



From a British start-up
to a global brand builder

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What we do

THG PLC is a global retailer and brand owner, headquartered in Manchester, UK, operating through two leading digital-first online consumer businesses: THG Beauty and THG Nutrition.

THG Beauty operates prominent online platforms including Lookfantastic, Cult Beauty and Dermstore, offering a valued route to market for over 1,300 third-party brands, alongside a specialist portfolio of owned brands.

THG Nutrition, led by Myprotein, the world's largest online sports nutrition brand, spans multiple health and wellness categories, delivering its products both directly to consumers and through strategic offline partnerships worldwide.

Financial highlights

Statutory revenue	Total Group revenue (including discontinued operations)
£1,751.4m	£1,943.3m
Post-demerger Adjusted EBITDA ¹	Pre-demerger Adjusted EBITDA ¹
£92.1m	£123.1m
Post-demerger Adjusted EBITDA margin ¹	Pre-demerger Adjusted EBITDA margin ¹
5.5%	6.5%
Statutory operating loss	Statutory loss after tax from continuing operations
£147.9m	£180.5m

More information online: Our website gives you fast, direct access to a wide range of Company information **thg.com**

1. Adjusted profit measures as defined in the glossary and reconciled to the nearest GAAP number in the CFO report.



We enter the next phase of our journey as a global beauty, health and wellness consumer brands group following the demerger of THG Ingenuity.



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Our purpose, vision and values

Our purpose

To create iconic retail experiences in the beauty, health and wellness markets.

Our vision

To be the global online leader in beauty and sports nutrition.

Our values

Our workforce is as diverse as our customer base, which not only enables us to understand and cater to customers' needs but also creates a workplace where individual differences are accepted, valued and encouraged. However, there are fundamental values that we all believe in.

Ambition

We think BIG.

We set ambitious goals and turn obstacles into opportunities.

Innovation

We do things differently.

We celebrate experimentation and champion entrepreneurial thinking. We focus on solutions, not problems, and use our creativity and resilience to make a real impact.

Collaboration

We work together.

We listen, trust and create an environment where every voice is heard and valued.

Decisiveness

We make bold decisions.

We use robust data to make quick, informed and confident decisions. We take calculated risks and own our actions.

Leadership

We lead by example.

We motivate and encourage each other to push the boundaries of what's possible. We foster a culture of meritocracy, enabling everyone at THG to excel, regardless of background, age or experience.



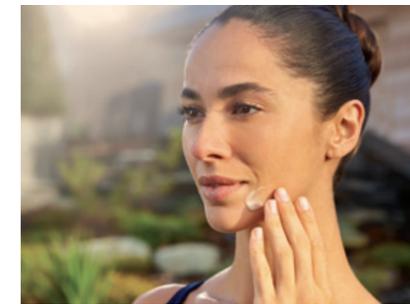
Our businesses

THG Beauty

Revenue¹
£1,108.5m

Adjusted EBITDA¹
£79.8m

Adjusted EBITDA margin
7.2%



Retailer of prestige beauty brands through online retail websites with digital leadership in key markets: the UK and the US.

Business overview

- Owner and operator of three major online beauty retailers: Lookfantastic, Cult Beauty and Dermstore.
- Critical route to market for over 1,300 brands in high-repeat, regime-based categories with a focus on the prestige segments of skincare, haircare, fragrance and cosmetics.
- Own brand portfolio with clinically proven ingredients focused on the more prominent growth opportunities in prestige skincare, spa and specialist products.
- New product development through in-house, vertically integrated manufacturing capabilities in the UK and the US.
- Highly loyal global customer base with 85% of THG Beauty retail revenue generated from returning customers.

THG Beauty's ambition is to be the global digital partner of choice across the beauty industry, supporting the channel shift to online.

Its strategy is to deliver a leading digital customer experience, product assortment and elevated brand positioning, while generating sustainable, profitable growth.

Its strategic priorities are:

1. to maintain its position as the world's largest online pure-play prestige beauty retailer;
2. to support global beauty brands in addressing the channel shift in marketing spend from offline to online;
3. to develop a digitally focused portfolio of prestige owned brands, providing margin enhancement and differentiation; and
4. to provide innovation and product development services directly to the beauty industry.

THG Nutrition

Revenue¹
£579.8m

Adjusted EBITDA¹
£34.5m

Adjusted EBITDA margin
6.0%



Retailer of sports nutrition supplements and health and wellness products, led by the world's largest online sports nutrition brand, Myprotein.

Business overview

- Increasingly omnichannel model, with a growing offline presence building on market-leading D2C position.
- Vertically integrated manufacturing capabilities to power new and improved product development and speed to market.
- Presence in major territories with a proven localisation model, enabling rapid scaling in emerging territories.
- Operating across multiple categories in the growing global wellness space, with consumers taking greater control, prioritising products and services which enhance wellbeing.
- Unique to the category licensing model, monetising the brand IP and building awareness through multi-year, multi-territory agreements.

THG Nutrition's ambition is to maintain its global recognition as a trusted multi-channel nutrition and wellness brand for consumers, renowned for quality, value and innovation.

Its strategy is to build category leadership in both online and offline spaces across developed and emerging markets, capitalising on the long-term trend of consumers becoming increasingly health-conscious.

Its strategic priorities are:

1. maintaining Myprotein's position as the world's largest online sports nutrition brand;
2. increasing offline presence to enhance customer reach through retail, gyms and experiences;
3. developing Myprotein's customer base from 'specialist gym-goer' to a broader 'active lifestyle' audience; and
4. evolving the brand to broaden appeal, earning the right to play in high-growth performance and wellness categories.

1. Revenue and Adjusted EBITDA exclude discontinued categories.

Chair's Statement



“Throughout 2024 we made conscious decisions to drive sustainable growth, enhance our operational efficiency and strengthen our market position.”

see the Corporate Governance Report on [page 84](#) for more information

see S172 on [page 36](#) for more information

It is my pleasure to write to you following a year of significant change and meaningful progress for the Group. Our commitment to excellence in the ecommerce industry has guided us through various milestones and I am proud of the resilience and dedication shown by our entire team. 2024 also marked THG's 20th anniversary in business, an achievement that reflects our ability to continually evolve and adapt our business model, capitalising on new developments and growth opportunities to meet the needs of our customers and stakeholders.

The competitive landscape in ecommerce is ever evolving. By consciously innovating and staying attuned to market trends, we are able to remain relevant and navigate macro challenges, albeit this has come alongside considered decisions to refine our cost base. To offset the challenges such as commodity inflation, we have focused on investing in, and diversifying, our supply chain, with, for example, local manufacturing now in place in parts of Asia for THG Nutrition.

In September 2024 we announced our intention to transfer from the Transition category to the ESCC category of the Official List. While no Shareholder approval was required to effect the transfer, the Board consulted extensively and concluded that it would be in the best interests of THG and its Shareholders to proceed with the transfer. In our pursuit to build shareholder value, raise company profile and diversify the share register, the Board also considered the benefits of inclusion in the FTSE UK Index Series, which we proudly announced in March. This is expected to improve passive investment flows and liquidity and support execution of the Group's strategy through enhancing its visibility.

Strategy in action

Throughout the year, I worked closely with our CEO, Matthew Moulding, on the Group's strategic framework and associated initiatives to drive our vision forward. Matthew and the team executed robustly against our objectives and, alongside the Board, undertook a thorough review of our businesses to ensure they are in good shape for future growth.

The decisions and outcomes generated by this review are discussed in detail throughout this Annual Report.

THG Beauty and THG Nutrition are both leading global consumer-facing businesses with attractive market growth profiles, while THG Ingenuity is a high-growth ecommerce services business with leading digital marketing, technology and fulfilment capabilities. The Board considered that there was a significant opportunity to create value for Shareholders by demerging THG Ingenuity into a separate private company which could focus on scaling brands digitally, navigating the complexities of acquiring new audiences, facilitating frictionless ecommerce and distributing products to consumers.

On 17 September 2024 we announced that we were progressing options for the demerger of THG Ingenuity into an independent private company and thereafter launched a placing, subscription and retail offer to facilitate the demerger. Pleasingly, the fundraising was oversubscribed and raised gross proceeds of approximately £95.4m. Following a Shareholder general meeting in December 2024, the demerger completed on 2 January 2025, in turn simplifying and transforming THG's business model into a global consumer beauty and nutrition group, with an improved balance sheet, capital expenditure and cash flow profile. THG Ingenuity can now continue with its strategy in a private environment, further simplifying its client offerings and investing to scale its platform.

In addition to the demerger, we also took other strategic decisions which were in line with the Group's financial priorities and our stated intention to simplify and streamline the Group's operations. This portfolio management strategy involved exiting loss-making discontinued categories and the disposal of our luxury business, including coggles.com. Within own brand beauty, we took the decision to withdraw from cosmetics and masstige products to focus on the more prominent growth opportunities in prestige skincare, spa and specialist products. This approach is delivering margin enhancements from a more focused, relevant consumer offering.

Performance in focus

Throughout 2024 we made conscious decisions to drive sustainable growth, enhance our operational efficiency and strengthen our market position. Delivery was tempered by the evolving macro conditions which impacted revenue and order numbers.

We continued our strategy in THG Beauty to prioritise categories and markets where we have a right to win and considerable brand visibility. As a result of this, we were able to deliver strong margin progression, enhance customer engagement through our loyalty schemes and improve the user experience across our retail platform.

In THG Nutrition we undertook a significant brand transition, and while inevitably this came with an element of short-term trading pain and disruption, we are emerging as a healthier business with the foundation and market positioning for longer-term growth. We have achieved our desired outcomes with our refreshed brand and look, broadening appeal to extend our offering beyond conventional sports nutrition and whey protein categories, taking advantage of the exciting opportunity with offline retail partners where we have materially increased the number of physical store locations across multiple aisles.

We also made significant improvements to our customer proposition, establishing faster, more reliable and convenient delivery options. As a result, customers can shop with us more flexibly, leading to greater satisfaction and retention across both our businesses. Such improvements not only evidence our determination and forward planning capabilities, but ensure that we are well positioned to successfully navigate future challenges.

Governance

While further information on the governance and Code improvements which took place during 2024 can be found within the Corporate Governance Report, I would like to reiterate our commitment to the principles of good corporate governance and establishing a robust governance framework which underpins the successful delivery of our strategic priorities. As discussed within the 'Section 172 Statement: Stakeholder Engagement' section of the Strategic Report, active engagement with our Shareholders has been a priority area for us to ensure that their voices were heard and their interests appropriately taken into account in our decision-making processes.

At the beginning of 2025 we were also delighted to announce the appointment of Milyae Park to the Board. Milyae is an experienced non-executive director with a strong track record in international retail, consumer and digital businesses, as well as being a notable advocate for sustainability, diversity, equity and inclusion.

Her knowledge, skills and network will be additive to those of our current Board membership.

Our Board Committees are now well established and, with particular reference to the demerger of THG Ingenuity, our Related Party Committee continues to ensure that relevant transactions are subject to robust oversight and challenge, as appropriate (further details on which can be found within the Related Party Committee Report).

Looking ahead

We have now transitioned into a pure-play consumer business, operating in growth markets with favourable structural trends. This shift allows us to concentrate our efforts and resources on our core strengths and opportunities.

As we move forward, our focus remains on THG's vision and goals. Our aim is to enhance our customer proposition, introduce new brands and product categories, and further grow our presence in emerging markets. Our dedication to providing exceptional customer service and leveraging technology and digital know-how will support our drive towards continued success.

During 2025 we anticipate that further progress will be made on profit enhancement alongside a return to Group revenue growth. Our strategic focus will include the repositioning of our THG Nutrition business to capitalise on omnichannel trends and opportunities, allowing us to strengthen our market position and deliver sustained value to our Shareholders.

I would like to extend my gratitude to all our stakeholders, particularly our partners, Board members and our Senior Management for their unwavering support and dedication. Our culture and our people, in particular their adaptability, enthusiasm and 24/7 commitment have been instrumental in our delivery to meet the needs of our customers. Together we have made substantial progress and I am confident that we will continue to do so in the future.

**Charles Allen,
Lord Allen of Kensington. CBE**
Independent Non-Executive Chair

28 April 2025

Chief Executive Officer's Review



“Partnerships have played a key role in our success this year. By collaborating with industry leaders and innovative organisations, we have enhanced our capabilities and extended our reach.”

As we reflect on the last year, I am incredibly proud of what we have achieved together as an organisation. This year has been transformative, marked by strategic milestones, operational resilience and financial progress with revenue diversification and cash generation improvements. I want to take this opportunity to celebrate our successes, address the challenges and share the rationale behind key decisions we made.

- We started the year successfully integrating pre-eminent skincare brand Biossance into our own brand Beauty portfolio. Our prestige beauty brands are now stocked in over 4,500 stores worldwide, and are renowned for their innovative ingredient technology and wellness expertise.
- We celebrated 20 years in business – an incredible achievement when we reflect on our journey and how our brands have evolved. Whilst certain pressures have abated, new challenges and areas of uncertainty have emerged. As a business we remain on the front foot to adapt to preserve our financial health and take advantage of new growth opportunities.
- Throughout 2024, we delivered robust financial discipline, with our focus on operating efficiencies and investing in markets where we have a right to win driving these outcomes. We delivered a consistent Adjusted EBITDA year on year despite the challenging economic conditions.
- Our strategy to simplify and streamline operations led to the sale of our luxury goods websites, and certain beauty own brands. Our resources within THG Beauty are now prioritised on those categories and markets which provide us with more optimal returns aligned to our financial priorities, demonstrated by the Adjusted EBITDA margin for the year being ahead of our medium-term target.

- It was a transitional year for THG Nutrition, characterised by a period of strategic realignment and investment. Whilst this inevitably resulted in challenges as we contested with rising costs, Myprotein is now positioned as a leader in quality and value across multiple health and wellness categories. A long-term partnership with dairy category leader Müller is testament to the profile of brands we are now standing alongside.
- At the start of the year our group was made up of three leading businesses and collectively we took the decision to demerge THG Ingenuity after substantial stakeholder engagement.
- Following the completion of the FCA listing regime review, we took the appropriate steps to transfer to the ESCC category. We welcomed the output to simplify the listing regime, and entered the FTSE 250 index in March 2025.
- Our final milestone was to secure a long-term capital structure relevant for the business size and growth profile. We have materially reduced gross debt whilst retaining suitable liquidity to continue investing in our brands to support their growth potential.

THG Beauty: Target Adjusted EBITDA margin achieved

Within our Beauty business the strategy of focusing on higher margin sales and reducing order volumes that do not deliver target profitability continued, driving exceptional Adjusted EBITDA margin progress. This performance underscores our leadership position in the market and commitment to progressing stakeholder value, including with our brand partners.

THG Nutrition: A transitional year, omnichannel paving the way forward

2024 marked a transitional year for THG Nutrition characterised by the rebrand. More consumers globally are now buying Myprotein products than ever before, following the temporary reduction in online customers during the year. This success has been underpinned by the retail sales value growth through offline retail and licensing revenues.

Whilst the business reported a decline in total revenue, this was largely driven by the clearance of old brand product online at lower price points. We are pleased to see it progressing back into growth in 2025, supported by new product launches and strengthened customer engagement both online and across multiple retail locations. This resurgence highlights the strength of our diversified portfolio and our ability to adapt and innovate in response to evolving consumer demands.

Strategic partnerships

Partnerships have played a key role in our success this year. By collaborating with industry leaders and innovative organisations, we have enhanced our capabilities and expanded our reach. These alliances have enabled us to access new markets, accelerate product development and strengthen our value proposition across key sectors. Strategic licensing partnerships underline the reach of the Myprotein brand, and highlight the growth opportunities in licensed brand extensions. As we look ahead, we remain committed to fostering these relationships and building new ones that will further our brand and create long-term value.

The demerger of THG Ingenuity

This year also saw the pivotal decision to demerge THG Ingenuity. This step represents a significant milestone in our journey to enhance focus, improve cash generation and unlock value. By establishing THG Ingenuity as an independent entity, we have enabled it to pursue its growth ambitions with greater agility. At the same time, this allows us to dedicate our resources to our core business areas. The demerger reflects our commitment to delivering operational excellence, streamlining our priorities and creating greater transparency for stakeholders. We are confident this move will drive long-term success for both THG Ingenuity and the Group.

Overcoming challenges

While challenges, including the rebrand transition, commodity pricing and consumer spend pressures, tested our resilience, our team's ability to adapt and respond effectively has been instrumental in sustaining our progress. These efforts have further strengthened our financial foundation, underpinned by high quality repeat revenues and channel diversification.

Cultural highlights

- Across the Group we provided over 4,000 hours of support to local communities.
- 92% of our purchased electricity came from renewable sources.
- Recognised as a top 250 company globally on our efforts to progress sustainability through our THG x Planet Earth strategy¹.
- Our Partnership in Action programme was awarded the Supply Chain Finance Initiative of the Year².
- We launched our Responsible Marketing Code and Sustainable Sourcing Framework to better protect people and the planet.

Looking ahead

As we enter the second quarter we are excited and thoughtful about the road ahead. Our strategic priorities remain clear: to drive sustainable, profitable growth, deepen customer relationships, and lead with innovation. The beauty and nutrition businesses will remain central to our strategy, as we continue to build on their strong performance and potential. We are also committed to supporting Ingenuity through leveraging its market-leading services as it embarks on its independent journey. This partnership gives our brands and customers a best-in-class ecommerce experience, with value and advancing performance at the core.

In closing, I want to extend my thanks to our employees, whose dedication and passion are the driving forces behind our achievements. I'm impressed by the Group's agility and resilience during a year of significant change, and I would like to thank everyone involved at THG for their immense efforts during a transformative year for the business.

Matthew Moulding
Executive Director and
Chief Executive Officer

28 April 2025

see Sustainability on [page 46](#) for more information

see the CFO review on [page 26](#) for more information

1. By Sustainability Magazine.

2. Awarded at the Environmental Finance Sustainable Company Awards 2024.

Our investment case



1.
Sustainable long-term growth opportunity from sizeable consumer end markets

- **Global megatrends** continue to underpin sustained growth in health and wellness categories
- **Addressable market** growth in both established and emerging territories



3.
Active global customer base with increasing loyalty and lifetime value driven by high-repeat categories

- **Multi-channel distribution** increases brand awareness, trust and access
- **Direct to consumer** model enables greater customer insights, supporting further market penetration and product discovery



2.
Digital-first and vertically integrated consumer brands group, comprising two market-leading businesses

- **THG Beauty:** Number one pure-play online specialty beauty retailer
- **THG Nutrition:** World's largest online sports nutrition brand, Myprotein



4.
Utilising organic levers and new product innovation to accelerate market share growth

- **In-house** manufacturing facilities expediting speed to market
- **Penetration of existing markets** and expansion into adjacent categories



5.
Free cash flow generation provides capital allocation optionality

- **Targeting continued progression** to a neutral net cash position
- **Reinvestment** in selective strategic growth opportunities

Our strategy

THG Beauty and THG Nutrition are leading global consumer-facing businesses, with attractive market growth profiles and strong cash flow generation potential.

The Board considered that significant opportunity existed to create value for Shareholders by simplifying THG's business model and demerging THG Ingenuity into a separate private company with a focus on scaling brands digitally, facilitating frictionless ecommerce and distributing products to consumers.

Following completion of the demerger on 2 January 2025, THG Ingenuity operates as a separate, standalone entity without recourse to the remaining Group.

Rather than reinvesting profits and cash flow into THG Ingenuity's technology capital expenditure requirements, the demerger presents opportunities to optimise Shareholder returns and has accelerated the deleveraging of the remaining Group.



Our goal is to deliver sustainable growth for our stakeholders, through a focused strategy on key market prioritisation in categories where we have a right to play.

Build leadership positions in core territories and categories

What it means	2024 progress
<ul style="list-style-type: none"> - Sustainable Group revenue growth and margin expansion - For THG Beauty, maintain online leadership in UK and US home markets - Drive brand affinity through accessible authority in prestige skincare - For THG Nutrition, maintain position as the leading global online sports nutrition brand - Expand category and channel participation 	<p>THG Beauty</p> <ul style="list-style-type: none"> - Revenue growth in home territories - Medium-term adjusted EBITDA margin achieved - Continuation of international reset strategy, de-emphasising sales in parts of Europe and Asia <p>THG Nutrition</p> <ul style="list-style-type: none"> - Offline revenue growth through B2B retail and licensing portfolio - Developed offline footprint across UK grocers and specialist retailers; 'fastest growing sports nutrition brand in the UK retail market'¹

See S172 on page 36 for details of the principal decisions taken by the Board during 2024

See Risk Management on page 72 for more information on principal risks

1. Nielsen Total Market, last 8 weeks to 28/06/2024, brands >£100k value sales.

Launch innovative and relevant products to global consumers

What it means	2024 progress
<ul style="list-style-type: none"> - For THG Beauty, across our three distinct retail destinations, provide customers with a best-in class curation of brands, from the established houses to the specialist and emerging brands - For THG Nutrition, inspire purchases based on quality, taste, trust and education across sports nutrition and adjacent categories. Localising products and ranges to market tastes and trends 	<p>THG Beauty</p> <ul style="list-style-type: none"> - Extended UK next day delivery service to 1am - Launch of Bioessance Firm and Lift Dual Serum, available in offline specialist beauty retailers and online D2C <p>THG Nutrition</p> <ul style="list-style-type: none"> - Expanded a royalty model with carefully chosen high quality partners in key territories, including long-term 'Müller x Myprotein' collaboration to create a tailored range of high-protein dairy products, launched in a range of retailers - Partnership with Jimmy's Iced Coffee was recognised with the Grocer's New Product & Packaging Award for 2024 - Launch of 'HYROX' performance range, in conjunction with the fastest growing mass participation sport

Grow the Active Customer base and drive loyalty

What it means	2024 progress
<ul style="list-style-type: none"> - Increase the number of online customers who have shopped with THG during the last twelve months through retention and new customer acquisition 	<p>THG Beauty</p> <ul style="list-style-type: none"> - Loyalty scheme now boasting 2.8m members - Roll out of media mix modelling framework to guide marketing investment <p>THG Nutrition</p> <ul style="list-style-type: none"> - Completion of brand repositioning to expand our reach beyond core gym-goers to include technical performers and everyday lifestyle consumers - Substantial increase in UK app participation driving higher AOVs and customer lifetime value

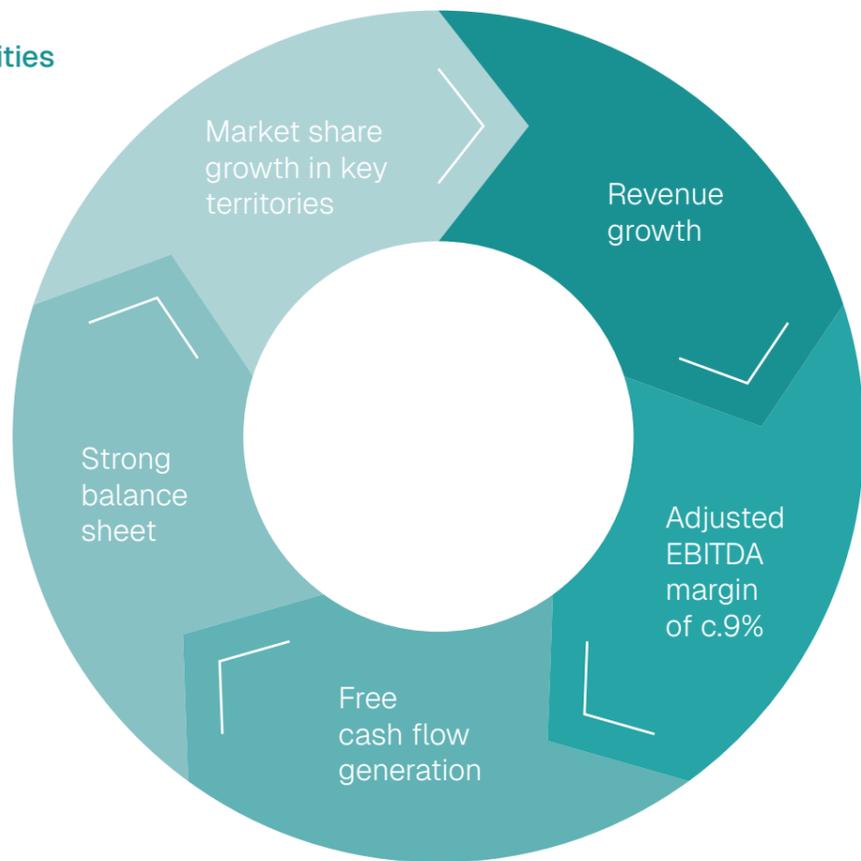
Enhance brand equity through D2C channels

What it means	2024 progress
<ul style="list-style-type: none"> - Broaden brand awareness and perception - Use our platform to positively influence the beauty, health and wellness industries, reflecting ever-changing consumer values 	<p>THG Beauty</p> <ul style="list-style-type: none"> - Opening of flagship Lookfantastic store - Increasing share of retail brand investment, through strengthened brand partnerships <p>THG Nutrition</p> <ul style="list-style-type: none"> - Through ongoing engagement with consumers and existing customers, we've seen a clear improvement in Myprotein's brand equity over the past 12 months and demonstrated effectiveness at guiding customers through the funnel to purchase. Myprotein is the most 'top-of-mind' sports nutrition brand in the UK¹

1. YouGov Brand Tracking, February 2025. Almost 1 in 4 UK consumers in our target audience spontaneously name Myprotein when asked to name a sports nutrition brand. Myprotein is the most preferred brand among 12 UK sports nutrition brands measured.

Our strategy continued

Medium-term financial priorities



We aim to deliver sustainable growth for our stakeholders:

- 

Suppliers
We promote open and transparent working practices with fair terms of business.

- 

Partners
We collaborate for mutual commercial success through new routes to market, category expansion and distribution of our own-brand product.

- 

Customers and consumers
We establish a relationship of trust through frictionless, high-quality retail experiences, supporting health and wellness regimes and product discovery.

- 

Our people
We have an experienced and dedicated workforce, and we aim to ensure THG is an inclusive and supportive environment with career development opportunities.

- 

Society and communities
We adhere to evolving ESG best practice and make steps to understand and address our impact to drive positive change.

- 

Shareholders
We create value for Shareholders through a focus on sustainable growth, responsible capital allocation and balance sheet stewardship.

Q&A
with Business CEOs Lucy Gorman and Neil Mistry

What are the latest trends you're seeing in beauty, health and wellness, and how do you expect them to evolve into 2025?

Lucy: Personalisation, transparency, sustainability – these aren't just trends any more; they're expectations. If brands aren't evolving, they're getting left behind. We're always adapting, staying ahead of market shifts to make sure our offering reflects what customers actually want. Right now, fragrance is having a huge moment. It's moved beyond just a luxury or occasional buy – people are integrating it into their daily beauty routines, and we're making sure we're leading that shift.

Neil: Movement-based wellness is bigger than ever. It's not just about training hard; it's about longevity, recovery and optimising overall health.

Hydration is a massive part of that, and we've been working tirelessly to ensure our products meet the changing needs of our customers, as well as supporting education and implementation. There's huge momentum in the space, and we're making sure we're right at the centre of it.

What have been the highlights in beauty during the year?

Lucy: It's been a year of refining and elevating. Beauty is getting smarter – more focus on results-driven skincare, fewer gimmicks.

One of the biggest challenges with being an online retailer is endless shelf space. Sounds great in theory, but we've spent the last 18 months refining our portfolio, really dialling in on prestige and skincare. The focus has been on curating the right mix, not just expanding for the sake of it. And it's paying off. With the continued success of the Lookfantastic loyalty programme, we're already seeing the benefits in stronger retention and increased customer lifetime value.

Tell us about the partnership with HYROX.

Neil: We're their official nutrition partner, and it's exciting to be part of that journey. What's interesting about HYROX when compared to anything we've done in the past is the mix of strength and cardio-based movement. This partnership really helps us to appeal to this new hybrid performance and wellness customer and help them achieve their goals in training and competition.

We've been working closely with HYROX athletes to create a range of products designed to help them get the most out of their workouts and recovery. The feedback has been great, and I can't wait to see how we continue to evolve this partnership in the coming years.

How are you leveraging customer insights to refine your proposition?

Lucy: We listen. Customer behaviour tells us everything we need to know: what they want, what's missing, how we can improve. That data shapes everything, from product development to how we communicate and engage, and deliver.

Neil: Exactly. And convenience is key. Consumers want high-quality products to fit seamlessly into their lifestyle. Our job is to make that as effortless as possible.

How is your Omni-channel strategy evolving?

Neil: Customers want convenience, whether they're shopping in-store, on their phone, or through socials. One of the biggest goals of our rebrand was to make the brand more accessible to the wider nutrition and wellness market.

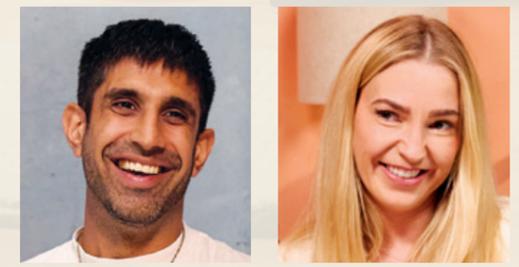
It's not just about being present across multiple channels; it's about making sure each point of sale feels seamless. We're already seeing great success with the growth of our offline presence and increased brand awareness, and I'm excited to see how our partnerships with key retailers evolve and how they complement our online channels.

Lucy: Absolutely. The more ways we can interact with customers, the stronger the connection. With the opening of our first Lookfantastic store, we've not only added another touchpoint but created a space where customers can fully experience what Lookfantastic is all about. It's about deepening engagement and allowing customers to discover new products.

What is the secret to creating and growing category-leading brands?

Lucy: There's no secret. Just hard work, determination and maybe a little bit of luck. But beyond that, it's about truly understanding your customer, staying ahead of trends, and having the agility to pivot when needed.

Neil: Yes, I completely agree, and the right people make all the difference. You need a team that's passionate. Innovation doesn't come from playing it safe. It's about constantly challenging yourself, whether that's through product development, marketing strategies, or how you engage with customers across multiple channels, categories and geographies.



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THG Nutrition – page 20

Our marketplace

Beauty

THG Beauty operates in the prestige segment of the global beauty market, which comprises a number of brands owned by global beauty & consumer groups alongside a number of independent brands.

The global total addressable market for beauty and personal care was estimated to be £494bn in 2024, growing by +8% year on year, and is estimated to reach £676bn by 2028¹. The premium segment, valued at £143bn in 2024, has historically outpaced the mass segment, and is set to expand at a compound annual growth rate (“CAGR”) of 7% between 2024 and 2028. Global retail online penetration is set to steadily grow from 26% in 2023 to 31% in 2027, which will provide a further tailwind for growth. The UK online beauty market continues to perform strongly, with the UK premium beauty market delivering double-digit growth in 2024². As a leading prestige online beauty retailer, we are optimally positioned to increase revenue in this fast-growing market.

Products

Prestige brands are generally characterised by a higher price point, more selective distribution channels, a high level of active ingredients, a more curated product offering and richer brand heritage than mass beauty brands.

Our owned brand proposition is supported by manufacturing capabilities in the UK and US, led by our flagship skincare brands – Perricone MD, Biossance and ESPA. THG Beauty seeks to use its digital, brand and product innovation capabilities to deliver best-in-class beauty curation and maximise the digital beauty customer

experience, providing an experience that is unmatched by any online competitor, and helping to drive the shift from offline to online channels.

Key trends

The online global beauty and personal care market continues to grow, supported by increases in online penetration across the world and advancements in technology, with the aim of providing an immersive online experience that surpasses that of physical retail. Despite our consumers experiencing continued cost of living pressures, beauty spending remains robust as consumers consider beauty products an integral part of their daily routine.

As consumers become increasingly focused on product efficacy and maximising value, prestige beauty is becoming increasingly attractive as consumers educate themselves on the benefits of specific ingredients. This has led to the premium beauty market outpacing growth in the mass beauty market in recent years. With its focus on the premium segment of the market, THG Beauty is optimally placed to benefit from further premiumisation of the global beauty market.

Our position

Our competitive advantage stems from the synergy of our end-to-end beauty proposition, spanning retail websites, owned brands, product development and manufacturing. Through our retail sites and owned beauty brands, we forge strong brand partner and customer relationships, supported by our capabilities that allow access to multiple international markets, new product development, and product

discovery, underpinning our leading positions in the UK and US, our home territories.

Additionally, the rich data insights gained from our digital customers help to drive innovation and brand curation, particularly for emerging niche and independent brands. The regimen-based nature of our key categories, skincare and haircare, also offers a competitive advantage as we utilise our thought-leadership, education and personalisation capabilities to further engage with our global audiences and act as a source of beauty education and discovery. We are also capitalising on the unlimited online shelf space that our online retail platforms offer, providing an unparalleled breadth of products compared to those available through traditional bricks-and-mortar retailers. Together, these factors enable us to offer consumers and brands the leading digital beauty experience.

Future outlook

Looking forward, we anticipate the following key trends to shape the beauty market in 2025:

- A continued shift toward premium beauty, with consumers increasingly demanding high-performance formulations
- Greater focus on sustainability, driving demand for sustainable packaging, ingredients and business models
- Continued adoption of virtual ‘try-on’ technology and AI-powered diagnostics, enhancing the online shopping experience
- Consumers increasingly purchasing products for specific active ingredients
- Biotech innovations to drive more advanced skincare treatments and ingredients
- Increasing focused on wellness as a component of beauty, including the growth of ingestible beauty supplements

 [THG Beauty page 16](#)



1. Euromonitor – Passport – 2024 market size data; Beauty & Personal Care.
2. Circana prestige beauty report December 2024.

Nutrition – health and wellness

THG Nutrition operates within the expansive and rapidly growing global nutrition and wellness sector, encompassing sports nutrition, vitamins, weight management and activewear. This market, valued at over £228bn¹ globally, offers significant growth potential for Myprotein through new market penetration and product innovation. While THG Nutrition’s primary focus remains the £24bn sports nutrition market (2024 estimate)², it has expanded its reach in recent years to address broader segments of the global nutrition industry.

Products

We aim to provide a wide array of products across various segments of the global nutrition market, including protein powders, supplements, vitamins, minerals, bars, snacks and drinks. The activewear brand MP complements these offerings with performance-focused clothing. The primary distribution model is D2C, enabling deeper engagement with customers and valuable consumer insights. In recent years, THG Nutrition has increased its focus on B2B retail channels and licensing partnerships, in an effort to utilise online and offline revenue streams.

Key trends

The global nutrition market is shaped by several influential trends. Consumers are increasingly health-conscious and seeking nutritionally balanced products, with protein-enhanced options becoming mainstream. While higher-income countries currently lead in adopting these products, growing economic development in lower-income regions is expected to drive future demand.

Increasing availability of weight management drugs, including GLP-1 medications, are also transforming consumer behaviour and encouraging healthier lifestyle choices and the consumption of healthier products.

The growth of ecommerce, particularly in developing markets, is another major factor.

1. Euromonitor – Passport – 2024 market size data; Performance Apparel, Sports Nutrition, Vitamins and Dietary Supplement, Weight Management and Wellbeing
2. Euromonitor – Passport – 2024 market size data; Sports Nutrition

Consumers are not only purchasing online but also using digital platforms to educate themselves about the benefits of nutritional products.

Short-form media has emerged as a powerful tool in influencing purchasing habits, with brands that create engaging, educational content gaining a competitive edge.

Our position

The sports nutrition industry remains highly fragmented, with a mix of global brands like Myprotein and smaller, locally focused players. As the largest online sports nutrition brand globally and the most internationally diverse, we are well positioned to capitalise on the continued shift towards ecommerce across markets, particularly given the extensive localisation capabilities of our technology and operating platform.

The D2C model offers significant advantages, allowing for direct engagement with consumers, personalised shopping experiences and data-driven insights into consumer behaviour. The Company’s vertical integration provides control over the supply chain, enabling efficient new product development and adaptability to meet evolving customer trends. Additionally, Myprotein’s extensive global reach spans multiple categories and retail locations.

In recent years, we have seen a rapid growth in protein enhanced foods and beverages available through retail channels. In order to capitalise on this trend, diversify revenue streams and enable us to reach an even wider customer base, Myprotein has expanded into traditional retail channels.

This includes developing convenience products in-house and forming licensing partnerships to introduce the brand into new product formats such as frozen, chilled and ambient shelf space. These initiatives position us to capture opportunities in both online and offline markets.

Future outlook

Looking ahead, we anticipate the following key trends to shape the nutrition and wellness market in 2025:

- Accelerated digital adoption, offering consumers greater access to nutritional education.
- Economic development in low-income, high-potential regions to fuel market growth.
- Increased adoption of wearable technology to further drive market expansion as consumers prioritise their wellbeing.
- The rise of weight management drugs is reshaping consumer behaviour, promoting healthier lifestyle choices.
- The rise of short-form media presents an opportunity – both as an educational tool and as a new point of sale.

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THG Beauty

Our proposition is centred around our customers, with a relentless focus on delivering the optimal purchasing experience, and ensuring our retail sites are a trusted source of product discovery and education across categories. We are constantly evolving, remaining adaptive to customer needs and shifting beauty trends to maintain digital and category leadership.

We reaped the benefits of the prior year's efforts to prioritise higher-margin sales in our target markets, acquiring and retaining those customers that sit in our ideal customer profile. As a result we delivered ahead of our medium-term Adjusted EBITDA margin guidance, while delivering revenue¹ growth and increased customer lifetime values. As we continue to execute against our strategic priorities, THG Beauty is ideally positioned to capitalise on further growth in the highly attractive global prestige beauty market.

Operational review

2024 was a year of strong margin delivery. While we saw a decrease in Active Customers and orders due to the prioritisation of territories that drive higher profitability, the behaviour of our customer base has shown promising progression, with average order value and order frequency improving year on year. This reflects the higher-quality customer base we are developing through our strategic focus on acquiring customers that sit in our ideal customer profile.

The strength of our customer base is supported by our existing customer repurchase rates, which remain above 80% as we continue to focus on customer engagement and retention.

Across our global audience, we saw continued growth in app participation and further improvements in app purchases as a proportion of revenue.

Active Customers	AOV
7.9m	£66
2023: 8.5m	2023: £64
Total orders ²	App participation ⁴
16.1m	27.5%
2023: 16.8m	2023: 17.1%
Revenue from returning customers ³	Social media community
85%	7.2m
2023: 83%	

1. Revenue excluding discontinued categories.
2. Number of orders is defined as orders fulfilled within the period.
3. Sales of all orders from customers shopping more than once with THG.
4. Percentage of orders made through mobile applications.



We were particularly pleased with our performance in the UK (c.63% of our online retail sales), given the well-documented cost of living challenges and macroeconomic uncertainty throughout the year, with continued year-on-year growth demonstrating the resilience of our offering in challenging economic times. Our online revenue is weighted towards skincare, followed by cosmetics and haircare. Fragrance has been a particularly strong growth category in recent years, with growth driven by the addition of a number of influential fragrance brands in recent years, along with greater cross-sell of fragrance to our customer base, which has in turn supported growth in average order values.

In the UK, all categories delivered year-on-year growth over the peak trading period, with fragrance being the standout performer (order value +32%).

Financial performance

THG Beauty delivered a pleasing result with revenue¹ of £1,108.5m (+3.3% YoY; +4.6% CCY) driven by a robust retail and own brand performance, with growth in every quarter (excluding manufacturing).

During the last 24 months, the business has elected to reduce marketing investment in less profitable territories (including parts of Europe and Australia), and categories. This intentional strategy to reduce revenue temporarily in 2023 has underpinned significant margin recovery, with FY 2024 adjusted EBITDA margins 7.2% (above 6.0% medium-term target).

This geographic and product laser focus has shaped a growing prestige beauty business which is substantially UK & US based, with improved margins and operating KPIs, notably improved customer retention, order frequency and lifetime value.

Within own brand beauty, we took the decision to focus on high growth opportunities in prestige skincare, spa and haircare products. This provided a headwind to revenue but is delivering margin enhancements from a more focused, relevant consumer offering.

Looking ahead, with the strategic pivot towards higher margin sales now complete – alongside the continued strength of our brands, prestige market trends, and our refined customer acquisition strategy – we enter 2025 well-positioned to drive sustainable revenue growth at our target margin level.

Revenue by channel

Retail	c.79%
Own brand	c.11%
Manufacturing	c.10%

Online retail by territory

UK	c.60%
US	c.20%
Europe	c.16%
ROW	c.4%

Online category split

Skincare	c.43%
Haircare	c.17%
Cosmetics	c.21%
Fragrance	c.10%
Body	c.7%



1. Revenue excluding discontinued categories.

Strategic Report

THG Beauty continued

Strategic highlights

Across the UK online beauty market, Cult Beauty and Lookfantastic were the only two participants to grow their brand share of search¹ in Q4 2024. We also saw Lookfantastic's prompted awareness reach its highest ever level in November 2024. This increasing awareness is strategically important as we consciously shift our marketing efforts to a brand-centric approach with acquired customers increasingly meeting our ideal beauty profile – reducing our reliance on price competition.

At the beginning of the year, we integrated prestige skincare brand Biossance into our own brand portfolio, with the brand successfully replatformed within two weeks of being acquired. The replatform delivered significant performance improvements and helped to bring the brand into immediate profitability – a complete turnaround from its previous loss-making position upon acquisition. Our prestige own brands (led by Biossance, Perricone MD and ESPA) are sold by 1,000+ global partners in over 50 countries, including luxury department stores, hotels, spas and salons.

2024 saw the expansion of Perricone MD, ESPA and Christophe Robin's distribution in the luxury hotel segment through further development of our strategic partnership with Vanity Group, with our distribution expanding to 70,000+ rooms and 30+ countries globally. 2024 was also another year of recognition of the strength of our own brand product innovation, powered by THG Labs, with Perricone MD winning Women & Home's 'Best Sensitive Eye Cream', Ameliorate winning the Conde Nast Traveller Beauty's 'Best Body Lotion', and Biossance's 'Squalane + Vitamin C Rose Oil' being named in WWD's 100 Greatest Skincare Products of All Time.

2024 marked a year of significant progress in the strategically important US beauty market (c.20% of our online beauty sales). Brand awareness for Dermstore, our US retail fascia, continues to grow, with its share of search growing 41% faster than the overall market in November 2024. To support our wider developments in the US, we also appointed our first US Beauty Brand CEO, Amy Fisher, to lead the development of our scaling US beauty brand portfolio.

In Q4, Lookfantastic became the first specialist beauty retailer to partner with established British brand, The White Company, in addition to securing other new key listings across categories including cosmetics, fragrance and fast-growing dermatological skincare.



Loyalty

THG Beauty has seen an increasing impact from the loyalty programmes across its retail sites, with the Lookfantastic UK loyalty programme now boasting over 2.9 million members, adding over 0.9 million members in 2024. We have seen significant improvement in the quality of customer health through our loyalty programmes, with spend per account being 32% higher than non-loyalty members. This increased engagement is underpinned by a double-digit uplift in average order value and order frequency, helping to drive incremental sales through greater cross-category and brand purchase behaviour. In FY 2024, over 40% of online Lookfantastic UK revenue came from Loyalty customers, with Loyalty sales in double-digit year-on-year growth in the quarter.

Our loyalty programmes are one of the key drivers of improving the quality of our customer base in our key territories, with the enhanced levels of data provided through our loyalty programmes enabling us to continually deepen our understanding of our customer base, which in turn, leads to elevated relationships with our brand partners, creating value through informed decision-making. Our loyalty programmes also enable us to offer greater layers of personalisation to our most engaged customers, helping to increase their levels of engagement and satisfaction with our retail sites, which in turn supports higher retention and increased customer lifetime values over the long-term.

2025 priorities

Building on our progress and focus on home markets, we aim to:

- Maintain THG Beauty's position as the world's leading online pureplay premium beauty retailer.
- Continue to evolve our brand and category assortment to ensure we are offering our customers the most complete online beauty shopping experience.
- Continue to expand our digital market share in our key markets.
- Enhance customer loyalty through further development of our loyalty programme, personalisation capabilities and product insights.
- Further develop our global beauty community across all key social channels.
- To increasingly be seen as a trusted source of education, expertise and authority within the industry.
- Strategically expand our own brands' global distribution through new and existing partners.

'What the SPF?' campaign

Our consumers increasingly view THG Beauty as a trusted source of education, expertise and authority in the beauty space, delivered through rich editorial content, detailed product descriptions, and comprehensive customer support.

In 2024, we launched a landmark SPF campaign to educate consumers on the benefits of SPF, the available product options, and the campaign to remove VAT from SPF products. Using our multi-channel model, we maximised awareness through emails, app notifications, social content and influencer collaborations. We also engaged with leading publications such as Cosmopolitan, Glamour, Women's Health, ELLE and Marie Claire, securing PR coverage that generated 138 million impressions across over 80 publications.

In addition to raising awareness, the campaign drove 20% sales growth in featured SPF products, acquired over 10,000 new customers, and increased our UK SPF market share by 3%.



