then applied to a DCF, which forms the basis for determining the recoverable amount of each investment and has led to the recognition of the impairment charge shown in the table above.

The impairment charge in the current year is driven by changes in the expectations of future results in relation to one subsidiary, as a result of the competitive trading environment.

The direct and indirect subsidiary undertakings are listed in Note 32 to the financial statements.

**39. Other non-current assets**

	2025 £000	2024 £000
Loans to associate companies	-	563
Intangible assets under construction	515	-
Other	7	84
<b>Total</b>	<b>522</b>	<b>647</b>

**40. Trade and other receivables**

	2025 £000	2024 £000
Amounts due less than one year	590	-
Trade debtors	861	162
Prepayments	3,700	2,677
Corporation tax group relief	749	319
Other receivables	5,900	3,158
<b>Total</b>	<b>5,900</b>	<b>3,158</b>

**41. Trade and other payables**

	2025 £000	2024 £000
Trade creditors	(124)	(839)
Amounts due to subsidiary undertakings*	(84,860)	(66,098)
Accruals	(887)	(1,898)
Sales taxation and social security payables	(821)	(62)
Other creditors	(11)	-
<b>Total</b>	<b>(86,703)</b>	<b>(68,897)</b>

\* Repayable on demand.

Notes to the Company Financial Statements continued

**42. Amounts due from subsidiary undertakings**

Amounts due from subsidiary undertakings are repayable on demand. However, agreements are in place between subsidiary companies that state that such repayments will not be due until the underlying investments of the subsidiary company are sold or realised. Due to these agreements the amounts due from subsidiary undertakings have been defined as long term.

Amounts receivable from subsidiary undertakings include receivables relating to exercised put options. As detailed in Note 1 and Note 26 to the consolidated financial statements, the Group has a number of put option arrangements in place. The put options give these employees a right to exchange their minority holdings in the subsidiary into shares in the Company or cash (at the Group's choice).

	2025 £000	2024 £000
Amounts due from subsidiary undertakings	137,139	120,748

The amounts due from subsidiary undertakings are net of the ECL of £9,432k (2024: £16,173k) that have been provided against these balances. The annual review of the ECL provision took into account trading performance, the reorganisations taking place and likely future performance. The charge to the income statement in relation to the expected credit loss provision for 2025 was a release of £4,380k (2024: charge £4,522k).

**43. Staff costs**

Staff costs (including Directors) comprise:

Year ended 31 December	2025 £000	2024 £000
Wages and salaries	3,841	3,608
Social security costs	500	324
Other pension costs	85	56
Other staff benefits	3	22
	4,429	4,010
Staff numbers	41	11

Staff numbers are based on monthly average staff.

**Directors' remuneration**

	2025 £000	2024 £000
Directors' salaries and benefits	1,517	1,451
Pension costs	66	57
Annual bonus	-	248

	2025 £000	2024 £000
Total remuneration before accounting charges	1,583	1,756
Long-term incentives	-	-
Total	1,583	1,756

	2025 £000	2024 £000
The highest paid Director earned:		
Director's salary and benefits	596	385
Pension costs	42	15
Annual bonus	-	175
Long-term incentives	-	-
Total	638	575

The number of Directors with a money purchase pension scheme during the year was nil (2024: 2).

The Directors are the key management personnel of the Company.

Additional details with regard to Directors' remuneration, as required by Rule 19 of the AIM rules, can be found in the Directors' Remuneration Report on page 86.

**44. Related parties**

During the year, the Company charged a management recharge to subsidiaries of nil (2024: nil).

Further details of related parties of the Company are provided in Note 33 to the financial statements.

**45. Post-balance sheet events**

On 9 March 2026, the Company commenced a share buyback programme to purchase its own ordinary shares pursuant to the authority granted by shareholders at the 2025 Annual General Meeting.

On 9 March 2026, the Company announced changes to its Board. Zaid Al-Qassab stepped down from the Board and left his position as Chief Executive Officer on 31 March 2026. Following his departure, Dame Heather Rabbatts assumed the role of interim Executive Chair with effect from 1 April 2026. Vinodka Murria was appointed as Non-Executive Director and Deputy Chair, and Nicholas Shott was appointed as an independent Non-Executive Director, both with effect from 9 March 2026.

Subsequent to the year end there have been no material events specific to the Company requiring disclosure. Those items relevant to the Group are disclosed in Note 35 to the financial statements.

**46. Share capital**

Movements in the Company's share capital can be found at Note 29 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M&C SAATCHI PLC

## Report on the audit of the financial statements

### Opinion

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, the Group's loss 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 M&C Saatchi 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 income statement and consolidated statement of other comprehensive income	
Consolidated balance sheet	Company balance sheet
Consolidated statement of changes in equity	Company statement of changes in equity
Consolidated cash flow statement	
Notes 1 to 37 to the consolidated financial statements	Notes 38 to 47 to the company 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.

### 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:

- Evaluating the appropriateness of the going concern assessment performed by the Directors with regard to the requirements of the applicable financial reporting framework, including the period covered;
- Testing the mathematical accuracy of the going concern model prepared by the Directors and the underlying calculations used within it;
- Verifying the level of cash and debt held by the group as at 31 December 2025 and movements post year end;
- Discussing and challenging the Directors' financial forecasts and the underlying key assumptions at a group wide level and specifically in certain underlying subsidiaries for which visibility and therefore certainty over future financial performance was more limited. In the course of this work, we evaluated whether expectations for growth in revenue, costs and profits based on key customer revenue assumptions, margins and cost trends were reasonable. We have obtained evidence supporting the reasonableness of key assumptions including internal documentation and third party evidence;
- Evaluating the suitability of the sensitivities applied, in the severe but plausible scenarios and reverse stress test that were performed by the Directors;
- Determining whether under the severe but plausible scenarios the Group and Parent Company can comply with its covenants and remain within the available facility headroom under their banking arrangements, and whether the reverse stress test scenario is highly unlikely as the Directors consider it to be;
- Challenging on the impact of macroeconomic events such as the conflict in the Middle East on the entity's going concern forecasts; and
- Checking the adequacy of disclosures made in the annual report in respect of going concern, by comparing the actual process followed by the Directors to the information disclosed on page 91.

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

Independent Auditor’s Report to the Members of M&C Saatchi plc continued

In relation to the Group’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

**Overview**

		2025	2024
<b>Key audit matters</b>	Revenue Recognition – fixed fee open projects	X	x
	Goodwill Impairment	X	x
<b>Materiality</b>	Group financial statements as a whole		
	£0.97m (2024: £1.52m) based on 5% (2024: 5%) of like-for-like profit before taxation.		

**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 in scope**

The M&C Saatchi plc group consists of 47 components (96 entities), which include subsidiaries, and other business units. These components are structured to align with the Group’s operational and reporting framework, reflecting its operations across multiple jurisdictions.

The Group’s components are organised based on geographical and operational significance, with certain entities acting as sub-consolidation hubs to facilitate financial reporting and control. The control environment varies across the Group, influenced by local regulatory requirements, operational complexity, and the degree of oversight exercised by management and the corporate office. While the Group maintains centralised governance and financial controls, specific components operate under different regulatory and compliance frameworks, necessitating tailored audit approaches to address inherent risks effectively.

As part of performing our Group audit, we have determined the components in scope as follows:

The primary operations of the group are concentrated within the World Services, Performance Agencies, and Australia components. In addition, a statutory audit will be completed on M&C Saatchi plc. Specific procedures are then completed over other agencies. Please refer to table included below.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures
- procedures on one or more classes of transactions, account balances or disclosures
- specific audit procedures

**Procedures performed at the component level.**

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component Name	Group Audit Scope
World Services	Procedures on the entire financial information of the component, including performing substantive procedures
Performance Agencies	Procedures on the entire financial information of the component, including performing substantive procedures
Australia	Procedures on the entire financial information of the component, including performing substantive procedures
Agencies	Procedures on one or more classes of transactions, account balances or disclosures:
<ul style="list-style-type: none"> <li>• Dubai (also referred to as the Middle East component, including Abu Dhabi)</li> <li>• Dune 23</li> <li>• UK Worldwide</li> <li>• Italy</li> <li>• UK Agency</li> <li>• S&amp;E UK</li> <li>• SS+K</li> <li>• Brazil</li> <li>• Malaysia</li> <li>• World Services Pakistan</li> </ul>	Dubai – Accrued revenue, Deferred revenue, Open and closed revenue, cost of sales and Management Override of Controls Dune 23 – Revenue and Management Override of Controls UK Worldwide – Deferred charges and expenses, Italy – Accounts receivable and cash UK Agency – Accrued revenue, deferred revenue, open and closed revenue, payroll, and Management Override of Controls S&E UK – Accrued revenue, deferred revenue, open and closed revenue, and Management Override of Controls SS+K – Deferred charges, accrued revenue, deferred revenue, open and closed revenue and Management Override of Controls Brazil – Cash Malaysia – Cash