1. Data taken from November 2024 against pureplay e-retail competitors. Share of search data: Google.



Lookfantastic store

We proudly launched our first permanent physical retail destination for Lookfantastic in Manchester. This flagship brand experience store strengthens our relationships with brands and consumers by offering a physical space to interact with the Lookfantastic brand, while also serving to further increase our UK brand awareness. As an example of the new opportunities for brand development the store offers, we have selectively run 'store takeovers' for brands such as Color Wow and Kylie Cosmetics since opening, with accompanying in-store events, supported by online activations, that have helped drive increased awareness and sales of these brands.

"We're excited to bring the Lookfantastic experience to life with our concept store. This innovative retail space goes beyond products, offering a unique and immersive beauty destination. It perfectly complements our omnichannel strategy, bridging the gap between our established online community and the success of our pop-up events. Customers can discover and purchase, and also enjoy beauty services, bringing digital beauty into the third dimension for our loyal, local customer base in a whole new way."

Lucy Gorman, Chief Executive Officer, THG Beauty



THG Nutrition

With a mission to ‘empower those who demand more’, the repositioning of Myprotein has underpinned growth in brand awareness and brand presence beyond D2C, through an omnichannel strategy.

2024 marked a transitional year for THG Nutrition, characterised by the rebrand and macro pressures resulting in cost headwinds. More consumers now have access to Myprotein products than ever before, through offline retail and licensing partnerships. The brand now serves a broader demographic of consumers across multiple categories, empowering our customers to fuel their lifestyles and incorporate our products into their daily routines.

Operational review

Initiatives including local activations to support new customer acquisition and increased brand awareness have been implemented, leading to growing customer engagement and advocacy, supported by third-party feedback.

In line with our strategic priority to expand Myprotein’s offline presence alongside online, we’ve grown our portfolio of licensed products and increased retail listings, particularly in ‘on-the-go’ formats. These partnerships help to diversify revenue and enhance margin potential. While D2C remains our primary channel, we maintained strong momentum in offline throughout 2024, benefiting from synergies with key partners.

This omnichannel growth strategy will continue into 2025, with a renewed focus on building brand recognition and driving both acquisition and retention. Although online Active Customers and orders declined in 2024 amid a challenging D2C backdrop, this was offset by growth in offline engagement, resulting in more total customers interacting with the brand.

Active Customers	AOV
6.1m	£47
2023: 6.7m	2023: £49
Total orders ¹	App participation ³
11.3m	30%
2023: 12.8m	2023: 19%
Revenue from returning customers ²	Social media community
84%	9.6m
2023: 84%	2023: 10.5m

1. Number of orders is defined as orders fulfilled within the period.
 2. Sales of all orders from customers shopping more than once with THG.
 3. Percentage of orders made through mobile applications.

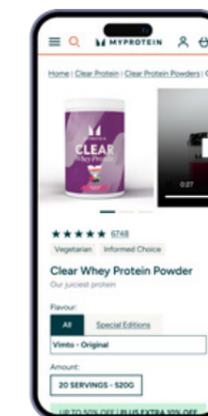


Myprotein UK brand tracking

A recent YouGov poll highlighted strong consumer support for Myprotein in 2024, bolstered by the success of our recent product partnerships. These insights highlight Myprotein’s strong market position and preference amongst consumers. By demonstrating increased brand awareness and reach in 2024, we have created a solid foundation for further growth and expansion while helping inform our marketing strategy for 2025.

Key findings from the poll include:

- Following the successful Myprotein x Müller launch, 85% of UK consumers aware of the partnership are likely to consider buying from the range in the future¹.
- Among 12 UK sports nutrition brands analysed, Myprotein stands out as the UK’s most preferred sports nutrition brand, with brand recommendation up 16% YoY².
- Myprotein is the category leader in driving consumers through the purchase funnel – ranked number one in turning brand awareness into consideration and number one in converting buyers into brand loyalists¹.
- Myprotein is the most ‘top-of-mind’ brand in the UK, with one in five UK consumers spontaneously naming Myprotein when asked for name a sports nutrition brand¹.



Financial performance

2024 was a challenging year for THG Nutrition, reporting revenue of £579.8m (2023: £657.9m) and Adjusted EBITDA of £34.5m (2023: £88.9m). While the business reported an overall reduction in revenue, this was largely driven by a one-time ASP reduction where promotional activity was elevated online to clear old brand stock. With the rebrand complete, ASPs are progressively recovering.

Record high whey prices alongside challenges in the Asia market relating to FX movements continued to weigh on trading performance. In light of this our pricing strategy in the region was adapted to defend margins.

While online sales declined, offline retail and licensing saw rapid growth in 2024. Supported by the rebrand, offline retail and licensing revenue delivered rapid growth through existing accounts plus new listings secured across the UK and the US primarily. Notably, retail and licensing revenues have a significantly reduced exposure to whey.

Looking ahead to 2025, the expected normalisation of whey price and expected entry of high-concentrate whey protein into the market provides optimism for a more stable commodity landscape. Against this backdrop and ASP normalisation, the focus for 2025 is a return to sustainable online revenue growth, alongside margin accretion. Offline retail and licensing growth has been key to growing the customer base in 2024.

Revenue by channel

Offline ³	c.15%
Online ⁴	c.85%

Online retail by territory

UK	c.33%
Europe	c.38%
Japan	c.18%
ROW	c.11%

Online category split

Myprotein	c.70%
Myvitamins	c.9%
Clothing	c.8%
Other	c.13%

1. November 2024, YouGov Brand Tracking Research.
 2. All data sourced from YouGov Brand Tracking Feb '25 and compares against Feb-April '24' YouGov Brand Tracking, February 2025. Almost 1 in 4 UK consumers in our target audience spontaneously name Myprotein when asked to name a sports nutrition brand. Myprotein is the most preferred brand among 12 UK sports nutrition brands measured.
 3. B2B, manufacturing.
 4. D2C retail, marketplaces.

THG Nutrition continued

Strategic highlights

Our brand repositioning in 2023 accelerated our transition to an omnichannel approach. Through online and offline offerings across developed and emerging markets, we're positioned to capitalise on the long-term trend of consumers becoming increasingly health conscious. With a focus on wellness and category expansion, we have worked towards our strategic objectives of helping break down the barriers of the fitness industry and empowering everyone to live a healthier, more active lifestyle.

In 2024, THG Nutrition announced several product partnerships, notably with Jimmy's Iced Coffee, Müller, Kirsty's and Bakeaway. All our licensed partnerships are with market leaders within their categories, allowing us to benefit from their product or supply chain expertise. Each partnership aims to support each party by allowing partners to benefit from Myprotein's brand awareness and digital footprint. 44% of our target demographic consume a protein-enhanced product bought in grocery (excluding protein supplements), twice as high as the UK average, providing a clear incentive for our partnering brands.

We continue to invest in the localisation of Myprotein in key international markets with local manufacturing in established locations (UK, US), and now live in Japan and India. This localised approach has helped to enhance the customer experience through better delivery lead times, production cost savings and improving our ability to understand and meet varying customer preferences. Furthermore, this approach helps to reduce our exposure to exchange rate volatility by creating natural hedges.

Licensing and partnerships

The aim of our licensing agreements is to be mutually beneficial and allow partners to benefit from our digital footprint, channel reach and brand recognition. Through 2024 we have partnered with several category-leading brands, including the award-winning partnership with Jimmy's Iced Coffee – Winner of The Grocer's New Product & Packaging Award 2024: Dairy Drinks.

As global megatrends towards health and wellbeing continue to influence consumer preferences, we have enabled our partners to build this into their existing ranges through 'high protein' product variation while benefiting from Myprotein's brand recognition in this fast-moving and crowded product segment.

Our partnership with Iceland has continued to flourish with 16 more products added to the range and distribution in all of Iceland's 1,000+ stores nationwide. The retail partnership aims to add an incremental purchasing occasion to our existing Myprotein customer base, while also introducing new customers to the brand by increasing exposure.

Customers

Our customer base remains diverse and loyal, with high levels of repeat purchase and engagement. More customers are buying Myprotein products than ever before, with new offline customers offsetting the temporarily depressed online active customer levels. Our marketing discipline focuses on increasing share of revenue through cost-effective channels. One of our most effective tools is our app, with revenue participation now at 30% (2023: 19%). Through the app our customers can benefit from a personalised sales experience, helping us yield improved AOVs and order frequency, while we gain valuable customer insights on purchasing behaviour.

We continue to look at new and innovative ways of connecting with and deepening relationships with our customers. An example is our HYROX partnership which involves athletes and fitness enthusiasts and taps into the trends towards hybrid athletic training. This demonstrates Myprotein's growing authority in the endurance market while strengthening and growing the Myprotein community.

2025 priorities

Building on our progress and broader market developments, we aim to:

- Maintain Myprotein's position as the world's largest online sports nutrition brand.
- Expand appeal in high-growth performance and wellness categories and develop Myprotein's customer to a broader 'active lifestyle' audience.
- Leverage the long-term trend of increased consumer health consciousness and demand for nutritional products across diverse categories.
- Further partnerships and innovations through online and offline channels to enhance customer reach through retail, gyms and experiences.
- Utilise our vertically integrated business model and in-house manufacturing capabilities to allow us to develop products to an industry-leading standard and bring them to market at pace.
- Enhance our localised approach, supported by our strong global network of influencers, affiliates and social media followers that drive direct traffic.

Retail

By strengthening our retail presence, Myprotein has connected with a wider audience, while enhancing its brand position and dominance within the sports nutrition category. With only 35%¹ of sports nutrition sales generated through online channels, there remains a compelling opportunity for THG Nutrition to grow through both online and offline retail channels.

2024 saw the expansion of our global B2B offering, with new listings in high footfall retailers including WHSmith and Holland & Barrett, adding to our growing portfolio of retail partners.

As we continue to expand our retail presence, consumers have even greater opportunities to interact with the brand through physical and digital points of sale. The US and Asia continue to represent key strategic markets for future growth, with retail partnerships including Costco and GNC being used to build brand awareness and complement our digital sales channels.



New product development

THG Nutrition's digital presence allows for vast amounts of first-hand consumer data insights, providing us with a detailed understanding of ever-changing customer preferences. These insights informed new innovation in 2024 including the introduction of 'Sea Moss Gummies', 'Clear Protein Superblend' and 'Lion's Mane Gummies'.

One of our many success stories in the year has been our highly anticipated HYROX range.

Following the success of our brand partnership launched in 2023, we have been working closely with the athletes to develop a line of products that supports the HYROX community, whether they are gearing up for the race, pushing their limits or recovering afterwards. Formulated for the dedicated participant and backed by experts, the HYROX series fuels everyone from first-time competitors to world record breakers. The range includes energy gels, electrolyte blends and post-workout blends, all available in various flavours and pack sizes to appeal to the masses.



1. Source: Euromonitor – https://www.euromonitor.com/article/the-changing-landscape-for-sports-nutrition-retailing-in-western-europe?utm_source=chatgpt.com.

THG Ingenuity

During 2024, alongside advancing our strategic priorities, we focused on positioning THG Ingenuity for success as a private company. THG Ingenuity remains a key supplier to THG PLC with a long term service contract in place comprising; platform infrastructure and technology services, warehouse, fulfilment and courier services, and marketing and content creation.

THG Ingenuity provides user-friendly, scalable and flexible ecommerce solutions to its customers. It continuously evolves its technology, marketing and fulfilment solutions to stay relevant to market needs and the priorities and challenges its customers are facing.

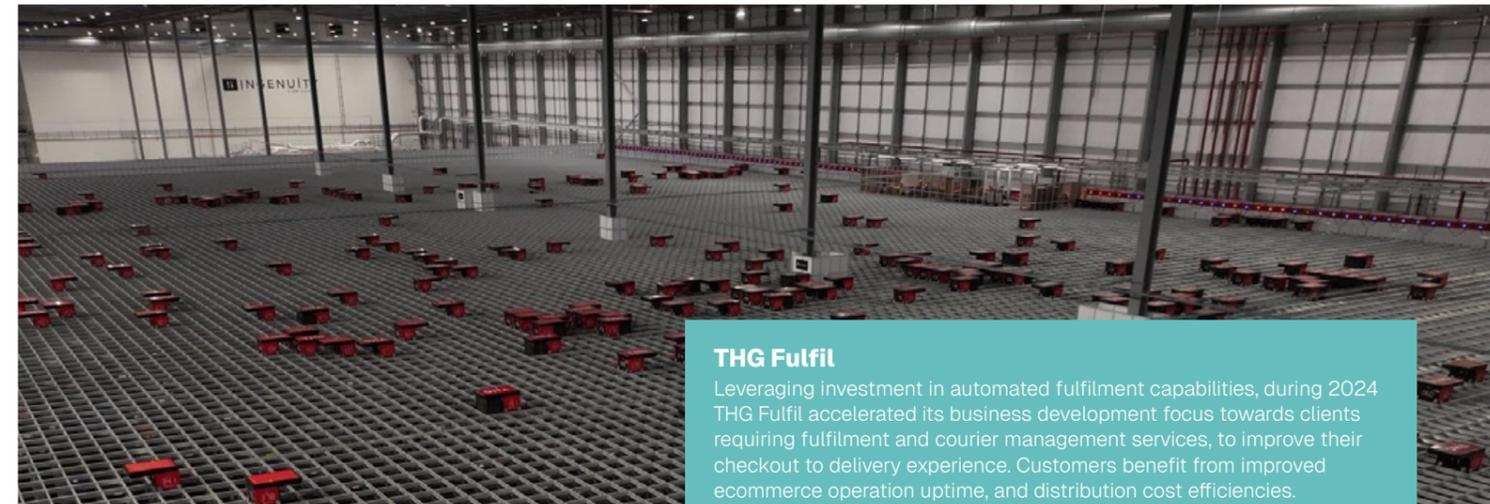
Across the three pillars of e-commerce enablement, THG Ingenuity is the partner of choice for an increasing roster of international brands and retailers.

 <p>THG COMMERCE</p> <p>Helping brands achieve profitable, long-term growth</p>	 <p>THG STUDIOS</p> <p>A creative powerhouse like no other, designed to supercharge brand growth</p>	 <p>THG FULFIL</p> <p>World-class fulfilment designed to drive customer acquisition and retention</p>
<p>Accelerating brand growth through cutting-edge commerce solutions</p>		

THG Commerce

Enables retailers to manage a frictionless ecommerce environment with continually improving functionality and feature updates including:

- Next-generation ecommerce platform (Altitude): a fast, scalable and secure website with a comprehensive ecosystem of commerce, analytics and content integrations. Altitude offers faster performance, secure and reliable protection, greater flexibility and ease of use to customers.
- Omnichannel store technology: connects the digital and physical worlds for a seamless shopping experience.
- Marketplaces: connecting brands to third-party marketplaces including Amazon with products fulfilled through THG Fulfil.
- Artificial intelligence (AI)-powered features: utilising machine learning and AI to make personalised product recommendations to consumers.



THG Fulfil

Leveraging investment in automated fulfilment capabilities, during 2024 THG Fulfil accelerated its business development focus towards clients requiring fulfilment and courier management services, to improve their checkout to delivery experience. Customers benefit from improved ecommerce operation uptime, and distribution cost efficiencies.

Improvements in order processing efficiency enabled a market-leading next-day delivery cut-off to 1am, meeting the increasing demands from customers for shopping flexibility.

Key benefits to THG brands include:

- UK standard delivery timeframe from order to delivery of 1.5 days (vs. 3 days market average)
- average UK customer order to dispatch speed of 4.8 hours
- US standard delivery timeframe of 2.3 days (2023: 2.7 days)
- Ability to upgrade customer orders to next-day delivery free-of-charge in 2024
- APAC standard delivery timeframe of 4.4 days (2023: 5.8 days).

THG brands saw a positive impact on its Trustpilot scores, with the average rating rising from 4.3 in 2023 to 4.4 in 2024.

In October 2024, THG Fulfil was awarded 'UK eCommerce Delivery and Logistics Partner' at the UK eCommerce Awards.

THG Studios

THG Ingenuity's marketing solution supports brands efficiently reach and acquire new audiences by combining creative innovation and full-service production with data-driven performance marketing to maximise its customers' return on investment.

In 2024, three new innovative products were developed that blend human creativity with advanced technology to deliver high-performance marketing:

- iLab: A creative innovation hub testing and integrating cutting-edge technologies to build future-focused solutions:
 - AI-driven experiences: using AI to create and deploy content, with emotional intelligence and ethical practices embedded in every project;
 - AR/VR: reimagining storytelling with immersive, personalised experiences in both digital and physical spaces; and
 - Virtual screens: leveraging virtual production with LED panels to blend physical and virtual elements, creating efficient, sustainable and limitless content possibilities.
- Performance labs: using advanced tool, data and analytics to drive creative decisions that deliver high performing assets
- Media mix modelling ("MMM"): its approach provides data showing the true impact of client investment, detailing which channels deliver the best returns and how to optimise spend. MMM answers two critical questions:
 - Which sales were driven by marketing, and which would have happened anyway?
 - How much can customers optimise incremental channels before hitting diminishing returns?



Chief Financial Officer's Review



“With prudent cash management and a reduction in gross leverage, we have navigated a year of strategic change with robust financial discipline, positioning ourselves for sustainable growth and margin recovery.”

Damian Sanders
Executive Director and Chief Financial Officer

Overview of FY 2024 result

A keen focus on cash management against the backdrop of a challenging economic environment, with the completion of the demerger of THG Ingenuity further accelerating gross deleveraging.

THG Beauty delivered on strategy with growth in core markets and Adjusted EBITDA margins above medium-term guidance driven by the focus on more profitable sales.

Reduction in revenue following completion of portfolio management within THG Beauty to exit loss-making discontinued categories driven by the focus on cash.

THG Nutrition had a challenging online performance alongside record high whey prices impacting the FY 2024 result. Following the major global rebrand, decisive action was taken to reposition THG Nutrition for a return to sustainable revenue growth and margin recovery.

£550m of cash and available facilities at year end (ahead of demerger – with £89.0m of cash leaving the Group with THG Ingenuity), providing excellent liquidity and setting a solid foundation for THG's future as a cash-generative consumer brands Group.

Post year end, successful completion of debt refinancing to 2029.

Total Group overview

2024 ¹ £m	THG Beauty	THG Nutrition	Central	Post demerger	THG Ingenuity ²	Inter-group elimination	Pre demerger	Discontinued categories	Total FY 2024
External revenue	1,108.5	579.8	—	1,688.3	191.9	—	1,880.2	63.1	1,943.3
Internal revenue	—	—	—	—	462.9	(462.9)	—	—	—
Total revenue	1,108.5	579.8	—	1,688.3	654.8	(462.9)	1,880.2	63.1	1,943.3
Adjusted EBITDA	79.8	34.5	(22.2)	92.1	31.0	—	123.1	(8.7)	114.4
Margin	7.2%	6.0%	—	5.5%	4.7%	—	6.5%	(13.8%)	5.9%

2023 £m	THG Beauty	THG Nutrition	Central	Post demerger	THG Ingenuity	Inter-group elimination	Pre demerger	Discontinued categories	Total FY 2023
External revenue	1,073.3	657.9	—	1,731.2	165.5	—	1,896.7	148.6	2,045.4
Internal revenue	—	—	—	—	519.9	(519.9)	—	—	—
Total revenue	1,073.3	657.9	—	1,731.2	685.4	—	1,896.7	148.6	2,045.4
Adjusted EBITDA	44.1	88.9	(21.8)	111.3	11.0	—	122.3	(8.2)	114.1
Margin	4.1%	13.5%	—	6.4%	1.6%	—	6.4%	(5.5%)	5.6%

1. This report includes a number of non-GAAP measures and alternative performance measures. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. See more information within the glossary and reconciliations to statutory measures within this report.
2. Following the completion of the demerger, we have concluded that THG Ingenuity meets the criteria of being classified as a discontinued operation (IFRS 5: Non-current Assets Held for Sale and Discontinued Operations). See note 12.2 to the financial statements for more information. FY 2023 has been restated to reflect certain leased assets and operational activities of THG Experience within THG Ingenuity which had previously been reported within THG Beauty.

Reconciliation to statutory revenue

	2024 £m	2023 £m
THG Beauty	1,108.5	1,073.3
THG Nutrition	579.8	657.9
Post-demerger revenue	1,688.3	1,731.2
THG Ingenuity (external)	191.9	165.5
Pre-demerger revenue	1,880.2	1,896.7
Discontinued categories	63.1	148.6
THG Ingenuity (external) – classified as discontinued operations for statutory presentation	(191.9)	(165.5)
Statutory continuing revenue	1,751.4	1,879.9

The demerger completed on 2 January 2025. Therefore, the results of THG PLC for FY 2024 include THG Beauty, THG Nutrition and THG Ingenuity, reflecting performance prior to the demerger.

The segmental reporting and categories in this report (and the table above) are summarised as follows:

Post-demerger – this represents the streamlined Group moving forward, comprising THG Beauty and THG Nutrition, net of central costs and excluding THG Ingenuity and discontinued categories, and will constitute the underlying results of THG PLC reported from FY 2025.

Pre-demerger – includes THG Beauty, THG Nutrition and THG Ingenuity as have previously been reported in prior years (excluding discontinued categories); following the completion of the demerger, THG Ingenuity is now a private company and its results will not be reported within the results of THG PLC after FY 2024.

Discontinued categories – as part of our focus on continually improving the business and responding to the economic backdrop, several non-core brands and product offerings identified as loss-making or non-cash generative were exited across FY 2023 and FY 2024 improving the margin potential of the business. These categories have been removed from the post-demerger and pre-demerger result as an adjusted performance measure to provide a comparable basis going forwards.

All numbers and tables subject to rounding throughout this report.

Strategic Report

Chief Financial Officer's Review continued

Headlines

- Post-demerger Group revenue of £1,688.3m (2023: £1,731.2m) and Adjusted EBITDA of £92.1m (2023: £111.3m) with a margin of 5.5% (2023: 6.4%). Revenue reduction of 2.5% driven by a revenue performance within THG Beauty of +3.3%, offset by a decrease in THG Nutrition of -11.9%. Significant 310bps improvement in THG Beauty margin reflecting the continued prioritisation of more profitable sales and exiting loss-making and low-margin territories and brands, partially offsetting the challenging trading environment for THG Nutrition, most notably the record high whey prices.
- Pre-demerger Group revenue of £1,880.2m (2023: £1,896.7m) and Adjusted EBITDA of £123.1m (2023: £122.3m) with a margin of 6.5% (2023: 6.4%) with both metrics remaining broadly stable.
- THG Beauty result driven by strong performance driven by the UK (with 53% of revenue generated outside of the UK). THG Nutrition by contrast experienced a more challenging year, primarily as a result of weaker online sales, a result of the rebrand and lower than expected Asia performance.
- Operating loss of £147.9m (2023: £39.2m) increased due to the combination of the weaker performance in THG Nutrition combined with increased costs recognised within adjusting items in the year. These costs primarily relate to the decision made to exit loss-making categories which led to one-off costs for impairment of related assets and an inventory provision and the clearance of old brand stock following the rebrand within THG Nutrition.

THG Beauty

Standout adjusted EBITDA performance from THG Beauty

Revenue increased by +3.3% to £1,108.5m (2023: £1,073.3m) driven by retail and own brand performance. Revenue increased in core territories of the UK and US, offset by strategic reductions in sales across Europe and Asia to ensure a focus on higher-margin customers.

Drivers were skincare, cosmetics and fragrance, with fragrance proving in high demand throughout the year.

Adjusted EBITDA delivered of £79.8m (2023: £44.1m). Adjusted EBITDA margin of 7.2% (2023: 4.1%) has almost doubled YoY following a return to revenue growth, the positive impact of the strategy to focus on higher-margin sales and the normalisation of manufacturing profitability.

THG Nutrition

Continued evolution of strategy following a challenging year

THG Nutrition reported revenue of £579.8m (2023: 657.9m) being a -11.9% decrease. Whilst the business reported a revenue decline, this has been primarily driven by the one-time average selling price reduction of 11.0% due to clearance on old brand product online. Good momentum is being seen in categories outside of core protein powders, especially in activewear, vitamins, and bars and snacks alongside the offline market.

Adjusted EBITDA margin of 6.0% (2023: 13.5%) was principally as a result of the challenging sales performance, heavily influenced by the record high input whey prices, persistent weakness of the Japanese Yen and increased promotional activity to clear old brand stock following the rebrand. The strategy continues to evolve with continued growth in our offline business comprising manufacturing, retail and licensing, enabled by the rebrand.

Central costs

Central costs relate primarily to the PLC Board remuneration, insurance, professional services fees, Group finance, M&A and governance costs that are not recharged to the businesses as they principally relate to the operations of the PLC holding company. The costs remained largely consistent with FY 2023.

Geographical review of revenue

The following table provides an analysis of revenue by region (by customer location):

	2024 £'000	2023 £'000	Movement
UK	795.1	773.1	+2.8%
USA	336.6	306.3	+9.9%
Europe	357.9	377.0	-5.1%
Rest of the world	198.7	274.8	-27.7%
Post-demerger revenue	1,688.3	1,731.2	

The UK continues to be the largest market for the Group with 47.1% (2023: 44.7%) of revenue generated within the UK. The UK is the biggest market for the Group in both THG Beauty and THG Nutrition.

The USA is a growing market for the Group with 19.9% of revenue (2023: 17.7%). Dermstore is our primary beauty fascia in the US and sells over £170m annually, whilst roughly half of THG Beauty manufacturing sales are generated in the US from our New Jersey labs facility.

Europe and the rest of the world both saw sales decline year on year in 2024 driven by both the prioritisation of higher margin sales in THG Beauty which lead to a conscious pull back on some sales activity in Europe and Asia, and the exchange rate on the Japanese Yen which adversely impacted on our ability to compete in THG Nutrition in Japan, which is one of Myprotein's biggest markets.

Discontinued**Discontinued operations – THG Ingenuity**

Total revenue of £654.8m (2023: £685.4m), a decrease of -4.5%. This is due to the reduction in internal revenue of 11.0%, partially offset by the increase in external revenue of 16.0%.

The investments made across the THG Ingenuity offering over a number of years, alongside advancing strategic priorities, have positioned THG Ingenuity for success as a standalone private company. This, combined with the ongoing focus on higher-value and higher-margin clients, has started to deliver, particularly across fulfilment services. This enabled THG Ingenuity to deliver Adjusted EBITDA of £31.0m (2023: £11.0m) with a margin of 4.7% (2023: 1.6%), an increase of 310bps YoY.

Internal revenue of £462.9m (2023: £519.9m) relates to services provided to the wider THG Group, including platform infrastructure and services, warehouse fulfilment, courier services and marketing services. Internal revenue declined due to the Group exiting loss-making categories and territories along with lower D2C sales in THG Nutrition, which in turn has generated lower volumes for THG Ingenuity.

Discontinued categories

During 2023, the Group announced its intention to simplify and streamline its operations, undertaking a strategic review of loss-making categories and territories. Given the size and complexity of the Group, this exercise has continued during 2024, leaving the continuing Group in a streamlined, strong market position, driving positive cash flow.

Several small, non-core brands and product offerings were exited during FY 2024. These brands generated £63.1m of revenue (FY 2023: £148.6m) and contributed an Adjusted EBITDA loss of £8.7m (FY 2023: £8.2m). These losses will not continue into FY 2025.

The prior year discontinued categories have been restated to include consistent categories disclosed in FY 2024 to provide a like-for-like comparison. (See note 2 within the financial statements.)

Group financial review**Statutory results**

	Year ended 31 December 2024 £m	Year ended 31 December 2023 (restated) ¹ £m
Continuing operations		
Revenue	1,751.4	1,879.9
Cost of sales	(1,057.8)	(1,082.5)
Gross profit	693.6	797.4
Distribution costs	(231.0)	(277.3)
Administrative costs	(610.5)	(559.4)
Operating loss	(147.9)	(39.2)
Finance income	9.0	12.9
Finance costs	(63.6)	(65.9)
Loss before tax	(202.4)	(92.3)
Income tax credit/(charge)	21.9	(15.7)
Loss for the financial year from continuing operations	(180.6)	(108.0)
Discontinued operations		
Loss for the financial year, net of tax	(145.6)	(140.4)
Loss for the financial year	(326.1)	(248.4)

1. Restated for the impact of THG Ingenuity being classified as a discontinued operation.

Strategic Report

Chief Financial Officer's Review continued

Group financial review continued**Adjusted profit measures with reconciliation to statutory result**

Management have presented alternative performance measures to provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is monitored and reported through internal Management reporting to the Board. To ensure that stakeholders can reconcile this to the statutory information presented, the below table has been included:

Year ended 31 December 2024						
	Management adjusted view £m	Adjusted items £m	Amortisation and depreciation £m	Discontinued categories £m	Share based payments £m	Statutory £m
Revenue	1,688.3	—	—	63.1	—	1,751.4
Cost of sales	(983.4)	(33.6)	(0.4)	(40.4)	—	(1,057.8)
Gross profit	704.9	(33.6)	(0.4)	22.7	—	693.6
Distribution costs	(216.9)	(1.3)	(0.2)	(12.6)	—	(231.0)
Administrative costs	(395.8)	(89.6)	(89.6)	(18.9)	(16.6)	(610.5)
Operating profit/(loss)	92.2	(124.5)	(90.2)	(8.8)	(16.6)	(147.9)

Year ended 31 December 2023						
	Management adjusted view £m	Adjusted items £m	Amortisation and depreciation £m	Discontinued categories £m	Share based payments £m	Statutory £m
Revenue	1,731.3	—	—	148.6	—	1,879.9
Cost of sales	(975.9)	(15.3)	(0.5)	(90.8)	—	(1,082.5)
Gross profit	755.4	(15.3)	(0.5)	57.8	—	797.4
Distribution costs	(246.7)	(2.2)	(0.2)	(28.2)	—	(277.3)
Administrative costs	(397.3)	(14.2)	(93.3)	(37.9)	(16.7)	(559.4)
Operating profit/(loss)	111.3	(31.6)	(94.0)	(8.2)	(16.7)	(39.2)

Revenue

Group statutory continuing revenue decreased by -6.8% to £1,751.4m (2023: £1,879.9m). This performance reflects the decrease in THG Nutrition revenue of -11.9%, offset by a +3.3% increase in THG Beauty revenue plus discontinued categories. Detailed analysis is included earlier in this report.

Gross profit

Adjusted gross profit was £704.9m (2023: £755.4m) equating to an adjusted margin of 41.8% (2023: 43.6%), a reduction of 190bps compared to 2023.

The reduction YoY has been driven by the decrease in the THG Nutrition margin, largely discounting to clear old stock following the rebrand rollout. Within THG Nutrition, the challenging top-line performance was compounded by higher YoY input costs, primarily whey. The Japanese yen has been particularly challenging in 2024, peaking at 207Y/£ vs c.181Y/£ at the same point last year, and 135Y/£ at IPO (a c.47% devaluation since IPO in September 2020). This has all but eliminated profitability in Myprotein's second largest market and we have had to reduce promotional activity as a result, impacting Myprotein's competitiveness within the region.

Gross profit has strengthened in THG Beauty through online retail sales growth (principally Lookfantastic, Cult Beauty and Dermstore) as previous actions to prioritise higher-margin sales and promotional strategies have come to fruition.

Gross profit on a statutory basis totalled £693.6m (2023: £797.4m) delivering a decreased margin of 39.6% (2023: 42.4%). In addition to the above, the statutory position was also impacted by the increase in adjusted items, the loss on disposal of luxury websites, an outcome of the strategic review and inventory provisions post rebrand.

Distribution costs

Pleasingly, adjusted distribution costs of £216.9m (2023: £246.7m) equate to 12.8% (2023: 14.2%) of revenue. This significant improvement of 140bps is a result of the exit of those operations that generated lower profits, which were generally those sales to territories further from our distribution network (which consequently had a higher distribution cost). Distribution costs also benefited from improving AOVs in THG Beauty as well as a higher beauty mix, with THG Beauty distribution costs are lower than THG Nutrition as a percentage of sales.

Distribution costs on a statutory basis further reduced as a percentage of sales by 160bps compared to 2023, culminating in a cost of £231.0m (2023: £277.3m), being 13.2% (2023: 14.8%) of revenue aided by lower adjusted items than in the prior year.

Administration costs

Adjusted administrative costs as a percentage of revenue totalled 23.4% of revenue (2023: 22.9%). During H2 2024, the Group focused on cost rationalisation to right-size the cost base of the business post demerger; this resulted in reductions across administrative costs where the benefit will annualise in FY 2025, albeit these will be offset by the national insurance and national minimum wage changes outlined by the government in the autumn of 2024. Following the exit of the discontinued categories, further cost reductions have also been implemented. While administrative costs reduced on an absolute basis, driven by cost savings which more than offset inflationary pressures, the percentage to sales increased YoY, owing to the challenging top-line sales performance in THG Nutrition.

Administrative costs on a statutory basis totalled £610.5m (2023: £559.4m), increasing due to the increase in adjusted items as explained later in this report.

Adjusted EBITDA and Adjusted EBITDA margin

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Reconciliation from operating loss to Adjusted EBITDA		
Operating loss	(147.9)	(39.2)
Adjustments for:		
Amortisation	19.9	21.0
Amortisation of acquired intangibles	45.5	49.0
Depreciation	24.8	24.1
Adjusted items – cash	24.6	10.4
Adjusted items – non-cash	42.4	21.2
Adjusted items – non-cash impairment	57.5	—
Share-based payments	16.6	16.7
EBITDA from discontinued categories	8.7	8.2
Adjusted EBITDA (post-demerger)	92.1	111.4
Adjusted EBITDA (post-demerger) %	5.5%	6.4%
EBITDA from discontinued operations (THG Ingenuity)	31.0	11.0
Adjusted EBITDA (pre-demerger)	123.1	122.3
Adjusted EBITDA (pre-demerger) %	6.5%	6.4%

Depreciation and amortisation

Statutory depreciation and amortisation costs were £24.8m and £65.4m respectively (2023: £24.1m and £70.0m). Included within amortisation is £45.5m (2023: £49.0m) of amortisation on acquired intangibles (see below).

Depreciation remained largely consistent, reflective of the current asset base.

Amortisation on acquired intangibles £45.5m (2023: £49.0m)

When an acquisition is made, the accounting standards (IFRS 3: Business Combinations) require that an exercise is undertaken to value any brands, trade names or other intellectual property (such as customer lists). Following recognition of these assets, they are amortised over a period of 2-20 years.

Given the number of significant acquisitions made in recent years, primarily within THG Beauty, we consider this amount should be viewed separately to other amortisation totalling £19.9m (2023: £21.0m) to ensure comparability to those who undertook fewer or no acquisitions. This is a non-cash cost.

Other amortisation, outside of amortisation on acquired intangibles remained largely consistent YoY.

Operating profit/(loss)

Adjusted operating profit totals £92.2m (2023: £111.3m). The reduction YoY is a result of the above-mentioned factors. The actions taken to exit loss-making categories and territories and an anticipated improvement in consumer spending are expected to increase the operating profit position in the medium term, alongside an improvement in the THG Nutrition D2C sales performance.

The Group incurred an operating loss in the year of £147.9m (2023: £39.2m). This is primarily driven by adjusted items increasing by £92.9m in FY 2024, being the one-off costs associated with losses on disposal of discontinued categories including impairment of associated assets, onerous contracts and costs related to the completion of the Myprotein rebrand which will not recur.

Strategic Report

Chief Financial Officer's Review continued

Group financial review continued**Finance costs net of finance income**

Finance costs net of finance income have remained stable at £54.5m (2023: £53.0m) driven principally by higher interest rates, which have been caused by the higher interest rate environment. Were it not for the comprehensive hedging programme in place, this increase would have been more material. The inherent cost increase is offset by a reduction in interest expense following the partial repayment of bank borrowings in H2 2023.

Loss before tax and tax rate

Reported loss before tax was £202.4m (2023: £92.3m). The effective tax rate is -0.9% (2023: 1.4%), based on a total tax credit of £21.9m (2023: tax charge £15.7m). The effective tax rate differs from the average statutory rate of 25.0% (2023: 23.5%). This is primarily due to amounts not recognised and a write down of previously recognised deferred tax assets. These items have both arisen as part of the demerger and reflect the split between continuing and discontinued operations leading to a change in profile for tax losses and deferred tax recognition. More information is included within note 9 to the financial statements.

Earnings per share

Loss per share on continuing operations was £(0.13) per share (2023: £(0.08) per share).

Statutory cash flow statement

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Pre-demerger Adjusted EBITDA	123.1	122.3
Adjusted EBITDA – discontinued categories	(8.7)	(8.2)
Working capital movements	22.0	48.2
Tax paid	(0.6)	(5.4)
Adjusted items	(39.3)	(15.0)
Net cash generated from operating activities	96.5	141.8
Purchase of property, plant and equipment	(31.7)	(46.3)
Purchase of intangible assets	(69.6)	(79.4)
Proceeds from sale of non-core freehold assets	—	55.5
Finance costs and lease repayments	(83.2)	(84.0)
Free cash flow	(88.0)	(12.4)
Acquisition of subsidiaries net of cash acquired	—	(20.3)
Repayments of bank borrowings	(23.8)	(25.0)
Share placing, net of directly attributable costs	93.3	—
Net decrease in cash and cash equivalents	(18.6)	(57.6)
Cash and cash equivalents at the beginning of the year	416.2	473.8
Cash held for distribution (THG Ingenuity)	(89.0)	—
Cash and cash equivalents at the end of the year	308.6	416.2

Free cash flow for the total Group was an outflow of £88.0m (2023: outflow of £12.4m). This includes £101.3m (2023: £125.7m) of capital expenditure, cash adjusting item payments of £39.3m (2023: £15.0m) and finance costs and lease repayments totalling £83.2m (2023: £84.0m).

There was a decrease in cash and cash equivalents for the year of £18.6m (2023: £57.6m) driven by the above cash outflows which were partially offset by the equity raise which completed in October 2024 raising proceeds net of costs of £93.3m (£89.0m of cash left the Group with THG Ingenuity). The Group ended the period with c.£550m cash and available facilities at the end of the year, ahead of demerger, being cash and cash equivalents of £397.6m (including £89.0m within THG Ingenuity) (2023: £416.2m) and the undrawn RCF totalling £150m.

There has been a reduction in the cash spend of £24.4m on capital expenditure in 2024, consistent with the large scale investment projects completing in the year. Finance costs and lease repayments remained consistent YoY.

Cash flows in respect of adjusting items largely relate to the demerger and onerous contracts which are not expected to recur.

Repayments of the Term Loan A facility in the year totalled £23.8m (2023: £25.0m). Loans and other borrowings at 2024 were £604.6m (2023: £650.0m). Details of the post year end refinancing are included on the following page.

Post-demerger cash flow – for illustrative purposes

The table below details the cash flows for the year for THG Beauty and THG Nutrition only to show the cash flows for the Group excluding THG Ingenuity; this has been prepared consistently with the information published in the circular previously released to the market.

	2024 £m	2023 £m
Post-demerger Adjusted EBITDA	92.1	111.3
Adjusted EBITDA – discontinued categories	(8.7)	(8.2)
Working capital movements	17.9	75.3
Tax paid	(1.3)	(5.1)
Adjusted items	(21.2)	(11.3)
Net cash generated from operating activities	78.8	162.0
Purchase of property, plant and equipment	(7.5)	(12.5)
Purchase of intangible assets	(13.6)	(20.9)
Proceeds from sale of non-core freehold assets	—	8.5
Finance costs and lease repayments ¹	(57.4)	(56.9)
Free cash flow²	0.4	80.2
Acquisition of subsidiaries net of cash acquired	—	(16.4)
Repayments of bank borrowings	(23.8)	(25.0)
Share placing, net of directly attributable costs	93.3	—
Net increase in cash and cash equivalents	79.8	38.8

1. Lease repayments include expected outflows for subleases entered into on 2 January 2025. This is a per annum cash cost of c.£10m.

2. Free cash flow is defined as cash flow before the impact of acquisitions, bank borrowings and share placings.

On a post-demerger basis, free cash flow is neutral with an inflow of £0.4m (2023: inflow of £80.2m) and a net increase in cash and cash equivalents of £79.8m (2023: £38.8m). Excluding one-off cash adjusted items, a cash inflow of £21.6m would have been generated.

In the prior year there was a one-off working capital inflow of £75.3m as inventory levels normalised. In FY 2024, the inflow of £17.9m was lower than anticipated due to a delay in a VAT payment of over £20m received in January 2025.

The post-demerger cash flows differ to the pre-demerger basis as a result of reduced capital expenditure totalling £21.1m (2023: £33.4m), lower cash adjusting items to exclude those relating to THG Ingenuity and lower finance costs and lease repayments given many of the Group's leases relate to THG Ingenuity.

Repayments of bank borrowings and share placing proceeds remain the same on a pre and post-demerger basis.

Adjusted items

In order to understand the underlying performance of the Group, certain costs included within cost of sales, distribution, administrative and finance costs have been classified as adjusted items.

The largest category of costs included within adjusted items are those relating to loss on discontinued categories of £24.7m (2023: £10.5m) along with the impairment of its associated brands and other intangibles of £57.5m (2023: £nil) as the Group progressed its strategic review of loss-making non-core brands and product offerings.

For full details on each category of adjusted item see note 4 to the financial statements.

Strategic Report

Chief Financial Officer's Review continued

Balance sheet**Cash and cash equivalents and net cash before lease liabilities**

	2024 £m	2023 £m
Loans and other borrowings	(604.6)	(650.0)
Lease liabilities ¹	(41.4)	(345.0)
Cash and cash equivalents	308.6	416.2
Sub-total	(337.3)	(578.9)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	(8.3)	15.7
Net debt	(345.6)	(563.2)
Net debt before lease liabilities – post demerger	(304.3)	n/a
Net debt before lease liabilities – pre demerger²	(215.3)	(218.2)

1. Following completion of the demerger, subleases were entered into by THG PLC generating c.£80m of new lease liabilities, therefore we expect the lease liabilities of THG PLC to increase in FY 2025 reflecting the subleases.

2. Being the net debt less lease liabilities – post demerger of £304.3m plus the £89.0m of cash that was included within the held for distribution group.

At 31 December 2024, the Group held £397.6m in cash and cash equivalents (2023: £416.2m) split between cash of £308.6m within the post-demerger Group and £89.0m included within the held for distribution group (within THG Ingenuity and which left the Group following the demerger).

At the year end, the Group held a €600m Term Loan B due to mature in December 2026 and a £109m Term Loan A facility maturing in Q4 2025. The undrawn RCF totalled £150m.

Post year end, on 4 April 2025, the Group announced the completion of its debt refinancing to 2029. As part of a plan to delever, the refinancing reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in Q4 2025. The undrawn RCF totals £150m. The reduction in facilities was partially funded by an equity raise on 28 March 2025, with gross proceeds of £95.4m. The demerger of THG Ingenuity will materially reduce the cash outflows of THG PLC with substantial reductions in lease commitments (of c. £20m cash saving per annum) and capex requirements, which in turn means that the Group requires smaller banking facilities.

Net debt before lease liabilities on a pre-demerger basis was consistent year on year at £215.3m (2023: £218.2m). The small decrease is driven by net impact of the equity placing less cash spent on repayment of borrowings, lease repayments, finance costs and cash adjusting items.

Non-current assets

Property, plant and equipment totalled £64.9m (2023: £273.2m) with £177.0m being held for distribution to THG Ingenuity. Intangible assets totalled £958.3m (2023: £1,207.4m) with £149.5m being held for distribution. Decreases in the year are driven by the depreciation and amortisation charge (see earlier). Following the demerger, the capital expenditure is expected to reduce significantly given the previous additional costs were primarily in respect of the platform which belongs to THG Ingenuity.

Damian Sanders

Executive Director and
Chief Financial Officer

28 April 2025



Section 172 Statement: Stakeholder Engagement

Section 172 of the Companies Act requires that our Directors act in a way which they consider, in good faith, will be most likely to promote the success of the Company for the benefit of its Shareholders as a whole, having regard to the prescribed stakeholder considerations.

Our vision is to be the global online leader in beauty and sports nutrition, and we have identified six stakeholder groups that are vital to achieving this objective. Active engagement between the Board and these stakeholder groups is underpinned by our values and purpose. It is therefore critical to ensure that Board decision-making is appropriately informed by the relevant section 172 stakeholder considerations. Such engagement will, in turn, support the successful delivery of the Group's strategic priorities and thus promotes sustainable value creation.

In addition to the engagement outcomes summarised in this statement, the table which follows details other areas of this Annual Report which contain section 172 related information.



Customers and Consumers

How THG engages

- Through its brands via social media
- Physical shopping experience through the Lookfantastic flagship store and various pop-ups
- Creating global digital content including Lookfantastic's 'What the SPF?' campaign and Myprotein HYROX event engagement
- Customer and consumer insights provided to and analysed by Senior Management
- Continued expansion of loyalty programmes across THG Beauty
- Award-winning customer contact centre and customer advisory teams
- Industry-leading service to our customers through extended 1am next-day delivery

How the Board engages

Indirect

- Monthly updates from Senior Management on strategic priorities, including brand partnerships and new product development with a focus on meeting the ever-changing needs of customers and consumers
- Monthly review by COO of operational performance to consistently deliver and improve the customer experience
- Board presentations from Senior Management on customer satisfaction scores, brand perceptions and process improvements
- Monthly updates from the Chief Technology Officer on key cyber-security enhancements and regulatory compliance

With a focus on providing a high-quality retail experience and promoting trust, we continue to make progress in how we directly engage with our consumers and our customers. Engagement has taken place through a variety of channels, including social listening, social media activity, a review of customer and consumer insights analysed by Senior Management and further development of our Beauty loyalty programme, alongside tactile retail experiences.

Regular Senior Management updates are designed to ensure that strategic priorities are focused on better understanding the wants and needs of customers and consumers, and that we are well positioned to execute on these.

Outcomes from engagement

- An enhancement for the customer through the development of the delivery experience leading to record low contact rates.

- Allowing THG brands to connect more effectively with customers and provide a competitive advantage against their respective competitors.
- 4.4 'Excellent' average rating across THG Ingenuity managed Trustpilot reviews.
- Greater accuracy in order and quicker delivery times in addition to proactive customer communications, reducing the requirement for post-order support.

Section 172 consideration	Further information can be found on
(a) The likely consequences of any decisions in the long term	Principal risks – page 75
(b) Interests of employees	Our people – page 44
(c) Fostering business relationships with suppliers, customers and others	Our strategy – page 10
(d) Impact of operations on the community and environment	Sustainability – page 46
(e) Maintaining a reputation for high standards of business conduct	Supply chain standards – page 55
(f) Acting fairly between Shareholders	Chair's introduction – page 4

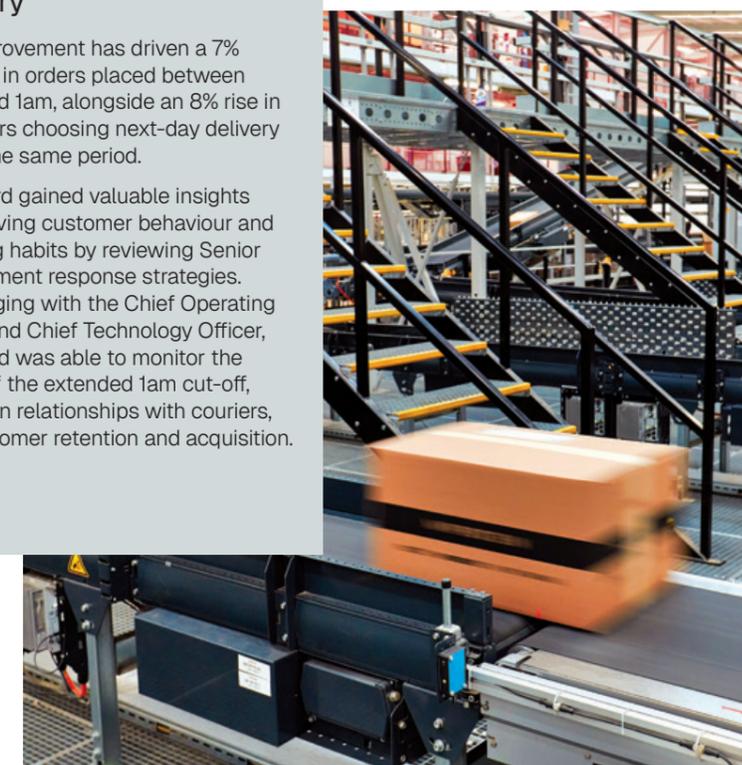
Market-leading 1am next-day delivery

According to data from THG Fulfil, more than 82% of all next-day delivery orders are placed after 2pm and more than a quarter are placed after 10pm, offering a clear incentive for both customers and retailers to extend next-day delivery order periods as late as possible. We leveraged the operational capacity of THG Ingenuity's UK fulfilment network and control of the delivery experience to offer greater flexibility for customers.

The development of the delivery experience has enhanced the customer journey, enabling THG brands to connect more effectively with their customers and gain a competitive edge.

This improvement has driven a 7% increase in orders placed between 10pm and 1am, alongside an 8% rise in customers choosing next-day delivery during the same period.

The Board gained valuable insights into evolving customer behaviour and spending habits by reviewing Senior Management response strategies. By engaging with the Chief Operating Officer and Chief Technology Officer, the Board was able to monitor the rollout of the extended 1am cut-off, impact on relationships with couriers, and customer retention and acquisition.



Section 172 Statement: Stakeholder Engagement continued

Shareholders	
How THG engages	How the Board engages
<ul style="list-style-type: none"> Annual Report and Accounts RNS announcements Shareholder notices and circulars, including re: demerger of THG Ingenuity Scheduled investor presentations and conference calls Corporate website Head office and site tours One-to-one and group investor meetings on site and attendance at investor conferences Regular engagement through meetings with analysts and across THG's coverage base 	<p>Direct</p> <ul style="list-style-type: none"> General meetings, including the Company's annual general meeting The CEO and CFO have an ongoing programme of meeting institutional Shareholders, supported by Senior Management The Chair and SID are available to meet Shareholders upon request The CEO and CFO host webcasts following trading statements and other significant/business strategic updates to the market <p>Indirect</p> <ul style="list-style-type: none"> The Board reviews and approves material market communications, such as the Annual Report and Accounts and trading and other updates The Board reviews media coverage and investor feedback provided by THG's advisers

Active engagement with our Shareholders ensures they are aware of the Group's financial and strategic priorities, performance, market environment and sustainability commitments. The views of our Shareholders are considered extensively and support in informing the strategic decision-making of the Board.

The Company has communicated in a variety of ways including virtual roadshows and in-person meetings and we have the opportunity to share a detailed overview of financial performance and progress against strategic objectives within our Annual Report and Accounts. As a publicly listed company, our purpose, vision, values and strategy are directed towards the objective of creating long-term and sustainable value for our Shareholders.

Regular dialogue took place with the investment community during 2024, in particular around the release of the Group's preliminary and interim results and following the announcement of the proposal to demerge THG Ingenuity from the Group.

Outcomes from engagement

- Received Shareholder approval for the demerger of THG Ingenuity following extensive consultation.

- Enhanced Shareholder perception by effectively communicating the Group's strategy and addressing concerns if raised.
- Kept Shareholders informed through financial and strategic RNS updates, and direct engagement.
- Analysts and investors have the opportunity to provide feedback on trading performance and strategic direction through interactions during each financial year.

Suppliers	
How THG engages	How the Board engages
<ul style="list-style-type: none"> Annual anti-bribery training undertaken by procurement function Risk assessment undertaken for all suppliers and processes in place for reviewing and enhancing audit for higher-risk suppliers Strategic suppliers identified and engaged on carbon reduction matters Risk assessments undertaken for all suppliers for reviewing CSR alignment We operate under the THG Supply Chain Standards applicable to all supplier relationships 	<p>Indirect</p> <ul style="list-style-type: none"> Regular review of key raw material prices and buying strategy Site visits undertaken by Risk Committee Chair on an ad hoc basis as and when considered appropriate Members of the Executive Leadership Team available to meet major suppliers Regular review of supplier payments metrics

As a global business, it is essential that we hold ourselves to the highest ethical standards when dealing with our suppliers to ensure business is conducted with complete integrity and in a manner which ensures compliance with all applicable laws and regulations.

The Board is dedicated to building supplier relationships that support our brands while addressing societal and environmental challenges, following the THG Group's Supplier Manual to ensure high standards of business conduct.

We strive to build productive, fair and lasting partnerships with suppliers, ensuring long-term value creation for Shareholders while respecting suppliers' business needs.

We engage through a number of ways to ensure professional integrity when working with external suppliers. This includes risk assessments for all suppliers and a process for reviewing and enhancing audits for higher-risk suppliers. We aim to listen to feedback from suppliers to understand their challenges and to seek to continuously improve relationships. We have implemented appropriate internal controls to ensure that suppliers abide by our Ethical Code of Conduct and operate

with integrity. These controls ensure that a professional relationship is maintained between each party and allows us to work effectively to deliver value to our customers.

THG Ingenuity is a key third party supplier of the Group across a number of services with multiple levels of stakeholder interaction to ensure the relationship remains commercially sound and productive (more information in principal risks).

- Outcomes from engagement**
- Improvements to stakeholder engagement and relations.
 - Increased transparency in procurement decisions, including in contractual terms, sustainability claims and onboarding.
 - Improved supplier on-time payment performance.
 - Significant cost savings per unit and maintenance of delivery standards throughout peak trading periods.

Partners	
How THG engages	How the Board engages
<ul style="list-style-type: none"> Quarterly business reviews with partners to assess sales pipeline, new product development and joint marketing strategy Strategic partners identified and engaged on carbon reduction matters Due diligence undertaken on all potential partners to ensure alignment with brand strategy 	<p>Indirect</p> <ul style="list-style-type: none"> Members of the Executive Leadership Team available to meet major partners Regular review of partnership revenue and performance metrics Regular review of partnership and licensing commercial arrangements

As our strategic direction evolves, partnerships have become a key driver in strengthening customer connections and fostering mutually beneficial relationships through product development and brand synergies.

In 2024, THG Nutrition, through Myprotein, entered into a number of high-profile strategic partnerships, including product collaborations with Müller, Jimmy's Iced Coffee and Kirsty's Food, alongside growing brand partnerships with Marvel and HYROX.

We ensure that all partnerships align with our strategic objectives and values, fostering brand synergies that benefit both parties while preserving Myprotein's brand image and reputation. Once partnerships are established, quarterly reviews are conducted to evaluate performance and joint marketing efforts. This process informs decisions on extending agreements and refining collaboration strategies.

- Outcomes from engagement**
- Partnerships enhance our ability to engage with customers through product and brand collaborations.
 - Ensuring partner brands align with our values helps maintain Myprotein's brand image and reputation.

- Quarterly reviews assess marketing efforts, partnership performance and inform future collaboration decisions.
- The Board indirectly engages with partners through meetings, revenue reviews and agreement assessments to ensure sustainable and profitable partnerships.



Müller partnership

Müller, Europe's largest dairy brand, is renowned for its diverse product range, including yogurts, milk drinks, butter and plant-based options and through extensive market analysis they recognised the global megatrends towards health. In response to these findings, Müller joined forces with Myprotein through a long-term partnership spanning across the UK and Europe.

With Myprotein's expertise in sports nutrition, the new range has been carefully crafted to meet the needs of an active lifestyle.

The partnership aims to introduce delicious options into the high-protein category and provide additional touch points for Myprotein customers, with products stocked across major UK supermarkets and convenience channels.

With the potted protein segment growing at four times the rate of the overall segment, this collaboration is set to tap into the high growth potential and bring a unique solution to new and existing Myprotein customers. Senior Management engage with partners on an ongoing basis through regular communication and review of joint activities including marketing spend and reviewing NPD. The Board continues to monitor the performance of the Müller partnership on a regular basis.

Section 172 Statement: Stakeholder Engagement continued

Our People	
How THG engages	How the Board engages
<ul style="list-style-type: none"> – Development of employee networks with support from dedicated Executive Sponsors – Colleague engagement and culture surveys – Evolution of Learning and Development offering including introduction of in-house management programme and continuation of upskilling programme including the Data Academy – Regular leadership town hall meetings – Launch of parents' network to support working families – Continuation of partnership with Change 100 	<p>Direct</p> <ul style="list-style-type: none"> – End-of-year colleague presentation delivered by Executive Directors – Annual business strategy updates with Senior Management <p>Indirect</p> <ul style="list-style-type: none"> – Regular reviews of attrition and key recruitment matters by the Chief People Officer at monthly Board meetings – Reviewed and approved updated role profiles of Board Members

We aim to foster a supportive environment for all our colleagues. We're incredibly proud to celebrate a global and diverse workforce and the unique skills and qualities that it brings to the table. As our most valuable asset, we provide our people with opportunities for personal and professional development, with a particular focus on building the skills for tomorrow and go further, faster.

One way in which we have supported our people is through the development and expansion of employee networks (including the launch of the Women in Business Network) and the introduction of Executive Sponsors.

Through the evolution of these programmes, we have been able stay at the forefront of digitally skilled workforces and gain a competitive edge in attracting and retaining talent.



View online Talent

- THG also engages its people through:
- Introduction of the Leadership Townhall.
 - Expansion of Emerge, Beyond, Inspire and HoRizons learning and development programmes.
 - Introduction of the workplace nursery benefit.
 - Early careers programmes.

The popularity and subscription rates of these schemes provide valuable insight into how our people value these programmes and the skills they develop.

The success and development of our Senior Management acts as testament to our focus on our people and the emphasis on learning and growth.

Our Senior Management engage on an ongoing basis through reviewing feedback from networks and the development of schemes to refine our offering. By doing so, we ensure a supportive environment is maintained while ensuring the skills being developed meet the changing needs of the business.

The Board engages in a variety of ways to drive the success of these initiatives and ensure that our people have every opportunity to succeed. Through end-of-year colleague presentations, employees are recognised for their efforts through equity awards, which also provide an opportunity for Board members to engage with staff and gain feedback.

Strategy updates with Senior Management are undertaken on a regular basis to allow the Board to engage and provide feedback and guidance to the Chief People Officer. Indirectly, the Board also engages through reviews of recruitment and attrition matters with the Chief People Officer.



- Outcomes from engagement**
- Employees gain access to networks, training and leadership opportunities.
 - Fostering a culture of hard work and recognition.
 - Managers enhance critical skills such as communication, negotiation and performance management.
 - Sponsorship from senior leaders provides employees with valuable networking opportunities and career insights.
 - Recognition programmes and benefits improve morale and commitment.
 - Leadership Townhalls and Executive Sponsors provide coaching and careers guidance.
 - Monthly reviews on attrition and recruitment help refine people strategies.
 - The Board's involvement ensures alignment with the Group's strategic aims and objectives, supporting its long-term success.

Society and Communities	
How THG engages	How the Board engages
<ul style="list-style-type: none"> – Implementation of the Group's Social Impact Strategy – Charity partnership with The Christie – Continuation of strategic partnership with TechSheCan – Supported TalentTap, providing work experience to students from social mobility cold spots – Supported men's health charity Movember 	<p>Indirect</p> <ul style="list-style-type: none"> – Quarterly review of progress against the 2030 Sustainability Strategy – ESG matters discussed in Sustainability Committee meetings and thereafter updates provided at monthly Board meetings

We aim to build skills and develop talent to promote greater social mobility, while protecting the environments we operate in and source from. From operating at a global scale, it is critical that we take responsibility for the communities we interact with and must ensure that we limit our negative impact and use our scale for good. Throughout 2024 we have engaged with society and its communities in a variety of ways, including through: the Group's Social Impact Strategy, our charity partnerships with The Christie Charity (The Christie NHS Foundation) and the expansion of our partnership with TechSheCan and TalentTap to provide work experience to students from socio-economically deprived areas. Each of these initiatives has helped us to engage with our communities in a responsible and meaningful way. In order to support these engagements, the Board reviews the progress of the 2030 Sustainability Strategy and its objectives, and through discussing ESG matters in Sustainability Committee meetings.

- Outcomes from engagement**
- You can read more about the outcomes from our engagement work in Society and Communities on the Sustainability section on page 59.

The Christie Charity partnership

In 2023 we announced a new fundraising partnership with The Christie Charity to support one of Europe's leading cancer treatment centres.

The partnership, a first for THG, forms part of our Social Impact Strategy, THG in the Community, which centres around plans for creating social change in local communities.

During 2024 employees were invited to participate in a series of fundraising events, including the Manchester Marathon and Dragon Boat races. We were very proud that our colleagues raised £55,332.80, and with THG matching this sum, our total donation was £110,665.60.

These funds will enable The Christie to offer wraparound support for patients and families navigating a cancer diagnosis, and support the building of an Advanced Scanning and Imaging Centre ("ASIC").

This will be a new scanning facility to future-proof the service and provide patients with the very best care and treatment, including a new state-of-the-art, high-tech 4D CT scanner.

The Christie has more than 100 years of expertise in cancer care, research and education. As one of Europe's leading cancer centres, it annually treats over 60,000 patients and handles more than 100,000 outpatient appointments from 14 sites across Salford, Oldham, Macclesfield, Stockport, Bolton, Bury, Wigan, Tameside, Leighton and New Mills, as well as in patients' homes. It is the largest provider of radiotherapy in the NHS and is home to the largest chemotherapy unit in the UK.



Matthew Moulding, Chief Executive Officer of THG, said:

"We are delighted to partner with The Christie Charity – our first ever charity of the year. This is a cause that hits home for many THG employees and their families. We have a huge opportunity to help The Christie Charity raise awareness, and support with much-needed funding."

Section 172 Statement: Stakeholder Engagement continued

Principal decisions

Below are examples of the key discussions and principal decisions taken by the Board during 2024, alongside relevant strategic priorities and stakeholders considered.

Demerger of Ingenuity Stakeholders considered:



Strategic priorities considered:



In September 2024, the Board announced it was progressing options to demerge THG Ingenuity. The demerger facilitates the simplification of THG's business model as a global consumer beauty and nutrition group, with an improved balance sheet, capex and cash flow profile. Extensive discussions with Shareholders were undertaken ahead of the announcement, building upon the previously communicated Group strategy to provide each business with its own growth and capital platform.

In October 2024, it was announced that THG Ingenuity was to be demerged into a standalone independent private entity, facilitated by a fundraise, which was executed successfully, raising gross proceeds of £95.4m. The net proceeds of the fundraise, alongside a debt facility, are expected to provide THG Ingenuity with sufficient medium-term funding as the business approaches positive cash generation on a standalone basis.

The Directors considered that the proposed demerger was in the best interest of Shareholders and the Company as a whole and the Board was pleased by the strong support received from both existing Shareholders and new investors.

Regular communication to the investor community was undertaken via the RNS and the Company website to inform Shareholders of the options made available to them. Throughout this period, Shareholders were able to consult with the Senior Management team on matters pertaining to the demerger.

Link to strategic priorities key:

- Build leadership positions in core territories and categories
- Deliver innovative and relevant products to global consumers
- Develop Active Customer base and drive loyalty
- Enhance brand equity through D2C channels

THG Beauty own brand portfolio management Stakeholders considered:



Strategic priorities considered:



In December 2023, THG Beauty acquired US-based prestige skincare brand Biossance into its portfolio of owned brands. During 2024 the brand was successfully integrated, building upon its strong brand awareness to reach a wider consumer base.

As part of the ongoing strategic review of loss-making categories and territories announced in January 2023, during 2024 we took the decision to withdraw from own brand cosmetics and masstige products to focus on the more prominent growth opportunities in prestige skincare, spa and specialist products.

This strategy is delivering margin enhancements from a more focused, relevant consumer offering.

The Executive Leadership Team considered the financial impact of the discontinued categories and updated Company guidance for its continuing businesses.

Disposal of luxury websites Stakeholders considered:



Strategic priorities considered:



In June 2024, the Group announced a multi-faceted partnership with Frasers Group plc. This partnership included the sale of THG Beauty's portfolio of luxury goods websites, including www.coggles.com. The sale completed on 11 September 2024, with the results presented as discontinued categories.

From a standing start almost 11 years ago, THG's luxury division grew to c.£43m sales and was broadly break-even for FY 2023, despite a broader challenging luxury market. The decision to dispose of the luxury websites considered the Group's financial priorities and its stated intention to simplify and streamline its operations.

As part of the sale agreement, THG Ingenuity will continue to support the brand portfolio across technology, digital marketing and fulfilment services for a period post disposal.

Transfer to Equity Shares (Commercial Companies) category Stakeholders considered:



Strategic priorities considered:



In September 2024, the Group announced its appointment of a Sponsor in order to facilitate the transfer of its Ordinary Shares from the Equity Shares (Transition) category of the Official List maintained by the Financial Conduct Authority to the ESCC category.

While no Shareholder approval was required, the Board consulted extensively with Shareholders and concluded that it would be in the best interests of THG and its Shareholders to effect the transfer.

The Board believes the transfer will:

- enable the Ordinary Shares to be considered for inclusion in the FTSE UK Index Series, which is expected to improve passive investment flows and liquidity;
- support the execution of the Group's strategy, through raising its visibility;
- afford increased protection for investors under the UKLRs as a result of the higher standards placed on companies admitted to the ESCC category, including in relation to significant transactions and Related Party Transactions; and
- benefit its Shareholders by making THG's previously voluntary adherence to certain ESCC category standards of corporate governance, and regulatory and reporting compliance, compulsory.

The Group confirmed the transfer was effective in January 2025 and subsequently entered the FTSE 250 index in March 2025.

Non-Financial and Sustainability Information Statement

The table below sets out where stakeholders can find information relating to the non-financial matters as required under the Non-Financial Reporting Directive:

Reporting requirements	Our approach	Relevant policies and statements	Where to read more
Environmental matters Page 78	THG is committed to doing business responsibly and reducing any adverse impacts of our operations on the environment. Our Environmental Policy was implemented as part of our THG Sustainability Strategy (THG x Planet Earth) to drive positive change in our business, supply chains, communities and for the planet.	- Environmental Sustainability Policy	- Sustainability Committee Report - TCFD disclosures - Principal Risks – Climate Change, Environmental and Social Responsibility, Legal and Regulatory Compliance
Employees Page 59	THG strongly believes that having a diverse workforce and an inclusive workplace creates a more innovative and successful business. This commitment to diversity and inclusion is a key part of our strategy and reflects our ongoing dedication to equal opportunity.	- Diversity & Inclusion Policy - HR Handbook including all people-related policies	- People and diversity – Chair's Introduction - 'Our Strategy' and 'Our People' - Section 172 Statement - Diversity – Nomination Committee Report - Principal Risks – Talent, Culture, Health & Safety
Human rights Page 56	THG has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and working relationships.	- Modern Slavery Statement - Supply Chain Standards - Health and Safety Policy - Whistleblowing Policy - HR Handbook	- Section 172 Statement - Strengthening our supply chain and circularity - Principal Risks – Climate Change, Environmental and Social Responsibility, Culture, Health & Safety, Product Quality and Safety
Social matters Page 59	We invest our time and energy into the people and communities who need our help the most.	- HR Handbook - Environmental Sustainability Policy - Social Impact Strategy – THG in the Community	- Section 172 Statement - 'Our People' - 'Empowering people and communities' – Sustainability - Principal Risks – Climate Change, Environmental and Social Responsibility
Anti-bribery and corruption Page 56	THG is committed to conducting its business with complete integrity and in a manner which ensures compliance with all applicable laws and with the highest ethical standards. As a company, we use our best endeavours to ensure that all those acting on our behalf, whether they are employees, contractors, third-party intermediaries or agents, are aware of and share our commitment to conducting business ethically.	- Anti-Bribery Policy - Gifts and Hospitality Policy	- Principal Risks – Culture

- For our business model – see page 8
- For Sustainability and TCFD – see pages 46 to 71
- For Principal risks and uncertainties – see page 75

A review of each of the above policies is considered on an annual basis and updates made where appropriate. An integrated training and policy platform continues to be maintained, which facilitates the rollout of policies to appropriate audiences. This platform allows subsequent monitoring of completion rates for the reading and acceptance of these policies at an individual level, promoting awareness and conformance to our policies.

Our people



In 2024, we continued to streamline and automate our global people processes to enhance the employee experience and establish strong, consistent foundations across the Group.

Operational excellence

In anticipation of the upcoming changes in UK employment law, we have consulted externally and begun training and briefing our People teams on what to expect and how we will manage regulatory changes when they come into force. We rolled out proactive sexual harassment training, conducted risk assessments, and updated our Bullying, Harassment and Discrimination Policy in line with legislative changes implemented in autumn 2024.

Following the launch of our Parenthood Programme in 2023 which offers up to six months' full pay for parents and paid time off for fertility treatments, we introduced the Workplace Nursery scheme, a new benefit for our UK colleagues to help colleagues save on their monthly childcare bills.

We were also incredibly pleased to be shortlisted in the Best Place to Work category in the Drapers awards. This is a testament to the enhancements we have made to our Employee Value Proposition over the past two years.



Career development

We pride ourselves on creating career-defining opportunities for ambitious talent in a meritocratic way, and our Learning & Development offering is vital to this, with our people front and centre. It's 'learning owned by you, supported by your manager, and backed by THG'.

In 2024, we delivered a variety of sessions to thousands of colleagues. From leadership programmes and e-learning modules to technical sessions and professional skills, we have confidently uplifted the capability of our people.

Three initiatives stand out as having considerable impact:

- Beyond programme:** 45 leaders completed the five-month Beyond programme. These managers now have better strategies to effectively lead their teams and the tools to build stronger relationships, resulting in higher performance.
- Interviewing the THG Way:** 300 managers attended this training. We focused on improving our hiring managers' skill sets to secure the right talent through effective questioning based on divisional needs and our core values.
- Building Impactful Teams:** 40 teams attended this workshop, which explored how understanding each other as individuals results in better collaboration, culture and output.

In 2025 we are launching a comprehensive job architecture framework to provide clear pathways for progression and help colleagues understand and achieve their career goals.

Culture and engagement

We introduced an employee voice platform to track sentiment across the business and quantify the employee experience. This tool will enable us to make data-driven decisions that reflect the needs and perspectives of our people, creating a thriving, productive and positive work environment.

To foster a connected, informed and empowered leadership population, we launched the Leadership Townhall. This is a quarterly forum for leaders across all business units to discuss strategic priorities, hear the latest business news, and share their ideas and feedback.

Recognising the role that managers play in employee engagement, development and retention, we introduced Manager Toolkits, a monthly resource to provide targeted support to help managers effectively lead their teams, navigate the complexities of their role and understand and relay key business updates.

In collaboration with our in-house GP, we organised a series of talks and events on health topics such as mental health, men's health and menopause to educate and inform our colleagues on things that could impact their wellbeing. All these initiatives highlight our commitment to creating a workplace where every colleague feels valued, heard and empowered to contribute to the Group's success.

Equity, Diversity & Inclusion

THG was built on the belief that anything is possible, and we want our people to believe that too. That's why we're breaking down the barriers that stop our people, customers and communities from achieving their full potential. To learn more about our progress, visit page 59.

Employee and Board diversity information as at 31 December 2024 was as follows:

2024 Gender	Male	Female	Not disclosed	Total	2024 Ethnicity	BAME	Non BAME	Not disclosed	Total
Board	6	3	0	9	Board	0	9	0	9
Senior leadership	10	4	0	14	Senior leadership	3	11	0	14
Other	3,337	3,376	55	6,768	Other	1,157	2,421	3,190	6,768
Total	3,353	3,383	55	6,791	Total	1160	2,441	3,190	6,791

Our employee networks

We continued to invest in and support our employee networks, each of them guided by an Executive Sponsor to amplify the voices of underrepresented groups across the business.

Neurodivergent Network

Mission: "To create a safe space for all employees, neurodivergent and neurotypical, to learn, share and join a community."



View online
THG Stories: Robin Barayuga



Parents Network

Mission: "To create a supportive and inclusive environment for all parents and carers at THG."



View online
Finding the Balance: Career and Parenthood



Pride Collective

Mission: "To educate those outside the LGBTQIA+ community on important topics and issues, promoting understanding and acceptance."



View online
2024 Pride Panel with Ryan Atkin



Black Community Network

Mission: "To value every voice and celebrate unity. Through collaboration, cultural exchange and shared purpose, we foster belonging, innovation and a commitment to diversity at THG."



View online
Sharon's blog post, Feel the Fear and Do It Anyway

Accessibility Champions Network

Mission: "To support colleagues with disabilities by removing barriers, raising awareness and making accessibility inclusion integral to all we do."



View online
Breaking Taboos: Beck's Journey with Ulcerative Colitis

Women in Business & Women in Tech

Mission: "To create an inclusive and empowering community where women from all backgrounds come together to thrive."



View online
THG Stories: Neha Sawant

Sustainability

THG x Planet Earth is our strategy for a better, sustainable future together. Guided by the United Nations' Sustainable Development Goals ("SDGs"), our plan focuses on three key pillars: Protecting climate and nature, Strengthening our supply chain and circularity, and Empowering people and communities. We have set ambitious goals and targets under the key priorities, that we aim to achieve by 2030. We are pledging to use our global scale, our world-class talent and our dedication to innovation, to act as a force for good.



Protecting climate and nature

Climate

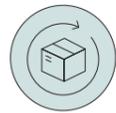
Operate net zero greenhouse gas emissions across our operations.

Nature

Have a positive impact to biodiversity and nature ecosystems across our own brands.

Water

Use water sustainably in high water impact areas of our value chain.



Strengthening our supply chain and circularity

Responsible supply chain

Protect human rights and work to eliminate modern slavery in our supply chain.

Circularity

Transform all of our waste into resources for our value chain.



Empowering people and communities

Employee wellbeing and development

Create a workplace culture which brings out the best in all.

Equity, Diversity and Inclusion

Promote policies and practices that are inclusive for all at THG.

Investing in our communities

Support our communities and lead initiatives to teach tech and life skills.

UN SDGs our goals are addressing:



Key achievements in 2024



Named one of the Top 250 companies globally by Sustainability Magazine



Awarded Supply Chain Initiative of the Year, EMEA at the Environmental Finance: Sustainable Company Awards 2024



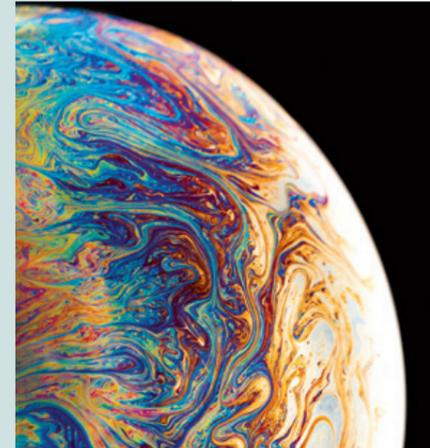
Ahead of science-based target trajectory for Scope 1 and 2 emissions

Our 2024 report

In 2024 we made continued progress against our THG x Planet Earth strategy across all three pillars and were proud to be recognised within Sustainability Magazine's Top 250 companies across the globe.

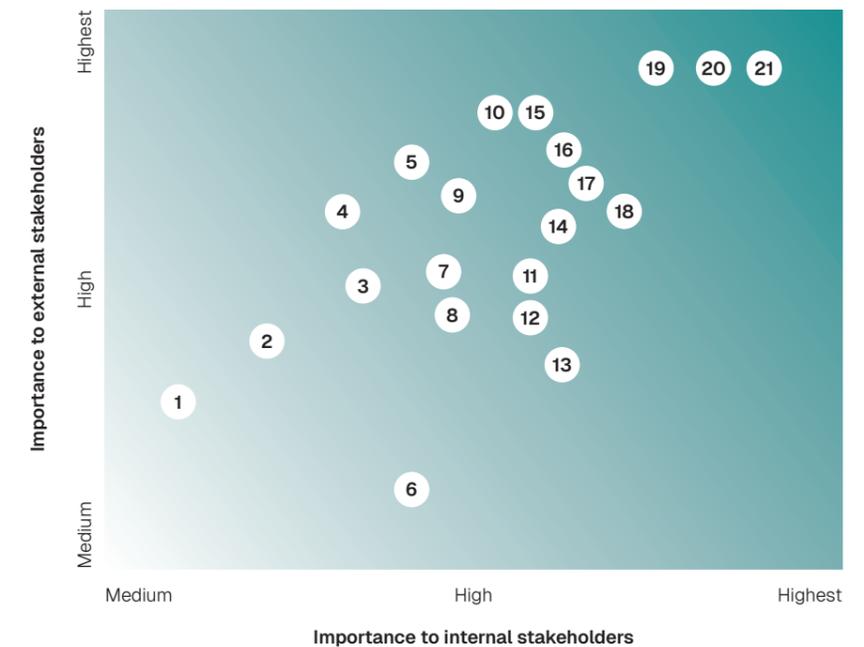
We are ahead of our trajectory for our Scope 1 and 2 associated net zero targets, which is, in the main, a result of a 26% increase in renewable purchased electricity. In addition, THG's award for the Supply Chain Initiative of the Year for our THG PACT programme is further evidence of our progress to reduce emissions. More details on our progress towards our science-based targets can be found on pages 50 and 51.

Looking into 2025 we will continue to focus on driving progress against all our sustainability goals and will re-evaluate our targets to reflect the changes in our business following the demerger of Ingenuity at the start of the year.



Materiality assessment

The field of sustainability is constantly evolving, with new data and innovations emerging all the time. Given this rapidly changing environment, it is important to assess and understand the potential challenges and opportunities, as well as the topics most important to THG and its stakeholders. To do this we undertake a materiality assessment to provide insight into which issues we should focus on, and where the greatest impacts lie both from an environmental and societal point of view as well as financial implications of sustainability risks and opportunities. This can then inform business strategies, such as our 2030 Sustainability Strategy, THG x Planet Earth. In defining the topics within the assessment, we engage with both internal and external stakeholders, to understand how the most material issues may affect our business in the short and long term. We can then monitor these issues in our day-to-day operations to manage risks and assess opportunities for the future. This assessment takes place every two years and, in 2023, we undertook a 'light' materiality assessment. THG has acknowledged that the proposed Omnibus changes removes our business from the scope of CSRD reporting for FY25 and based on the current business metrics will be in scope FY28 for reporting in 2029 instead. In the interest of compliance THG will complete a CSRD aligned Double Materiality Assessment in 2025, acknowledging the importance of the legislation and relevance to our business's strategy.



- | | | |
|--|--|---|
| 1. Water stewardship | 8. Community investment | 16. Packaging recyclability |
| 2. Sustainable product innovation and technology | 9. Pollution | 17. Data privacy |
| 3. Product transparency and labelling | 10. Health and safety | 18. Responsible marketing and advertising |
| 4. Living wage | 11. Governance and ethics | 19. Climate and emissions |
| 5. Waste | 12. Animal welfare and testing | 20. Human rights |
| 6. Nutritional value | 13. Talent, attraction, retention and growth | 21. Product safety and quality |
| 7. Stakeholder engagement | 14. Diversity and inclusion | |
| | 15. Sustainable sourcing | |

Strategic Report



Protecting climate and nature

We plan to leave the world a better place than we found it. A code red alert has signalled to the world that action needs to be accelerated to protect the planet's climate and natural ecosystems.

And we need to act fast.



Our targets	Our progress
THG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.	In 2024 THG's market-based emissions stood at 7,110 tCO ₂ e which is a 38.33% reduction against our base year.
THG commits to reduce absolute Scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year.	
THG commits to reduce absolute Scope 3 emissions 90% by 2040 from a 2020 base year.	Scope 3 emissions now stand at 938,801 tCO ₂ e.
THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027.	Through our Partnership in Action (THG PACT) programme, we are working with suppliers on the journey to net zero.
Powering all our geographical operations with 100% renewable electricity by 2030.	In 2024 we are at 92%; we expect to be at 100% in 2025.
Accelerate decarbonisation of supply chain electricity through 100% carbon-free electricity ("CFE") by 2030.	We continue to work with suppliers to gather the data via THG PACT. Progress will be assessed through our supplier scorecard process.
Achieve 6% carbon intensity reduction YoY of suppliers' full product carbon footprint, beyond just electricity, by 2030.	
All own brand key commodity ¹ raw materials to be deforestation free by 2030.	Engagement with suppliers under way.

1. Palm, soy, cocoa and paper.

Key achievements in 2024



92%
of purchased electricity was renewable



38.33%
reduction of Scope 1 and 2 emissions against 2020 baseline

THG emissions and energy reporting

The following table details our energy consumption and GHG emissions, fulfilling our obligations within the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

and the Streamlined Energy and Carbon Reporting Regulations, March 2019. We report our GHG emissions in accordance with the GHG Protocol.

During 2024 we reviewed our Scope 3 calculation process and found sufficient efficiencies to be able to report Scope 1, 2 and 3 emissions for the same financial year for the first time.

Energy and emissions	Unit	2024 ¹	2023	2022	2021 ⁴	2020
Location based						
Scope 1 ²	Tonnes of CO ₂ e	5,332	5,520	5,194	2,309	1,946
Scope 2	Tonnes of CO ₂ e	12,648	12,369	13,248	11,605	9,584
Scope 3	Tonnes of CO ₂ e	938,801	813,439	780,027	—	620,518
Total Scope 1 & 2	Tonnes of CO₂e	17,980	17,889	18,442	13,914	11,530
Scope 1 & 2 GHG intensity per £1m revenue	Tonnes of CO₂e/£m revenue	9.25	8.75	8.23	6.39	7.14
Total Scope 1, 2 & 3	Tonnes of CO ₂ e	956,781	831,328	798,469	—	632,048
Scope 1, 2 & 3 GHG intensity per £1m revenue	Tonnes of CO₂e/£m revenue	492	406	357	—	392
Total Scope 1 & 2 UK³	Tonnes of CO ₂ e	9,080	9,273	—	—	—
Total Scope 1 & 2 Rest of the World³	Tonnes of CO ₂ e	8,899	8,616	—	—	—
Market based						
Scope 1 ²	Tonnes of CO ₂ e	5,332	5,520	5,194	2,309	1,946
Scope 2	Tonnes of CO ₂ e	1,778	9,060	9,157	11,605	9,584
Scope 3	Tonnes of CO ₂ e	938,801	813,439	780,027	—	620,518
Total Scope 1 & 2	Tonnes of CO₂e	7,110	14,580	14,351	13,914	11,530
Scope 1 & 2 GHG intensity per £1m revenue	Tonnes of CO₂e/£m revenue	3.66	7.13	6.41	6.39	7.14
Total Scope 1, 2 & 3	Tonnes of CO ₂ e	945,911	828,019	794,378	—	632,048
Scope 1, 2 & 3 GHG intensity per £1m revenue	Tonnes of CO₂e/£m revenue	487	405	355	—	392
Total Scope 1 & 2 UK³	Tonnes of CO ₂ e	4,015	4,114	—	—	—
Total Scope 1 & 2 Rest of the World³	Tonnes of CO ₂ e	3,095	10,467	—	—	—
Energy consumption						
Natural gas	kWh	20,713,666	20,434,090	23,275,342	12,051,833	9,943,330
Fleet & onsite fuel	kWh	6,471,301	7,476,557	3,889,419	590,717	488,578
Electricity	kWh	39,053,203	38,905,822	39,358,032	28,653,493	19,649,394
Total energy use	kWh	66,238,170	66,816,530	66,522,793	41,296,043	30,081,302
Total energy intensity	kWh/£m revenue	34,085	32,673	29,707	18,952	18,638
Total energy UK	kWh	44,293,613	45,084,421	42,682,049	23,332,220	16,833,917
Total energy Rest of the World	kWh	21,944,557	21,732,108	23,840,744	17,963,822	13,245,455
Renewable purchased electricity						
Renewable	%	92	66	63	—	—

1. Assured by Forliance – for further details please see below and our Basis of reporting document.
 2. Work to collate F-gas data from across the Group in 2024 and is still being gathered, and as such, no fugitive emissions are captured above. We intend to have all data collated ready to re-baseline in 2025.
 3. Data split not available for 2020, 2021 and 2022. The reduction YoY is a result of renewable energy certificates purchased for non-UK sites.
 4. 2021 Scope 3 data has not been reported as this was not included in the scope of assurance.

External assurance

Forliance were appointed to undertake limited assurance of selected GHG and energy data points contained in this disclosure using the assurance standard ISAE 3000. Forliance issued an unqualified opinion on the data and their full assessment can be found in the Basis of Reporting document which is on our website.



View online Basis of Reporting document

Science-based targets – progress report

During 2023, the SBTi validated our near and long-term targets. These targets are informed by climate science and provide a data-driven pathway for THG to reach net zero. Our targets are set against a 2020 baseline, and this section provides an update on our progress against the targets as required by SBTi. The targets we have committed to are:



Near-term – THG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.



Near-term – THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027.



Long-term/net zero targets – THG PLC commits to reduce absolute Scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year. THG PLC also commits to reduce absolute Scope 3 GHG emissions 90% within the same timeframe.

Governance

To ensure we continue to make progress on these targets, they are reported to the Sustainability Committee who maintain oversight. We also have a Scope 1 and 2 Working Group, made up of representatives across sustainability, procurement, projects, property and travel. During 2024, to connect this working group to our operational sites, we introduced site-level quarterly meetings for our most material sites in relation to their emissions and energy. The purpose of these meetings is to translate our Group-level SBTi targets into site-level targets and then track progress against these. This includes a thorough assessment of the asset lists of each site, which are rated according to emissions potential, ease of change, energy efficiency and cost. The assessment will then feed into the development of THG's Transition Plan Taskforce-aligned Transition Plan and a site-level action plan which will be supported by the working group.

THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027 – progress

THG PACT was launched in December 2023 to support the delivery of THG's Scope 3 decarbonisation efforts, an integral component of achieving our SBTi-validated net zero targets. The supplier engagement programme sought to enhance transparency throughout our supply chain, while fostering a culture of sustainability with our suppliers.

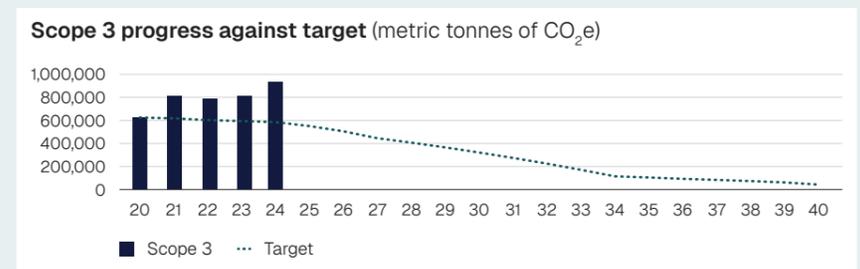
In the past year, we've contacted over 300 of our strategic suppliers, with positive results. Feedback has included some of the world's leading beauty brands acknowledging THG as being a leader in the Scope 3 space, highlighting our detailed and pragmatic plans to tackling this challenge.

Additionally, we have requested suppliers to share their historical, THG-allocated carbon emissions data with us, with some of our suppliers being influenced by THG PACT to begin their sustainability journeys. The data collected from suppliers has provided a dual benefit: (1) setting a baseline to track supplier emission reductions; and (2) third-party validated data has replaced average spend-based emission factors in our annual GHG report, providing a more accurate view of our environmental impact.

THG PACT has provided visibility of progress towards our near-term targets, with **36% of our suppliers by spend covering purchased goods and services and upstream transportation and distribution reporting they have science-based targets.**

The success of THG PACT has also been recognised by Environmental Finance, who awarded THG their 2024 EMEA Supply Chain Initiative of the Year award.

In 2025, our focus is on maintaining and nurturing the strong relationships that were developed throughout 2024, while significantly expanding the reach of THG PACT. We are more than doubling the scope of the programme, including suppliers from our five satellite sites. We will also encourage suppliers to increase the quality of data provided, with specific focus on limited assurance and setting science-based targets.

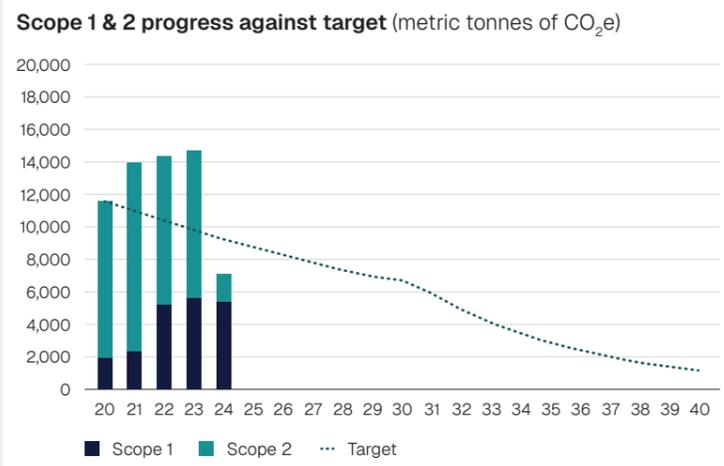


Emission source	Category	tCO ₂ e	% of Scope 3
Purchased goods and services	1	803,360.11	85.6%
Capital goods	2	8,328.35	0.9%
Fuel and energy-related activities	3	2,887.41	0.3%
Upstream transportation and distribution	4	92,407.95	9.8%
Waste generated in operations	5	83.02	0.0%
Business travel	6	1,647.15	0.2%
Employee commuting	7	14,408.99	1.5%
Upstream leased assets	8	381.48	0.0%
Downstream transportation and distribution	9	55.50	0.0%
Processing of sold products	10	—	0.0%
Use of sold products	11	10,413.35	1.1%
End of life treatment of sold products	12	2,885.43	0.3%
Downstream leased assets	13	—	0.0%
Franchises	14	1,942.72	0.2%
Investments	15	—	0.0%
Total		938,801.47	100%

THG commits to reduce absolute Scope 1 and 2 emissions 42% by 2030 – progress

During 2024 we took significant steps forward in our renewable electricity purchasing strategy, with both our Poland and Bentley Laboratory operations now purchasing 100% renewable electricity, taking the total across the Group to 92%. As can be seen from the graph, this step forward in procurement has moved us ahead of our science-based target trajectory in 2024. For 2024 our Scope 1 and 2 market-based emissions totalled 7,109.98 tCO₂e against our 2024 target of 9,195.10 tCO₂e.

This equates to a 38.33% reduction in Scope 1 and 2 emissions by THG from our 2020 baseline.