Independent Auditor's Report to the Members of M&C Saatchi plc continued

Component Name	<b>Group Audit Scope</b> World Services Pakistan – CashSS+K – Deferred charges, accrued revenue, deferred revenue, open and closed revenue and Management Override of Controls
Plc	Statutory audit and procedures on one or more classes of transactions, account balances or disclosures – Cash, borrowings, interest received/paid and taxation
All other components	Analytical review procedures

**Procedures performed centrally**

We considered there to be a high degree of centralisation of financial reporting, commonality of controls, and similarity of the group's activities and business lines in relation to Goodwill, Right of use assets and liabilities, Share Capital and Reserves, Taxation, Share based payments, Related Party Balances/Transactions, and Going Concern. We therefore designed and performed procedures centrally in these areas.

**Disaggregation**

The financial information relating to key RMMs such as revenue are highly disaggregated across the group. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of group balances. We also included an element of unpredictability when selecting components for testing.

**Locations**

M&C Saatchi Plc's operations are spread over a number of different geographical locations (United Kingdom, Australia, and USA, for example). We visited Australia, South Africa and the USA as part of the procedures performed.

**Changes from the prior year**

There were no significant changes from prior year, with the exception of incorporating an element of unpredictability through scoping in one of the newly acquired components.

**Working with other auditors**

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, working directly within the same electronic workspace, reviewing component auditor documentation in person and evaluating the appropriateness of the audit procedures performed and the results thereof.

**How Climate change affected the scope of our audit**

The Group has determined that the most significant future impact from climate change on its operations will be from loss of clients due to not meeting GHG emissions targets. 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 and any other relevant party 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 and Audit & Risk Committee meeting and any other relevant party and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Director's 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.

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

The management disclosures on pages 34 to 38 form part of the strategic report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Independent Auditor's Report to the Members of M&C Saatchi plc continued

**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**

**Revenue recognition – fixed fee open projects**  
Existence and accuracy of open project revenue recognition at the year end due to the level of estimation about the extent to which fixed fee projects in progress have been delivered. The Group's accounting policies are described on page 100 and its disclosures of revenue recognised are provided in note 4.

The Group contracts with its clients and customers in a range of different ways according to the type of advertising and marketing services provided. Across all components scoped in for revenue, we identified a way in which we considered the financial statements may be misstated in the area of revenue recognition. We identified a risk that revenue may be misstated in projects that are not yet complete at the year end ("open projects"). Where projects which commenced before the year end are incomplete at the year end, there is an estimate regarding the level of revenue to recognise on that project based on the percentage of completion. This could give rise to the ability to manipulate the results for a specific period. Given the primary focus on revenue as a key metric and the specific matters noted above, we have considered this to be a Key Audit Matter.

**How the scope of our audit responded to the risk**

Our testing of revenue recognition included the following:

- As revenue recognition on open projects was an area we identified as an elevated risk of misstatement on a group-wide basis, we performed testing, on a sample basis, across eight components.
- We initially tested the classification of customer contracts to ensure appropriate projects were identified as open.
- For a sample of open project revenue, we:
  - Gained an understanding of the contracts, including deliverables and the basis on which the revenue arises, such as milestones, time and materials;
  - Held discussions with project managers to understand the progress of the work;
  - Considered evidence from various sources, including communication with customers, publicly available evidence of events occurring, confirmations from clients of delivery of work and other evidence that an appropriate amount of revenue had been recognised;
  - Given the confidential nature of some projects we obtained customer confirmation as well supporting assessments from management and in house legal representatives to assess

**Key audit matter**

**Goodwill Impairment**

Refer to Note 15 of the financial statements for the accounting policies and further information.

Note we did not consider this to be a significant risk but an area that requires a significant amount of focus and time from the engagement team.