Renewable electricity

The majority of our energy comes from purchased electricity from the grid. Our goal is that by 2030 100% of the electricity we purchase will be covered by a form of Renewable Energy Certificate ("REC") or Guarantee of Origin ("GoO"). During 2024 the Group also launched an Energy Strategy Working Group. This group supports the Scope 1 and 2 Working Group by devising actionable plans for achieving 100% renewable electricity across the Group and also manages the energy procurement strategy.

In 2023 our renewable electricity procurement stood at 66%, in 2024 this increased to 92%. Plans and contracts are now being put in place to close the gap and it is forecasted that all sites which will be part of THG as of 1 January 2025 will have 100% of their purchased electricity covered by a form of REC or GoO.

This will result in THG achieving its target five years ahead of schedule.

Progress

Year	Progress (%)
Goal	100%
2024	92%
2023	66%
2022	63%
2021	0%
2020	0%

THG PLC also commits to reduce absolute Scope 3 GHG emissions 90% by 2040 – progress

Scope 3 emissions contributed 99.25% of THG's 2024 total carbon footprint, with the biggest areas continuing to be in category 1 (purchased goods and services) and category 4 (upstream transport and distribution).

In 2024, we saw a 15% increase in total Scope 3 emissions compared to 2023, driven in the main, by our category 1 due to higher purchased goods volumes.

In addition to the THG PACT programme, we continue to identify further ways to reduce emissions across the 12 applicable Scope 3 categories. We have seen a 25% decrease in category 3 (fuel and energy-related activities) and a 9% decrease in category 6 (business travel) emissions. While these cover a smaller proportion of our Scope 3 emissions, they still contribute towards our drive to net zero.

We are actively working to minimise the impact of upstream transportation and distribution by optimising the locations of our fulfilment centres.

As a result, our category 4 emissions have decreased by 4% compared to last year and by 12% compared to the baseline year.

As we continuously work on improving data quality, in 2024 we enhanced the accuracy of emission factors across key products and suppliers; this includes updating our emissions accounting for whey protein following industry best practices in the dairy sector. Please see THG's Basis of Reporting 2024 for details about these changes. These methodological changes, along with increased purchases, have led to a significant increase in Scope 3 emissions in comparison to our baseline year.

Our Scope 3 emissions intensity increased by 26% from the 2020 baseline, alongside a 20% revenue growth. While this reflects business expansion, part of the increase is also due to the methodological changes that provide a more accurate and comprehensive assessment.

Due to these changes, and following the demerger of THG Ingenuity, we will review our baseline data in 2025.



Energy efficiency case study

THG LABS UK develop and manufacture skincare, haircare, suncare and fragrance products for THG and third-party beauty brands from our best-in-class facilities in South West England.

This year they searched for a solution to reduce the energy required to manufacture emulsion cream formulations. This is an energy-intensive process which requires rapid heating to create the emulsion, before cooling to allow the addition of temperature-sensitive ingredients such as plant-based extracts, fragrances and preservatives. From here, the product is cooled a further 10°C.

The team trialled a range of methods to increase energy efficiency throughout the production process. New methods were analysed using an energy scoring system, devised to identify where efficiencies were made, and a new cold-water quench process was discovered which requires less energy in heating the water and cooling the emulsion.

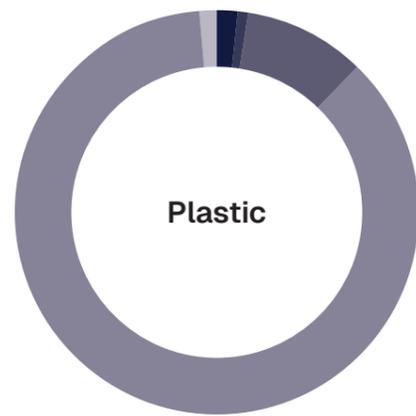
We have adopted this process in current formulations where it is possible, and it will be used as standard practice in new formulation development to ensure energy efficiency underpins all processes at THG LABS UK.

Product LCAs

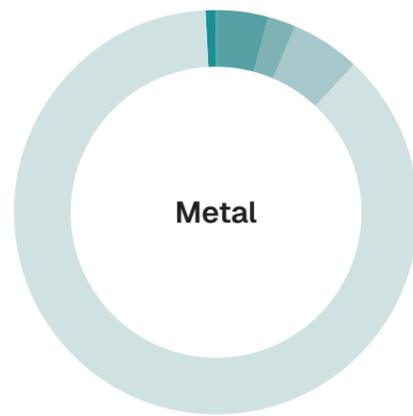
During 2024 we continued to pursue better data to make more informed decisions and drive action by undertaking Life Cycle Analysis (LCA) across key products. These LCAs allow us to move away from spend-based emissions factors to more accurate activity-based numbers, which also enable the identification of opportunities to reduce impact. THG Nutrition completed LCAs on six of its key products (protein shakers and protein powders) to better understand the carbon emission hotspots across each of the products' life cycles. These LCAs have developed a wealth of insights that are being incorporated into how we actively continue to decarbonise our supply chain.



Plastic and metal shaker LCIA results – kgCO₂e



Key	
Raw material acquisition	0.32
Production	0.14
Distribution and storage	1.69
Use	15.19
End of life	0.2



Key	
Raw material acquisition	0.95
Production	0.5
Distribution and storage	1.19
Use	18.99
End of life	0.16

Shaker LCIA

The shaker Life Cycle Impact Assessment (LCIA) mapped out a cradle-to-grave analysis to consider each of the key carbon-intensive impact areas in the product's life cycle, including raw material acquisition, production, distribution and storage, consumer use (washing), and end of life recycling/disposal.

The LCIA exercise established the consumer use phase is responsible for the highest carbon impact for both plastic and metal shakers, accounting for 86.6% and 87.2% respectively.

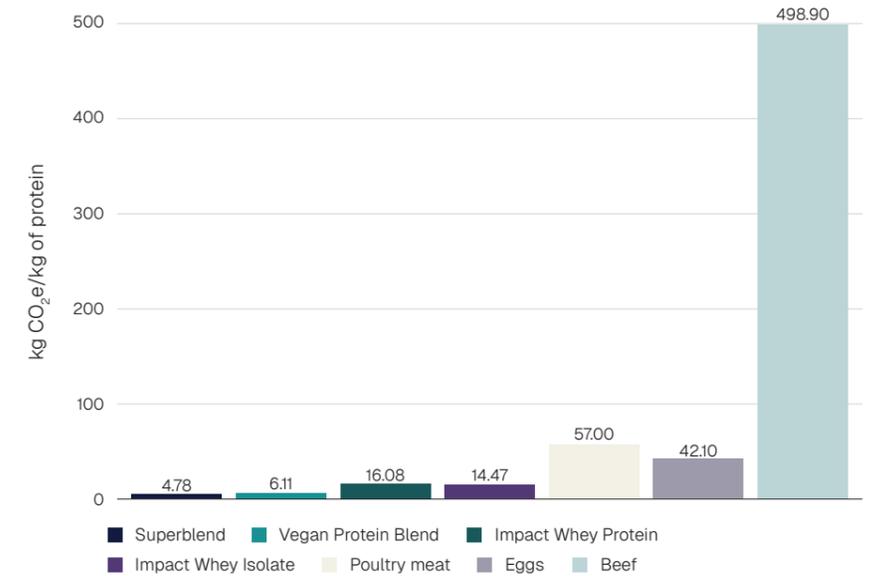
This is primarily driven by handwashing being the cleaning method typically selected by customers, which incurs a high footprint versus, for example, using a dishwasher.

While these areas are not totally within THG's direct control we are committed to using the data from this analysis to shape our decisions going forward to reduce the total carbon footprint of these products from material inputs through to end-of-life treatment.

Protein LCA

In December we completed our LCA on four of our bestselling protein powders, Impact Whey Protein, Impact Whey Isolate, Impact Vegan Protein, and our Plant Protein Superblend. Being able to quantify the carbon footprint of our finished products is essential to being able to support customers in better understanding the carbon footprint of the products they purchase and consume. Our cradle-to-gate analysis showed all had a significantly lower carbon footprint per 1kg of protein versus traditional protein sources such as poultry, eggs and beef. While Myprotein advocates our protein products be consumed responsibly as part of a balanced diet, the LCA illustrates the carbon efficiency of our protein powder. Internally, we will continue to make informed decisions regarding new formulations and improve our product footprints based on the findings from material acquisition to end-of-life treatment of packaging.

Comparative protein LCA per kg of protein (Cradle to Gate)



Scoop removal trial

In July 2024, we ran a successful trial with our Myprotein Plant Protein Superblend, where the product was sold without a plastic scoop included. We tracked the organic consumer sentiment and were encouraged by the positive response, and so we are now actively exploring how to continue scaling up this change across the Myprotein range. Scoopless products would not only deliver a significant reduction in our plastic consumption, but the change could also reduce THG's carbon footprint by up to 300 tonnes of CO₂e per year.

Responsible sourcing and deforestation

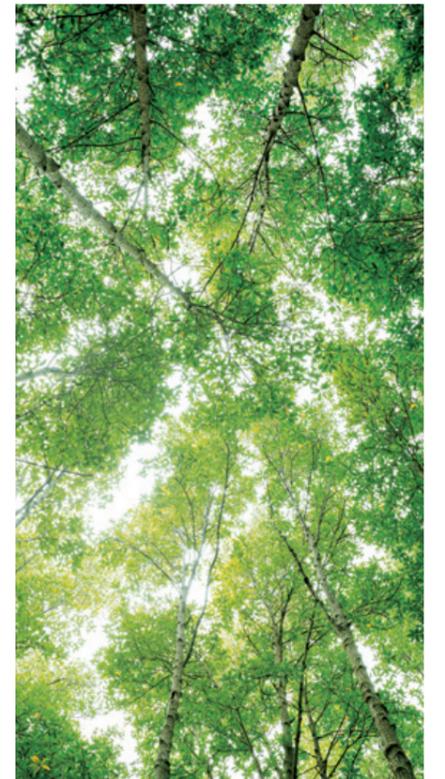
Nature forms an important part of the Group's THG x Planet Earth Sustainability Strategy. Deforestation and forest degradation continues to be a central topic in the global discourse on climate change and biodiversity. We recognise the importance of addressing this risk and minimising our nature footprint, which is represented by our target to ensure that all own brand key commodity raw materials are deforestation-free by 2030.

During 2024 we launched our Sustainable Sourcing Framework which covers direct procurement of key commodities that are associated with high deforestation risks and are material in THG's sourcing strategy. These are paper, cocoa, soy and palm oil.

On the back of this launch the Group Sustainability Team also ran training sessions with THG's procurement teams to upskill them on the requirements within the framework, to ensure deforestation prevention measures are implemented in our sourcing practices.

During 2024 THG progressed its Group-wide membership with the Roundtable on Sustainable Palm Oil ("RSPO"). During 2025 we will continue with our data-led approach to form a complete baseline and set an internal target to improve on this as part of our progress towards the wider 2030 goal. Our HQ and two THG Nutrition manufacturing sites have successfully completed Rainforest Alliance audits. During 2025 we will also submit our site in Poland for audit to continue our efforts.

Despite the EU Deforestation Regulation ("EUDR") implementation being delayed by 12 months, we continue to engage with our supply chain and collate data across the seven commodities covered by the regulations and this will continue into 2025.





Strengthening our supply chain and circularity

We approach our responsibilities with utmost dedication, recognising the impact of everything we create and the livelihoods of those touched by our business. It is our obligation to uphold a supply chain that is not only responsible and ethical but also one that does not harm other individuals or the environment.



Our targets	Our progress
All suppliers to commit to THG's Supply Chain Standards by 2025.	This was achieved in 2023 when we made our Supply Chain Standards a part of our contracts.
100% of Tier 1 and Tier 2 suppliers complete Sedex audit by 2025.	94% of in-scope suppliers are compliant.
THG will disclose 100% whistleblowing reports YoY on the number of cases raised and closed within our agreed service level agreement ("SLA").	Ten whistleblowing cases were raised in 2024. All ten cases have been closed within the agreed SLA.
100% of own brand packaging to be recyclable and/or reusable by 2025.	Our own brand beauty packaging is 98.3% recyclable (with the inclusion of recycle:me). All other THG own brand packaging recyclability to be assessed.
100% of THG operations and Tier 1 suppliers to achieve zero waste across operations by 2030.	First THG sites to be audited in 2025.



Key achievements in 2024

- recycle:me relaunched to empower consumers to recycle hard-to-recycle plastic beauty packaging
- Sustainable Sourcing Framework launched
- Sedex audits completed at 7 UK and 3 international THG sites

Social responsibility

Supply chain

We are proud to continue our transformative journey with Sedex, reinforcing our commitment to social responsibility and promoting sustainable, ethical practices across our supply chain.

In 2024, we advanced our supply chain outreach programme by strengthening our Social Responsibility Strategy, refining our supplier tiering approach, and updating internal guidelines to implement a geographical risk-based method for categorising suppliers. The Sedex ethical audit platform has been pivotal in enabling THG to map its global supply chain and identify non-compliances within our supply chain. SMETA (Sedex Members Ethical Trade Audits) provides a comprehensive overview of supplier performance, covering labour standards, health and safety, environmental impacts, and business ethics.

Over the past year, we engaged with Tier 1 suppliers essential to THG's production. The outreach process involved requesting suppliers to align with THG's Supply Chain Standards, become Sedex members, and complete an active 4-pillar SMETA audit. For suppliers within scope for 2024, we achieved a compliance rate of 94%.

Our geographical risk-based approach has been key in refining our supply chain mapping strategy, enabling us to target compliance efforts in a more focused and tactical manner. While achieving social audit compliance with suppliers can be challenging, THG's strong cross-functional relationships have been instrumental in ensuring alignment towards our shared goals.

Thanks to our diligent outreach programme, we have successfully maintained our target of zero tolerance violations among in-scope suppliers.

In 2025, we plan to expand our mapping strategy to include Tier 2 manufacturing and fulfilment sites. This ambitious goal builds on this year's progress, demonstrating that transparency in the supply chain is achievable through collaboration. We will continue to support our suppliers in their sustainability journey through our award-winning PACT programme, making continued strides in the social sustainability arena.

Supply Chain Standards

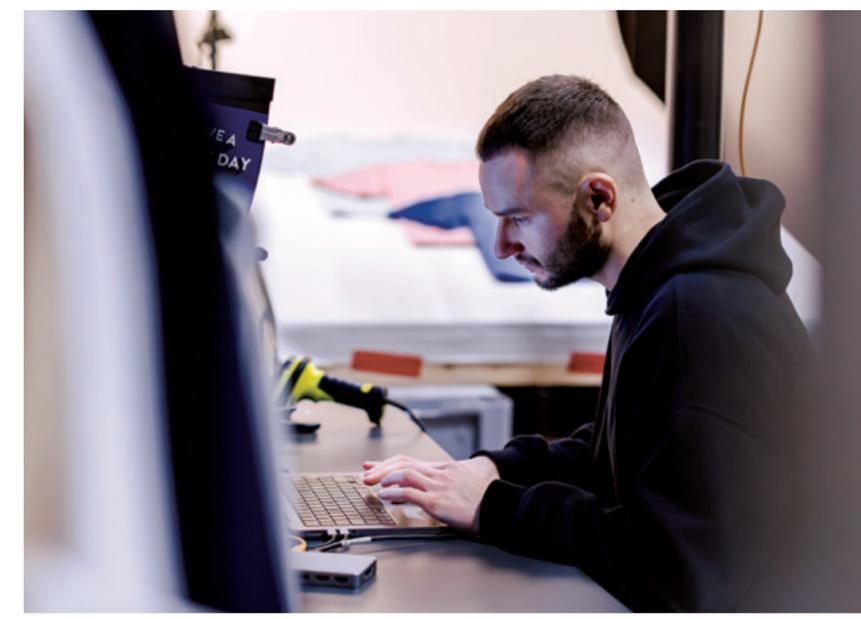
In 2023 we introduced our Supply Chain Standards, which set out our stance on issues such as human rights, and to detail our expectations for our supply chain on setting science-based targets and disclosing emissions data. The Supply Chain Standards form part of our contracts, making compliance a binding part of doing business with THG. During 2024 we undertook a review of the standards and updated them to include such topics as the introduction of a new standard for raw materials, ensuring compliance with relevant standards of the country of origin to reduce the threat of food fraud.



[View online](#)
Supply Chain Standards



[View online](#)
Modern Slavery Statement



Responsible marketing

We recognise the importance of responsible marketing and take our commitment seriously. That's why we want to guide our employees, brands, customers and partners on responsible marketing. To do this we launched our Responsible Marketing Code during 2024. In doing so, we can ensure we comply with relevant local, national and international marketing standards, laws and regulations. This includes being guided by industry self-regulatory best practices, drawing from the International Chamber of Commerce ("ICC") Advertising and Marketing Communications Code.

The scope of our Responsible Marketing Code covers all forms of marketing communications across THG Beauty, THG Nutrition and THG Ingenuity, and extends to our external media partners. It applies globally, and covers all THG employees, contractors and sub-contractors, including third-party marketing agencies and influencers.



[View online](#)
Responsible Marketing Code

Strategic Report

Our workforce

While ensuring our supply chain is free from unethical practices we must lead by example. THG is committed to upholding internationally recognised human rights in line with The Universal Declaration of Human Rights; the International Labour Organization's ("ILO") Core Conventions; and the UN's Guiding Principles on Business and Human Rights, both in our supply chain and our own operations.

To make this commitment explicit we updated our Modern Slavery Statement in 2024 to state this. During 2024 we also undertook SMETA audits at THG's owned manufacturing and fulfilment sites. We have worked closely with these sites to ensure full compliance, 7 UK and 3 international THG sites now hold a valid four-pillar audit.

Whistleblowing and anti-bribery

Our aim is to operate properly, responsibly and ethically while encouraging a free and open culture in dealings between employees and all people with whom we engage. In order to protect our people, assets and information, we recognise that effective and honest communication is essential if concerns regarding breaches or failures are to be effectively dealt with and the Company's success ensured. THG's whistleblowing service is a free and professional service that enables all employees to raise their concerns confidentially. The service is available to all THG staff, agency workers and contractors.

This process is covered by our internal Whistleblowing Policy. As part of our Supply Chain Standards we also state our suppliers must have whistleblowing processes in place and ensure that any whistleblowers are protected against retaliation.

To ensure the Group's integrity is protected we have an Anti-Bribery Policy in place to ensure employees, contractors, third-party intermediaries or agents are aware of and share our commitment to conducting business ethically. Our Anti-Bribery Policy summarises the Company's position in relation to ethical standards, including bribery.

Own brand packaging

We are committed to reaching our target for all own brand packaging to be recyclable or reusable by 2025. In 2023, we reported that 91% of our own brand packaging was recyclable. This was calculated in alignment with the UK Plastics Pact ("UKPP") definition of 'recyclable' plastic packaging. However, from 2024 onwards, THG is aligning its definition of 'recyclable' with the UK Government's Recyclability Assessment Methodology ("RAM"), which was developed as part of the packaging Extended Producer Responsibility ("pEPR") regulations, and was published in December 2024. In 2025, we will continue to invest in available and practicable solutions to increase the recyclability of all our packaging types, finding recycling pathways for any packaging where solutions are not currently available.

Our newly redeveloped recycle:me scheme will play an integral part in helping us to achieve our recyclability targets. Through working closely with our recycling partner, the scheme is able to collect 'hard-to-recycle' plastic beauty packaging, as well as fragrance bottles which are not widely collected by local authorities. Due to the extensive capabilities of our recycling partner, our own brand beauty packaging is 98.3% recyclable across the range, with the few remaining packaging formats undergoing redesign in 2025.

Improving recyclability

Since 2022, we have been re-developing the packaging format of our THG Nutrition protein pouches, changing them from a hard-to-recycle mixed material format to a mono-material flexible plastic, which can be recycled alongside other widely used soft plastics such as bread and vegetable bags. In 2024, 96% of all pouches placed on the market were made from recyclable mono-PE and we are confident that this will reach 100% in 2025.

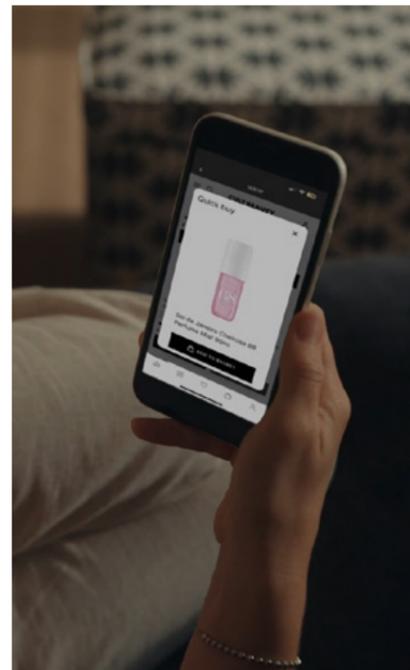
Increasing recycled content

Increasing the recycled content in our packaging is one of the ways we are supporting a circular economy. Throughout 2024, we continued to increase the use of recycled plastic across our THG Nutrition packaging portfolio.

Our vitamins, gummies, spreads, syrups and protein bottles all now include 50% PCR (post-consumer recycled) plastic. In addition, our flavour drops bottles transitioned to 35% recycled plastic in 2024, and will be further increased to 50% PCR in 2025.

OPRL

In 2024, THG became a member of OPRL (On Pack Recycling Labelling), adopting clear and recognisable recycling labelling to help our UK customers to recycle their packaging responsibly. The labels have been rolled out across THG Nutrition products, with plans to increase usage across the entire THG Nutrition range in 2025.



Zero waste to landfill

In 2023 we committed to aligning our zero waste efforts to the US Green Building Council's TRUE standard. In 2024 we rolled out the programme across all THG sites in the UK and internationally. Using a data-led approach, we evaluated every operational site in the THG portfolio to understand the waste streams and processes in detail, to identify opportunities to reduce waste across the Group. A key success from the programme saw one of our main fulfilment centres in Manchester introduce new, simplified and clearer signage at waste stations. This supported a reduction in contamination rates for cardboard waste, from 79% in May to 0% in November.

THG Nutrition also continued to support the conversion of their food waste into fish feed, avoiding landfill and incineration. Furthermore, in 2024 they made a 58% reduction in surplus food products between 2023 and 2024. We have continued to transform our waste into resources for our value chain and have benefited from our own internal recycling capabilities at Indigo Environmental. In 2024, Indigo's recycling centres recycled 53 tonnes of plastic from THG's own operations, and we have since begun trials to turn the recycled material into totes for our fulfilment centres, providing a circular solution for our plastic waste.

Throughout 2024 we have continued to improve the quality and availability of data across the Group. In 2025, we expect to submit our first sites for TRUE Zero Waste certification and aim to report waste data across the entire Group in our 2025 disclosure. The table below is our first disclosure of waste data, focusing on four key sites across the UK and Poland which are essential in THG manufacturing and fulfilment operations.

Waste data summary from four key THG sites (UK and Poland)

Description	Unit	2024
Total waste produced	Metric tons	5,050.6
Material recovery rate	%	73.7
Energy recovery rate	%	26.1
Landfill and incineration without energy recovery rate	%	0.2

recycle:me scheme

According to the British Beauty Council, the beauty industry generates an estimated 120 million units of packaging per year, with only 9% of this being recycled by consumers. THG Beauty is deeply committed to acting as a force for good and helping its customers to reduce their environmental impact. To enable customers to recycle more of their packaging, recycle:me was relaunched in 2024, offering nationwide doorstep collections of hard-to-recycle beauty and cosmetic packaging.

The scheme leverages the THG Ingenuity infrastructure to provide an efficient and convenient take-back scheme that diverts packaging waste from landfill or incineration. recycle:me is Extended Producer Responsibility compliant and is unique in the fact that it is the only nationwide take-back scheme that recycles plastic decorated fragrance packaging.

The scheme was initially launched through THG's leading brands Lookfantastic and Cult Beauty, but accepts beauty packaging from any brand, regardless of where it was purchased. THG Beauty's brand partners contribute towards the operational cost of the scheme, and the collective aim is to recycle at least 1 million units of packaging every year.

The scheme is free for customers to use and they are rewarded with £5 in credit, that can be spent at either Lookfantastic or Cult Beauty, for each return of at least five qualifying products. The data gathered is fully auditable and collected at product level to give us a clear understanding of how the scheme is performing. Due to our partnership with our recycling partner, we are able to provide due diligence to ensure that the materials are recycled, and we are exploring ways to turn the plastic into circular solutions for caps and closures that can be used again by the beauty industry, or used for furniture in our Lookfantastic stores.

As well as increasing the recycling rate of beauty packaging, this unique and market-leading scheme has multiple opportunities:

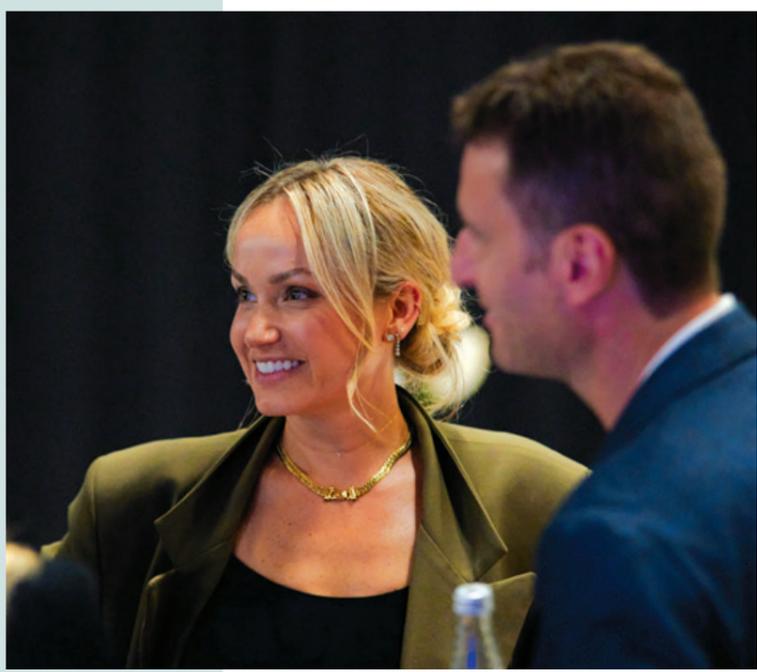
1. It aids the retention of eco-conscious customers who are becoming cognisant of the beauty industry's waste footprint.
2. It provides valuable insight into consumer behaviour.
3. The reward scheme encourages customer retention.
4. We can offer brands the opportunity to pay to access data, allowing them to offset their own packaging waste fees as well as reducing THG's own liability.
5. We are already exploring the possibility to expand the recycle:me model into other markets as a revenue-generating service.

recycle:me



Empowering people and communities

Our people are our greatest asset. We nurture world-class talent from all over the globe and create career-defining opportunities for people at all levels. We're proud to drive progression at an exceptional rate so that our people can go further, faster.



Our targets	Our progress
Achieve 50% female representation and 20% ethnic minority representation across the entire workforce by 2030.	50% female 17% ethnic minority (53.02% disclosure rate)
Achieve 50% female representation and 15% ethnic minority on the Board and senior leaders by 2030.	30.4% female 13% ethnic minority
Eliminate gender and ethnicity pay gaps across all THG businesses by 2030.	Target in progress, see page opposite.
Pay all employees and agency workers a Real Living Wage ("RLW") by 2030.	Target in progress, see page opposite.
Achieve at least 15% improvement in employee engagement score by 2025.	Target achieved in 2023, engagement scores monitored in 2024.
Two days volunteering per year for every THG employee by 2025.	Formally launched in 2024.
Provide 10,000 people in the community with technology and life skills training by 2030.	Target under review following demerger of Ingenuity
To design, develop and maintain a THG Privacy Information Management System ("PIMS") aligned to ISO 27701 by the end of 2025.	The THG PLC ISO 27001 accreditator exited the UK market in 2024 and as part of onboarding a new accreditator for the existing 'Good' ISO 27001 accreditation, we will add ISO 27701 to the portfolio of accreditations. Post the demerger of Ingenuity Ltd from THG PLC (quarter 1 2025), the ISO 27001 and ISO 27701 accreditations will be held and maintained by Ingenuity Ltd and THG PLC will place reliance upon these Ingenuity Ltd accreditations in its role as the material provider of infrastructure and computer services to THG PLC.

Key achievements in 2024

2 days
volunteering days per year granted to THG employees

4,000+
volunteering hours provided by THG to the community

£110,665.60
raised for The Christie Charity including matched donation

Entire workforce

We continued to achieve our goal of having 50% female representation across the business. Ethnic minority representation decreased from 28% to 17%, creating an opportunity to introduce additional diverse hiring initiatives in 2025. Voluntary gender and ethnicity disclosures demonstrated that our gender disclosure rate is 99.19% and our ethnicity disclosure rate is 53.02%. During 2025, we will be running a data disclosure campaign, #CountMeIn, to encourage colleagues across the UK to disclose their diversity data to reduce the number of 'unknown' designations and enable us to make further data-driven people decisions.

Board and senior leaders

During 2024 ethnic minority representation across the Board and senior leaders decreased from 17% to 13% temporarily due to changes in the Board composition.

Gender and ethnicity pay gap

We report via the UK Government gender pay gap service every year, and in our 2023 report, we reported that the mean average pay gap was 21.67% in favour of males, while the median pay gap was 14.07%. Where 38% of males, and 34% of females received a bonus in 2023, the mean average pay gap was 33.1% with the median pay gap being 0%.

Real Living Wage

During 2024, we saw an increase in colleagues receiving a Real Living Wage, from 66.8% in 2023 to 69.3% in 2024. This metric currently covers UK-based staff directly employed by THG. In 2025 we are exploring options to close this gap.

Employee engagement

After achieving our goal to increase employee engagement by 15% in 2023, we continued to monitor and track employee engagement through employee surveys in 2024. Using the data from the surveys, we identified three areas of focus to enhance engagement in 2025:

1. Compelling Company vision.
2. Clear, regular and transparent communication.
3. Developing leadership behaviours at all levels.

Volunteering

We launched our volunteer leave scheme to allow all THG colleagues globally to take two days' paid leave each year to donate their time and skills to charities and good causes. Over 4,000 hours of volunteering were completed, supporting our sustainability mission to act as a force for good in leaving the world a better place than we found it.

Fundraising

Together, our colleagues chose our Charity of the Year – The Christie Charity – and raised £55,332.80 to help the charity fulfil their ambition of providing a state-of-the-art scanning experience for cancer patients within an Advanced Scanning and Imaging Centre. With THG's match funding, the total amount raised was £110,665.60.

“Without help from organisations like THG, The Christie simply couldn't do the lifesaving and life-changing work that it does every day. Thank you once again on behalf of Christie patients.”

Anna MacIntosh
Corporate Fundraising Manager



Strategic Report

Health, safety and environment ('HSE')

THG takes a proactive approach to managing health, safety and environment (HSE), and has outlined the commitment of THG and the expectations to managers, the leadership team and all colleagues. Our approach is for 'Zero Harm, Zero Compromise', to achieve a lost-time injury-free state.

In 2024, we experienced a rise in the lost-time accident-frequency rate from 0.33 to 0.76¹. This change can be attributed to the adjustment of core office hours from 42.5 to 37.5 hours per week and the implementation of standardised accident reporting and analysis across our operations. Importantly, despite these adjustments, there was no increase in lost-time accidents compared to the previous year.

The implementation of leading indicators as part of our 2024 KPIs has helped the businesses to understand their position in relation to legal compliance. This has resulted in the early identification of legal non-compliance and proactive decision-making to ensure appropriate corrective actions are taken.

Injury free

We aspire towards a zero-injury state across the THG portfolio through the use of good governance and oversight, HSE leadership, leading indicators, education and influence.

<p>Raise levels of HSE competency and upskill the workforce.</p> <p>Why? To drive and improve standards of HSE worker competence, supervision capability and leadership across projects.</p>	<p>Ongoing evaluation and enhancement of our ways of working – technical and process.</p> <p>Why? We have the most effective and efficient risk management systems to enhance ways of working and raise levels of hazard awareness.</p>	<p>Develop the process for identifying opportunities for joined-up governance and oversight.</p> <p>Why? Good governance adds value. It is lean, transparent and ethical, focused on tackling operational challenges in ways that complement the big picture vision.</p>	<p>Focus on health and wellbeing.</p> <p>Why? Promoting wellbeing at work can help create a positive working environment that helps minimise stress levels, improving employee satisfaction and engagement, ultimately helping our employees thrive at work.</p>	<p>Continue our cultural orientation improvements.</p> <p>Why? Improve capability to rapidly engage the workforce who can have a short exposure time to our injury-free culture standards and values.</p>
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Transformation ten-step pathway: to a safe, mentally healthy and culturally engaged workforce

<p>Step 1: Q1 24 to Q2 25 HSE Compliance and Licence to Operate conditions met.</p>	<p>Step 2: Mature Supervisor HSE competencies and leadership skills.</p>	<p>Step 3: All THG businesses have common work planning and risk management processes.</p>	<p>Step 4: All THG businesses have common HSE leading performance dashboard metrics to ensure lean and Human and Organisational Performance HSE management.</p>	<p>Step 5: THG has a Management Standard in place – supporting HSE leadership, culture and risk management.</p>
<p>Step 10: A safe, mentally healthy and culturally engaged workforce and supply chain supported by the best technology and ways of working to deliver HSE governance and leadership that is injury free.</p>	<p>Step 9: Contractor passports scheme put into place.</p>	<p>Step 8: All THG suppliers have a common workplace standard for ensuring an injury-free environment.</p>	<p>Step 7: THG suite of onboarding tools developed to introduce suppliers into our injury-free HSE culture.</p>	<p>Step 6: All THG projects have common health and wellbeing programmes.</p>

1. The increase in the accident-frequency rate ("AFR") in 2024 is primarily influenced by the change to a 200,000-hour multiplier. This adjustment aligns our reporting with a globally recognised universal benchmark, commonly used in international frameworks. THG clients also expect this format for enhanced benchmarking and transparency.

Why HSE compliance supports our licence to operate

Boosting company reputation and trust, compliance plays a crucial role in enhancing a company's reputation and establishing trust among stakeholders.	Compliance is vital in mitigating potential legal and financial risks for organisations.	Increasing operational efficiency.	Enhancing employee satisfaction and retention.	Driving business growth and competitive advantage.
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We have maintained a strong commitment to our lost-time injury-free strategy, strategically reinforcing five key focus areas: advancing workforce health and safety upskilling, optimising and evolving our operational practices, enhancing governance and oversight, prioritising occupational health and wellbeing, and driving ongoing cultural improvements.

Leadership, recruitment and upskilling

We have strategically expanded our recruitment of HSE professionals both in the UK and internationally.

Additionally, we have successfully implemented new global health and safety standards and transitioned the overall leadership of the HSE function to the security team to drive greater integration and alignment with our broader organisational goals. By aligning the HSE function with the security team, we have enhanced cross-functional collaboration, ensuring a more cohesive approach to risk management and operational safety. This integration enables a unified strategy that not only strengthens our security measures but also improves the effectiveness and efficiency of our HSE initiatives across the Group.

UK occupational health provision

In 2024, we placed focus on occupational health surveillance through our occupational health provider. The HSE team has commenced the development of the health and safety SharePoint, to align with ISO 45001. Our 2025 HSE targets are set out below:

<p>Health & Safety</p> <p>100%</p> <p>Safety audits scheduled vs. completed (2024: 10%)</p> <p>-20%</p> <p>Annual accident-frequency rate (4.4)¹ (new base rate metric)</p> <p>-20%</p> <p>Lost time accident-frequency rate (0.61)¹ (new base rate metric)</p> <p>0</p> <p>7-day RIDDOR injuries (2024: Ingenuity 6, PLC 2)</p> <p>0</p> <p>Immediately reportable RIDDOR injuries (2024: Ingenuity 5, PLC 0)</p>	<p>Environmental</p> <p>100%</p> <p>Completion of aspects and impacts register (2024: 10%)</p> <p>100%</p> <p>Environmental compliance audits (2024: 90%)</p> <p>0</p> <p>Actual discharges to surface water (2024: 0)</p> <p>0</p> <p>Actual statutory nuisance complaints (2024: 0)</p> <p>0</p> <p>Accidental spillages (discharges to ground) (2024: 2)</p>
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1. The accident frequency rate currently reflects THG Ingenuity and THG PLC. This shall be separated during 2025.

Task Force on Climate-related Financial Disclosures (TCFD)

The role of the Task Force on Climate-related Financial Disclosures is to improve transparency of organisations' climate-related risks and opportunities so that investors can make informed decisions.

The TCFD recommendations are structured around four themes: Governance, Strategy, Risk Management, and Metrics and Targets, and we have structured our disclosure in line with these. There are 11 recommendations within these four themes which set out the expectations of a disclosure. 2024 represents THG's first disclosure which is fully aligned with these 11 recommendations.

THG acknowledges that a changing climate brings with it exposure to physical and transition risks, with opportunities also available if a business can adapt to this changing reality. Physical risk at THG includes our operational sites' exposure to climate-related weather perils and the impact this weather can have on the yields of THG Nutrition's key raw materials. Transition risk is focused on how the transition to a low carbon economy will impact businesses through economic, technological and regulatory changes. For THG, the transition risks and opportunities are within carbon costs, litigation, market shift and reputation, which are explored further within this disclosure.

During 2024 the Group completed modelling work across THG operations to determine unmitigated climate risks our sites could be exposed to as the climate changes. The following disclosure is consistent with all of the four TCFD recommendations and the 11 recommended disclosures of TCFD (see table 1), as required by Listing Rules 9.8.6R and 14.3.27R. This disclosure also meets the requirements of the Companies Act regulations.

Table 1 – TCFD recommendations

TCFD recommendations	Consistent with TCFD framework?	Page number
Governance		
a. Describe the Board's oversight of climate-related risks and opportunities.	Yes	63
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Yes	63
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Yes	64
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Yes	64 to 70
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Yes	64 to 70
Risk management		
a. Describe the organisation's processes for identifying and assessing climate-related risks.	Yes	71
b. Describe the organisation's processes for managing climate-related risks.	Yes	71
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Yes	71
Metrics and targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Yes	71
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Yes	49 to 51, 71
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Yes	71

Governance

The Board

The Board is responsible for the overall execution of the THG x Planet Earth strategy, which covers climate-related issues and includes the progress towards our climate change goals and targets. The Board also approved our Net Zero Strategy in 2023 as well as the disclosures made in the Annual Report.

The Sustainability Committee, chaired by our SID Sue Farr, meets at least three times a year. The Sustainability Committee was established to ensure that the Group has appropriate and effective strategies, policies and operational controls in place to conduct its business in a responsible manner, ensuring accountability for sustainability targets. Key duties include reviewing and monitoring the Group's systems, strategies, policies and targets in relation to, amongst other things, energy and carbon management, and climate change. The Chair will communicate relevant ESG matters up to the Board through shared minutes and summarised updates. The Group Sustainability Team ("GST") also provides updates to this Committee towards the targets set in THG x Planet Earth. You can find further details on the Committee within the Sustainability Committee Report on pages 108 and 109.

The Audit Committee monitors the effectiveness of the control environment through the review of internal audit reports and other assurance activity, while also considering relevant reporting from management and the external auditor.

Management Group Sustainability Team

The GST, which feeds up to the Sustainability Committee, manages the assessment and tracking of climate-related risks to THG. The GST has set up working groups comprising of management from the necessary functions, described below, to provide resource and governance over delivery of this TCFD disclosure. The GST also manages key metrics and mitigation measures, such as the reduction of Scope 1 and 2 emissions and ensuring compliance with ESG regulations.

Scope 1 and 2 Working Group

This working group brings together management representatives from the sustainability, property, projects, procurement and travel teams. The aim of this working group is to ensure we are taking steps to achieve our science-based targets, which in turn protects our reputation and reduces our exposure to financial risk such as carbon taxation.

ESG Working Group

To enable THG to undertake TCFD and ESG-related work, we created a working group that consists of representatives from sustainability, finance, risk and internal audit.

The role of this group is to manage ESG horizon scanning and devise appropriate plans to ensure THG complies with upcoming legislation.

Sustainability Forum

The Sustainability Forum met once a month in 2024 bringing together managers and directors from relevant business areas to review climate change and sustainability-related topics and projects. The Forum provides a platform for the sustainability team to ask management from across the business to aid in overcoming barriers. It also enables management to raise any climate change and sustainability-related issues that may come to light.

The Risk Team

The Risk Team holds monthly risk update meetings with key business areas to ensure the risk register continues to reflect current risk exposure (you can find more details on risk and the risk register on pages 72 to 81). Within the monthly meetings, any material risks identified by the GST are escalated to the Risk Team. The risk register is reviewed and confirmed to be up to date. Similar risk updates are held with other key business areas and are reviewed and escalated to the Risk Committee as appropriate.

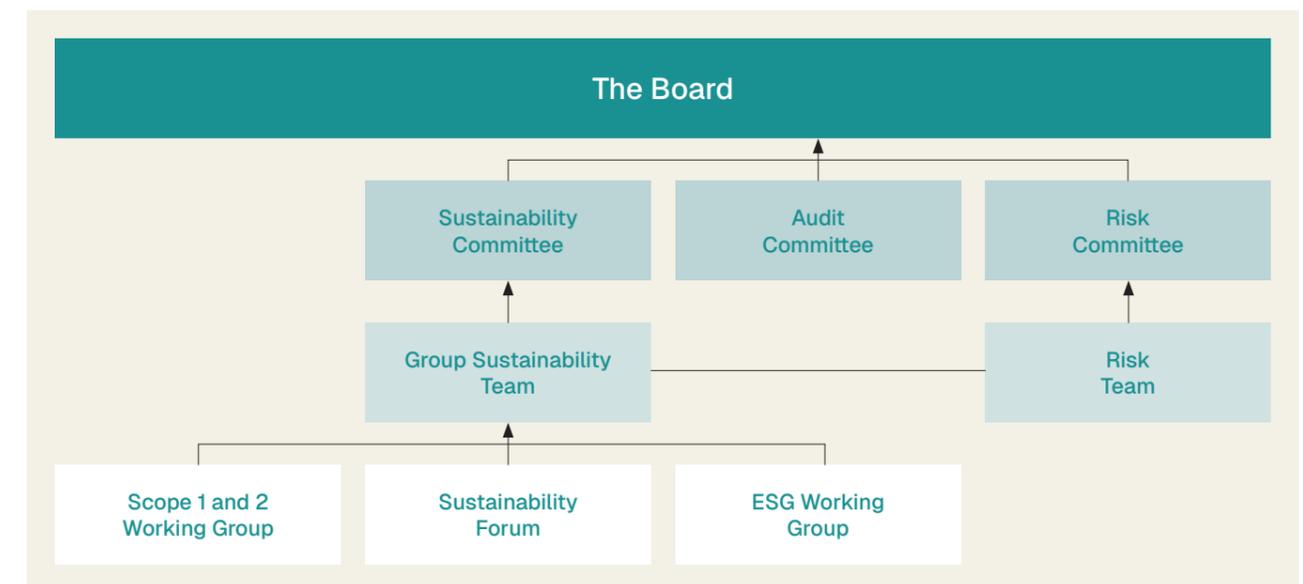


Figure 1. Governance Structure

TCFD continued

Strategy

Climate change, environmental and social responsibility are managed as one of our principal risks and are a core consideration in business strategy and decision-making. Within this principal risk THG identified three key areas of materiality: physical risk to raw materials, physical risk to operations, and transitional risk (see table below). Since 2023 THG has partnered with Marsh to develop a climate change impact modelling methodology to be run across the short term (up to 2030), medium term (2040), long term (2050) and very long term (2100 – only used for physical risk to operations). This development process was used to assess each risk and scope out the required analysis, the methodology and results of which is evidenced within this disclosure.

Table 2 – Overview of the climate risks and opportunities THG have identified, along with mitigation efforts and time horizon the impacts might be realised

Climate risk	Potential impacts	High-level mitigation	Time horizon
Physical risk			
Supply chain disruption to raw material availability	Increased cost of supply or inability to source	<ul style="list-style-type: none"> extensive and up-to-date knowledge of supplier base to understand sourcing regions continuous monitoring and forecasting of demand and availability to adjust intake accordingly continuous monitoring of supply chain activity and news through advanced web-scraping functionality 	M to L
Damage to physical assets caused by increased frequency or severity of climate perils	Cost of repairs and damage to stock	<ul style="list-style-type: none"> properties are screened before they are purchased/a lease is signed increase climate resiliency of infrastructure at high risk if required robust business continuity plans are in place as well as insurance coverage 	M to L
Transition risk			
Litigation brought by plaintiffs against ecommerce or health and beauty companies for their liabilities in causing harm through climate change or making misleading claims	Increased cost	<ul style="list-style-type: none"> set science-based targets and continue to make progress against these created PACT, our supplier outreach programme, to ensure suppliers are setting science-based targets and making progress towards net zero increasing the use of recycled materials in our packaging launching recycle:me to offer customers a way to return hard-to-recycle plastic packaging to us so we can recycle internal green claims process and partnership with Provenance to ensure only substantiated claims are made 	M
Carbon costs due to legislation enacted by national and local governments to price and penalise GHG emissions	Increased operating cost	<ul style="list-style-type: none"> set science-based targets and continue to make progress against these progressing towards our goal of 100% renewable purchased electricity created THG PACT, our supplier outreach programme, to ensure suppliers are setting science-based targets and making progress towards net zero 	M
Additional economic depreciation impacts and resulting investment requirements on assets in response to changing energy needs and to reduce emissions	Increased capital and operating cost	<ul style="list-style-type: none"> continuing with identification and roll-out of energy efficiency measures, both in improving processes and by transitioning to lower energy consuming equipment creating a TPT-aligned transition plan in 2025 to build a longer-term capital expenditure plan 	M to L
Market change due to a company's perceived inaction to limit climate change	Loss of market share and revenue	<ul style="list-style-type: none"> creating sustainability pages on our brand websites to ensure active communication with our customers on our commitments 	S
Opportunities			
Market disruption, changes in consumer preference trends and demand projections caused by shifts towards green products	Increase of market share and revenue	<ul style="list-style-type: none"> undertaking product-level LCAs to understand hotspots so we can reduce the impact of our products using innovation to develop new product ranges, such as Myprotein's Superblend, and changing product formulation materials and processes ensuring customers can find products which align with their priorities through our Provenance programme 	S
Market change due to a company's perceived action to limit climate change	Increase of market share and revenue	<ul style="list-style-type: none"> creating sustainability pages on our brand websites to ensure active communication with our customers on our commitments 	S

Key: S = short term M = medium term L = long term

Physical risk – raw materials Modelling process

One primary climate-related impact material to THG Nutrition is how a changing climate will affect the availability of raw materials used in our products. As weather patterns become more extreme this may disrupt our sourcing regions. Where our regions are well insulated from climate impacts, global changes in availability may restrict availability in our sourcing regions and cause price increases.

To gain an understanding of our exposure, we devised a bespoke approach to modelling our key ingredients. Our detailed modelling approach incorporated their constituent characteristics into the climate assessment and a comparison to the global reality to support the identification of risks and opportunities.

We identified six key commodities during the scoping exercise, comprising five crops (cocoa, soybean, pea, broad bean and oats) and whey. For the crops, we researched optimal conditions for temperature and precipitation using relevant academic literature, which informed the optimal yield curve for each ingredient. For whey, we produced a bespoke model, whereby heat stress was tied to the wet-bulb temperature (a function of temperature and humidity), which influences the efficiency of sweating from dairy-producing livestock. Therefore, the optimal conditions for whey yield production were given parameters by wet-bulb temperature rather than temperature and precipitation.

During the modelling, we used Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathways (RCP scenarios – See figure 2), which provided different emission-intensity forecasts, to gain a range of climate-change eventualities extending from now to 2050 in 5, 10, 20 and 30-year time-steps. For whey, due to limitations of the source data, we used only one RCP scenario (4.5 – 'Most Probable' scenario), but applied the same time horizons. Analysis was completed based on the current sourcing regions for each commodity to understand the forecast changes in yield at all of these locations. The modelling work for RCP 4.5 by 2050 was chosen as the most appropriate scenario for this analysis, as this is the only one covering all six raw materials and represents the 'most probable' scenario.

Scenario analysis inputs – raw materials

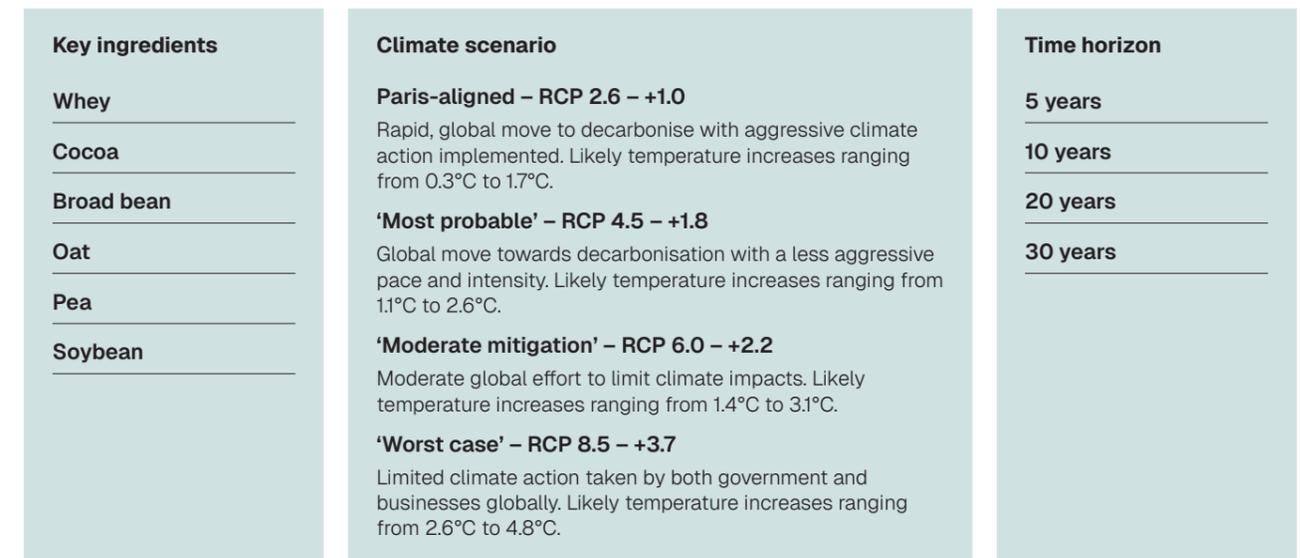


Figure 2. RCP Scenarios

TCFD continued

Strategy continued

Results

The results suggested that the buying strategy is well insulated from climate risks if the 'most probable' scenario is realised.

To understand the resiliency of our current sourcing against how the rest of the globe purchases on average, we ran a comparison. Table 3 below shows a comparison of the changes in yield expected at 5, 10, 20 and 30-year time intervals in an RCP 4.5 scenario. The top table shows the expected yield changes in THG's sourcing regions whereas the bottom table shows yield changes for global-sourcing regions. This analysis suggests that THG's current procurement strategy is expected to be more resilient than the global average.

Table 3. Comparison of yield changes in the regions THG sources from compared to where the globe sources the raw materials from

THG	5 years	10 years	20 years	30 years
Whey	○	○	○	○
Cocoa	○	○	●	●
Broad bean	○	○	○	●
Oat	○	○	○	○
Pea	○	●	●	●
Soybean	○	●	●	●

Global	5 years	10 years	20 years	30 years
Whey	○	○	○	○
Cocoa	○	○	○	○
Broad bean	○	○	○	○
Oat	○	○	○	○
Pea	○	○	○	●
Soybean	○	○	●	●

In addition, the table below shows the 'worst case' scenario for the five crops which were modelled for this pathway. This table suggests that even under the worst case climate scenario our sourcing strategy is well insulated from climate risk.

The results of this modelling suggest a low risk of the 'most probable' climate scenario impacting the availability of key raw materials to THG. It is however important to recognise that this analysis only measured expected changes in yield, and that there are additional factors that could affect the availability of raw materials.

For this reason it is essential that we continue to review this as a risk to the business as part of our Group risk management processes. Geopolitical and economic uncertainty, and infrastructure and supply chain are identified principal risks (see Risk section pages 78 and 80) and are managed as part of the risk structure discussed in the Governance section.

Table 4. Yield changes based on RCP 8.5

THG	30 years – worst case
Cocoa	●
Broad bean	●
Oat	●
Pea	○
Soybean	●

Key

- >9% increase
- 6%-9% increase
- 3%-6% increase
- 0%-3% increase

Physical risk – operational sites Modelling process

As our climate changes and extreme weather events become more common or more severe, physical assets face greater risk from acute and chronic weather events. The purpose of our analysis was to model seven climate change perils to understand how the potential long-term impacts could affect our sites.

Each of THG's assets was assessed to identify the building type, and modelling ran across two climate scenarios. The model ran across ten-year time intervals up to 2100 and calculated the financial cost of damage arising from climate change-based physical risk for every site (expressed as an annualised damage that is a proxy for insurance risk).

As opposed to the 2050 timeframe used in the raw materials climate modelling, we have modelled the assets to 2100, due to the longer-term investment physical assets can represent. See figure 3 below.

Modelling criteria used for analysis

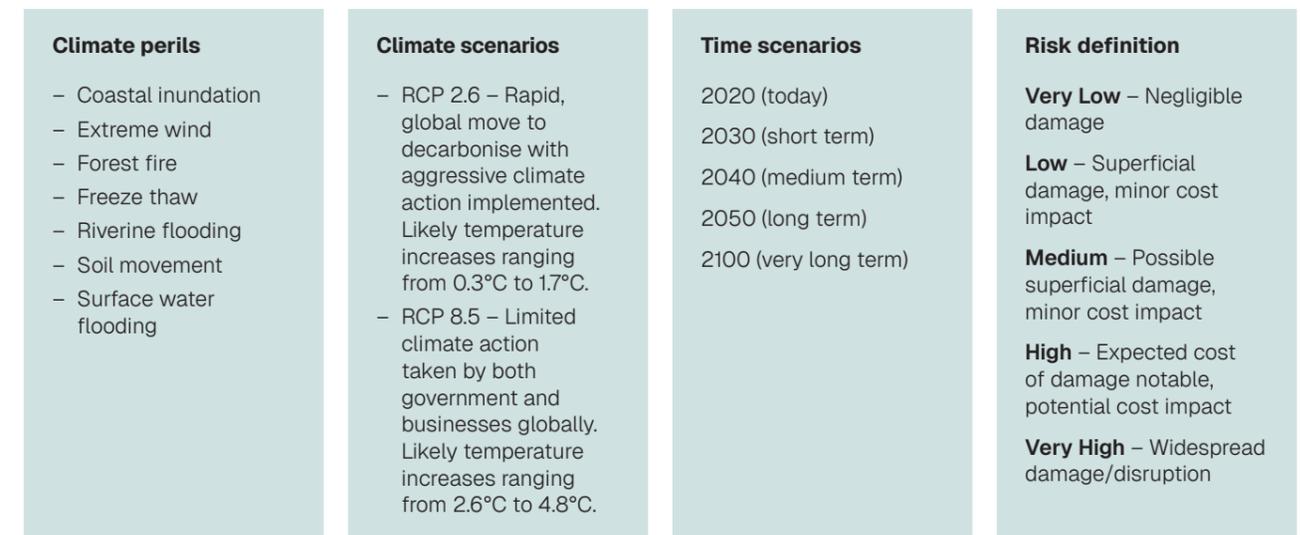


Figure 3. Modelling criteria used

Results

The modelling was undertaken in 2023 across the THG portfolio. The make-up of our portfolio is continually changing and the analysis here covers the 86 sites that remained part of our portfolio at the end of 2024. Of these 86 sites, there were eight identified as being at 'high' or 'very high' risk today from an unmitigated risk perspective. The source of risk for six of these was surface water flooding and the other two were coastal inundation. We conducted a review of the three sites in the UK and the three sites in the US using the Environment Agency ("EA") and the Federal Emergency Management Agency ("FEMA") respectively flood mapping resources.

From this further investigation it was determined that the UK sites were judged to be at 'low' or 'very low' risk from a mitigated perspective. FEMA showed the sites in the US to be at a '0.2% annual chance of flood hazard' or below. In 2025 we will continue to investigate the two other sites, which are in China and Japan. Once we have established a baseline for these two sites we will investigate all eight sites further to understand if there is any additional mitigation required for the longer term.

When looking out to 2050 and 2100, no additional sites enter the 'high' or 'very high' category, however three sites noted as being at 'high' risk today progress to being at 'very high' risk in 2100, thus increasing the potential financial risk. All eight sites flagged are either leased or third-party sites and as such we are not tied to these sites in the long term.

Table 5 on the following page, shows the outputs of the modelling. Each impact has been scored from one to five based on the potential financial impact to THG. The score applied is consistent with how the business scores impacts of all other risks. One is considered to be low impact with five being high impact.

TCFD continued

Strategy continued

Table 5. Impact scores for each climate peril at each time step with 1 = low impact and 5 = high impact

Peril	Scenario	Today	2030 Short term	2040 Medium term	2050 Long term	2100 Very long term
Coastal inundation	2.6	2	2	2	2	2
	8.5	2	2	2	2	2
Extreme wind	2.6	1	1	1	1	1
	8.5	1	1	1	1	1
Forest fire	2.6	1	1	1	1	1
	8.5	1	1	1	1	1
Freeze thaw	2.6	0	0	0	0	0
	8.5	0	0	0	0	0
Riverine flooding	2.6	1	1	1	1	1
	8.5	1	1	1	1	1
Soil movement	2.6	1	1	1	1	1
	8.5	1	1	1	1	2
Surface water flooding	2.6	2	2	2	2	2
	8.5	2	2	2	2	2

Transition risk

Transition modelling quantifies the business impacts associated with the global economy's transition to a lower carbon-intensive world. The transitioning of the global economy carries with it several risks and opportunities that can affect THG. For instance, should governments introduce carbon taxes, this can pose a risk of increased costs if we are slow to reduce our footprint.

Equally, it can be an opportunity if we move to net zero ahead of our competitors and, as such, have lower operating costs. During 2023, our net zero GHG targets were approved by SBTi, helping ensure THG is resilient to policies such as carbon taxes.

We modelled using the Resilience model, provided by the Cambridge Centre for Risk Studies and used by numerous multinational companies in the past to assist with their TCFD reporting.

We ran modelling from 2024 to 2029 due to the greater forecasting certainty of the shorter time horizon. We can use the insights gained to determine and prioritise appropriate mitigation strategies to reduce the impact of risks and capitalise on opportunities presented by the transition. We separated the modelling methodology into four components: Digital Twin, Transition Modules, Climate Scenarios, and Analysis (see figure 4).

Modelling process



Figure 4. Modelling criteria used

Transition risk continued

Table 6 (below) details the three climate scenarios we have modelled transition risk against. These scenarios were chosen as they provided a clear view of exposure across a wide range of eventualities. 'Current policy' is expected to be the most likely to occur.

Table 6: Climate Scenarios used in risk modelling process

Decarbonisation pathway	Corresponding Shared Socioeconomic Pathway ("SSP")	Global temperature rise by 2100 above pre-industrial levels	Description
No policy	SSP5-85	>4°C	Assumes policy reversals and increased energy consumption and emissions
Current policy	SSP3-70	3°C	Continuation of current trend, without any further or additional change in policy
Stated policy	SSP2-45	2.5°C	Incorporates today's policy intentions and targets i.e. those defined by countries' Nationally Determined Contributions
Paris aspiration	SSP1-19	1.5°C	Radical and urgent policy response requiring rapid and systemic energy and behaviours shifts and major technology innovation

Carbon and litigation

Table 7 (below) demonstrates the outputs of the carbon policy and litigation modelling, demonstrating the potential cost to the business through taxation or litigation. THG begins to potentially see carbon taxation costs under the 'Stated policy' and 'Paris aspiration' scenario, with the majority of risk sitting in Scope 3. Given over 99% of our emissions are Scope 3 this is unsurprising. While taxation is unlikely to be applied directly to THG, it is expected that suppliers would pass this cost on and as such is considered material to THG. To aid in the mitigation of this risk, THG launched the award-winning PACT programme in 2024 to engage with suppliers and ensure they have science-based targets. More details on this programme can be found on page 51. While Scope 1 and 2 carbon taxation exposure is minimal, THG continues to make progress against our science-based targets and, as reported on page 50, we are ahead of target in achieving net zero, thus reducing our exposure.

Litigation covers three definitions of litigation:

1. Greenwashing – litigation brought against companies that overstate the sustainable or 'green' nature of their products/services, commitment to climate change and net zero transition plans.
2. Directors and officers – litigation brought against directors and officers for failing to account for climate-related risks, misleading stakeholders or failing to deliver on climate commitments.
3. Public nuisance and pollution – litigation is brought against companies for their polluting impact and the public nuisance faced by society due to climate.

The expected exposure is non-linear as the public nuisance litigation is more likely in the 'No policy' scenario. Reduction in Scope 1 and 2 emissions will aid in the reduction of our exposure under litigation risk. THG has also put in place a green claims governance process where guidance is issued to the business on approved green claim language, evidence of which must be collected to support claims made. This process has been put in place to reduce the likelihood that THG will be subject to greenwashing litigation and maintain consumer trust. THG has extended this good governance process to our third-party beauty sites through our partnership with Provenance. Provenance have been validating sustainability-related claims for Cult Beauty since 2019 and the partnership was extended to Lookfantastic in 2024.

Table 7. Impact scores for each transition risk with 1 = low impact and 5 = high impact

Decarbonisation pathway	Carbon policy		
	Scope 1 & 2	Scope 3	Litigation
No policy	0	0	2
Current policy	0	0	1
Stated policy	1	4	1
Paris aspiration	1	5	2

TCFD continued

Strategy continued

Market shift and reputation

As the world transitions to a low carbon economy, it is expected that consumers will seek to purchase products that have a lower environmental footprint. Research was undertaken to understand how beauty and nutrition markets might shift during this transition. Plant-based options were considered a good indicator of a product with environmental benefits, such as less resource-intensive practices and less toxic ingredients for a transition.

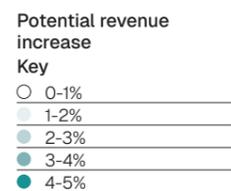
Table 8 (below) demonstrates the modelled % of revenue increase based on market reports for plant-based products.

In addition to considering the products themselves, customers are also likely to think about the company itself and how it engages with sustainability initiatives.

Marsh researched THG's largest brands, as well as a group of competitors, to evaluate how their public approach to climate change compares in the market, and therefore how they will be perceived compared to other brands. The output of this research is also shown in the table below.

Table 8 – Modelled % of revenue increase based on market reports for plant-based products

Analysis	THG division	Product/company	No policy	Current policy	Stated policy	Paris aspiration
Plant-based product demand	Beauty	Hair care	●	●	●	●
		Skin care	●	●	●	●
		Fragrance	●	●	●	●
		Toiletries	●	●	●	●
		Colour	●	●	●	●
	Nutrition	Proteins	●	●	●	●
		BSFD	○	○	○	○
		Vitamins	●	●	●	●
THG brand reputation	Beauty	– Cult Beauty				
		– Lookfantastic				
		– Glossybox	○	●	●	●
		– Dermstore				
		– Mankind				
	Nutrition	– Myprotein				
		– Myvegan	○	○	○	○
		– Myvitamins				



To seize the opportunities identified, THG continues to evolve its offerings in this space through product innovation such as the development of Myprotein Superblend, a product range made from upcycled barley, left over by beer brewers, turning grains that would otherwise go unused into a high-quality protein.

Since this research was undertaken, THG brands have created sustainability pages to ensure clearer communication with our customers on the relevant initiatives they are undertaking; examples can be seen on Myprotein (Sustainability | Myprotein) and Cult Beauty (Sustainable Beauty | Cult Beauty).

Risk Management

The identification and management of climate-related risks follow the Group's existing risk management framework. However, the methodology applied to climate risk themes differs as follows.

To reflect the nature of climate change, the time horizon applied to velocity was short term at 2030, medium term at 2040 and long term at 2050. Our assessment of 'likelihood' is incorporated into the different climate scenarios that we analyse. For example, where there is a similar outcome under all scenarios, the likelihood of the risk or opportunity is deemed high.

Conversely, where the outcome is only expected under stress scenarios the likelihood or opportunity is deemed low.

The standard Group approach in considering risks and future prospects is an assessment period of up to three years (aligned to the viability assessment period). When assessing the likelihood of risk, we measure this as a percentage of possible occurrence in the next 12 months.

The Directors consider these deviations from the standard risk framework to be appropriate given the nature of this specific risk.

Additionally, for our climate-related risks and associated disclosures, the Group engaged several external partners during the year to assist with risk assessment over the parts of the business over which THG has operational control.

The Risk Committee remains responsible for providing oversight of the Group's risk management, but for climate-related risks is supported by the Sustainability Committee. Climate-related presentations provide the Committees with the opportunity to perform more in-depth reviews of the associated risk. The updates received by the Sustainability Committee during 2024 are detailed in the Sustainability Committee Report on pages 108 and 109.

Metrics and Targets

Physical risk – raw materials

The modelling undertaken suggests that THG's sourcing strategy is resilient to climate risk. However, there is a need to compare this with qualitative information from our supply chain and factor in other connected risks, such as agricultural taxation, concentrated sourcing regions, emission hot spots and social risks. During 2025 THG Nutrition will undertake workshops to connect these elements together to form a holistic picture of supply chain risk. This evolution will enable our climate risk to expand beyond the single lens currently applied in this disclosure. During these workshops it will be assessed whether any formal metrics or targets are required to track our exposure.

Physical risk – operational sites

The modelling performed on our operational sites will be reperformed whenever there is a material change to our portfolio to ensure we continue to monitor our exposure here. During 2025, as part of our work to disaggregate the THG PLC risk from the Ingenuity risk, we will also undertake modelling of the sites we have entered since the first round of modelling was done to update our risk profile.

Transition risk and opportunity

During 2022, we submitted our science-based targets to the SBTi, and they were approved in September 2023. You can find the targets we have set ourselves for GHG emissions and our progress against these in our SBTi progress update on pages 50 and 51.

During 2024 we found opportunities to expedite the calculation of our Scope 3 emissions and this report now contains Scope 1, 2 and 3 emissions disclosed for the accounting year as opposed to Scope 3 emissions being one year behind as they were last year. THG will come in scope of CSRD and EU Taxonomy regulations, and is already preparing for these. We will begin to report metrics and targets on the material elements of these as they are developed. As disclosed within the Directors' Remuneration Report, ESG targets are incorporated within the 2023 and 2024 LTIP awards which have been made to Executive Directors. During 2024 we began work to explore the introduction of an internal carbon price; this work will continue in 2025 as we look to understand what form this mechanism could take, how it could be incorporated into decision making and the price we should apply.

Table 9 Summary of Climate-risk related targets

Target	Progress	Mitigation for
THG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.	For 2024, our Scope 1 and 2 market-based emissions totalled 7,110 tCO ₂ e against our 2024 target of 9,195.10 tCO ₂ e. See page 50 for further details.	Reduce exposure for carbon taxation and litigation
THG commits to reduce absolute Scope 1 and 2 GHG emissions 97.7% by 2040 from a 2020 base year.		
THG commits to reduce absolute Scope 3 emissions 90% by 2040 from a 2020 base year.	THG PACT was launched in December 2023 to support with the delivery of THG's Scope 3 decarbonisation efforts, an integral component of achieving our SBTi-validated net zero targets. See page 51 for further details.	Reduce exposure for carbon taxation and litigation
THG commits that 85% of its suppliers by spend covering purchased goods and services and upstream transportation and distribution will have science-based targets by 2027.	36% of our suppliers by spend covering purchased goods and services and upstream transportation and distribution reported they have science-based targets. See page 51 for further details.	Reduce exposure for carbon taxation and litigation
Powering all our geographical operations with 100% renewable electricity by 2030.	In 2023 our renewable electricity procurement stood at 66%; in 2024 we increased this to 92%. See page 50 for further details.	Reduce exposure for carbon taxation and litigation

Risk management and informed decision-making

THG's risk management framework is designed to protect the interests of key stakeholders and enhance the quality of decision-making, enabling the effective management of our strategic, financial, operational, compliance, change and emerging risks. The framework is integral to our day-to-day activities, helping us achieve our strategic objectives through risk-informed decision-making and managing risk effectively.

A changing risk landscape

The current macroeconomic and geopolitical environment continues to present a challenging risk landscape for all organisations. The effects of these conditions on the business are explained in various sections of the Strategic Report and consequently the narrative included in the Chief Executive Officer's Review and Chief Financial Officer's Review. These sections should be read together with the disclosures below to allow for an overall understanding of the risks and challenges which will continue in 2025.

The demerger of THG Ingenuity completed on 2 January 2025. Various transitional arrangements were effective from the date of transaction to mitigate risks and ensure a smooth transition. However, we acknowledge that a demerger (or such a transaction) is often accompanied by transformation risks (separation of systems and processes), people risk (for example, any employee anxiety relating to future roles and needs) and change risk (for example, the distraction from day-to-day business focus). We also acknowledge the external risks and the potential for impact on customers and investor confidence. As is usual for a large transformation project, there are many dynamic workstreams and we continue to monitor and mitigate any risks arising as a result of the demerger.

Our risk profile continues to evolve, and the business updates its view on principal risks accordingly. We have made a number of changes to our principal risks during the year and these are detailed under 'Principal risks' below.

How we identify risks

Our risk identification process follows an enterprise-wide 'top-down, bottom-up' approach, which seeks to identify:

- principal risks that may affect our ability to achieve our strategic objectives, or pace by which we achieve them, with these risks representing the risks that most threaten the achievement of our strategy;
- strategic, financial, operational, compliance and change risks that occur across all our businesses. These risks are those that pose the greatest threat to the success of business activities across the Group and may also feed into our principal risks.

The bottom-up approach involves a rolling programme of workshops across the business, facilitated by the Risk team. Current and emerging risks identified by management teams are then added to risk registers, which are owned by the respective divisional and functional teams, and reviewed regularly. These registers are consolidated and aggregated into a Group risk register, which provides organisational visibility to strategic, financial, operational, compliance, change and emerging risks. The Group risk register underpins both the principal and emerging risks, and the associated Committee updates prepared by the Risk team.

The top-down approach involves the Board and Risk Committee assessing these updates and outputs. At each meeting, the Committee reviews the principal risks, associated risk metrics and updates presented by senior executives, functional heads and the Risk team. As part of the risk identification process, the Committee will also make reference to updates provided by the internal and external audit teams in the Audit Committee.

Emerging risks

We define emerging risks as uncertainties identified through the principal and operational risk processes, whose full extent and associated implications are not yet completely clear. Emerging risks are identified using internal and external sources, via our rolling programme of workshops, and through discussions with business leaders and subject-matter experts.

By the very nature of emerging risks, it is common to identify false leads, and conflicting signals and messages. Irrespective, these risks are logged and then investigated and understood by the allocated risk owner, working with the Risk team.

How we assess risks

We assess all identified risks for likelihood and impact using a range of financial and non-financial criteria. The assessment considers risk before any mitigations (inherent risk) and after current mitigations (residual risk). The key benefit of assessing inherent risk is to highlight potential risk exposure in the event of control or mitigation failure.

We continue to consider risks both individually and collectively to fully understand our risk landscape. By analysing the correlation between risks, we can identify those that have the potential to cause, affect, or increase another risk.

This exercise informs our scenario analysis, particularly in scenarios used in the Viability Statement, see pages 81 and 82.

While the identification and management of climate-related risks follows the Group's existing risk management framework, the methodology applied to the assessment of climate risk themes differs. See 'Identifying and assessing climate risk' on page 71 of the Sustainability section.

How we manage risks

Eliminating risk is often not feasible or desirable, so we use our risk appetite statement and risk appetite metrics to inform our decisions on risk treatment.

Our risk appetite reflects our ability and desire to accept a certain level of risk to be able to achieve our strategy. Our overall risk appetite is approved and measured by the Board.

We monitor each principal risk metric against risk appetite targets and tolerances, to ensure an acceptable level of risk for the Group and to ensure these remain aligned with our strategic objectives. We monitor the current and emerging risks identified by management teams in their risk registers against the same risk appetite.

Roles and responsibilities

Our Three Lines Governance Model defines clear roles and responsibilities for all employees and establishes accountability for actions and decisions. It also describes how appropriate oversight, challenge and assurance are provided over business activities and associated risks.

Three Lines Governance Model

Risk ownership and control – 1st line	The first line represents all employees, who are responsible for identifying risks and procedures to maintain effective controls day-to-day. They hold the necessary skills and knowledge to help with identifying and managing risks within our business.
Monitoring and compliance – 2nd line	The second line consists of teams including Risk, Technology, Health & Safety, Environmental, Legal, Regulatory, Compliance, and Finance. These teams are responsible for establishing frameworks and policies, while also providing the tools and techniques to enable the first line to manage risk effectively. The Risk team has overall responsibility for facilitating and implementing a consistent risk management approach across THG, including the provision of appropriate risk reporting for the Risk Committee, Audit Committee and the Executive.
Independent assurance – 3rd line	The Internal Audit team and external assurance providers give independent assurance and help to assess whether the first two lines are operating effectively. The purpose and activities of the Internal Audit team are set out in the relevant section of the Audit Committee Report on pages 94 to 99.

Governance and oversight

Board	<p>The Board retains overall responsibility for setting Group risk appetite and for risk management and internal control systems. In accordance with principles M, N and O of the UK Corporate Governance Code 2018 ("the Code") in addition to Paragraph 58 of the Financial Reporting Council guidance (section 6), the Board is responsible for reviewing the effectiveness of the risk management and internal control systems and confirms that:</p> <ul style="list-style-type: none"> – there is an ongoing process for identifying, evaluating and managing the emerging risks faced by the Company; – the systems have developed throughout the year under review and up to the date of the approval of the Annual Report and Accounts; – they are regularly reviewed by the Board; and – the systems accord with the FRC guidance on risk management, internal control and related financial and business reporting. <p>There were no instances of significant control failing or weakness during the year.</p> <p>We acknowledge the 2024 Code and specifically Provision 29 which will apply to financial years beginning on or after 1 January 2026, which will ask boards to make a declaration in relation to the effectiveness of their material internal controls. We have provided further details on how our risk management processes will evolve to support this in the 'Evolving our risk management processes' section.</p>
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Risk management and informed decision-making continued

Roles and responsibilities continued

Governance and oversight	
Risk Committee	<p>The Risk Committee supports the Board in setting the Group's risk appetite and ensuring processes are in place to identify, manage and mitigate the Group's principal risks.</p> <p>At each meeting, the Committee is provided with updates on each principal risk and reviews the associated risk metrics to assess whether they remain aligned to risk appetite targets and tolerances. Any risk metric that is outside of appetite and tolerance is escalated by the Committee to the Board. The Committee also considers any relevant sources of assurance relating to the key controls and mitigations for each principal risk. These presentations provide the Committee with the opportunity to review the overall impact on residual risk, and whether this falls within risk appetite.</p> <p>The updates received by the Committee during 2024 are detailed in the Risk Committee Report on pages 100 and 101.</p>
Audit Committee	<p>The Audit Committee monitors the effectiveness of the control environment by reviewing Internal Audit reports, relevant reporting from management and the External Auditor, and any other relevant assurance activity.</p> <p>Further information on the Committee's activity in 2024 is set out in the Audit Committee Report on pages 94 to 99.</p>

Evolving our risk management processes

In 2024, we continued to evolve our risk management approach.

During the year we issued a risk survey which was completed by the senior leadership teams in each business and functional leaders across the Group. This process supplemented our wider ongoing identification and assessment of risks, identifying emerging risks while also helping to validate that the existing principal risks remain appropriately focused. The outputs of the survey were also shared with the Risk Committee and the Executive teams.

One of our aims for 2024 was to promote greater risk awareness across the Group and ensure that all employees remain clear on their roles and responsibilities. In support of this we revisited the risk policy and framework to ensure these remain as concise and practical as possible. If employees understand how to apply risk management in a way that is relevant to their role, they are more likely to make risk-informed decisions which align with our risk appetite. This theme will continue into 2025.

As required by Provision 29 of the 2024 Code, which applies to financial years beginning on or after 1 January 2026, the Board will need to make additional declarations regarding the effectiveness of their material internal controls. In 2025, we will therefore reassess how we capture and present information to the relevant Committees, in support of the disclosures the Board will need to make.

To facilitate the initiatives set out above, we will be seeking to replace our existing software and platforms to ensure that we have a more integrated and workflow-driven approach to risk, control and assurance, and an improved line of sight through each of these areas. Replacing our existing systems and processes will ensure there is an improved and more interactive process for all stakeholders in relation to data capture and reporting on risk.

This will streamline the process for stakeholders at all levels, making it easier for stakeholders to deliver their respective responsibilities and further improve engagement with the risks they are responsible for. The additional information captured as part of the initiatives detailed above will broaden the reach of the Risk team and provide increased visibility to the relevant Committees over the risks and uncertainties facing the business.

Principal risks

The Board and the Risk Committee carry out an ongoing assessment of the principal and emerging risks facing the Group throughout the year. The assessment considers risks that would threaten THG's business model, future performance, solvency or liquidity, and ensures the risks continue to align with our business strategy.

We previously monitored and reported on 15 principal risks. As a result of the demerger, we have made a number of changes and we now monitor and report on 12 principal risks.

Explanations are provided below for the principal risks that have changed year on year.

- Strategic optionality – following completion of the demerger and strategic reviews within THG Beauty and THG Nutrition to streamline the offering, we no longer consider our strategic optionality as a principal risk. However, our strategic optionality remains part of the ongoing Board agenda and discussions.
- Third-party reliance and infrastructure and supply chain – this has been consolidated into a broader 'Infrastructure, supply chain and critical partners' principal risk.
- Ingenuity reliance – as THG Ingenuity is now a key third-party supplier and critical partner to THG, a new principal risk has been recognised separate to the Infrastructure, supply chain and critical partners risk, reflective of the significance of this relationship.
- Ingenuity ecommerce platform has been removed as a principal risk and is now replaced by 'THG Ingenuity reliance'.
- Innovation – this has been consolidated into the 'Customer needs' principal risk.

As detailed on the following table, a range of measures are in place, or are being deployed or developed, to manage and mitigate our principal risks.

Principal risks	Direction of travel
1. Cyber security and data privacy	↔ Stable
2. THG Ingenuity reliance	⊕ New
3. Culture	↔ Stable
4. Talent	↔ Stable
5. Customer needs	↔ Stable
6. Infrastructure, supply chain and critical partners	↔ Stable
7. Climate change, environmental and social responsibility	↔ Stable
8. Health and safety	↔ Stable
9. Legal and regulatory compliance	↔ Stable
10. Product safety and quality	↔ Stable
11. Geopolitical and economic uncertainty	↑ Increasing
12. Liquidity and funding	↔ Stable

Cyber security and data privacy		
Risk description	Risk context	Management and mitigation
<p>Failure to responsibly collect, process and store data, together with not ensuring an appropriate standard of cyber security across the business, will result in us not meeting our regulatory obligations, and losing the trust of our stakeholders.</p> <p>Link to strategic priorities</p> <p>   </p> <p>Direction of travel –</p> <p></p>	<p>Information is the lifeblood of a digital company – protecting the confidentiality, integrity and accessibility of this data is critical for a data-driven business. Failure to do so can have significant financial and regulatory consequences in the General Data Protection Regulation ("GDPR") era. In addition, we also need to use our data efficiently and effectively to improve business performance.</p>	<ul style="list-style-type: none"> – Continuously improving data-protection strategy, framework and methodology, ongoing data mapping and impact assessment procedures. – Formally deployed information security risk management methodology to provide objective reviews and monitoring of our assets and systems. – Multi-year cyber security programmes supporting continuous improvement and reducing cyber risk across technology, business processes and culture. – All employees are required to undertake awareness training for information management and data protection, with a focus on the GDPR requirements. – Internal and external validation of compliance through auditing, including risk-based audits of suppliers and other third parties. – Comprehensive disaster recovery and business continuity plans in place across the Group. – Robust change-management processes and incident management protocols adhered to for all products and services. – Our cybersecurity policies outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

Link to strategic priorities key:

-  Build leadership positions in core territories and categories
-  Deliver innovative and relevant products to global consumers
-  Develop Active Customer base and drive loyalty
-  Enhance brand equity through D2C channels

Risk management and informed decision-making continued

Principal risks continued

THG Ingenuity reliance		
Risk description	Risk context	Management and mitigation
<p>If THG Ingenuity fails to maintain service levels, it will impact our ability to meet demand, attract customers and deliver on our strategy.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>THG is reliant on THG Ingenuity for providing platform hosting, warehouse fulfilment, courier services and marketing services' which underpin the ecommerce offering. Any interruption to these services could have a profound impact and could result in significant financial liabilities and losses.</p>	<ul style="list-style-type: none"> – Service-level agreements including uptime, responsiveness and mean time to repair objectives. – Comprehensive disaster-recovery and business-continuity plans within THG and THG Ingenuity. – Robust change-management processes and incident management protocols adhered to for all products and services. – Contract management and validation of compliance with long-term agreements and transitional services agreements. – Assurance through internal and external compliance auditing.

Talent		
Risk description	Risk context	Management and mitigation
<p>If we fail to attract at pace, and/or retain employees with the critical skills, capabilities, motivation and capacity we need to deliver on our strategy, we will not be successful.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>As we continue to evolve our priorities, the capacity, knowledge and leadership skills we need will continue to change. THG will not only need to attract the talent and experience required to help navigate this change, we will also need to provide an environment where employees can develop to meet these new expectations; an environment where everyone can perform at their very best. By continuing to empower employees and leaders to make decisions, be innovative and be bold in meeting our commitments, THG will continue to create an attractive working environment, increasing employee engagement and aligned high-performing teams.</p>	<ul style="list-style-type: none"> – Reviews of our remuneration requirements and mechanisms designed to incentivise and drive the right behaviour, with a focus on ensuring fair and equitable pay across the business. – Focused development of key staff, through specific learning and development tools, to ensure they create the environment that enables colleagues to thrive and perform at their very best. – Refinement of job architectures to create greater visibility of critical talent and support our succession planning. – Benchmarking of existing employee remuneration and benefits using third-party industry data. – Our people policies, updated in line with legislative changes, outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

Culture		
Risk description	Risk context	Management and mitigation
<p>If we do not fully empower our employees and enable accountability in line with our shared values and behaviours, we will be challenged to create a culture that meets THG's business ambitions.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>The development of a shared behavioural competency that encourages employees to always do the right thing, put customers at the heart of the business and drive innovation, is critical in THG's success. Devolution of decision-making, and the acceptance of accountability for decisions, is fundamental to our continued development and to sustain our shared values and behaviours. THG also supports a culture of empowered leaders that develops ideas and solutions, and provides employees with a safe environment, allowing for honest disclosures and discussions. Such a trusting and empowering environment can help sustain innovation, enhance customer success and drive the engagement that results in increased market share.</p>	<ul style="list-style-type: none"> – Whistleblowing and incident-reporting mechanisms in place to allow issues to be formally reported, investigated and monitored. – We continue to invest in diversity and inclusion through personnel, new initiatives, and inclusive recruitment to enhance workplace culture. – Engagement surveys to enhance workplace culture and employee engagement. – Ongoing refinement of processes to improve the overall employee journey, enhance engagement, the quality of feedback and subsequent actions. – Integration of values and behaviours into all our core colleague priorities including objectives, performance management, appraisals, talent attraction, selection and development, leadership development and onboarding. – Training, including anti-bribery and corruption training, which continues to be delivered across our business units based on assessed risk.

Customer needs		
Risk description	Risk context	Management and mitigation
<p>If we fail to anticipate, understand and deliver against the capabilities and experiences our current and future customers need in a timely manner, they will find alternative providers.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>As THG continues to grow its business and brand, an understanding of how to continually attract new customers while retaining our existing customers is essential. This requires a deep and continuous flow of insights supported by processes and systems. By understanding the needs of our customers, THG will continue to differentiate itself from competitors, build compelling value propositions and offers, use key drivers to identify opportunities, decrease churn and generate revenue more effectively.</p>	<ul style="list-style-type: none"> – Continuous Net Promoter Score ("NPS") surveying allows THG to identify customer challenges rapidly and respond in a timely manner to emerging trends. – Customer service levels and complaints are monitored, and internet sites are reviewed for customer opinion. – Use of customer activity data and insights (across acquisition, retention, churn and satisfaction) to be more targeted and strategic in how we gain new customers and maximise the loyalty and lifetime value of existing customers. – Developments in ecommerce trends are monitored through industry horizon scanning, competitor analysis and benchmarking to keep abreast of the latest developments and innovations. – Highly competent buyers and merchandisers are adept at interpreting and acquiring desirable brands. – Investment in delivery, marketing, brand, customer experience and growing our retail proposition to keep our customer appeal. – Managed international customer service – 24/7 customer service for a global audience across live chat, calls, email and social. – Demand forecasting process and continuous monitoring of availability to adjust intake accordingly. – Innovation informed through demand insights, consumer data and feedback from our global retail customer base. – A fully vertically integrated business model, with full control over new product development, branding and design capabilities, which significantly reduces development timelines. – Collaboration with partners to complement and enable accelerated innovation.

Risk management and informed decision-making continued

Principal risks continued

Infrastructure, supply chain and critical partners		
Risk description	Risk context	Management and mitigation
<p>If we fail to maintain our infrastructure, wider supply chain and critical partners, this will impact our ability to meet demand, attract customers and deliver on our strategy.</p> <p>Link to strategic priorities</p>  <p>Direction of travel –</p> 	<p>THG places reliance on its worldwide infrastructure and partners across the supply chain globally.</p> <p>Any interruption to these services or relationships could have a profound impact and could result in significant financial liabilities and losses.</p>	<ul style="list-style-type: none"> – Oversight by projects teams to support and monitor transformation programmes, including management of programme risks and dependencies. – Business continuity strategies, including dual sourcing for most supply categories and in all business units, reducing dependencies on sole suppliers. – Comprehensive disaster-recovery and business-continuity plans in place. – Continuous monitoring of supply chain activity and news through advanced web-scraping functionality. – Continuous monitoring and forecasting of demand and availability to adjust intake accordingly. – Extensive and up-to-date knowledge of supplier base to ensure we can scale our supply chain appropriately and quickly. – Assurance on our key third-party suppliers and service providers through internal and external compliance auditing. – Ongoing development of global site standards and monitoring of our third parties to ensure adequate standards are maintained. – Contract life cycle management.

Climate change, environmental and social responsibility		
Risk description	Risk context	Management and mitigation
<p>Failure to achieve our sustainability-related aims, objectives and obligations will impact our ability to deliver our Sustainability Strategy and result in us failing to meet our regulatory obligations and public commitments, losing the trust of our stakeholders.</p> <p>Link to strategic priorities</p>  <p>Direction of travel –</p> 	<p>We invest in our people, partners, technology and communities to give individuals, businesses and our planet the opportunity to thrive. Our vision is to act as a force for good in leaving the world a better place than we found it.</p> <p>If we do not act on climate change, associated governmental actions and energy transition could disrupt our operations and increase our costs.</p>	<ul style="list-style-type: none"> – External third-party assurance of our operational energy and emissions data. – Oversight from our team of sustainability experts, the ESG Working Group and independent oversight from the Sustainability Committee. – THG Supply Chain Standards outline the minimum expectations for our suppliers. – Our policy on human rights, including our Modern Slavery Statement, outlines our approach and commitments, detailing the expectations for managers, the leadership team, and all colleagues. – Multiple workstreams designed to respond to specific risks and opportunities as part of our Sustainability Strategy. – Climate-impact modelling in line with TCFD recommendations to identify and manage the climate-related risks and opportunities THG is exposed to. – Sustainability data platform ensures regulatory compliance and performance measurement.

Health and safety		
Risk description	Risk context	Management and mitigation
<p>Failure to implement and monitor appropriate policies and procedures and support a continually improving safety culture across all parts of the business could lead to accidents or incidents resulting in loss of life or serious injury.</p> <p>Link to strategic priorities</p>  <p>Direction of travel –</p> 	<p>Health and safety is of paramount importance, and THG must provide a safe environment for all stakeholders.</p> <p>Failure to implement and monitor stringent health and safety procedures and policies across all parts of the business could lead to accidents or site-related incidents, resulting in loss of life or serious injury to employees, subcontractors, visitors, customers or members of the public.</p> <p>Our global footprint and evolving infrastructure further compound this risk.</p>	<ul style="list-style-type: none"> – Oversight from our Health, Safety and Environment (“HSE”) professionals both in the UK and internationally, with oversight by the Board and regular review of safety reports and safety performance. – Global HSE Strategy and roadmaps aligned to risk and risk appetite. – Regular and documented engagement and training across the Group. – Clear, effective and regular communications of all relevant safety updates. – Ongoing updates to our risk assessments and safe systems of work by trained and competent staff to raise awareness and knowledge. – Health and safety compliance reviews are an established part of the annual assurance plans provided by both our second and third lines of defence. – Our health and safety management policies outline our approach and commitments, detailing the expectations for managers, the leadership team and all colleagues.

Legal and regulatory compliance		
Risk description	Risk context	Management and mitigation
<p>Failure to anticipate, understand and implement our legal and regulatory requirements will result in us failing to meet our obligations, impacting our ability to deliver our strategy and losing the trust of our stakeholders.</p> <p>Link to strategic priorities</p>  <p>Direction of travel –</p> 	<p>We continue to operate in a global market with numerous legal and regulatory requirements. Remaining aware of changing regulation, and ensuring compliance, is key to ensuring we protect THG and our customers and partners.</p>	<ul style="list-style-type: none"> – Defined risk-appetite metrics and key risk indicators which are monitored and updated at each Risk Committee meeting. – Oversight from our extensive team of legal and regulatory compliance experts. – Emerging risk processes, including horizon-scanning, to anticipate potential changes in the legal and regulatory landscape. – Legal and regulatory compliance reviews are an established part of the annual assurance plans provided by our third line of defence.