The Group holds a large amount of Goodwill, which is allocated to Cash Generating Units (CGUs). The Group recognised an impairment of Goodwill amounting to £1.5m. In accordance with the applicable financial reporting framework, Goodwill is to be tested for impairment at each reporting period. We identified a significant risk of error that Goodwill could be incorrectly identified as not impaired due to the level of estimation within the Value in use calculation and inputs such as discount rates, and long-term growth rates and net cash projections. The impairment test also involves significant management judgement in future revenue and cost assumptions. Errors in the impairment model could fail to identify when recoverable amount is less than the carrying amount of the Cash Generating Unit (CGU).

**How the scope of our audit responded to the risk**

the overall delivery and recognition of the projects; and

- Performed recalculations of accrued and deferred revenue to ensure this was appropriate accounted for.

**Key observations:**

We had no material findings in respect of the treatment of open projects. Our testing of the goodwill impairment included the following:

- Evaluated the design and implementation of relevant controls in place to mitigate the risk identified.
- Reviewed management's assessment of the value of each CGU to assess if balances are held at appropriate value. The opening balance of Goodwill associated with each CGU was agreed to the amount recognised in the prior year. The Net Assets was agreed to the audited consolidation workings.
- With the assistance of our internal specialist teams, we assessed and challenged the methodology and inputs used by management, to determine whether they are reasonable and result in a materially accurate valuation. We assessed the valuation methodologies and inputs against best practice and external market evidence.
- Reviewed management's analysis of expected future performance and discounted cash flows to support the recoverable amount. We obtained management's forecasts and budgets, and interrogated the assumptions used by management in preparing these budgets against our understanding of the entity and available macroeconomic data, to determine if they are reasonable.
- Challenged the allocation of goodwill to specific CGUs by checking against the requirements of the applicable standard.

Independent Auditor's Report to the Members of M&C Saatchi plc continued

Key audit matter

Given the number of estimates and judgement required, the impairment recognised during the year, and the potential for significant errors, we considered this to be a Key Audit Matter.

How the scope of our audit responded to the risk

- Assessed the sensitivities of discount rates, long-term growth rates and net cash projections to evaluate their impact on the impairment assessment performed by management.
- Assessed if appropriate disclosures have been made within the financial statements by checking against the requirements of the applicable standard.
- Considered the consistency of the forecasts used in the Goodwill impairment model with other areas such as Going concern and Put options.

Key observations:

We have not identified any indicator to suggest that the Goodwill impairment assessment is not appropriate.

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 £m	2024 £m	2025 £m	2024 £m
<b>Materiality</b>	<b>0.97</b>	<b>1.52</b>	<b>5.25</b>	<b>1.49</b>
<b>Basis for determining materiality</b>	5% of LFL profit before tax (2024: 5% Headline profit before tax)		5% of Net Asset year end	95% of Group Materiality
<b>Rationale for the benchmark applied</b>	We consider this to be the most appropriate benchmark since this removes the impact of certain items from underlying profit that are not part of routine business income and expenses, as explained in note 1 to the financial statements and the basis of management incentives. Like-for-Like (LFL) report is also a driver of a key measure of the Group's performance. Given the changing structure of the group management have considered LFL rather than the previously reported Headline to be the primary focus.		The entity is the parent company, is also a non-trading entity and is at the top of the group structure which holds all major loans and investments. Net Assets is thus an appropriate benchmark as this reflects the financial stability and value of the parent's equity, aligning with stakeholder interests.	The Parent Company was given a specific materiality that is capped at a percentage of Group materiality to respond to aggregation risk.
<b>Performance materiality</b>	<b>0.61</b>	<b>1.07</b>	<b>3.28</b>	<b>1.05</b>
<b>Basis for determining performance materiality</b>	We set performance materiality at 62.5% (2024: 70%) of overall materiality.			
<b>Rationale for the percentage applied for performance materiality</b>	In reaching our conclusion on the level of performance materiality to be applied for 2025 we considered a number of factors including the expected total value of known and likely misstatements (based on past experience), our knowledge of the group's internal controls and management's attitude towards proposed adjustments.			

Independent Auditor's Report to the Members of M&C Saatchi plc continued

**Component performance materiality**

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above and components with no aggregation risk whose performance materiality is set at 95% of group PM, based on a percentage of between 30% and 60% (2024: 20% and 55% ) of Group performance materiality dependent on a number of factors including public interest in components within the group, potential significant or elevated risks of material misstatements at the component, Control environment, Expectations about the nature, frequency, and magnitude of misstatements in the component financial information , Extent of disaggregation of the financial information across components , Relative size of components , New component to the group , Significant changes affecting the component since prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £0.18m to £0.35m (2024: £0.22m to £0.61m).