Risk management and informed decision-making continued

Principal risks continued

Product safety and quality		
Risk description	Risk context	Management and mitigation
<p>Failure to manufacture and provide safe, compliant and quality products to our consumers may prevent them from making informed purchasing decisions, compromise their safety and result in us failing to meet our obligations, negatively impacting our brand and reputation.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>Ensuring the ongoing quality and safety of our product portfolio is vital for our brands and our reputation.</p> <p>The quality and safety of the products within our portfolio are at risk of becoming compromised at any stage in the supply chain if we fail to adequately monitor the associated processes.</p>	<ul style="list-style-type: none"> – Product safety and quality is established in our processes and controls, from product design to customer. – Product safety, quality and regulatory compliance training programme for all relevant employees. – Oversight from our extensive team of product quality, regulatory compliance and technical experts across each of the markets we operate in. – Rigorous testing and regularly monitoring performance indicators that support improvement activities. – Regular monitoring and quality controls over material received to ensure that it meets THG product safety and quality standards. – Activation of incident management teams in the event of an incident relating to the safety of our consumers or the quality of our products. – External certification and auditing of key suppliers and other third parties consistent with our own standards and risk appetite.

Geopolitical and economic uncertainty		
Risk description	Risk context	Management and mitigation
<p>Failure to anticipate, understand and successfully respond to changes in geopolitical and economic uncertainty on a timely basis may impact our ability to meet our strategy.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>Adverse changes to economic conditions could affect one or more countries and result in reduced customer spending, higher interest rates, adverse inflation in our cost base, adverse FX movements and limited debt refinancing options.</p> <p>All the above could negatively affect our operating cash flow.</p>	<ul style="list-style-type: none"> – Diverse product portfolio and geographic reach that mitigates our exposure to any localised risks and uncertainties. – Adaptable portfolio of existing products and an ability to develop new products that suit consumers' and customers' changing needs when economic conditions change. – An ability to respond to the inflationary pressures on both inputs and product pricing. – Financial resilience and liquidity with significant cash on hand at year end and our undrawn revolving credit facilities. – Regular reforecasting of business results and cash flows, and rebalancing of investment priorities where necessary. – Currency and interest rate hedging arrangements in line with the Group's Treasury Policy.

Liquidity and funding		
Risk description	Risk context	Management and mitigation
<p>Failure to adequately manage our cash, debt and overall liquidity and funding requirements over the short, medium and long term could negatively impact our ability to deliver our strategy.</p> <p>Link to strategic priorities</p> <p>Direction of travel –</p>	<p>Our ability to generate and manage our cash, control expenditure and other expenses underpins our ability to repay debt and fund working capital investment.</p>	<ul style="list-style-type: none"> – Maintenance of cash reserves and equivalents, together with access to undrawn revolving credit facilities. – Broader working capital management to continually improve cash flow and reduce reliance on bank facilities, while meeting our risk-appetite metrics. – Frequent engagement and dialogue with the market and rating agencies. – Through our Profit Improvement and Capex Committees, there is ongoing scrutiny and challenge of discretionary expenditure and capital spending. – Treasury operations are managed and monitored in line with a Board-approved Treasury Policy. – Close monitoring and stress-testing of projected cash, debt capacity and overall liquidity, including sensitivity analysis, to assess the impact of the changing economic environment.

Assessment of the going concern assumption

The business has maintained a strong liquidity position throughout the year. As at the balance sheet date, the Group had a total of £150m in an undrawn Revolving credit facility ("RCF"), along with £309m readily available cash held on the balance sheet (note this excludes the cash that left the Group following the demerger of THG Ingenuity).

Net debt at 31 December 2024 was £346m (31 December 2023: £563m), with net debt of £304m (£215m on a pre demerger basis adjusting for the cash held within THG Ingenuity) (31 December 2023: £218m) before the inclusion of IFRS 16 lease liabilities that mature over a period of up to 25 years.

Post year end, On 4 April 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to delever, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in October 2025. The undrawn RCF totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise referred to above. The demerger of THG Ingenuity will materially reduce the cash outflows of the Company with substantial reductions in lease commitments (c. £20m per annum) and capex requirements, which in turn mean that the Group requires smaller banking facilities.

Additional liquidity was also obtained through asset backed lending facilities.

There are no key covenants attached to the Term Loan B or Term Loan A facilities which are drawn down. Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above 20%, which is not anticipated to occur on test dates (biannually).

This covenant requires the Group to maintain the ratio of net debt over adjusted EBITDA to below 4.50 – 3.50 (over the course of the term), which is reviewed regularly, although as noted the facility is not drawn. This facility provides the Group liquidity optionality to manage seasonal working capital movements. These covenants are effective from 31 December 2025, prior to this the existing covenants remain in place (gross debt over adjusted EBITDA below 7.60 only in respect of the RCF).

The going concern assessment period is the twelve months from the date of this report to 30 April 2026. In order to satisfy the going concern assumption, the Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions. The Directors have considered the Budget and forecast prepared through to 30 April 2026.

Refer to the Viability statement for further information on the stress test scenarios that have been applied to the Group's forecast.

Going concern statement

As a result of the analysis performed, including potential severe but plausible downside scenarios, the Board believes that the Group is able to adequately manage its financing and principal risks and that the Group will be able to operate within the level of its facilities and meet the required covenants for the going concern assessment period. Based on the above activity, the Directors are satisfied that it is appropriate to prepare the financial statements of the Group on a going concern basis.

Viability statement

The Directors have voluntarily adopted the UK Corporate Governance Code, in which the Directors are required to issue a Viability Statement declaring whether they believe the Group is able to continue to operate and meet its liabilities for the period to December 2027, taking into account its current position and principal risks. The Directors assessed the prospects of the Group by reference to its current financial position, its recent and historical financial performance, its forecasts for future performance, its business model (pages 3, 8 and 9, 14 to 23), strategy (pages 10 and 11) and its principal risks and mitigating factors (pages 74 to 81).

Risk management and informed decision-making continued

Viability assessment period

In considering the viability of the Group, the Directors felt that an appropriate period of time was the three-year period between 31 December 2024 to December 2027 over which to assess the Group's prospects. This is consistent with the Group's business model and strategic planning period approved by the Board. A roll forward from the three year assessment period is performed for the purposes of impairment.

The Group has applied financial modelling to the assessment of going concern and viability to assess the base case and apply stress testing.

The base case

The Group's strategic planning cycle includes an annual Budget process, which is reviewed by the Board. This planning process involves modelling under a series of assumptions. Severe but plausible downside scenarios were also modelled setting out impacts of a combination of the principal risks, as well as a reverse stress test to identify what would be required to either breach covenants or run out of liquidity. This process is led by the Group CFO and Deputy Group CFO along with the Board and Chair and CEO providing further direction to align strategic initiatives. Forecasts have been prepared on a divisional level. The Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions.

In considering the Group's financial position the Directors have considered:

- Expected future growth of trading businesses;
- Margins expected to be achieved in the future; and
- Wider market and industry specific factors.

There is sufficient liquidity throughout the forecast period in respect of the base case. This is even before any mitigating actions which could be implemented by management and excludes a full drawdown of the RCF facility.

Stress tests

Several stress test scenarios have been applied to the Group's forecast, including but not limited to:

- THG Beauty revenue declines by 10%; and
- THG Nutrition revenue declines by 15%.

A severe but plausible downside modelled the impact of all scenarios above occurring simultaneously.

From this scenario, the Directors have assessed two key metrics to ensure that the Group has the ability to continue to trade, alongside complying with its banking facilities.

- Cash headroom: The Group's forecast shows material cash headroom, that management are confident give the Group the ability to continue to trade and capitalise on market opportunities as they develop; and
- Leverage (defined as net debt/adjusted EBITDA). If the Group was to draw over 20% of its currently undrawn RCF, it would be required to maintain a leverage ratio of less than 4.50 – 3.50 times at the testing dates of 30 June and 31 December. The forecasts reviewed suggest that while the facility is not required, if it were there would be enough headroom to satisfy this covenant.

The Directors note that while the wider global economy is suffering as a result of high inflation and various global recessions, the Group has a number of mitigating actions available to it such as reducing its fixed cost base, reducing stock levels and reduction in new customer marketing investment which are not factored in to the scenario above but would provide additional cash headroom in the event of a further declining in sales and depressed margins.

Reverse stress test

A reverse stress test was modelled to identify the point at which liquidity is exhausted. The model would have to see a significant decline in revenue and margins compared with the stress test set out above.

Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote. Whilst the occurrence of one or more of the principal risks has the potential to affect future performance, none of them are considered likely either individually or collectively to give rise to a trading deterioration of the magnitude indicated by the reverse stress testing and to threaten the viability of the Group over the assessment period.

Assessment of viability

In making the Viability Statement, the Board, supported by the Audit and Risk Committees, carried out a robust assessment of the Group's viability, principal risks and uncertainties facing THG for the next three years, as described on pages 74 to 81, which could impact the business model taking into account:

Factor

Stress test scenarios involving a depression in revenue and margins within THG Nutrition and THG Beauty have been run together to show an unlikely but plausible worst case downside scenario including an assessment of the Group's longer-term prospects. We anticipate that these scenarios would include any further uncertainties that may come from the impact of the current macroeconomic with high inflation and various global recessions.

Link to principal risks

Note associated potential impacts were considered within the following principal risks review.

The worst case scenario outlined above did not include any mitigating actions available. There are a number of actions that management would take to protect working capital and strengthen the balance sheet if any of the scenarios outlined above were encountered as included above (See Stress test).

Based upon the assessment of the sensitivity built into the scenarios tested, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation to meet its liabilities as they fall due over the period, up until December 2027. This includes the repayment in full of the Term Loan A banking facility (£35m due in Q4 2025).

Approval of Strategic Report

This Strategic Report was approved and issued by the Board and signed on its behalf by

Matthew Moulding

Executive Director and Chief Executive Officer

28 April 2025

Governance

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Corporate Governance Report



Dear Shareholders,

Welcome to the Company's Corporate Governance Report for the 2024 financial year.

When I joined THG in March 2022 I was given a clear mandate to improve governance and transparency and strengthen the Board by enhancing its independence and diversity. While we are pleased with the significant progress which has been made in these areas, and the other corporate governance enhancements which have been implemented, we recognise that we must continue to monitor the Company's governance framework to ensure its evolution is appropriate for an organisation of the size, nature and stage of development of THG.

Indeed, in the lead up to the Company's transfer to the ESCC category of the Official List on 6 January 2025, the Company's governance infrastructure was subject to detailed consideration to ensure the appropriate arrangements were in place to support the transition from its voluntary adherence to certain ESCC-category standards of corporate governance to compulsory adherence.

Code compliance

The Board recognises the importance of strong corporate governance and the value of establishing a robust governance framework which underpins the successful delivery of the Group's strategic aims and objectives.

Accordingly, since Admission and prior to its transfer to the ESCC category, the Company elected to report against the 2018 Code despite its application being mandatory for only those companies with an ESCC-category classification (previously premium-listed issuers).

With the exception of one departure which was rectified when non-independent NED Iain McDonald stood down from the Board in March 2024, the Company complied in full with the 2018 Code during the reporting period (as detailed within the Corporate Governance Statement which follows). Upon this Board change, an equal balance of independent and non-independent Directors (excluding the Independent Chair) was achieved and, in turn, alignment with Code Provision 11.

Board composition

As anticipated, the search to identify suitable candidates to further enhance Board composition remained a key priority of the Nomination Committee (and the Board collectively) throughout 2024, with an ongoing focus on the need to ensure that the Board is, at all times, appropriately constituted to drive long-term, sustainable growth through delivery of the Group's strategy (with specific reference to its collective balance of skills, knowledge and experience).

Accordingly, and as highlighted in last year's Corporate Governance Report, not only must we identify potential Board candidates who demonstrate the broader knowledge and experience expected of plc directors, but such candidates must possess the necessary skill sets to both oversee the successful delivery of THG's strategic aims and objectives and, more generally, support its ongoing plc evolution.

As I have previously confirmed, the ongoing review and enhancement of our Board membership must therefore be a planned, ordered and sequential process, which ensures both the continuity of Board effectiveness and the successful recruitment of candidates who satisfy the aforementioned criteria.

The promotion of diversity also remains a key consideration in all Board appointments, as evidenced by the search parameters of the NED recruitment exercise which took place during 2024. While discussed in further detail within the Nomination Committee Report, the search criteria reflected the importance of promoting diverse and inclusive Board membership and recognised that further progress was required to achieve full compliance with the FCA's diversity targets and also meet the Group's own EDI goals.

Following non-independent NED Iain McDonald stepping down from the Board on 31 March 2024, and John Gallemore resigning from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025, we were delighted to welcome Milyae Park onto the Board as an independent NED on 28 January 2025.

Milyae is regarded as a key addition to our leadership team and it is particularly pleasing that upon making this appointment the Company achieved full compliance with the FCA's diversity targets i.e. from 28 January 2025 and up to the date of this Corporate Governance Report, one of our four senior Board positions has been held by a woman (noting that Sue Farr has been the SID since her appointment to the Board on 24 April 2023), over 40% of the individuals on our Board are women and the Board now comprises one Director from a minority ethnic background.

Further information on these Board changes can be found within this Corporate Governance Report and the Nomination Committee Report.

The year ahead

We consider that the governance and Code improvements which took place during 2024 both reinforce the Company's stated commitment to evolve its governance framework and practices and evidence the significant progress which has been made by the Company in the period since Admission.

However, noting that the Company has only recently transferred to the ESCC category, there will be a continued focus on reviewing and enhancing, where appropriate, corporate governance arrangements within the organisation to ensure the Board's commitment to the principles of good corporate governance is appropriately upheld and THG's governance framework remains suitably mature and robust for a company included within the FTSE UK Index Series.

Such arrangements will also be viewed through the lens of the new 2024 Code which is applicable to the current financial year and subsequent years. Notably, updated Terms of Reference for each of our Board Committees were approved by the Board in December 2024 and adopted with effect from 1 January 2025, reflecting the provisions of the 2024 Code and the associated FRC guidance.

We once again look forward to welcoming and meeting with Shareholders at the forthcoming AGM, details of which can be found within the Notice of Meeting. We consider this a key opportunity to engage with our primary stakeholder base and a suitable forum within which ongoing and constructive dialogue can take place.

Charles Allen
Lord Allen of Kensington, CBE
Independent Chair

28 April 2025

Corporate Governance Statement

The Company recognises the value of committing to the principles of good corporate governance and establishing a robust governance structure which supports the long-term growth and development of the Group and promotes sustainable value creation for Shareholders. Therefore, in the period between Admission and the UK listing regime reforms coming into effect on 29 July 2024 (the "Effective Date"), the Company elected to report against the 2018 Code despite this being mandatory for only premium-listed issuers.

On the Effective Date the Company automatically migrated from its standard-listed classification into the new Transition category of the Official List and continued to monitor its compliance against the 2018 Code on an elective basis. On 6 January 2025 the Company transferred to the ESCC category of the Official List, at which point reporting against the 2024 Code became mandatory.

The Company complied in full with the 2018 Code during 2024, aside from a departure from Code Provision 11 in the period from 1 January 2024 to 31 March 2024 when only four of the nine Directors then in office, excluding the Independent Chair (as required by the Code), were deemed to be independent. However, this Code departure was rectified when non-independent NED Iain McDonald stepped down from the Board on 31 March 2024.

As at 31 December 2024, and in alignment with Code Provision 11, at least half the Board, excluding the Independent Chair, were independent NEDs i.e. Gillian Kent, Dean Moore, Sue Farr and Helen Jones. This remains the position as at the date of this Corporate Governance Report, with independent NED Milyae Park also having joined the Board on 28 January 2025 (and noting that John Gallemore resigned from the Board and as COO on 2 January 2025).

Our Board



Read full biographies

Charles Allen, Lord Allen of Kensington, CBE, Independent Non-Executive Chair



Charles has a depth of corporate experience across a number of sectors, including finance, media, hospitality and retail, and, having played a key role in the creation of ITV, is recognised for his significant contribution to the television industry. Previous positions include chief executive of Granada Group plc and ITV plc and chair of Granada Media plc, EMI Music, Endemol and The British Red Cross. Charles has also served on the boards of Tesco plc, Virgin Media and Get AS and as a senior adviser to Goldman Sachs and chief adviser to the Home Office. Charles was vice chair of the London 2012 bid company, non-executive director of the London Organising Committee of the Olympic and Paralympic Games and chair of the 2002 Manchester Commonwealth Games. In 2002 he was awarded a CBE for his services to Sport and Community and in 2012 he was appointed a Knight Bachelor for his services to the 2012 Olympic and Paralympic Games. Charles received the Freedom of the City of London in 2006 and in 2013 was awarded a peerage and now sits on the Labour benches.

Date of appointment
22 March 2022

- Key external appointments**
- Chair of Balfour Beatty plc
 - Chair of Classic FM
 - Chair of the Invictus Games Foundation
 - Senior non-executive director of Global Media & Entertainment Limited
 - Advisory chair of Moelis & Company

Board Committee membership
N (Chair)

Matthew Moulding, Executive Director & CEO



Matthew has been instrumental in THG's growth, leading its evolution from an entertainment reseller to a global ecommerce technology group. Prior to founding THG, he served an eight-year term as chief financial officer of 20:20 Mobile (the Distribution Division of the Caudwell Group) before leading its sale to private equity for £365m. Matthew studied Industrial Economics at the University of Nottingham before qualifying as a chartered accountant with Arthur Andersen in 1998. His deep ecommerce knowledge and insight, combined with his proven entrepreneurial skills, ensure Matthew is well-positioned to drive THG's strategic direction and objectives while working in alignment with its Shareholder base.

Date of appointment
24 June 2008

Key external appointments
None

Board Committee membership
n/a

Damian Sanders, Executive Director & CFO



Damian is a member of the Institute of Chartered Accountants in England and Wales and was a Senior Audit Partner at Deloitte LLP for over 20 years. He has extensive knowledge of the retail and technology sectors and has acted as an adviser and corporate governance specialist to a number of international listed companies. Damian brings considerable expertise to the Board across audit, accounting, commercial and risk matters and also business strategy. His strong financial background, depth of advisory experience and knowledge of the Group acquired during his two-year tenure as a NED, including serving as interim SID and as a chair/member of various Board Committees, make him well qualified to serve as CFO.

Date of appointment
24 January 2023 (having previously served as an independent NED from 17 November 2020)

- Key external appointments**
- Senior independent director of Victorian Plumbing Group plc

Board Committee membership
n/a

Sue Farr, SID



Having enjoyed an executive career spanning a number of senior marketing and communication positions in both agency and private and public sector organisations, Sue brings comprehensive marketing, branding and corporate communication knowledge and expertise to the Board. Former roles include Marketing Director at the BBC, Corporate Affairs Director at Thames Television, Communications Director at Vauxhall Motors and director of Chime Communications plc. Sue has previously served as senior independent director of British American Tobacco p.l.c. and as a non-executive director of Accsys Technologies PLC, Dairy Crest plc, Lookers plc, Millennium & Copthorne Hotels plc and New Look. She is also a former trustee of the Historic Royal Palaces and former chair of both The Marketing Society and the Marketing Group of Great Britain. Sue was awarded an Honorary Doctorate by the University of Bedfordshire in 2010.

Date of appointment
24 April 2023

- Key external appointments**
- Non-executive director of Helical plc
 - Non-executive director of Ebiquity plc

Board Committee membership
A N RP (Chair) Rem R S (Chair)

Edward Koopman, NED



Edward was a founding partner of Electra Partners/Cognetas Private Equity (now known as Motion Equity Partners LLP) and previously a Manager at Bain & Company, having worked in investment banking at both Baring Brothers and BNP Paribas. He is a member of the Leadership Council of Sofina, a family-controlled investment company listed on Euronext Brussels, investing patient capital in growing companies. Edward holds a degree from Ecole de Management de Lyon ("EM Lyon") Business School and brings a wealth of knowledge to the Board through his international business experience and well-honed management skills.

Date of appointment
3 May 2016

- Key external appointments**
- Director of Sofina Capital
 - Director of Nuxe Group
 - Director of Grupo Proeduca

Board Committee membership
n/a

Gillian Kent, Independent NED



Gillian has had a far-reaching career in software, internet, digital media and mobile technology businesses and formerly held various senior roles at Microsoft, including Managing Director MSN UK. Both here and in other roles, including as chief executive officer of the real estate portal Propertyfinder, she established her expertise in building markets and brands for products and services. Gillian previously served as a non-executive director of Ascential plc, NAHL Group PLC, Pendragon PLC and Dignity plc and as a director of Portswigger Ltd., a leading software solution company within the web security industry. Gillian's expansive executive career and broad plc experience serve to enhance the knowledge base and overall skill sets of the Board.

Date of appointment
15 September 2022

- Key external appointments**
- Non-executive director of Marlowe PLC
 - Non-executive director of Mothercare plc
 - Non-executive director of SIG plc

Board Committee membership
A N RP Rem R (Chair)

Dean Moore, Independent NED



Dean is a chartered accountant and, with over 35 years of public company experience, brings a depth of City and finance knowledge to the Board, together with significant expertise in the financial services and retail sectors. Dean was previously chief financial officer of N Brown Group plc, T&S Stores PLC and Graham Group plc; interim chief financial officer of Cineworld Group plc and Dignity plc; senior independent director of Cineworld Group plc and Volax plc; and non-executive chair of Tuxedo Money Solutions Limited. Dean is a skilled and experienced financial professional who possesses wide-ranging technical, business and people expertise which is founded upon a commercially oriented outlook.

Date of appointment
15 September 2022

- Key external appointments**
- Interim chief financial officer of De La Rue plc
 - Non-executive director of Griffin Mining Limited

Board Committee membership
A (Chair) RP Rem R

Helen Jones, Independent NED



Helen has enjoyed a successful executive career building premium food and beverage brands across FMCG, retail and multi-site hospitality, gaining over 35 years of invaluable marketing, branding and operational experience in consumer-focused businesses. Former positions include senior independent director of the Halfords Group plc and vice chair of the Ben & Jerry's Independent Board of Directors USA, a role she undertook after having led the expansion of the brand across Europe with Unilever. Helen brings a wealth of business transformation and people/customer-centric skills to the Board, underpinned by a results-focused approach.

Date of appointment
21 June 2023

- Key external appointments**
- Non-executive director of Fuller, Smith & Turner PLC
 - Non-executive director of Premier Foods plc
 - Non-executive director of Virgin Wines UK plc

Board Committee membership
A RP Rem (Chair) R

Milyae Park, Independent NED



Milyae has extensive experience in the consumer, retail, technology and financial services sectors, having worked as both an executive and adviser in digital and commercial transformation and growth in more than 40 countries. After an early career as a qualified accountant with PwC in Silicon Valley, Milyae joined Goldman Sachs on Wall Street as an investment banker. She subsequently moved to Accenture where she became a Partner in its EMEA M&A and Strategy practice, before serving as both a Business Development Director and a Commercial Director at Tesco, latterly joining Marks & Spencer as the Director for Europe. Milyae is a former Governor of the London Museum and the former chair of its Trading Board. Milyae holds an MBA from Wharton.

Date of appointment
28 January 2025

- Key external appointments**
- Non-executive director of Alliance Witan PLC
 - Non-executive director of Fidelity European Trust PLC
 - Non-executive director of Faber and Faber Ltd.

Board Committee membership
n/a

Board Committee membership key: A Audit N Nomination RP Related Party Rem Remuneration R Risk S Sustainability

Governance

Corporate Governance Report continued

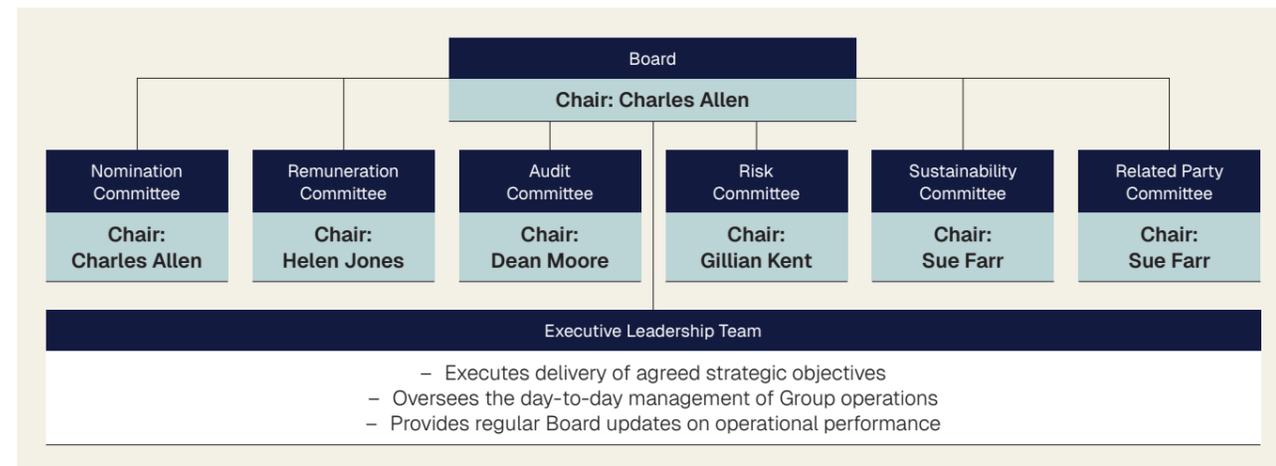
Governance overview

The primary role of our Board is, as detailed within the Code, to promote the long-term, sustainable success of the Company, generating value for Shareholders and contributing to wider society. This responsibility underpins all Board discussions and decision-making processes and is one which the Board seeks to discharge through the successful delivery of the Company's strategic priorities which, in turn, derive from its stated purpose "to create iconic retail experiences in the beauty, health and wellness markets". This purpose, determined with reference to the diversity of the Company's stakeholder base, has been articulated to guide a strategy which aims to deliver long-term, sustainable growth, while promoting environmental and social responsibility.

The Board oversees THG's strategic aims and objectives and promotes an entrepreneurial and values-led culture which is predicated upon the core values of ambition, collaboration, innovation, decisiveness and leadership, which, collectively, have been formulated to support the successful delivery of the Company's strategic priorities. Further information on THG's culture and its purpose, vision and values can be found within the 'Our purpose, vision and values' and 'Our people' sections of the Strategic Report.

To ensure the most robust governance framework exists within the Group to support the Board in the proper and effective discharge of its core function, a Board-constituted Nomination Committee, Audit Committee and Remuneration Committee were established at the time of Admission, together with a Related Party Committee, Sustainability Committee and Risk Committee (the latter two being established during 2021). Further information on the role, composition and activities of each of these Board Committees can be found within the respective Board Committee Report.

The Company's governance structure during 2024 was as follows (and remains so as at the date of this Corporate Governance Report):



Board responsibilities

As required under the Code, a formal Schedule of Matters Reserved to the Board ("Schedule of Reserved Matters") has been published on the Company's corporate website detailing the Board's key responsibilities and those items of business (including certain strategic, financial reporting and corporate and capital structure matters) which are expressly reserved for the Board's collective consideration, oversight and/or approval (as appropriate).

Under the terms of this Schedule of Reserved Matters, ultimate responsibility for the management of risk within the Group rests with the Board which is required to, amongst other matters, monitor the Group's risk management and internal control systems (including financial, operational and compliance) and, at least annually, review their effectiveness.

In discharging such risk management responsibilities (which also include approving organisational risk appetite statements and undertaking a robust assessment of the principal and emerging risks facing the Group), the Board was supported during 2024 by the Audit Committee and the Risk Committee (the activities of which are contained within the respective Board Committee Reports).

Full details of the Group's risk management framework, risk appetite and risk identification process (including in respect of principal and emerging risks and the management/mitigation thereof) can be found within the 'Risk management and informed decision making' section of the Strategic Report. This section includes confirmation that, during 2024, the Board (assisted, as appropriate, by the Audit Committee and the Risk Committee) reviewed the effectiveness of the risk management framework and internal control systems and identified no instances of significant control failings or weaknesses.

Board composition

Board composition remained subject to consideration throughout 2024 (and up to the date of this Corporate Governance Report), with an ongoing focus on the Chair's stated mandate to refresh and strengthen the Board by improving its independence and diversity against the background of the FCA's diversity targets and the Group's broader EDI vision and goals. Significant progress was made in this regard and the appointment of Milyae Park as an independent NED in January 2025 served to enhance the Board's skill sets and knowledge, further improve overall independence, and also secured compliance with the FCA's targets that at least: (i) 40% of the individuals on the Board are women; and (ii) one Board member is from a minority ethnic background. The considerations of, and process followed by, the Nomination Committee in recommending Milyae Park's appointment are detailed within the Nomination Committee Report.

A summary of the principal responsibilities of Board members and the Company Secretary is as follows:

<p style="text-align: center;">Independent Chair</p> <p style="text-align: center;">Charles Allen</p> <ul style="list-style-type: none"> – Provides leadership to the Board – Facilitates constructive Board relations and the effective contribution of all NEDs – Chairs Board meetings and promotes a culture of openness and debate – Ensures effective and ongoing communication with Shareholders and other stakeholders – Sets the agenda for Board meetings, in conjunction with the Company Secretary, and ensures Directors receive accurate and timely information 		
<p style="text-align: center;">Chief Executive Officer</p> <p style="text-align: center;">Matthew Moulding</p> <ul style="list-style-type: none"> – Provides leadership to the Executive Leadership Team and Senior Management – Oversees the day-to-day management of Company and Group business – Determines the strategic direction and business objectives of the Group – Oversees the effective implementation of Group strategy, with the support of Senior Management – Engages with key Shareholders and stakeholders 	<p style="text-align: center;">Chief Financial Officer</p> <p style="text-align: center;">Damian Sanders</p> <ul style="list-style-type: none"> – Responsible for the Group's financial matters and applicable legislative and regulatory compliance – Works with the CEO to develop strategic objectives – Monitors the Group's financial performance – Ensures the Group remains appropriately funded and the capital structure is effectively managed 	
<p style="text-align: center;">SID</p> <p style="text-align: center;">Sue Farr</p> <ul style="list-style-type: none"> – Acts as a sounding board for the Chair and supports, as required, in the discharge of their duties and responsibilities – Acts as an intermediary for the Directors as and when necessary – Available to Shareholders with concerns which have not been resolved through the normal communication channels – At least annually, meets with the NEDs, in the absence of the Chair, to appraise the Chair's performance 	<p style="text-align: center;">NEDs</p> <p style="text-align: center;">Edward Koopman, Gillian Kent, Dean Moore, Helen Jones and Milyae Park</p> <ul style="list-style-type: none"> – Provide active and constructive challenge and contribute to the development of strategy – Monitor Executive Director performance against agreed objectives and ensure robust risk management – Ensure the Board and Board Committees fulfil their responsibilities and are ably equipped to do so – Ensure the Board is balanced and appropriate succession planning is undertaken, allowing it to provide clear and effective leadership across the organisation 	<p style="text-align: center;">Company Secretary</p> <p style="text-align: center;">James Pochin</p> <ul style="list-style-type: none"> – Acts as secretary to the Board and relevant Board Committees and provides the requisite support – Advises the Board on legislative, regulatory and governance matters – Ensures the Board has the appropriate policies, procedures and resources in place to function effectively and align with best practice – Assists with communication between the Board and Shareholders and is responsible for annual general meeting organisation

Governance

Corporate Governance Report continued

The following matrix sets out the key competencies of individual Board members:

Name	UK listed plc	Technology/ ecommerce	Marketing/ branding	Retail industries	M&A	Global operations	Governance	Finance & accounting	Risk management	Strategy & development
Charles Allen	●	●	●	●	●	●	●	●	●	●
Matthew Moulding		●	●	●	●	●		●	●	●
Damian Sanders	●	●		●	●		●	●	●	●
Edward Koopman			●	●	●	●		●		●
Gillian Kent	●	●	●	●			●	●	●	●
Dean Moore	●	●		●	●	●	●	●	●	●
Sue Farr	●		●	●	●	●	●	●		●
Helen Jones	●	●	●	●		●	●	●		●
Milyae Park	●	●	●	●	●	●	●	●		●

Board independence

As previously detailed, the Board currently comprises two Executive Directors (i.e. the CEO and the CFO) and seven NEDs, six of whom (including the Chair) are deemed to be independent in character and judgement. Following due consideration of his individual circumstances against Code Provision 10, NED Edward Koopman is not deemed to be independent. Edward Koopman was appointed to the Board prior to Admission to represent Sofina SA ("Sofina"), a major Shareholder. Edward Koopman is both an employee of Sofina and a member of its Executive Committee, although it is highlighted that Edward's continued THG directorship is not in a Shareholder-representative capacity despite Sofina continuing to hold Ordinary Shares following Admission.

As the Company has previously disclosed, the holding of Ordinary Shares by NEDs is not considered to impair their independence but is viewed as aligning their interests with those of Shareholders more generally, and thus with the long-term interests and success of the Company. Consequently, NEDs may purchase Ordinary Shares at market value via a broker and facilitated by the Company if required. Directors' holdings are set out within the Directors' Remuneration Report.

On an analysis which incorporates the strict letter of the Code and excludes the Independent Chair, the Code Provision 11 requirement that at least half the Board are independent NEDs was not satisfied in the period 1 January 2024 to 31 March 2024.

During this period the Board comprised three Executive Directors (i.e. the CEO, the CFO and the former COO) and seven NEDs (including the Chair), two of whom were not deemed to be independent i.e. Iain McDonald and Edward Koopman. However, this Code departure was rectified when Iain McDonald stepped down from the Board at the end of March 2024, resulting in at least half the Board, excluding the Independent Chair, being independent NEDs in the period 1 April 2024 to 31 December 2024 – namely, Gillian Kent, Dean Moore, Sue Farr and Helen Jones.

Compliance with Code Provision 11 remains the position as at the date of this Corporate Governance Report, with John Gallemore having resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025 and independent NED Milyae Park having joined the Board on 28 January 2025.

Directors' time commitment

Under the terms of their Letters of Appointment ("Appointment Letters"), and in recognition of Code Principle H and Provision 15, NEDs must confirm that they have sufficient time to discharge the duties and responsibilities incumbent upon them as THG Directors and declare details of all significant business (and other) interests, together with a broad indication of the time required for such interests. The Board must thereafter be kept apprised of any changes to such commitments and at least seven days' written notice must be provided to the Chair before a NED accepts an additional external commitment which may impact the time they are able to commit to their Board role.

The Board, in conjunction with the Nomination Committee, keeps the time commitment expected of, and expended by, NEDs under ongoing consideration and, as at the date of this Corporate Governance Report, is satisfied that NEDs' current external commitments, as detailed within their biographies, do not compromise their effectiveness or performance.

Appointment Letters provide that, in addition to attending standard Company meetings (including Board meetings, Board Committee meetings and the Company's annual general meeting), NEDs are expected to commit sufficient time to the appropriate preparation ahead of such meetings and, overall, devote at least two days per month to their role. More generally, NEDs must be prepared to commit additional time as circumstances require, and particularly when the Company is undergoing a period of increased activity.

This was the case during 2024 when a number of additional Board meetings took place to ensure that due and proper consideration was given to, amongst other matters, the proposals to transfer to the ESCC category of the Official List, demerge THG Ingenuity into an independent private entity and launch the associated equity raise to facilitate the demerger.

Further information on the additional Board meetings which took place during the reporting period can be found within the 'Board meetings and activities' section which follows.

Board meetings and activities

While ten core Board meetings were scheduled to take place during 2024, additional meetings were arranged on an ad hoc basis to ensure the effective consideration and oversight of time-sensitive and key strategic and financial performance items, including the Company's proposed transfer to the ESCC category of the Official List and the proposed demerger of THG Ingenuity into an independent private entity (and the associated equity raise to facilitate the demerger). The Board ultimately convened on 20 occasions, with Board member attendance set out in the table opposite. Director attendance at Board Committee meetings is detailed within the various Board Committee Reports.

	2024 scheduled Board meetings	2024 ad hoc Board meetings
Director		
Charles Allen	10/10	10/10
Matthew Moulding	10/10	10/10
Damian Sanders	10/10	10/10
Edward Koopman	10/10	9/10
Gillian Kent	10/10	10/10
Dean Moore	10/10	10/10
Sue Farr	10/10	8/10
Helen Jones	10/10	10/10
Milyae Park ¹	n/a	n/a
Former Director		
John Gallemore ²	10/10	9/10
Iain McDonald ³	3/3	n/a

1. Milyae Park was not a Director during 2024 but was appointed to the Board on 28 January 2025.
2. John Gallemore was a Director throughout 2024 but resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025.
3. Iain McDonald stepped down from the Board on 31 March 2024.

In addition to those items of Board business which fall within the reserved parameters of the aforementioned Schedule of Matters, certain other key topics were considered by the Board during 2024, including (but not limited to) the following:

Corporate activity:

- Considering and approving:
 - the sale of the Company's portfolio of luxury goods websites, including www.coggles.com;
 - the extension of the Company's RCF by 17 months to May 2026;
 - the demerger of THG Ingenuity into an independent private company, to facilitate the simplification of THG's business model as a cash generative, global consumer beauty and nutrition group, with an improved balance sheet, capex and cash flow profile; and
 - the associated, and ultimately over-subscribed and upsized, equity raise to facilitate the demerger of THG Ingenuity by way of a placing, subscription and retail offer of Ordinary Shares.

General:

- Ongoing oversight of:
- the Group's market guidance and consensus; and
 - the progress made against the stated strategies of the individual businesses to return to sales growth and rebuild margins, supported by a programme of cost savings and strong cash discipline.

Governance:

- Ongoing consideration of certain governance arrangements within the Group in light of:
- proposed reforms to the UK's audit and corporate governance framework;
 - proposed changes to the 2018 Code, and thereafter publication of the 2024 Code (applicable for financial years beginning on or after 1 January 2025) by the FRC on 22 January 2024;
 - the FCA's ongoing review vis-à-vis reform of the listing regime and, following completion of the review, publication of the new UK Listing Rules (effective from 29 July 2024); and
 - following extensive Shareholder consultation, overseeing the Company's transfer from the Transition category to the ESCC category of the Official List, effective from 6 January 2025.

Strategy:

- Ongoing consideration of the Group's strategic aims and objectives in light of, amongst other matters, macroeconomic conditions, geopolitical uncertainties, high inflation and global recessions.
- Pursuant to THG's stated strategy to maximise Shareholder value, and following extensive Shareholder engagement, reviewing potential structures to facilitate the demerger of THG Ingenuity from the Group.
- As part of the Group's ongoing portfolio management to further streamline its businesses and optimise margin and cash generation, overseeing the discontinuation of certain THG Beauty territories and non-core services.
- Overseeing: (i) the major rebrand of the Myprotein business (and associated transitory disruption); and (ii) the launch of Lookfantastic's first flagship retail store as part of the Group's targeted omnichannel strategy to enhance brand awareness and customer appeal and aid product discovery.

Further information on the key discussions and principal decisions taken by the Board during 2024, including relevant stakeholder considerations, can be found within the 'Section 172 Statement: Stakeholder Engagement' section of the Strategic Report.

Governance

Corporate Governance Report continued

Conflicts of interest

While it is accepted that NEDs may have business interests outside those of the Company, Appointment Letters require that NEDs do not put themselves in a position where their duties to any other person, firm or company conflict with their duties to the Company or the wider Group. A NED must disclose any actual or potential conflict of interest to the Board as soon as it becomes apparent, and at least seven days' written notice must be provided to the Chair before a NED accepts an appointment as a director, agent, employee or consultant of any company or firm engaged in a business competing with, or similar to that of, the Company or any Group company.

The Group occupies and utilises property assets which are owned by the Propco Group, which itself is wholly owned by the CEO (who is also a major Shareholder). As a result of these arrangements, the Board-constituted Related Party Committee was established to oversee and approve Related Party Transactions and provide the requisite governance structure within which any actual or potential conflicts of interest could be considered and addressed appropriately. Further information on the responsibilities and activities of the Related Party Committee can be found within the Related Party Committee Report.

Board information

Board, and Board Committee, documentation continues to be issued in advance of meetings via a leading third-party governance platform which the Company launched following Admission. This cloud-based platform provides a secure and efficient means by which to manage and distribute Board information and also serves as a secure and centralised document storage facility through which information can be stored and accessed by Directors on an ongoing basis.

To ensure Directors have sufficient time to review and consider documentation, papers have typically been issued no later than three working days in advance of a meeting, although this is currently subject to ongoing consideration (as discussed further within the 'Board evaluation' section of the Nomination Committee Report).

The monthly Board packs incorporate the prior month's financial results, on a Group and individual business basis, together with non-financial information relating to key areas such as People, Investor Relations and Sustainability. The meeting agenda (as agreed between the Company Secretary and the Chair) will also be included, together with the minutes of any previous Board meeting(s) which will be tabled for approval.

Following output from recent Board evaluations, the timing, format and content of monthly Board packs and meetings remain key areas of focus and, while the Board acknowledges the progress which has been made to date following previous evaluation results, it is recognised that further enhancements are required. These items are considered further within the 'Board evaluation' section of the Nomination Committee Report.

Board induction and training

A structured onboarding programme has been developed for all new Board members to ensure they are fully aware of the duties and responsibilities incumbent upon them as THG Directors and Board Committee members. This programme includes the provision of internal briefing memorandums on key regulatory and legislative items, such as the UK Market Abuse Regulation, inside information and insider dealing, and face-to-face/interactive training and update sessions with relevant external advisers e.g. legal and remuneration.

One-to-one sessions will also be arranged with Executive Directors and members of Senior Management to provide a general introduction to core areas of the business and its operations; more focused sessions may subsequently take place to support particular interests and/or where new Board members request more detailed insight. Further, the deep dives which take place at scheduled monthly Board meetings ensure that NEDs are kept fully up to date on key Group and individual business matters (including strategic, financial and operational issues and market challenges and landscape) and People and Sustainability items.

The Company continues to arrange membership of the Non-Executive Directors' Association ("NEDA") for all Board members, including Executive Directors.

NEDA is an independent organisation which promotes and supports the day-to-day needs of non-executive directors, at all levels (whether aspiring, new or experienced), and through this membership Directors have access to a comprehensive suite of technical knowledge updates and a monthly programme of seminars and briefings (including networking events). Board members therefore have the opportunity to refresh and enhance their knowledge and skill sets, as they consider necessary and on a 'self-managing' basis, and the Company is fully supportive of, and indeed encourages, Directors' attendance at any events which may be of interest to them and/or which address particular training needs.

Additionally, and to address the continuing professional development needs of the Board, on a collective and individual basis, the Company's advisers may attend Board meetings to ensure Directors are kept suitably apprised of applicable legislation, guidance and market practice/developments and any changes to, and/or proposals on, the corporate governance landscape. In such instances, associated briefing papers will also be included within Board packs for Directors' longer-term information and reference.

During 2024 a number of broker updates took place to: (i) ensure that Directors had the requisite market and operational knowledge to oversee delivery of the Group's strategic aims and objectives; and (ii) support the Board on key areas of strategic focus. Such areas included: (i) the reforms to the UK's listing regime which came into effect on 29 July 2024, and the subsequent proposal that the Company transfer to the ESCC category of the Official List; and (ii) the proposal to demerge THG Ingenuity into an independent private entity, together with potential structures to facilitate the demerger and the associated equity raise (including market reaction).

The Company's legal advisers also attended Board meetings to provide support and advice in relation to these matters and, in advance of the Company's transfer to the ESCC category, undertook a Board teach-in session informing Board members of their obligations and responsibilities as directors of an ESCC-listed company (including those incumbent upon them under UK Listing Rules 6 to 10 which did not apply to the Company prior to the transfer). A Board Memorandum was also provided which addressed the applicable duties and liabilities of directors of an ESCC-listed company.

Board effectiveness

In line with Code Principle I, the Company remains committed to ensuring that the Board, and its Board Committees, have the necessary policies, processes, information and resources available to them to function effectively and efficiently.

The Company Secretary plays a key role in this regard, advising on legal, regulatory and governance matters and providing support and assistance to Directors as required. Further, and in accordance with Code Principle L and Provision 21, the Company has conducted formal Board evaluations on an annual basis since Admission which have considered, amongst other matters, the effectiveness of the Board and the Board Committees.

While the output of recent Board evaluations is considered in more detail within the 'Board evaluation' section of the Nomination Committee Report, results confirm that the Board is considered to function in a collaborative and effective manner and each Director is regarded as making an effective contribution.

More generally, Board relations and, in turn, effectiveness are fostered and nurtured through the informal discussions and debates which occur outwith the confines of the Boardroom, including through the various ad hoc conversations which take place between the Chair and the NEDs and the SID and the NEDs throughout each financial year. Such unstructured, but ongoing, interaction amongst Board members is considered a valuable tool via which Board relations are cultivated and enhanced, and it is further encouraged through, for example, the full Board, NED-only and Board-Senior Management dinners which continue to become embedded within the annual Board planning cycle.

Workforce engagement

As a people-led business, THG continually strives to develop and enhance the employee journey and workplace culture to ensure an environment of inclusivity is promoted and all employees have an equal voice. Indeed, the continued development of, and investment into, EDI initiatives throughout 2024 ensured that EDI remained high on the agenda as the Company seeks to provide a truly inclusive and diverse workplace for all (further information on which can be found within the 'Our people' section of the Strategic Report). Notably, one of the three key priorities under the 2030 Sustainability Strategy is 'Empowering people and communities' which affirms THG's people-centric approach – "our people are our greatest asset".

The Board, and the Company more generally, recognise the importance of robust and consistent employee engagement in seeking to foster a thriving and empowered workforce; employee engagement therefore remained a combined priority focus of the People team and the Sustainability Committee (falling as it does within the scope of the 2030 Sustainability Strategy) during 2024 (and remains so in 2025).

While further information on wider stakeholder engagement measures and progress can be found within the 'Section 172 Statement: Stakeholder Engagement', 'Our people' and 'Empowering people and communities' sections of the Strategic Report, a key initiative was the launch of an employee engagement survey in March 2024. This survey provided employees globally with the opportunity to share feedback on all aspects of life at THG on an anonymous and confidential basis, with a follow-up survey taking place in October 2024.

The output from these surveys is being used to better understand the needs, preferences and perspectives of the global workforce and, in turn, inform THG's People strategy and drive positive change throughout the business.

To ensure Directors are kept fully apprised of all material workforce, including engagement, matters, a People section is incorporated within the main deck of monthly Board packs and the Chief People Officer, who has ultimate oversight of the Group's workforce engagement initiatives, attends monthly Board meetings to take questions, and report to the Board, on the wider People piece.

As Board Committee updates have now been established as a standing agenda item at monthly Board meetings, this provides the NED Sustainability Committee Chair with the opportunity to update the full Board on relevant workforce engagement items. Additionally, the Group's EDI Committee Champions continue to play a key engagement role, driving general workforce EDI engagement and representation while collaborating with, and reporting into, Senior Management.

This reporting structure provides for the 'employee voice' to be heard at an appropriately senior level within the Group and, with Senior Management attending monthly Board meetings, further facilitates regular and direct Board updates.

The Board considers that, at the present time, the appropriate employee engagement arrangements are in place to ensure that it understands the views of the Company's workforce and, in turn, can appropriately factor their interests into Board discussions and decision-making. Such engagement mechanisms are kept under ongoing review to ensure that they remain effective, both from a workforce and general stakeholder perspective.

Further information on how engagement strategies positively impact decision-making throughout the organisation, including at Board level, can be found within the 'Section 172 Statement: Stakeholder Engagement' section of the Strategic Report.

Audit Committee Report



“The Committee, together with the Risk Committee, continues to play a leading role in ensuring the integrity of the Group’s financial reporting, overseeing the External and Internal Audit functions and monitoring the Group’s control framework. In light of the forthcoming changes to Provision 29 of the Code, the ongoing evolution of THG’s control environment and oversight from the Committee remain key.”

Dean Moore
Chair of the Audit Committee

Members and attendance

Committee member	Position	Attendance
Dean Moore	Chair ¹	4/4
Gillian Kent	Member ²	4/4
Sue Farr	Member ³	4/4
Helen Jones	Member ⁴	4/4

1. Dean Moore was appointed as a member of the Audit Committee upon his appointment to the Board on 15 September 2022 and thereafter assumed the position of interim Audit Committee Chair on 24 January 2023. He was appointed Audit Committee Chair on a permanent basis on 21 July 2023.
2. Gillian Kent was appointed as a member of the Audit Committee upon her appointment to the Board on 15 September 2022.
3. Sue Farr was appointed as a member of the Audit Committee on 21 July 2023.
4. Helen Jones was appointed as a member of the Audit Committee on 21 July 2023.

As Audit Committee Chair, I would like to welcome you to the Audit Committee Report for the 2024 financial year. I am pleased to confirm that, in addition to discharging its key reporting and controls oversight responsibilities during the reporting period, the Committee, in conjunction with the Risk Committee, oversaw the ongoing evolution of the Group’s control and risk management framework.

Composition and meetings

In accordance with its Terms of Reference, members of the Audit Committee are appointed by the Board, upon the recommendation of the Nomination Committee and in consultation with myself, as Audit Committee Chair, and they are required to possess the skills and experience appropriate for such membership.

The Terms of Reference further provide that the Audit Committee must comprise at least three independent NEDs, one of whom is, where possible, a member of the Remuneration Committee, possessing recent and relevant financial expertise and experience in accounting and/or auditing (as determined by the Board), and one of whom is a member of the Risk Committee.

Current Audit Committee membership therefore satisfies the relevant provisions of both the Terms of Reference and the Code, comprising four independent NEDs who have been deemed to possess the knowledge and expertise necessary for such membership and all of whom are members of the Remuneration Committee and the Risk Committee.

Member attendance at the four meetings which took place during 2024 is set out in the table opposite and, while attendance is restricted to Audit Committee members (and any individual entitled to be present as an observer), the Terms of Reference detail that certain individuals (including the CFO, the Director of Risk and Internal Audit and the External Auditor’s Lead Partner) may be invited, and are expected, to attend meetings on a regular basis. These individuals may also request a meeting of the Audit Committee should they consider it necessary or desirable to do so.

Throughout 2024 (and up to the date of this Audit Committee Report), the Audit Committee Chair (and other Audit Committee members as appropriate) maintained an ongoing dialogue with key individuals involved in the Group’s governance, including the Independent Chair, the CEO and the Director of Risk and Internal Audit.

Further, in addition to attending all Audit Committee meetings, the External Auditor continued to meet with Audit Committee members in the absence of Senior Management and also privately with the Audit Committee Chair, as and when considered necessary, to discuss the scope of the audit plan, the remit of the external audit and to challenge, as they saw fit, the findings of the audit process, including (but not limited to) any material issues which had been identified, areas of significant judgement and the general effectiveness of the process.

Role and responsibilities

The Terms of Reference of the Audit Committee provide that its purpose is to support the Board in fulfilling its oversight responsibilities by reviewing and monitoring: the independence and effectiveness of internal and external audit functions; the integrity of the Group’s financial and narrative statements; and the Group’s internal financial controls, internal controls and, as appropriate and in conjunction with the Risk Committee, risk management framework.

The specified duties and responsibilities of the Audit Committee include, but are not limited to, the following:

- monitoring the integrity of the Group’s financial statements, including its half-year financial statements, annual report and accounts and preliminary announcements, and reviewing and reporting to the Board on significant financial reporting issues and judgements which those statements contain, having regard to matters communicated to it by the External Auditor;
- where requested by the Board, reviewing the content of the annual report and accounts and the interim financial statements and advising the Board on whether, when taken as a whole, each are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company’s performance, business model and strategy;
- assisting the Board with monitoring and reviewing the Group’s internal control systems on an ongoing basis, including monitoring material financial, operational and compliance controls;
- monitoring and assessing the role and effectiveness of the Internal Audit function in the overall context of the Group’s risk management system and the work of the Compliance and Finance functions and the External Auditor; and
- reviewing the Group’s procedures for preventing and detecting fraud, its systems and controls for the prevention of bribery and the adequacy and effectiveness of its anti-money laundering systems and controls.

Activities of the Audit Committee

The key areas of review which the Audit Committee considered during the 2024 financial year are summarised as follows:

Topic	Activity/Review
Financial reporting	<ul style="list-style-type: none"> – Reviewed the Annual Report and the final half-year statement, including key accounting judgements, materiality and the External Auditor’s report on the interim statements – Reviewed key judgements and estimates in preparation for year-end reporting – Reviewed year-end matters, including the draft Annual Report (and assessed the processes to ensure it is fair, balanced and understandable), significant accounting judgements, the draft and final full-year results announcement, the Going Concern Statement and the viability model – Considered the impact of climate risks on the financial statements – Reviewed other reports and papers from Senior Management around key accounting judgements and transactions and updates relating to the changes to Provision 29 of the Code
External audit	<ul style="list-style-type: none"> – Reviewed EY’s plan for the audit of this Annual Report and the progress of the audit to date – Reviewed EY’s report on the scope of the audit relating to this Annual Report, including key audit risks – Disclosed relevant audit information to the External Auditor and the required evidence in support of it – Reviewed the final report from EY following completion of the audit of this Annual Report
Internal control and assurance	<ul style="list-style-type: none"> – Reviewed reports from Internal Audit on assurance and audit work – Reviewed other updates from Internal Audit including the Recommendations Tracker and Whistleblowing Updates – Re-approved the Internal Audit annual plan on a quarterly basis – Reviewed the outputs of the fraud risk assessment

Governance

Audit Committee Report continued

Significant financial reporting areas

A key role of the Audit Committee is to assess whether the judgements and estimates made by Senior Management are reasonable and appropriate. To assist in this assessment, the Finance team provide accounting papers to the Audit Committee which detail the financial aspects surrounding key accounting judgements and areas of focus for THG, including all significant issues outlined in the table which follows.

As part of the year-end reporting process, the Audit Committee considered this Annual Report, Senior Management's papers on key accounting estimates and judgements, the going concern and viability review, updates provided by the External Auditor and accounting and reporting matters (including representation letters from Senior Management in respect thereof).

The Audit Committee assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates that had been made by Senior Management.

Key accounting matters which received particular focus from the Audit Committee during 2024, and relating to the financial statements for the period, are as follows:

Area of focus	Audit Committee considerations and actions	Impact on financial information and disclosures
Accounting for the demerger of THG Ingenuity	<p>The Audit Committee reviewed Management's paper in detail covering the key judgements made, being the classification as held for distribution at 31 December 2024, given the date of the demerger is post year end, and the measurement of the dividend liability.</p> <p>The Committee focused on the critical assumptions underpinning the measurement of the distribution group (THG Ingenuity) to ensure the fair value disclosed was appropriate and in line with accounting standards. The Committee agreed with Management's judgements.</p> <p>The Audit Committee has reviewed the financial statement disclosures.</p>	The Discontinued operations note 12.2 is included within the consolidated financial statements.
Accounting for platform development costs	<p>THG incurred £50m in respect of additions to the platform in 2024. The carrying value is included within the held for distribution group at 31 December 2024 and totalled £118m. Management's judgement is applied regarding which projects relate to capital spend. This is reviewed with Management on a monthly basis across the Finance and Technology teams.</p> <p>The Audit Committee reviewed and acknowledged the controls in place, including review and challenge as to the scope and extent of time capitalised.</p>	The Intangible assets note 11 is included within the consolidated financial statements.
Impairment of goodwill and intangible assets for THG Beauty CGU	<p>The Audit Committee reviewed Management's impairment paper in detail and challenged key judgements, including terminal growth rate, forecast cash flows and discount rate, and concluded these to be appropriate for THG Beauty.</p> <p>The Audit Committee has reviewed the financial statement disclosures.</p>	The Intangible assets note 11 is included within the consolidated financial statements.
Presentation and disclosure of adjusted items and APMS	<p>To allow the Audit Committee to assess the policy, presentation and disclosure applied, Management presented a detailed category-by-category analysis of adjusted items to the Committee in the year.</p> <p>The Audit Committee also considered the presentation of APMS throughout this Annual Report and whether this enables a clear and fair understanding of performance.</p> <p>This included the separate presentation and APMS of discontinued categories consistent with Management actions announced as part of the strategic review.</p> <p>The conclusion was that the adjusted items policy was appropriate and being applied consistently. The Audit Committee concluded that the use of APMS was satisfactory.</p>	The Adjusted items note 4 is included within the consolidated financial statements.
Related Party Transactions	<p>The Group leases a number of properties from a related party. A Related Party Committee is in place to review and approve any transactions in the year.</p> <p>The number of leases in place with a related party has significantly reduced during 2024.</p> <p>The Audit Committee has reviewed the related party disclosure within the financial statements to ensure this gives a true and fair view. This has included a review of whether there are any additional related parties outside of those already identified due to Board appointments and shareholdings in the year.</p> <p>The Audit Committee satisfied itself that there were no additional related parties that had not already been identified but noted that following the demerger THG Ingenuity would be recognised as a related party within the FY25 financial statements. The Audit Committee also approved the disclosure for inclusion within the financial statements.</p>	<p>More details on related parties are included within the Related Party Committee Report.</p> <p>Related party details are included within note 27 within the consolidated financial statements.</p>

Area of focus	Audit Committee considerations and actions	Impact on financial information and disclosures
Recoverability of the Company's investment in subsidiaries	The Audit Committee reviewed the judgements made by management in reviewing the recoverability of the investment in subsidiary undertakings of £557.9m taking into account the results of the Group goodwill impairment testing, the amount of the parent company's loans and receivables from subsidiaries and external bank debt. The Committee focussed on the critical judgements being the DCF calculations used within the goodwill impairment review. The conclusion was that given the changes in the year to the recoverable amount as presented by management, namely the current year assessment no longer including THG Ingenuity along with the impact of the current year THG Nutrition performance, the impairment of £552.9m proposed by management was appropriate.	More details are included within note 5 within the Company notes to the financial statements.

In addition to these areas the Committee also discussed revenue recognition with the external auditors and is satisfied that revenue has been recognised appropriately.

The preceding table is not a complete list of all the Group's accounting issues, judgements, estimates and policies, but, in the opinion of the Audit Committee, details the most significant items which were considered during the 2024 financial year.

Fair, balanced and understandable assessment

At the request of the Board and pursuant to its Terms of Reference, the Audit Committee has considered whether, in its opinion and when taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for Shareholders to assess THG's position and performance, business model and strategy.

THG has established internal controls in relation to the process for preparing the Annual Report, including the following:

- Senior Management regularly monitors and considers developments in accounting regulations and financial reporting and, where appropriate, reflects developments in the financial statements.
- The Annual Report is drafted by Senior Management, with overall coordination undertaken by a member of the Finance team and additional support provided by external advisers to ensure consistency across the relevant sections and inclusion of the necessary information for Shareholders to assess the Company's position and performance, business model and strategy.
- Comprehensive reviews of drafts of the Annual Report are undertaken by Executive Directors and Senior

Management as part of an internal verification process which is carried out to ensure accuracy and assess whether the Annual Report is fair, balanced and understandable.

- The final draft of the Annual Report is reviewed by the Audit Committee prior to consideration by the Board.

Following its review, the Audit Committee advised the Board that the Annual Report was, when taken as a whole, considered to be fair, balanced and understandable and provided the information necessary for Shareholders to assess THG's position and performance, business model and strategy.

The Audit Committee was also satisfied that suitable accounting policies had been adopted, and appropriate disclosures made, within the financial statements.

The Viability and Going Concern Statements are set out on pages 81 and 82 of the Strategic Report.

Risk management and internal controls

While the Board has ultimate responsibility for the Group's risk management and internal control systems, responsibility for the ongoing monitoring and review of these systems (including financial, operational and compliance controls) is delegated to the Audit Committee, which also assists the Board in its annual review of the effectiveness of these systems and determining their adequacy (or otherwise).

The Audit Committee continues to work in support of the Board's risk management strategy, in conjunction with the Risk Committee as and when it is considered appropriate to do so.

Information on the Group's risk management framework can be found on pages 72 to 81 of the Strategic Report, together with details of the processes and controls which were in place throughout 2024 to manage and mitigate risk and provide the Board with the required assurance that sound systems of risk management and internal controls exist throughout the Group.

Internal Audit

The Audit Committee is responsible for reviewing and approving the role and mandate of the Internal Audit function, while monitoring and assessing the effectiveness of its work (including in the overall context of the Group's risk management systems).

To ensure the reporting line of the Internal Audit function is independent of Management and suitably positioned to exercise independent judgement, it has access to the Audit Committee, as and when required, and the Director of Risk and Internal Audit has a direct reporting line into the Audit Committee Chair.

When considered necessary or desirable to do so, the Audit Committee meets with the Director of Risk and Internal Audit, in the absence of Senior Management, to discuss the effectiveness of the function and to consider the actions taken by Senior Management to implement its recommendations and support its workings.

Internal audit plans include a range of financial and non-financial engagements, delivered in an assurance or advisory capacity. The internal audit plan is risk based and due consideration is given to each of the following areas during the planning process: principal risks; central functions; projects and M&A; global site audits; and operations and commerce.

Governance

Audit Committee Report continued

Internal Audit continued

Audit engagements were undertaken in each of these areas during the 2024 financial year. The annual internal audit plan is subject to detailed review by the Audit Committee to ensure alignment with key business needs; regular progress updates are provided to the Audit Committee which oversees and approves the scope of the plan on a quarterly basis.

Following due and careful consideration of all relevant factors, the Audit Committee is satisfied that: (i) the Internal Audit function is equipped to properly and effectively discharge its duties and responsibilities in accordance with the relevant professional standards for internal auditors; and (ii) the internal audit plan itself provides appropriate assurances in respect of the financial and non-financial controls in place to manage and mitigate the principal and emerging risks facing the business (further details on which can be found on pages 72 to 81 of the Strategic Report).

Independence, performance and effectiveness of the External Auditor

The External Auditor confirmed its independence and objectivity from THG during the 2024 financial year and both the Audit Committee and the Board are satisfied that the External Auditor has adequate policies and safeguards in place to ensure its objectivity and maintain its independence.

When assessing the independence of the External Auditor, the Audit Committee considered, amongst other matters, the value of fees received by the External Auditor for non-audit services, the relationship with the External Auditor as a whole, and the annual disclosure from the External Auditor in respect of threats to its independence and the safeguards applied to mitigate such threats.

In overseeing the External Auditor relationship, the Audit Committee is responsible for making formal recommendations to the Board on the External Auditor's appointment, reappointment and removal, and in this regard seeks views from Senior Management on the quality and effectiveness of the external audit process.

The effectiveness of the Lead Partner and the External Auditor's team, and their approach to audits, including planning and execution, communication, support and value, were assessed and discussed, and consideration was given to whether the External Auditor had achieved the agreed audit plan (or otherwise explained the reasons for any departures from it, including any changes in perceived audit risks and the work undertaken by the External Auditor to address those risks).

The content of the External Auditor's Board report was also reviewed and monitored, together with other communications with the Audit Committee, in order to assess whether there was a good understanding of THG's business and establish whether recommendations had been acted upon and, if not, the reasons for this.

As part of the External Auditor assessment, the Audit Committee considered whether the External Auditor had exercised professional scepticism and an appropriate degree of challenge to Senior Management, particularly on key accounting and audit judgements. Additional feedback was sought from various participants in the process, including the CEO, the CFO and the Independent Chair, but primarily from the Audit Committee itself.

Overall, the effectiveness of the external audit process was assessed as performing as expected. The Audit Committee concluded that it was satisfied with the work undertaken by the External Auditor, including adequate levels of challenge, during 2024.

There are independent reporting lines from the External Auditor to the Audit Committee and the External Auditor is afforded the opportunity for sessions with the Committee throughout every financial year.

The Audit Committee is also responsible for considering and approving the terms of engagement with, and remuneration of, the External Auditor, in respect of both audit and non-audit services, in addition to its removal.

A resolution proposing the reappointment of EY was approved by Shareholders at the 2024 AGM. When considering whether to recommend the reappointment of the External Auditor, the Audit Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted and the ongoing independence and objectivity of the External Auditor.

The External Auditor has been appointed since the 2011 reporting period (to the date of this Annual Report), and the Lead Partner, Karl Havers, has been in post since the start of the audit for the 2021 financial year. This being so, financial year ending 31 December 2025 will be the final year that Karl Havers can be appointed and the Company is in discussions with EY to ensure a smooth transition to an appropriate successor.

While the Audit Committee is aware that the initial engagement period for a statutory auditor should not exceed ten years, the Company tenure is counted from 1 January 2021 i.e. the first accounting period audited following Admission. The Audit Committee considers that it would be appropriate to conduct an external audit tender by no later than 2030.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 did not apply to the Company in respect of the financial year ended 31 December 2024 as the Company was not a constituent of the FTSE 350 Index. Having entered the FTSE 250 Index on 21 March 2025, a statement of compliance will, as appropriate, be included within future Audit Committee Reports.

Fees payable to the External Auditor

The Audit Committee has reviewed and approved a policy regarding non-audit work and fees, in relation to which please see note 5 to the Group's financial statements.

In order to ensure that the provision of non-audit services does not impair the External Auditor's independence or objectivity, this policy requires that the Audit Committee pre-authorises any non-audit work proposed to be undertaken by the External Auditor or, if required urgently between Audit Committee meetings, the Audit Committee Chair is empowered to provide such authorisation.

There are certain services which cannot be provided by the External Auditor, or members of its network, due to the possibility that they may compromise its independence; it is therefore not permissible for the External Auditor to provide such services. Non-audit services prohibited under independence requirements will not be authorised.

The only non-audit services performed during the 2024 financial year related to the interim review procedures. The total fees were £0.3m, being a 1:6 ratio to the audit fees. It is widely accepted that such procedures will be completed by a group's auditor. The Audit Committee therefore concluded that the objectivity and independence of the External Auditor would be safeguarded.

Focus for 2025

During the current financial year, the Audit Committee will continue to:

- oversee both the internal controls and governance framework within THG to ensure its continued evolution, effectiveness and integrity;
- review Senior Management's strategy and monitor the delivery of the required control framework enhancements in order to comply with Provision 29 of the Code which will apply to financial years beginning on or after 1 January 2026;
- oversee the use of technology to enhance the operation of controls and harness potential opportunities to digitalise and automate controls as the framework matures further; and
- ensure the provision of relevant training, development and support to all Directors and the Executive Leadership Team, particularly with respect to applicable new legislation, regulation and guidance.

On behalf of the Audit Committee**Dean Moore**

Chair of the Audit Committee

28 April 2025

Risk Committee Report



“The Risk Committee, together with the Audit Committee, continues to play a key role in governing THG’s risk management and internal control framework. The oversight provided by the Committee remains crucial given the challenges of the current macroeconomic and geopolitical environment, together with the need to ensure the ongoing evolution of the framework to establish an appropriate risk profile post demerger and in preparation for the forthcoming changes to Provision 29 of the Code.”

Gillian Kent

Chair of the Risk Committee

Members and attendance

Committee member	Position	Attendance
Gillian Kent	Chair ¹	4/4
Dean Moore	Member ²	4/4
Sue Farr	Member ³	4/4
Helen Jones	Member ⁴	4/4

- Gillian Kent was appointed Risk Committee Chair upon her appointment to the Board on 15 September 2022.
- Dean Moore was appointed as a member of the Risk Committee on 6 December 2022.
- Sue Farr was appointed as a member of the Risk Committee on 21 July 2023.
- Helen Jones was appointed as a member of the Risk Committee on 21 July 2023.

I am pleased to introduce the Risk Committee Report for the financial year ended 31 December 2024. During this period, and up to the date of this Report, the Risk Committee continued to operate effectively and deliver against its Terms of Reference, ensuring a robust and effective risk governance framework was in operation throughout the Group.

Composition and meetings

As set out in the table opposite, membership of the Risk Committee throughout 2024 (and up to the date of this Risk Committee Report) was in alignment with the relevant provisions of the Terms of Reference which provide that the Risk Committee must comprise at least three independent NEDs, at least one of whom is a member of the Audit Committee and who each have the requisite skills and experience appropriate for such membership.

In accordance with the Terms of Reference, four Risk Committee meetings took place during 2024, at appropriate times in the financial reporting and audit cycle. While only Risk Committee members (and any individual entitled to be present as an observer) have the right to attend Committee meetings, typically the CFO, Deputy CFO and the Director of Risk and Internal Audit will also be in

attendance, together with the External Auditor, and other non-members may be invited to attend as and when deemed appropriate.

Role and responsibilities

The Risk Committee’s Terms of Reference detail the specific duties and responsibilities of the Committee and clarify that its purpose is to:

- review and monitor the principal risks and identify the emerging risks facing the Group, the likelihood and impact of such risks materialising and the way in which such risks are managed and mitigated (including the definition and execution of a risk management strategy and associated risk policies);
- review and monitor the robustness of the Group’s risk management framework, policies and procedures and their fitness for purpose when tested against the Board’s risk strategy and appetite; and
- assist the Board in its oversight of risk throughout the Group and advise on its overall risk appetite, tolerance and strategy (including the principal and emerging risks it may be willing to accept to achieve its long-term strategic objectives).

In fulfilling its purpose, the Risk Committee may seek such independent professional advice as it considers necessary to ensure the proper and effective execution of its duties and responsibilities, and it may also access resources, such as Group Secretariat, when other specialist support and assistance is required.

Notably, the Risk Committee’s Terms of Reference provide that it must work and liaise, as necessary, with the other Board Committees, including with specific reference to the joint delegation and division of responsibilities with the Audit Committee in respect of risk management and internal controls (further details on which follow).

Activities of the Risk Committee

As previously detailed, four scheduled Risk Committee meetings took place during 2024, while one-to-one meetings also continued between the Director of Risk and Internal Audit and the Risk Committee Chair to consider the ongoing development, refinement and embedding of the Group’s risk management framework and associated processes.

The Director of Risk and Internal Audit has open and direct access to the Risk Committee at all times, an arrangement which is viewed as key in maintaining the independence of the reporting line between the Director of Risk and Internal Audit and Group Risk from that of Management.

Additionally, the Risk Committee Chair, together with other Committee members (to the extent considered appropriate), remained in ongoing dialogue with key individuals involved in the oversight of Group governance, including the Independent Chair, to ensure the necessary intra-function transparency and alignment continued throughout the 2024 financial year (and up to the date of this Risk Committee Report).

A summary of the key activities undertaken by the Risk Committee during 2024 is as follows:

- oversight of the management, reporting and evolution of principal and operational risks within the Group and application of risk appetite, together with the outcome of principal risk deep dives;
- consideration of principal risk owner presentations;
- monitoring the identification and quantification of emerging risks within the Group;
- remaining apprised of the changes to Code Provision 29 and understanding relevant priorities, as applicable to the Group’s risk landscape and risk management framework;
- linked to the foregoing item, developing a roadmap, with input from appropriate advisers, to ensure compliance with applicable disclosure requirements at the relevant time;
- reviewing the results and remedial actions arising from the annual Fraud Risk Assessment, together with any summary reports of escalated incidents and instances of fraud;
- consideration of the role of THG Insurance in supporting risk mitigation activities; and
- review and update of workstreams and risks associated with the demerger of THG Ingenuity.

Risk management and internal controls

In accordance with the FRC’s Guidance on ‘Risk Management, Internal Control and Related Financial and Business Reporting’ (September 2014), ultimate responsibility for the Group’s systems of internal control and risk management framework rests with the Board. However, pursuant to the provisions of the Code and as reflected in its Terms of Reference, responsibility for the ongoing monitoring and review of the Group’s risk management and internal control systems (including its financial, operational and compliance controls) has been delegated to the Risk Committee, in conjunction with the Audit Committee.

Included within this delegation of responsibility is the ongoing monitoring and review of the processes and procedures in place to manage and mitigate principal risks, identify emerging risks and review and assess the Group’s risk appetite (including associated stress testing), together with assisting the Board in its annual review of the effectiveness of these systems and determining their adequacy (or otherwise).

Information on the Group’s risk management framework can be found on pages 72 to 81 of the Strategic Report, together with details of the processes and controls which were in place throughout 2024 to manage and mitigate risk and provide the Board with the required assurance that sound systems of risk management and internal controls exist throughout the Group.

The Viability Statement is set out on pages 81 and 82 of the Strategic Report.

Focus for 2025

During the current financial year it is anticipated that key areas of focus for the Risk Committee will be as follows:

- oversight of the risk management framework, risk appetite and emerging risk processes within THG to ensure their continued evolution, effectiveness and integrity and the ongoing development of the Risk function as the Group continues to grow and mature; and
- remaining updated on the Company’s response to changes to Code Provision 29.

On behalf of the Risk Committee

Gillian Kent

Chair of the Risk Committee

28 April 2025

Nomination Committee Report



“Acknowledging the benefits which diverse membership can bring to Boardroom discussion and organisational culture more generally, we were delighted to announce the appointment of independent NED Milyae Park in January 2025. Milyae’s appointment was the result of a detailed recruitment exercise which took place in 2024 and, notably, with effect from this appointment the Company achieved full compliance with the FCA’s diversity targets.”

Charles Allen
Lord Allen of Kensington, CBE
Chair of the Nomination Committee

Members and attendance

Committee member	Position	Attendance
Charles Allen	Chair ¹	2/2
Gillian Kent	Member ²	2/2
Sue Farr	Member ³	2/2
Iain McDonald	Former member ⁴	0/1

- Charles Allen was appointed as Nomination Committee Chair on 10 June 2022.
- Gillian Kent was appointed as a member of the Nomination Committee upon her appointment to the Board on 15 September 2022.
- Sue Farr was appointed as a member of the Nomination Committee on 21 July 2023.
- Iain McDonald stepped down from the Board and as a member of the Nomination Committee on 31 March 2024.

I have pleasure in introducing the Nomination Committee Report for the 2024 financial year and updating you on the progress which has been made in certain areas of Committee focus.

At the outset, however, I would like to convey my gratitude to John Gallemore, former Executive Director and COO (previously Chief Financial Officer), for his commitment to the Company and to the Board since co-founding THG in 2004; with effect from completion of the demerger of THG Ingenuity on 2 January 2025, John resigned from the Board and as COO and joined the board of THG Ingenuity as Executive President.

I would also like to thank former NED Iain McDonald for his contribution as a Board and Board Committee member prior to stepping down as a Director on 31 March 2024.

As detailed within the Corporate Governance Report, a key focus of the Nomination Committee since my appointment has been the ongoing review of the Company’s leadership to ensure it is properly constituted to drive Shareholder value creation.

In considering potential Board appointments, we seek to identify individuals who understand, and can thrive within, a fast-paced, entrepreneurial culture; who have the broader knowledge and experience expected of plc directors; and who possess the requisite skill sets to oversee the successful delivery of the Group’s strategy and, more generally, support the Company’s ongoing plc evolution.

The promotion of diversity is also a key consideration in all Board appointments as we fully embrace the benefits which diverse membership may bring to Board discussions and effectiveness.

I am therefore delighted to report on the successful recruitment process which was undertaken during 2024 and which resulted in the appointment of independent NED Milyae Park on 28 January 2025.

Notably, the Company achieved full compliance with the FCA’s diversity targets upon Milyae Park’s appointment (further information on which is contained in the ‘Diversity and inclusion’ section which follows).

Composition and meetings

The Nomination Committee’s Terms of Reference provide that the Nomination Committee Chair must be either the chair of the Board or an independent NED and, in line with the relevant Code Provision, a majority of its members must be NEDs who are independent in character and judgement and free from any relationships or circumstances which are likely, or could appear, to affect their judgement.

Membership of the Committee, as set out in the table opposite, therefore aligns with these requirements; Charles Allen, the Nomination Committee Chair, and members Gillian Kent and Sue Farr were all deemed to be independent upon their appointments to the Board (as detailed within the ‘Board independence’ section of the Corporate Governance Report).

In accordance with the Terms of Reference, two Nomination Committee meetings were held during 2024 and, while only members are entitled to attend Committee meetings, others may attend by invitation if considered appropriate and necessary e.g. the CEO and/or external advisers.

Role and responsibilities

The Nomination Committee has Board-delegated authority to review and evaluate the structure, size and composition of the Board, including its skills, knowledge, experience and diversity, and this was a key focus of the Committee during 2024.

To ensure it is well-placed to exercise this authority, the Terms of Reference provide that the Committee must remain abreast of all strategic and commercial issues affecting the Group and the markets within which it operates.

In this regard, relevant insights were shared with the Committee, and the wider Board, on an ongoing basis during the year through, for example, incorporation of strategic and market updates within Board packs, the regular deep dive sessions which took place at scheduled monthly Board meetings and broker and adviser updates.

Other mandated duties which were considered and discharged by the Nomination Committee, as appropriate, throughout 2024 included:

- identifying a suitable independent NED candidate for the approval of the Board (discussed in further detail in the ‘Board composition and independence’ section which follows);
- keeping Board Committee composition under ongoing review (discussed in further detail in the ‘Board Committee composition’ section which follows); and
- reviewing succession plans to ensure the necessary leadership talent exists within the Group to effectively manage and exploit challenges and opportunities which may arise now and in the future.

Activities of the Nomination Committee Board composition and independence

The Nomination Committee remained mindful of overall Board independence and the balance of Executive Directors/NEDs throughout the reporting period, with particular reference to Code Provision 11.

As considered further within the Corporate Governance Report, the Company’s departure from Code Provision 11 was rectified in March 2024 when non-independent NED Iain McDonald stepped down from the Board. Pleasingly, from this time at least half the Board, excluding the Independent Chair, have been NEDs whom the Board considers to be independent.

The search to identify suitable candidates to enhance the composition and diversity of the Board nevertheless remained an ongoing focus of the Nomination Committee during 2024, having regard to, amongst other matters, the FCA’s diversity targets (further details on which can be found in the ‘Diversity and inclusion’ section which follows).

The Company engaged Audeliss, an international search firm which specialises in diversity and championing change from leadership level, to support the Nomination Committee in this exercise. Audeliss has no connection with the Company or individual Directors.

The parameters of the search reflected previous recruitment briefs which acknowledged the importance of promoting diverse and inclusive Board membership but which also sought to identify suitably skilled and experienced candidates who could be considered the ‘right THG fit’.

A robust recruitment process took place which included a preliminary desktop/database review to produce a candidate longlist, and this was subsequently refined to a shortlist following detailed consideration and discussion. In line with previous recruitment exercises, the Nomination Committee then undertook interviews with shortlisted candidates.

Following extensive deliberations, including consideration of required experience and skill sets, cultural alignment and the benefits which a diverse Board can bring to an organisation, the Nomination Committee recommended the appointment of Milyae Park. This appointment was thereafter approved by the Board, on the basis of merit and as assessed against objective criteria and with due regard to the promotion of diversity in the Boardroom.

Milyae is regarded as a key addition to the leadership team, bringing extensive customer, commercial, digital and sustainability expertise to her position and a wealth of strategic and international capabilities gained from leadership and advisory roles in c.40 countries. Her appointment aligns with the Chair’s stated mandate to enhance Board composition by improving independence and diversity and also builds upon the corporate governance progress which the Company continues to make in its ongoing plc evolution.

Board Committee composition

The Nomination Committee’s Terms of Reference provide that it is responsible for making recommendations to the Board in respect of Board Committee membership (in consultation with the relevant Board Committee Chair). As detailed within the 2023 Annual Report, certain updates were made to Board Committee composition during 2023 to ensure applicable membership requirements were satisfied (as set out within the Code and the Board Committees’ Terms of Reference).

Governance

Nomination Committee Report continued

Activities of the

Nomination Committee continued Board Committee membership remained subject to ongoing oversight by the Nomination Committee during 2024. With the exception of the following, no other changes took place during the year: (i) Sue Farr replaced Iain McDonald as Sustainability Committee Chair in March 2024, following the announcement that Iain McDonald would step down as a Director on 31 March 2024; (ii) Iain McDonald stepped down as a member of the Nomination Committee at the same time as he stood down as a Director; and (iii) Clare Clark, the Group's Director of Sustainability, replaced Mark Jones, former Group Chief Sustainability Officer, as a member of the Sustainability Committee in December 2024.

Current Board Committee membership can be found within the respective Board Committee Reports.

Board evaluation

Reflecting its belief that the evaluation process is a critical tool within the Group's corporate governance infrastructure, the Company has conducted formal Board (including Board Committee) evaluations on an annual basis since Admission.

These evaluations have been conducted via an online digital platform provided by BoardClic, an independent third-party board evaluation consultant, and the 2023 externally-facilitated evaluation (the "2023 evaluation") also incorporated in-depth, one-to-one interviews between Board members and BoardClic's lead evaluation assessors.

The BoardClic governance platform is a data-driven, time-efficient tool which makes use of comprehensive benchmarking resources to track compliance, effectiveness and year-on-year alignment. As this evidence-based framework provides a means by which to ensure evaluation outcomes and objectives are appropriately addressed and/or monitored, the decision was taken to continue to utilise this platform for the 2024 Board (including Board Committee) evaluation which took place in December 2024 (the "2024 evaluation").

The collation and analysis of output by BoardClic from the 2023 evaluation disclosed a number of actionable insights, in the form of recommendations, which centred around four headline themes: (i) strategic process (formation and communication) and clarity of messaging (internal and external); (ii) people and culture (with specific reference to succession planning and employee engagement); (iii) Board agenda, meetings and materials; and (iv) Board dynamics and composition.

Pleasingly, significant progress was made during 2024 in respect of the 2023 evaluation results and a number of BoardClic's recommendations have now been appropriately actioned and/or addressed, as reflected in the improved 2024 evaluation scoring. While it is clear that there are certain follow-on themes in the 2024 evaluation, the results remain subject to further Board interrogation and deliberation, following which the appropriate action will be taken.

The timing, format and content of monthly Board packs and meetings will continue to remain a key focus area throughout 2025; while progress continued to be made during the reporting period, output from the 2024 evaluation indicates that further enhancements are required to reflect both the 'reshaped' Group, following the demerger of THG Ingenuity, and the evolving needs (with reference to skills and experience) of Board members.

Further, in light of the demerger, the results recognise: (i) the need to educate and engage the market throughout 2025 on the Group's investment story to drive and encourage investor and market engagement and, in turn, Shareholder value creation; and (ii) that the ongoing development and enhancement of workplace culture and the employee journey must remain a Board/People priority during 2025.

Diversity and inclusion

The Nomination Committee recognises the importance of promoting a diverse and inclusive corporate culture within THG and takes seriously its commitments and responsibilities in this area. In line with the Code, the Nomination Committee's Terms of Reference confirm its mandate to ensure that Board appointments and succession plans are based on merit, considered against objective criteria and with due regard to the benefits of Board diversity (including, but not limited to, diversity of gender).

The Committee acknowledges the benefits which diverse membership may bring to Boardroom discussions and the improved corporate governance and enhanced decision-making which may derive from a broader insight and knowledge base; and which, in turn, may positively impact Board effectiveness and thus Shareholder value creation.

The Nomination Committee remains aligned with THG's stated vision to create a diverse, inclusive and supportive work environment which reflects the communities within which the Group operates. This vision is supported by the Group's EDI Strategy which is premised upon the four key pillars of visibility and representation, learning and development, recruitment and progression, and accessibility and inclusion.

The Group's EDI Committee remains instrumental in driving positive change and engagement in this area; EDI representatives work closely with the EDI Committee and the leadership teams of the individual businesses to implement Group-wide EDI initiatives and identify potential areas for improvement (further information on which can be found within the 'Our people' section of the Strategic Report).

The Chief People Officer, who has ultimate oversight of general workforce diversity, attends scheduled Board meetings to provide regular on-topic updates to ensure the Nomination Committee, and the Board collectively, remain suitably apprised of material People issues, including key EDI items.

As previously confirmed, the parameters of the recruitment search for suitable independent NEDs during 2024 took into account the importance of promoting diverse and inclusive Board membership, with specific reference to the Board diversity disclosures required under UKLR 22.2.30(1)(a) that at least 40% of the individuals on the Board are women and at least one Board member is from a minority ethnic background.

While the search was successful and culminated in the appointment of Milyae Park, the timing of this appointment in January 2025 meant that the Company did not comply with these targets as at 31 December 2024 when, with reference to the provisions of UKLR 22.2.30(1)(a), only a woman held the senior Board position of SID and 33.3% of the individuals on the Board were women.

Upon the appointment of Milyae Park on 28 January 2025, the Company achieved full compliance with these diversity targets i.e. from 28 January 2025 (and to the date of this Nomination Committee Report), at least 40% of the individuals on the Board have been women, a woman has held one of the senior positions on the Board and at least one Board member has been from a minority ethnic background.

Board and executive management data as at 31 December 2024, presented in accordance with UKLR 22.2.30(2), is as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	66.7%	3	10	71.4
Women	3	33.3%	1	4	28.6
Non-binary	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	100	4	11	78.6
Mixed/Multiple Ethnic Groups	—	—	—	2	14.3
Asian/Asian British	—	—	—	1	7.1
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

The source data used in the foregoing tables is provided on a self-reporting basis through completion of an electronic survey which asks participants to confirm their name, the most accurate description of their gender identity and their ethnicity. The 'Our people' section of the Strategic Report contains the diversity disclosures required pursuant to section 414C of the Companies Act.

Focus for 2025

While the Nomination Committee is pleased with the progress which has been made from a Board diversity perspective during 2024 and into 2025, the ongoing monitoring of Board composition will remain a key priority during the current reporting period (particularly in light of the demerger of THG Ingenuity). Any future enhancements will continue to take into account not only the Group's broader EDI vision and FCA/Group targets but also the need to ensure that: (i) the necessary leadership experience and expertise exists to support THG's strategic direction of travel; and (ii) a robust and diverse succession pipeline is in place throughout the organisation (including within the Senior Management pool).

In accordance with its Terms of Reference, the Nomination Committee will also continue to keep Board Committee composition under review, having regard to, amongst other matters, the skill sets and experience of individual NEDs and the time commitment expected of them.

The Nomination Committee considered overall Board composition in advance of the 2024 AGM and the continuation (or otherwise) in office of individual Directors, with reference to their performance and ability to contribute to the Board in light of the knowledge, skills and experience required. Following due consideration, the Committee recommended to the Board that all Directors be put forward for annual election or re-election (as appropriate) by Shareholders. The Committee will go through a similar evaluation process in advance of the upcoming AGM and thereafter make its recommendations to the Board.

On behalf of the Nomination Committee

Charles Allen
Lord Allen of Kensington, CBE
 Chair of the Nomination Committee

28 April 2025

Related Party Committee Report



“The Related Party Committee ensures that robust governance arrangements are in place around any transaction which is classified as a ‘Related Party Transaction’, and which will be challenged and approved only if considered appropriate. The key objective is Shareholder value protection.”

Sue Farr

Chair of the Related Party Committee

Members and attendance

Committee member	Position	Attendance
Sue Farr	Chair ¹	4/4
Dean Moore	Member ²	4/4
Gillian Kent	Member ³	4/4
Helen Jones	Member ⁴	4/4

- Sue Farr was appointed as a member of the Related Party Committee upon her appointment to the Board on 24 April 2023 and, in her capacity as SID, assumed the position of Related Party Committee Chair on 7 September 2023.
- Dean Moore was appointed as a member of the Related Party Committee upon his appointment to the Board on 15 September 2022 and, in his capacity as interim SID, assumed Chairship of the Committee on an interim basis on 24 January 2023. He thereafter stepped down from this position, but remained a member of the Committee, when Sue Farr assumed the position of Related Party Committee Chair on 7 September 2023.
- Gillian Kent was appointed as a member of the Related Party Committee on 24 January 2023.
- Helen Jones was appointed as a member of the Related Party Committee on 21 July 2023.

Having now served as Related Party Committee Chair for one full reporting cycle, I am delighted to introduce the Committee’s Report for the 2024 financial year and, at the outset, wish to reaffirm our commitment to the ongoing and robust oversight of all Related Party Transactions.

The Related Party Committee was established following Admission to oversee and approve, if considered appropriate, Related Party Transactions and to ensure any conflicts of interest, whether actual or potential, arising from such arrangements are subject to full and effective oversight.

I am pleased to confirm that throughout 2024, and up to the date of this Committee Report, all Related Party Transactions have been subject to detailed consideration and rigorous challenge by the Committee, founded upon its desire to comply with the principles of good corporate governance and the spirit of the Code more generally.

Prior to Admission, THG divested the Propco Group to Moulding Capital Limited (“MCL”) which is wholly owned by Matthew Moulding, the CEO and a major Shareholder.

As the Propco Group owns property assets which are occupied and utilised by the Group, the divestment was overseen, and approved, by the independent NEDs in office at that time to ensure conflicts of interest arising from the Propco Transaction were appropriately managed and resolved and the transaction took place on an arm’s length basis. The lease arrangements which operated between the Propco Group and THG prior to the Propco Transaction were unchanged by the aforementioned divestment.

Following completion of the demerger of THG Ingenuity on 2 January 2025, the ongoing arrangements between THG and THG Ingenuity will be subject to review and approval by the Committee during 2025 and beyond.

In addition, to align with the Company’s transfer to the ESCC category of the Official List on 6 January 2025, the Terms of Reference of the Committee were updated to adopt the definition of a related party as set out in Chapter 8 of the UK Listing Rules. I am confident this will further bolster the governance around any Related Party Transactions.

Composition and meetings

In recognition of the Related Party Committee’s key governance function, its Terms of Reference provide that members must be independent NEDs, appointed by the Board upon the recommendation of the Nomination Committee and in consultation with myself as Committee Chair. Current Committee membership therefore aligns with this requirement and is set out in the table opposite.

The Terms of Reference further provide that meetings of the Related Party Committee are held at such times as the Committee Chair requires, although any member of the Committee may request a meeting if they consider it necessary. Four Related Party Committee meetings took place during the 2024 financial year and, while only members are entitled to attend, others, including external advisers, may attend by invitation when considered necessary and appropriate.

Role and responsibilities

As detailed within its Terms of Reference, the principal function of the Related Party Committee is to oversee and approve (where appropriate) the terms of any Related Party Transaction, having regard to whether such arrangement is fair, reasonable and in the best interests of the Group (including from the perspective of the Company and its Shareholders). The Related Party Committee remains cognisant of the key role which it plays within THG’s corporate governance infrastructure and, in making such an assessment, is required to ensure that any Related Party Transaction is conducted on standard commercial terms and on an arm’s length basis.