**Reporting threshold**

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £48,000 (2024: £76,000). 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 'Annual Report and Accounts' 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.

**Corporate governance statement**

As the Group has voluntarily adopted the UK Corporate Governance Code, we are required to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

**Going concern and longer-term viability**

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 91;
- The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 91; and
- The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 91.

**Other Code provisions**

- Directors' statement on fair, balanced and understandable set out on page 96;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 39;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 73; and
- The section describing the work of the Audit and Risk Committee set out on page 73

Independent Auditor's Report to the Members of M&C Saatchi plc continued

**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.

**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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

**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 and those charged with governance and the Audit and Risk Committee; 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, UK and international direct, indirect and employment tax legislation, AIM Listing Rules, the Companies Act 2006, the Corporate Governance Code 2018, The Working Time Directive, Minimum Wage Laws, Equal Opportunities, Health and Safety, General Data Protection Regulation (GDPR), and the Bribery Act.

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 the Health and Safety and the Bribery Act 2010 and equivalent legislation and regulation where the Group has overseas operations. In addition, changes to legislation affecting all UK companies such as tax legislation and developments can give rise to contingent or actual liabilities in the event of non-compliance.

Independent Auditor's Report to the Members of M&C Saatchi plc continued

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Enquires of the legal team of the Group and the Parent Company;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondences with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

**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 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;
- 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 inappropriate journal entries relating to revenue recognition, inappropriate costs being recognised in PPE/Intangibles and the exertion of bias in accounting estimates.

Our procedures in respect of the above included:

- challenging the assumptions and judgements made by management in their significant
- accounting estimates which are disclosed on page 100, through examination and assessment of contradictory as well as corroborative evidence that we researched independently as well as received from the Group; recalculation of certain financial metrics for example in relation to our testing of discount rates and through sensitivity analysis where applicable;
- identifying and testing a sample of journal entries, in particular journal entries posted with unusual account combinations, to supporting documentation;

- reviewing minutes of board and board committee meetings from throughout the year including, where relevant, any whistleblowing reports received;
- testing of the consolidation including a sample of adjustments at the consolidation level to supporting documentation; and
- performing the procedures as set out in the Key Audit Matters section of our report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors 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. For component auditors, we also reviewed the result of their work performed in this regard.

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](http://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.

**Matthew Haverson (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
19 April 2026

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

## ADDITIONAL INFORMATION

### Glossary

<b>Billings</b>	Billings comprise all gross amounts billed or billable to clients in respect of commission-based and fee-based income, whether acting as agent or principal, together with the total of other fees earned, in addition to those instances where the Group has made payments on behalf of customers to third parties. It is stated exclusive of VAT and sales taxes. This is a non-Statutory figure and is unaudited.	<b>Minority interests and non-controlling interest</b>	Within the Group, there are a number of subsidiary companies and partnerships in which employees hold a direct interest in the equity of those companies. These employees are referred to as minority shareholders. Of these subsidiary companies and partnerships, the majority account for the shareholding of their minority shareholders as a management incentive (through the award of dividends) and are 100% consolidated in the Group's financial statements, showing all cost related to the scheme as staff cost (in LFL results only we treat all flows as if they were minorities, with the minorities share of profit reducing profit after tax and reducing LFL profit attributable to equity holders of the Group, so it is consistent with non-controlling interest accounting). The remaining four subsidiary companies (including one without a put option) account for their minority shareholders as non-controlling interests, a defined IFRS term, with their share of the Group's profits being shown separately on the Income Statement.
<b>Like-for-like (LFL) results</b>	<p>A self-defined alternative measure of profit that provides a different perspective to the Statutory results. The Directors believe it provides a better view of the underlying performance of the Company, because it excludes a number of items that are not part of routine business income and expenses. These LFL figures are a better way to measure and manage the business and are used for internal performance management and reward. "Like-for-like results" is not a defined term in IFRS.</p> <p>LFL results represent the underlying trading profitability of the Group and excludes:</p> <ul style="list-style-type: none"> <li>• Separately disclosed items that are one-off in nature and are not part of running the business.</li> <li>• Revaluation of associates on transition to assets held for sale.</li> <li>• Impairment of assets held for sale, right-of-use assets, leasehold improvements, acquired intangibles and goodwill.</li> <li>• Gains or losses generated by disposals of subsidiaries.</li> <li>• Fair value adjustments to unlisted equity investments, acquisition related deferred consideration and put options.</li> <li>• Dividends paid to IFRS 2 put option holders.</li> <li>• Results of subsidiaries which management had or intends to exit in the current and prior year, and those of newly acquired subsidiaries in the current year.</li> <li>• Foreign exchange movements by restating prior year figures using current year foreign exchange rates.</li> </ul> <p>A reconciliation of Statutory to LFL results is presented in Note 1 of the financial statements.</p>	<b>Revenue</b>	Revenue comprises the total of all gross amounts billed, or billable, to clients in respect of commission-based, fee-based and any other income where the entity within the Group acts as principal and the share of income where the entity within the Group acts as an agent. The difference between billings and revenue is represented by costs incurred on behalf of clients for whom the entity within the Group operates as an agent, and timing differences where invoicing occurs in advance or in arrears of the related revenue being recognised.
<b>Company</b>	M&C Saatchi plc, a public limited company incorporated and domiciled in England and Wales, listed on the AIM sub-market of the London Stock Exchange.	<b>Like-for-like EBITDA</b>	Like-for-like EBITDA is equal to the operating profit or loss before depreciation, amortisation, finance expense and taxation. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.
<b>Code</b>	The UK Corporate Governance Code 2024	<b>CAGR</b>	Compound annual growth rate – the mean annual growth rate over a specified period of time longer than one year.
<b>Facility</b>	The Group's revolving multi-currency facility agreement with National Westminster Bank Plc, HSBC UK Bank plc and Barclays Bank PLC for up to £50 million.	<b>SSC</b>	The Group's Shared Service Centre in Cape Town, South Africa.
<b>Group</b>	The Company and its subsidiaries.	<b>Scope 1 emissions</b>	Greenhouse gas emissions from sources that the Group owns or controls directly.
<b>Net cash</b>	Net cash at a period end is calculated as the sum of the net cash of the Group, derived from the cash ledgers and accounts in the balance sheet. Net cash excludes lease liabilities.	<b>Scope 2 emissions</b>	Greenhouse gas emissions that the Group causes indirectly when the energy it purchases and uses is produced.
<b>Net revenue</b>	Net revenue is equal to revenue less project cost/direct cost. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.	<b>Scope 3 emissions</b>	Greenhouse gas emissions that are not produced by the Group and are not the result of activities from assets owned or controlled by us. Instead, they are produced by companies for which the Group is indirectly responsible, up and down its value chain. An example of this is when an entity within the Group buys, uses and disposes of products from suppliers. Scope 3 emissions include all sources not within the Scope 1 and Scope 2 boundaries.

Additional information continued

### Advisers

#### Nominated adviser and broker

Panmure Liberum Limited  
25 Ropemaker Street  
London EC2Y 9LY  
[www.panmureliberum.com](http://www.panmureliberum.com)

#### Broker

Deutsche Numis  
45 Gresham Street  
London EC2V 7BF  
[www.dnumis.com](http://www.dnumis.com)

#### Solicitors

CMS Cameron McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London EC4N 6AF  
[www.cms.law](http://www.cms.law)

#### External independent auditor

BDO LLP  
55 Baker Street,  
London, W1U 7EU  
[www.bdo.co.uk](http://www.bdo.co.uk)

#### Bankers

National Westminster Bank plc  
1 Princes Street  
London EC2R 8BP  
[www.natwest.com](http://www.natwest.com)  
Barclays Bank PLC  
1 Churchill Place  
London E14 5HP  
[www.barclays.com](http://www.barclays.com)

HSBC Bank plc  
Level 6  
71 Queen Victoria Street  
London EC4V 4AY  
[www.hsbc.com](http://www.hsbc.com)

#### Secretary and registered office

Victoria Clarke  
M&C Saatchi plc  
36 Golden Square  
London W1F 9EE  
[www.mcsaatchiplc.com](http://www.mcsaatchiplc.com)

#### Country of registration and incorporation

England and Wales  
Company number 05114893  
Public limited company limited by shares

#### Investor relations website

[www.mcsaatchiplc.com](http://www.mcsaatchiplc.com)

#### Registrars

Computershare Investor Services Plc  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE  
[www.computershare.com](http://www.computershare.com)



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