While the general position is that a Related Party Transaction may not be authorised or implemented by the Board unless it has been positively recommended by the Related Party Committee, the Terms of Reference contain a carve-out to this; specifically, if a transaction is deemed to be in the best interests of the Company, the Board may resolve that, in respect of certain categories of Related Party Transactions, the Committee’s views are not binding but are of a recommendatory nature. It is noted that no such action has been taken by the Board historically or within the reporting period currently under review.

Activities of the Related Party Committee

In addition to the ongoing oversight and approval (where appropriate) of Related Party Transactions, the Related Party Committee gave specific consideration to a number of other matters during the 2024 financial year, including the following items:

Capital expenditure

Capital expenditure incurred by THG on properties leased from the Propco Group is reviewed on a regular basis, with specific reference to the rationale for the spend incurred and the nature of the works completed, to ensure it is appropriate for a commercial tenant. The Committee concluded that the nature of the works and level of spend were appropriate for a commercial tenant.

Subleases

THG sought consent from the Propco Group (as landlord) to sublet four properties that it currently leases from Propco Group to third parties at market rates, thus generating cash flow for the benefit of THG. The Committee challenged the proposed subleases to: (i) ensure they were in THG’s best interests; and (ii) confirm whether the proposal would involve variations to the existing lease agreements (including in respect of rent payable by the Group). It was confirmed that no variations would be required and that the arrangements were in the best interests of the Group, following which the Committee approved the subleases.

Management charge

Under the terms of an updated Master Services Agreement (“MSA”) dated 14 April 2023, THG charges Propco Group for the provision of specified services. The Committee approved such MSA charges on a biannual basis.

Property disposals by MCL

During 2024 MCL disposed of five properties which are occupied by THG as tenant. The disposals reduced the number of properties that are leased from the Propco Group. While none of the disposals constituted a Related Party Transaction (as THG was not a party to any of the transactions and the transactions had no impact on THG’s right to occupy the properties as tenant), they were discussed with the Committee from a good governance perspective and no concerns were raised.

Demerger of THG Ingenuity

As disclosed in the circular that was made available to Shareholders on 28 November 2024, several leases were transferred to THG Ingenuity upon completion of the demerger. These assignments were approved by the Committee.

Following the demerger, THG Ingenuity has been designated as a related party and the arrangements in place between THG and THG Ingenuity will be subject to review and approval by the Committee going forward.

Other items

The Committee approved the details of the Group’s charitable donation to The Moulding Foundation. The charitable donation is paid by the Group in lieu of Matthew Moulding waiving as much of his annual salary as is legally permissible.

The related party disclosures within the consolidated financial statements of this Annual Report were reviewed and approved by the Related Party Committee.

On behalf of the Related Party Committee

Sue Farr

Chair of the Related Party Committee

28 April 2025

Sustainability Committee Report



“Throughout 2024 the Sustainability Committee continued to oversee the delivery of THG’s 2030 Sustainability Strategy, THG x Planet Earth, ensuring that sustainability remains embedded within decision-making across the Group. The Committee plays a vital role in holding the Group to account to deliver on its stated commitment to place sustainability at the heart of all THG operations.”

Sue Farr

Chair of the Sustainability Committee

Members and attendance

Committee member	Position	Attendance
Sue Farr	Chair ¹	5/5
Steven Whitehead	Member ²	2/6
Philip Pratt	Member ³	6/6
Clare Clark	Member ⁴	n/a
Mark Jones	Former member ⁴	6/6
Iain McDonald	Former Chair ⁵	1/1

- Sue Farr was appointed Sustainability Committee Chair on 18 March 2024, following the announcement that Iain McDonald would step down as a Director on 31 March 2024.
- Steven Whitehead serves as a member of the Sustainability Committee in his capacity as Group Commercial Director. While Steven was unable to attend certain meetings during 2024, he reviewed the relevant papers and fed back comments to the Sustainability Committee Chair in advance of these meetings.
- Philip Pratt serves as a member of the Sustainability Committee in the capacity of external sustainability adviser.
- Mark Jones served as a member of the Sustainability Committee from his appointment as Group Chief Sustainability Officer in June 2023 until his departure from the Company in December 2024, at which point he was replaced by Clare Clark, the Group’s Director of Sustainability.
- Iain McDonald stepped down as Sustainability Committee Chair on 18 March 2024, following the announcement that he would step down as a Director on 31 March 2024.

I am pleased to welcome you to the Sustainability Committee Report for the 2024 financial year, having now served as Sustainability Committee Chair for just over one year. As detailed in last year’s Committee Report, Iain McDonald stepped down as Committee Chair in March 2024, having so ably led the Committee since its establishment, and I would, again, like to take this opportunity to thank Iain for his valued leadership, contribution and insights.

During 2024 we continued to deliver on our 2030 Sustainability Strategy and THG’s inclusion within Sustainability Magazine’s global ‘Top 250 Companies in Sustainability’ report demonstrates the strong and tangible progress which the business has made.

While greenhouse gases continue to heat up the atmosphere, with 2024 being the hottest year on record, we continued to make progress towards our SBTi-approved net-zero targets. The Group also received external recognition for its supplier engagement programme, THG PACT, which was awarded the Supply Chain Initiative of the Year, EMEA, at the Environmental Finance: Sustainable Company Awards 2024. This award acknowledges companies which have taken steps to build a resilient and sustainable supply chain and demonstrated excellence in the industry, and it is therefore clear recognition of THG’s commitment to transform its approach to decarbonisation.

Significant progress was made across all three pillars of our 2030 Sustainability Strategy (i.e. Protecting climate and nature, Supply chain and circularity, and People and communities) and notable 2024 highlights included:

- the receipt of initial supplier emissions data for inclusion in THG’s GHG reporting, following engagement through THG PACT;
- the launch of the Group’s employee voice platform to track employee sentiment through regular surveys;
- the introduction of new services to the THG Eco portfolio i.e. sustainable fuel solutions and compliance;
- the collation of baseline data for the Zero Waste programme for all in-scope sites and onboarding of a new waste vendor (which is expected to improve reporting and support solutions to avoid sending waste to landfill);
- completion of Sedex audits in operational sites, ensuring THG holds itself to equivalent supplier standards;
- commencement of preparations to ensure necessary resources and expertise are in place to drive compliance with the Corporate Sustainability Reporting Directive (“CSRD”);

- completion of the first TCFD analysis, providing a view of future climate-related risks of THG properties and high volume commodities purchased; and
- in conjunction with the Remuneration Committee, determining relevant ESG metrics for inclusion within the LTIP targets of certain Executive Directors.

Composition and meetings

In satisfaction of the relevant provisions of the Terms of Reference, membership of the Sustainability Committee during 2024 comprised myself, Sue Farr, SID and Sustainability Committee Chair, Mark Jones, the Company’s former Group Chief Sustainability Officer (who has now been replaced with Clare Clark, the Group’s Director of Sustainability), Steven Whitehead, Group Commercial Director, and Philip Pratt, an external adviser to the Committee.

While the Terms of Reference require that at least three Sustainability Committee meetings must be held annually, and at such other times as the Sustainability Committee Chair may require, six scheduled meetings took place during 2024, reflecting the Group’s robust commitment to its sustainability-related initiatives and goals.

Member attendance at these meetings is set out in the table opposite. Although only Sustainability Committee members (and those entitled to be present as observers) have the right to attend meetings, external advisers may be invited to attend when considered appropriate, together with any other individuals whom the Committee considers necessary and/or desirable to be in attendance.

Role and responsibilities

The Terms of Reference of the Sustainability Committee narrate that its key function is to ensure that the Group has appropriate and effective strategies, policies and operational controls in place for its business to be conducted in a responsible manner, including monitoring performance against the 2030 Sustainability Strategy and applicable ESG targets. In addition to reporting any material sustainability-related risks, identified and managed through the Group’s risk management process, to the Risk Committee, other specified duties of the Sustainability Committee include reviewing and monitoring:

- Senior Management’s assessment of the health, safety, security, environmental and social impacts resulting from the Group’s operations, with particular regard to the impact on its employees, suppliers, contractors and host communities;
 - the Group’s systems for compliance with applicable sustainability-related legal and regulatory requirements and its performance against such requirements; and
 - the Group’s systems, strategies, policies and targets in relation to, amongst other matters, emissions, energy and carbon management, climate change, waste and recycling, ensuring that they reflect best practice and global developments.
- In discharging its duties the Sustainability Committee may seek independent professional advice on any matter it deems necessary and access other appropriate resources which it requires to function effectively, including support and assistance from Group Secretariat.

Activities of the Sustainability Committee

A summary of the key activities undertaken by the Sustainability Committee during the 2024 financial year is as follows:

- review of the Group’s progress against the 2030 Sustainability Strategy’s goals and targets;
- review of future climate-related risks through scenario analysis, assessing the long-term potential impacts on the Group;
- annual review and update of the Group’s Modern Slavery Statement and Environmental Policy;
- annual review and update of the Group’s Supply Chain Standards to confirm the expectations of suppliers;
- review of conflicting packaging recyclability guidance notes to agree on a preferred business approach, and monitoring progress against the Group’s target to achieve 100% recyclable packaging across own-brand products;
- monitoring progress against the Group’s target to achieve a 100% Sedex audit completion rate by Tier 1 and 2 suppliers through delivery of the Social Responsibility Strategy;
- review of THG’s progress towards the Group’s science-based targets through delivery of the Net Zero Strategy and the THG PACT initiative;

- review of employee voice survey results and associated action plans; and
- biannual deep dive into the Group’s HSE performance and progress review against HSE metrics and targets.

Focus for 2025

During the current financial year it is anticipated that key areas of focus for the Sustainability Committee will continue to be as follows:

- to oversee and make recommendations to Senior Management and the Board for appropriate actions to be taken in respect of the Group’s sustainability compliance and human rights strategies, policies, programmes and activities (including the 2030 Sustainability Strategy);
- to undertake the biannual review of the 2030 Sustainability Strategy’s goals and targets, assessing the impact on Group-level targets following the demerger of THG Ingenuity;
- to monitor the impact on the Net Zero Strategy following the demerger of THG Ingenuity through a rebaselining exercise;
- to continue to monitor progress against colleague engagement metrics;
- to monitor and review the Group’s progress towards compliance with the requirements of the CSRD, seeking to understand the potential risks and uncertainties based on outcomes of the double materiality assessment;
- to track the progress of THG’s PACT initiative, gather supplier emissions and monitor suppliers’ progress towards setting their own science-based targets;
- to monitor and review the delivery of the Social Responsibility Strategy to ensure supplier compliance with THG’s Supply Chain Standards; and
- to oversee and ensure continued progress with respect to THG’s HSE metrics and targets.

On behalf of the Sustainability Committee

Sue Farr

Chair of the Sustainability Committee

28 April 2025

Directors' Remuneration Report



"In the context of an evolving and challenging market landscape, our focus throughout 2024, and into 2025, has been on maintaining an approach to reward which is fair and motivating for Executives, as well as ensuring that, with particular regard to the demerger of THG Ingenuity, the Company's broader strategy to maximise Shareholder value is supported by our approach to remuneration."

Helen Jones

Chair of the Remuneration Committee

Members and attendance

Committee member	Position	Attendance
Helen Jones	Chair ¹	8/8
Dean Moore	Member ²	8/8
Gillian Kent	Member ³	6/8
Sue Farr	Member ⁴	8/8

- Helen Jones was appointed as a member of the Remuneration Committee on 21 July 2023 and subsequently as Remuneration Committee Chair on 8 December 2023.
- Dean Moore was appointed as Remuneration Committee Chair upon his appointment to the Board on 15 September 2022. He stepped down from this position, remaining as a member of the Committee, upon Helen Jones' appointment on 8 December 2023.
- Gillian Kent was appointed as a member of the Remuneration Committee on 24 January 2023. While Gillian was unable to attend two meetings during 2024, she reviewed the relevant papers and fed back comments to the Remuneration Committee Chair in advance of these meetings.
- Sue Farr was appointed as a member of the Remuneration Committee on 21 July 2023.

Having now served as Remuneration Committee Chair for one full financial reporting cycle, I am pleased to introduce the 2024 Directors' Remuneration Report and confirm that, against an ever-evolving and competitive remuneration landscape, the promotion of market-aligned and good practice approaches to remuneration corporate governance remained a key focus of the Committee during the year (and up to the date of this Report).

As in previous years, the Remuneration Committee continued to monitor key trends in executive and wider workforce remuneration throughout 2024 and was kept closely informed of the Group's performance, in line with its commitment to align remuneration with the creation of Shareholder value and thus ensure the Company's leadership team is appropriately motivated and incentivised to deliver long-term, sustainable growth for all Shareholders.

The demerger of THG Ingenuity into an independent private company was a key focus of the Remuneration Committee over the second half of the year, and, in this regard, we have worked closely with Senior Management to support the Company's broader strategy to maximise Shareholder value. Completing on 2 January 2025, the demerger facilitated the simplification of THG's business model as a more focused global consumer beauty and nutrition group with an attractive market growth profile and strong cash

generation potential. As such, we are confident in our future evolution and, as a Committee, we look forward to the challenge of continuing to ensure that our remuneration framework incentivises our talented workforce going forward.

With effect from completion of the demerger, John Gallemore joined the Board of THG Ingenuity as Executive President and resigned from the Board and as COO. I would like to take this opportunity to thank John for his contribution, dedication and commitment to THG since he co-founded the Company, including in his roles as former CFO and latterly COO. Details of the treatment of John Gallemore's remuneration are set out elsewhere in this Directors' Remuneration Report.

This Directors' Remuneration Report has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Listing Rules and the Code and is divided into three sections:

- this annual statement from me, the Remuneration Committee Chair;
- the Remuneration Policy, as approved by Shareholders at the 2024 AGM; and
- the Annual Report on Remuneration which details payments made to Directors during 2024 and which is subject to an advisory Shareholder vote at the forthcoming AGM.

Composition and meetings

The Terms of Reference provide that the Remuneration Committee must comprise not less than three NEDs, the majority of whom must be independent, who are selected by the Board, on the recommendation of the Nomination Committee and in consultation with myself, as Remuneration Committee Chair. In satisfaction of these provisions and recognising the Code's position that only independent non-executive directors should sit on a company's remuneration committee, membership of the Remuneration Committee comprised four independent NEDs during the 2024 financial year (and up to the date of this Report).

In accordance with its Terms of Reference, the Remuneration Committee met on eight occasions during 2024, with member attendance set out in the table opposite. While only Committee members are entitled to attend Committee meetings, others, such as Senior Management and external advisers, may attend by invitation as and when considered appropriate, as was the case during the year. No Director is present during a decision relating to their own remuneration.

Role and responsibilities

As detailed within its Terms of Reference, a primary responsibility of the Remuneration Committee is to determine the remuneration package of Executive Directors and the Independent Chair. More generally, it is the responsibility of the Remuneration Committee to ensure that remuneration practices and policies support the Group's strategy and promote its long-term, sustainable success. Other key duties of the Committee include:

- approving the design of, and determining targets for, any performance-related pay schemes operated by the Company and the payments made thereunder;
- exercising its use of discretion, where appropriate, to override formulaic remuneration outcomes;
- reviewing the ongoing appropriateness and relevance of the Remuneration Policy (further details on which follow), together with the approach to its implementation (in the context of both the pay policies and practices across the wider workforce and the meritocratic and values-led culture within the organisation), while consulting with, and seeking approval from, Shareholders (and other stakeholders) as appropriate; and

- reviewing, and having regard to, pay and employment conditions across the Company and/or Group as a whole, including those of the Executive Leadership Team.

Remuneration Policy

The Remuneration Committee reviewed the Remuneration Policy prior to the 2024 AGM and concluded that it remained appropriate, subject to the following minor amendments to provide additional flexibility and ensure market alignment:

- updates to the wording on Benefits for Executive Directors;
- updates to allow greater flexibility for all Executive Directors to receive some, or all, of any bonus payments directly, rather than being waived in lieu of a charitable donation; and
- minor wording clarifications on how Executive Directors, other than the CEO, Matthew Moulding, and former COO, John Gallemore, are referred to, reflecting Damian Sanders' position as CFO.

The Remuneration Policy was subsequently approved by 94.97% of those Shareholders who voted on the relevant resolution at the 2024 AGM.

The Remuneration Committee will, as mandated, continue to review the ongoing suitability of the Remuneration Policy to ensure it remains fit for purpose and evolves as required.

2024 remuneration

No salary increases were awarded to the Executive Directors during the 2024 financial year and, as was the case in the 2021, 2022 and 2023 financial years, Matthew Moulding waived as much as was legally permissible of his base salary in return for the Group making a charitable donation of similar value.

The Remuneration Committee operated the Remuneration Policy as intended during 2024. It should be noted that all Executive Directors opted to waive their entitlement to participate in the 2024 annual bonus plan.

The introduction of an LTIP for Executive Directors (excluding Matthew Moulding) was approved by Shareholders at the 2022 AGM, although no such LTIP awards were made in either 2022 or 2023.

As disclosed in the 2023 Annual Report, the Remuneration Committee agreed during 2023 that, in light of ongoing transactions and restructuring, it would postpone granting any awards until greater certainty and clarity existed around the future shape of the business which, in turn, would ensure that it was in a position to set robust and meaningful targets. This process, alongside my appointment as Remuneration Committee Chair in December 2023, resulted in the Committee taking the decision to delay granting Executive Director LTIP awards for the 2023 financial year.

As a consequence, we granted LTIP awards of nil-cost options in respect of the 2023 financial year on 7 March 2024, and in respect of the 2024 financial year on 1 August 2024, to each of the former COO, John Gallemore, and to the CFO, Damian Sanders.

As Remuneration Committee Chair I consider it important that, as a Committee, we are able to set meaningful and robust LTIP targets which reflect the Group's evolving composition and structure. These awards are therefore linked to relative TSR (80%) and a stretching ESG target (20%). Further details are set out within the 'Scheme interests awarded (audited)' section of the Annual Report on Remuneration. Relative TSR was chosen as a key financial metric due to its inherent alignment with the creation of long-term Shareholder value and, as discussed in the 'Remuneration for 2025 – Annual bonus' section which follows, assessment of progress against ESG strategic priorities will now take place within the LTIP, where progress against rigorous three-year targets can be measured.

Following the demerger of THG Ingenuity, we reviewed the ESG targets for both LTIP grants to assess whether they remained relevant in the go-forward business context. We concluded that, while the metrics do remain relevant, the precise targets require amendment to reflect the practical implications of the demerger. Specifically, for the LTIP granted in respect of the: (i) 2023 financial year, the Zero Waste TRUE Gold Certification target by the end of 2026 still applies, but the in-scope, operational sites will be reduced to those sites over which the Company retains control following the demerger; and (ii) 2024 financial year, while there is no proposal to amend the numerical targets, the in-scope spend will be amended to relate only to suppliers of THG Beauty and THG Nutrition.

Governance

Directors' Remuneration Report continued

2024 remuneration continued

We are satisfied that the amended targets retain their original level of stretch while now relating directly to areas within the remaining Group over which the Executive Directors have influence.

In the context of John Gallemore's resignation from the Board, the Remuneration Committee determined that he would be treated as a 'good leaver' and, as such, his in-flight LTIP awards will vest on their normal vesting dates, subject to their original performance conditions.

The Remuneration Committee intends to exercise discretion to disapply time pro-rating on his LTIP awards at the time of vesting. In making this decision, the Committee considered the instrumental role that John Gallemore has played in the success of THG since its founding in 2004, the context around fair and consistent treatment between John Gallemore and other below-Board employees departing as a result of the demerger of THG Ingenuity, and the delayed grant of both the 2023 and 2024 LTIP awards compared to the normal annual cycle.

Further details on the treatment of John Gallemore's remuneration are contained within the 'Treatment of John Gallemore's 2023 and 2024 LTIP awards' section of the Annual Report on Remuneration.

No other discretion was exercised by the Remuneration Committee during the 2024 financial year in respect of the above remuneration outcomes, and no Director was involved in deciding their own remuneration outcome.

Remuneration for 2025

The Remuneration Committee intends to implement the Remuneration Policy for Matthew Moulding and Damian Sanders during 2025 as follows:

Base salary

While the Remuneration Committee initially proposed a salary increase for the Executive Directors in line with the wider workforce, the Executive Directors informed the Committee that they would forego any proposed salary increase for 2025 (as has been the case each year since 2021).

Annual bonus

In line with the Remuneration Policy, annual bonus awards will be granted with a maximum opportunity of 100% of base salary for each of the Executive Directors.

The measures and weightings for the 2025 bonus awards for Matthew Moulding and Damian Sanders will be:

- Free Cash Flow (35%);
- Adjusted EBITDA (continuing)¹ (35%); and
- Group Sales (continuing)¹ (30%).

As detailed in the 2023 Annual Report, the Remuneration Committee considers that, given the longer-term ambition of the Group's ESG goals, ESG metrics, which previously featured within the annual bonus assessment, are better aligned with the LTIP time horizon.

LTIP

In line with the current Remuneration Policy, the Remuneration Committee intends to grant an award of up to 250% of base salary to Damian Sanders under the LTIP following the 2025 AGM. The award will be subject to stretching financial and strategic performance targets which will be disclosed at the time of grant and measured over a three-year period, with a further two-year post-vesting holding period applying in line with the relevant Code requirement and market best practice.

Consideration of stakeholder views

Prior to annually reviewing the remuneration of the Executive Directors, the Remuneration Committee considers pay, benefits and share scheme practices for employees across the Group. While no direct workforce engagement took place on Executive Director remuneration specifically during the reporting period, the implementation of an LTIP for Executive Directors is aligned with the approach across the wider business which has broad equity-based incentive plans in place.

The Group is committed to promoting and maintaining good relations with employees and, where relevant, their representative bodies as part of its broader workforce engagement strategy, and measures were taken to enhance the level of remuneration-specific engagement during 2024 via two employee engagement surveys (the "Surveys").

The Surveys provided employees globally with the opportunity to share feedback on all aspects of life at THG, including pay and benefits, on an anonymous basis. While the results of the Surveys continue to be interrogated to ensure full use is made of the insights generated, they will be used to help shape and inform future workforce engagement initiatives and strategies, including remuneration-related, across the Group.

AGM

I very much look forward to meeting with Shareholders at the forthcoming AGM to discuss any queries or comments on this Directors' Remuneration Report, the current Remuneration Policy or on Group remuneration matters more generally. If Shareholders have any concerns or questions that they would like to discuss prior to the AGM, I can be contacted via the Company Secretary.

On behalf of the Remuneration Committee**Helen Jones**

Chair of the Remuneration Committee

28 April 2025

Remuneration Policy

Remuneration Policy table

As previously detailed, the current Remuneration Policy was approved by Shareholders at the 2024 AGM, with 94.97% of votes cast in favour. The following table provides a summary of each element of the Remuneration Policy to assist with the understanding of this Directors' Remuneration Report. Full details of the Remuneration Policy can be found on pages 147 to 156 of the 2023 Annual Report.

Component and objective	Operation	Opportunity	Performance measures
Base salary To enable the Group to attract, motivate and retain the people it needs to maximise the value of the business	Generally reviewed each year, with increases effective 1 January. Salary levels take account of: – salaries at FTSE companies of broadly similar size or sector to THG; – salary increases across the rest of the UK business; – role, personal performance and experience; and – business performance and the external environment. There is no fixed maximum.	Salaries in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration. Salary increases for Executive Directors will normally not exceed those of the wider workforce over the period this Remuneration Policy applies. Where increases are awarded in excess of the wider employee population, the Remuneration Committee will provide the rationale in the relevant year's Annual Report on Remuneration (e.g. if there is a material change in the responsibility, size or complexity of a role).	n/a
Pension To provide a level of retirement benefit that is competitive in the relevant market	Executive Directors receive pension contributions either as a direct payment or a cash allowance. Base salary is the only element of remuneration that is pensionable.	Executive Directors receive a Company contribution of a maximum in line with the wider workforce for the relevant country. This is currently set at 3% of pensionable salary for UK Executive Directors. Pensionable salary is determined in line with the approach taken for the wider workforce which is currently in line with auto-enrolment levels.	n/a
Benefits To provide a level of benefits that is in line with relevant market practice	Executive Directors receive benefits set at an appropriate level taking into account total remuneration, market practice, the benefits provided to other employees in the Group and individual circumstances. This may include, but is not limited to, medical insurance benefits, permanent health insurance and life assurance. The Remuneration Committee reserves the right to introduce other benefits (e.g. in the event this is necessary to attract and/or retain key Executive Directors). Other benefits, including all employee share schemes, may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the needs and circumstances of the Group and individual Executive Directors.	Benefits may vary by role and the level is determined each year to be appropriate for the role and circumstances of individual Executive Directors. Whilst the Remuneration Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Remuneration Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, the level of benefits provided for other employees in the Group and individual circumstances. The Remuneration Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation expenses or an expatriation allowance on recruitment) or in circumstances where factors outside the Group's control have changed materially (e.g. market increases in insurance costs).	n/a

1. Adjusted EBITDA (continuing) and Sales (continuing) not including discontinued categories.

Directors' Remuneration Report continued

Remuneration Policy table continued

Component and objective	Operation	Opportunity	Performance measures
Annual bonus To focus Executive Directors on achieving demanding annual targets relating to Group performance	<p>Performance targets are set at the start of each financial year and aligned with the annual budget agreed by the Board. At the end of the financial year in question, the Remuneration Committee determines the extent to which these targets have been achieved.</p> <p>50% of the total bonus payable is normally paid in cash with 50% deferred in nil-cost options over Ordinary Shares. These options are exercisable after three years, subject to continued employment and malus (in whole or in part) during the deferral period in the event of a material misstatement in accounting records, gross misconduct, calculation error or corporate failure. Cash bonuses may be subject to clawback over the deferral period in similar circumstances as identified above.</p> <p>A payment equivalent to the dividends that would have accrued on deferred bonus awards that vest may be made to participants on vesting.</p>	<p>Maximum opportunity: 200% of base salary (with 50% deferred into Ordinary Shares vesting after three years).</p> <p>Target opportunity: 50% of maximum opportunity.</p> <p>Threshold opportunity: at most, 25% of maximum opportunity.</p> <p>Matthew Moulding will have a reduced opportunity of 100% of salary which will be payable fully in cash.</p>	<p>The bonus will be based on the achievement of financial and non-financial performance targets which may vary year-to-year but at least 50% of the total opportunity will be based on financial performance.</p> <p>Details of the measures and weighting on which the bonus will be based will be disclosed in the relevant Annual Report on Remuneration. If the Remuneration Committee determines certain targets to be deemed commercially sensitive, the targets will be disclosed retrospectively.</p> <p>The Remuneration Committee has discretion to adjust the formulaic bonus outcomes (including down to zero) within the limits of the scheme if the formulaic outcome is not reflective of underlying business performance.</p>
LTIP To incentivise Executive Directors while providing alignment with Shareholder interests	<p>Awards are granted annually in the form of nil-cost options or conditional awards of Ordinary Shares. These will vest at the end of a three-year period subject to continued employment and satisfaction of the performance conditions.</p> <p>A further two-year holding period will apply post vesting.</p> <p>The Remuneration Committee may award dividend equivalents on awards to the extent that these vest.</p> <p>Malus and clawback provisions will apply to enable the Company to recover sums paid or withhold the payment of any sum in the event of a material misstatement resulting in an adjustment to the audited consolidated accounts of THG or action or conduct which, in the reasonable opinion of the Board, amounts to employee misbehaviour, fraud or gross misconduct.</p>	<p>Normally annual awards of up to 250% of base salary. In exceptional circumstances, such as to secure an external appointment or in specific retention scenarios, an award of up to 300% of base salary may be made.</p> <p>Matthew Moulding will not be eligible to participate in the LTIP.</p>	<p>The majority of the awards will be based on financial metrics, with the balance based on strategic metrics.</p> <p>The Remuneration Committee retains discretion, in exceptional circumstances, to change performance measures and targets and the weightings attached to performance measures part way through a performance period if there is a significant and material event which causes the Remuneration Committee to believe the original measures, weightings and targets are no longer appropriate.</p> <p>The Remuneration Committee also has discretion to adjust the formulaic vesting outcome (including down to zero) within the limits of the scheme if the formulaic outcome is not reflective of underlying business performance.</p>
Shareholding requirement To align Executive Director and Shareholder interests and reinforce long-term decision making, including for a period following cessation of employment	<p>Matthew Moulding is required to retain at least 50% of any incentive awards that vest (net of tax) until he has built up a personal holding of Ordinary Shares worth at least 350% of salary.</p> <p>All other Executive Directors must build up and subsequently retain a shareholding of at least 200% of salary over a five-year period from the date of their appointment to the Board.</p> <p>A post-cessation shareholding requirement of 350% of salary to be held for two years after an Executive Director's employment is terminated in the case of Matthew Moulding, and 200% of salary for all other Executive Directors (or full actual holding if lower).</p>	n/a	n/a
Chair and NED fees To attract and retain NEDs of the highest calibre with broad commercial experience relevant to the Group	<p>NEDs are paid a basic annual fee. Additional fees may be paid to NEDs who chair a Board Committee and/or who sit on a Board Committee to reflect additional responsibilities.</p> <p>The fees paid to NEDs are determined by the Board and may be paid in a mix of cash and Ordinary Shares.</p> <p>Fee levels are reviewed periodically, with any adjustments effective 1 January. Fees are reviewed by considering external advice on best practice and fee levels at other FTSE companies of broadly similar size and sector to THG. Time commitment and responsibility are also considered when reviewing fees.</p>	<p>Fee increases will be applied considering the outcome of the review.</p> <p>The fees paid to NEDs in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.</p>	n/a

Annual Report on Remuneration

This section covers the reporting period from 1 January 2024 to 31 December 2024 and provides details of the implementation of the Remuneration Policy during this period, as well as the intended implementation during the current 2025 reporting period.

Single total figure of remuneration (audited)

The following table provides a single figure for total remuneration of the Directors for the financial year to 31 December 2024, together with comparative figures for the financial year to 31 December 2023. The values of each element of remuneration are based on the actual value delivered, where known. The value of the annual bonus includes both the cash element and the element deferred into Shares.

		Salary and fees (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed pay (£'000)	Annual bonus (£'000)	LTIP (£'000)	Other (£'000)	Total variable pay (£'000)	Total (£'000)
Executive Directors										
Matthew Moulding ¹	2024	23	9	1	32	0	0	0	0	32
	2023	23	6	0	29	0	0	0	0	29
John Gallemore ^{1,5}	2024	450	4	1	455	0	0	0	0	455
	2023	450	5	1	456	0	0	0	0	456
Damian Sanders ²	2024	500	7	0	507	0	0	0	0	507
	2023	470	7	0	477	0	0	0	0	477
NEDs										
Charles Allen	2024	424	0	0	424	0	0	0	0	424
	2023	397	0	0	397	0	0	0	0	397
Edward Koopman	2024	36	0	0	36	0	0	0	0	36
	2023	34	0	0	34	0	0	0	0	34
Gillian Kent	2024	105	0	0	105	0	0	0	0	105
	2023	99	0	0	99	0	0	0	0	99
Dean Moore	2024	100	0	0	100	0	0	0	0	100
	2023	102	0	0	102	0	0	0	0	102
Sue Farr ³	2024	127	0	0	127	0	0	0	0	127
	2023	74	0	0	74	0	0	0	0	74
Helen Jones ³	2024	100	0	0	100	0	0	0	0	100
	2023	47	0	0	47	0	0	0	0	47
Former NEDs										
Damian Sanders ²	2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2023	37	0	0	37	0	0	0	0	37
Iain McDonald ⁴	2024	17	0	0	17	0	0	0	0	17
	2023	53	0	0	53	0	0	0	0	53

- Since Admission and subject to minimum statutory limits, Matthew Moulding has elected to waive his salary. The salaries and bonuses detailed here are the amounts received by Matthew Moulding in the periods. For the 2023 financial year, the salary waived by Matthew Moulding was £727,480. For the 2024 financial year, the salary waived by Matthew Moulding was £726,972. For the 2023 and 2024 financial years, both Matthew Moulding and John Gallemore waived their entitlement to participate in the annual bonus plan.
- Damian Sanders held the position of NED during the 2023 financial year, from 1 January 2023 until he was appointed as CFO on 24 January 2023. His 2023 remuneration has therefore been split between the relevant periods of service in each role, with each element pro-rated to reflect his position as NED from 1 January 2023 to 23 January 2023 and subsequent position as CFO from 24 January 2023 to 31 December 2023. For the 2024 financial year, Damian Sanders waived his entitlement to participate in the annual bonus plan, as he did for the 2023 financial year.
- The figures for the 2023 financial year have been pro-rated to reflect the appointments of Sue Farr and Helen Jones to the Board from, respectively, 24 April 2023 and 21 June 2023.
- Iain McDonald stepped down from the Board on 31 March 2024.
- With effect from the completion of the demerger of THG Ingenuity on 2 January 2025, John Gallemore joined the THG Ingenuity Board as Executive President and resigned from the Board and as COO. John Gallemore's fixed remuneration was therefore paid until 2 January 2025, after which date he ceased to be employed by the Company. For further details regarding the treatment of John Gallemore's variable remuneration, please refer to the 'Treatment of John Gallemore's 2023 and 2024 LTIP awards' section which follows.

Governance

Directors' Remuneration Report continued

Base salary (audited)

The base salaries of the Executive Directors are typically reviewed on an annual basis, with any increases effective from 1 January. As detailed within the Remuneration Policy summary, when determining any increases the Remuneration Committee compares the Group's remuneration packages for its Executive Directors with those of directors in FTSE companies of a similar size and/or sector to THG and also takes account of salary increases across the rest of the UK business, an individual's role and personal performance, business performance and the external environment.

No salary increases were awarded to Executive Directors during the 2024 reporting period. As such, at 31 December 2024 salary levels were as follows:

- Matthew Moulding: £750,000;
- Damian Sanders: £500,000; and
- John Gallemore: £450,000.

As previously stated, Matthew Moulding waived as much as was legally permissible of his base salary during 2024 in return for the Group making a charitable donation to The Moulding Foundation of a similar value. For the financial year ending 31 December 2024, the salary waived by Matthew Moulding was £726,972.

Pension (audited)

As part of their remuneration arrangements, the Executive Directors are entitled to receive pension contributions from the Company. Under these arrangements, they can elect for those contributions to be paid in the form of taxable pension allowance or direct payments into a personal pension plan or the Group's UK defined contribution scheme.

During 2024 £504 and £1,321 were paid into the personal pension plans of Matthew Moulding and John Gallemore respectively. These amounts represent 3% of pensionable salary, in line with the UK wider workforce. Executive Directors participate in a Qualifying Earnings scheme where employer contributions are capped at a monthly threshold, such that the effective contribution rate is less than 3% of salary in practice. Damian Sanders opted out of the Qualifying Earnings scheme in April 2023 (hence he did not receive any pension contributions from the Company during 2024). None of the Executive Directors participate in a Group defined benefit pension scheme.

Benefits (audited)

In line with the current Remuneration Policy, benefits in kind for each of the Executive Directors comprised medical insurance benefits, permanent health insurance and life assurance.

Bonus awards (audited)

The Executive Directors opted to waive their entitlement to participate in the annual bonus plan for the 2024 reporting period (as in prior years). As such, no discretion was exercised by the Remuneration Committee during the 2024 financial year in respect of the annual bonus plan.

Scheme interests awarded (audited)**2023 LTIP award**

As noted in the Chair's letter, the Remuneration Committee decided to delay LTIP grants in respect of the 2023 financial year until March 2024. On 7 March 2024 the following awards were made under the LTIP:

Director	Type of award	Number of Ordinary Shares subject to award	Face value of award ¹
Damian Sanders	Nil-cost option	1,939,788	£1,250,000
John Gallemore	Nil-cost option	1,745,810	£1,125,000

1. Based on a share price of 64.44p per Ordinary Share.

The performance period of these awards is three years from the date of grant, with the following targets:

Measure	Weighting	% of award vesting for threshold performance	Threshold	Maximum
Relative TSR vs FTSE 250 Index	80%	25	Median of the comparator group	Upper quartile of the comparator group
ESG measure ¹	20%	n/a	n/a	Target achieved

1. ESG measure: by the end of 2026, THG operational sites to achieve Zero Waste TRUE Gold Certification.

For TSR performance between threshold and maximum, vesting will be determined on a straight-line basis. The performance outcome for the ESG measure is assessed using a binary approach.

These awards will vest on the third anniversary of the date of grant and will be subject to a further two-year holding period.

Following the demerger of THG Ingenuity, the Remuneration Committee reviewed the ESG targets for both LTIP grants to assess whether they remained relevant in the go-forward business context and concluded that, while the metrics do remain relevant, the precise targets require amendment to reflect the practical implications of the demerger. Specifically, for the 2023 LTIP, the Zero Waste TRUE Gold Certification target by the end of 2026 still applies, but the in-scope, operational sites will be reduced to those sites over which the Company retains control following the demerger.

2024 LTIP award

As further noted in the Chair's letter, the Remuneration Committee intends to grant annual LTIP awards on a normal cycle from 2024 onwards, typically following the Company's annual general meeting. A 2024 LTIP award was therefore granted to each of Damian Sanders and John Gallemore on 1 August 2024 as follows:

Director	Type of award	Number of Ordinary Shares subject to award	Face value of award ¹
Damian Sanders	Nil-cost option	1,923,077	£1,250,000
John Gallemore	Nil-cost option	1,730,769 ²	£1,125,000

1. Based on a share price of 65.00p per Ordinary Share.

2. The Grant of Share Options RNS published by the Company on 1 August 2024 erroneously stated that John Gallemore had been granted an award over 1,923,077 Ordinary Shares (equal to the award granted to Damian Sanders). The table above sets out the correct number of Ordinary Shares over which an award was granted, consistent with the Directors' Remuneration Policy.

The performance period of these awards is three years from the date of grant, with the following targets:

Measure	Weighting	% of award vesting for threshold performance	Threshold	Maximum
Relative TSR vs FTSE 250 Index	80%	25	Median of the comparator group	Upper quartile of the comparator group
ESG measure ¹	20%	25	60% of suppliers by spend	63% of suppliers by spend

1. ESG measure: based on supplier alignment with the Company's SBTi-approved targets.

For performance between threshold and maximum, vesting will be determined on a straight-line basis.

These awards will vest on the third anniversary of the date of grant and will be subject to a further two-year holding period.

As previously noted, the Remuneration Committee reviewed the ESG targets for both LTIP grants following the demerger of THG Ingenuity to assess whether they remained relevant in the go-forward business context. For the 2024 LTIP, while there is no proposal to amend the numerical targets, the in-scope spend will be amended to relate only to suppliers of THG Beauty and THG Nutrition. We are satisfied that the amended targets retain their original level of stretch while now relating directly to areas over which the Executive Directors have influence.

Treatment of John Gallemore's 2023 and 2024 LTIP awards

The Remuneration Committee determined that John Gallemore would be treated as a 'good leaver' and, as such, his in-flight LTIP awards will vest on their normal vesting dates, subject to their original performance conditions. The Remuneration Committee intends to exercise discretion to disapply time pro-rating on his LTIP awards at the time of vesting. In making this decision, the Committee considered the instrumental role that John Gallemore has played in the success of THG since its founding in 2004, the context around fair and consistent treatment between John Gallemore and other below-Board employees departing as a result of the demerger of THG Ingenuity, and the delayed grant of both the 2023 and 2024 LTIP awards compared to the normal annual cycle.

Payments to past Directors (audited)

No payments were made to past Directors during the 2024 financial year.

Loss of office payments (audited)

No loss of office payments were made during the 2024 financial year.

External appointments

Damian Sanders is a non-executive director of Victorian Plumbing Group plc. Neither Matthew Moulding nor John Gallemore held any external non-executive roles during 2024.

Governance

Directors' Remuneration Report continued

Directors' shareholdings (audited)

The tables below show the shareholdings of each Director as at 31 December 2024:

	Ordinary Shares	B Shares	D1 Shares	D2 Shares	Deferred 2 Shares	E Shares	F Shares	G Shares	H Shares
Executive Directors									
Matthew Moulding ¹	121,924,433	97,227,825	50,550,450	360 (equivalent to 66,772 Ordinary Shares)	18,346,774	43,641,266	20,197,808	7,733,792	0
John Gallemore	682,947 ²	0	3,533,879	3,174 (equivalent to 588,702 Ordinary Shares)	813,345	185,476	2,666,963	4,000,537	0
Damian Sanders	358,487	129,000	0	0	0	0	0	0	0
NEDs									
Charles Allen ³	2,548,311	393,689	0	0	0	0	0	0	0
Edward Koopman	0	0	0	0	0	0	0	0	0
Gillian Kent ³	53,600	0	0	0	0	0	0	0	0
Dean Moore ³	53,143	0	0	0	0	0	0	0	0
Sue Farr ³	171,743 ⁴	0	0	0	0	0	0	0	0
Helen Jones ³	134,084	0	0	0	0	0	0	0	0
Former NEDs									
Iain McDonald ⁵	1,658,309	1,033,110	0	0	14,524	0	0	0	0

- 99,598,237 of the Ordinary Shares, 81,296,802 of the B Shares, 10,971,090 of the Deferred 2 Shares and all of the F Shares and G Shares owned by Matthew Moulding are held by FIC ShareCo Limited, a corporate entity wholly owned by Matthew Moulding. Additionally, 5,739,451 of the Ordinary Shares and 4,095,428 of the B Shares shown in the table above are held by Jodie Moulding, Matthew Moulding's spouse.
- 578,710 of these Ordinary Shares are held jointly with Joanne Gallemore, John Gallemore's spouse.
- Charles Allen, Gillian Kent, Dean Moore, Sue Farr and Helen Jones hold Ordinary Shares. In consideration of these individual shareholdings and NED independence, the Board has applied its assessment criteria including, but not limited to, whether a NED has held a material business relationship with the Company in the last three years. Taking into account assessments of materiality and the 3% notification threshold under the DTRs' major shareholdings notification regime, the Board acknowledges that the shareholdings of these NEDs sit significantly below the notification threshold and therefore do not impair their independence.
- 26,500 of these Ordinary Shares are held by Anthony Mair, Sue Farr's spouse.
- Iain McDonald stepped down from the Board on 31 March 2024.

Executive Director	Invested and subject to performance conditions	Invested and not subject to performance conditions	Vested and unexercised	Total interests as at 31 December 2024
Matthew Moulding ¹	0	0	0	0
John Gallemore ²	3,476,579	0	0	3,476,579
Damian Sanders ²	3,862,865	0	0	3,862,865

- The entries for Matthew Moulding are zero as he is not eligible to participate in the LTIP, as set out in the Directors' Remuneration Policy.
- The entries for John Gallemore and Damian Sanders reflect their 2023 and 2024 LTIP awards, as set out elsewhere in this Directors' Remuneration Report.

There have been no other changes to Directors' holdings of Ordinary Shares between 31 December 2024 and the date of this Directors' Remuneration Report, with the exception of the reduction in Matthew Moulding's holding announced on 31 March 2025 in the PDMR/PCA Shareholding & TR-1 Notification (the "Notification").

As detailed in the Notification, 23,327,894 Ordinary Shares were transferred to the placing book to satisfy demand from new and existing investors, the gross proceeds of which were all reinvested by Matthew Moulding by way of a convertible loan agreement. As a result, Matthew Moulding holds 98,596,539 Ordinary Shares as at the date of this Directors' Remuneration Report and, on a fully diluted basis, his equity interest equates to 429,873,034 shares, being approximately 25% of the Company's issued share capital and comprising 98,596,539 Ordinary Shares, 122,190,088 unlisted ordinary shares (which figure, for the avoidance of doubt, excludes his Deferred 2 Shares) and a conversion right for a further 209,086,407 Ordinary Shares pursuant to the aforementioned convertible loan agreement (as detailed within the Notification).

Directors' share ownership guidelines (audited)

Matthew Moulding and John Gallemore, who resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025, are required to hold Ordinary Shares equal to at least 350% of their base salary, while Damian Sanders is expected to build up a holding in Ordinary Shares of at least 200% of salary over a five-year period from the date of his appointment to the Board. NEDs are not subject to any shareholding requirements.

Executive Directors' share ownership at 31 December 2024 was as follows:

Director	Shareholding requirement (%age of salary)	Shareholding as at 31 December 2024 (%age of salary)	Shareholding requirement met?
Matthew Moulding	350	22,396.6% ¹	Yes
John Gallemore	350	1,294.3% ²	Yes
Damian Sanders	200	45.5%	No

- Matthew Moulding's aggregated shareholding includes all Shares (i.e. Ordinary Shares, B Shares, D1 Shares, D2 Shares, E Shares, F Shares, G Shares and Deferred 2 Shares) held by Matthew Moulding, his spouse, Jodie Moulding, and FIC ShareCo Limited, a corporate entity wholly owned by Matthew Moulding.
- John Gallemore's aggregated shareholding includes all Shares (i.e. Ordinary Shares, D1 Shares, D2 Shares, E Shares, F Shares, G Shares and Deferred 2 Shares) held by him and jointly with his spouse, Joanne Gallemore.

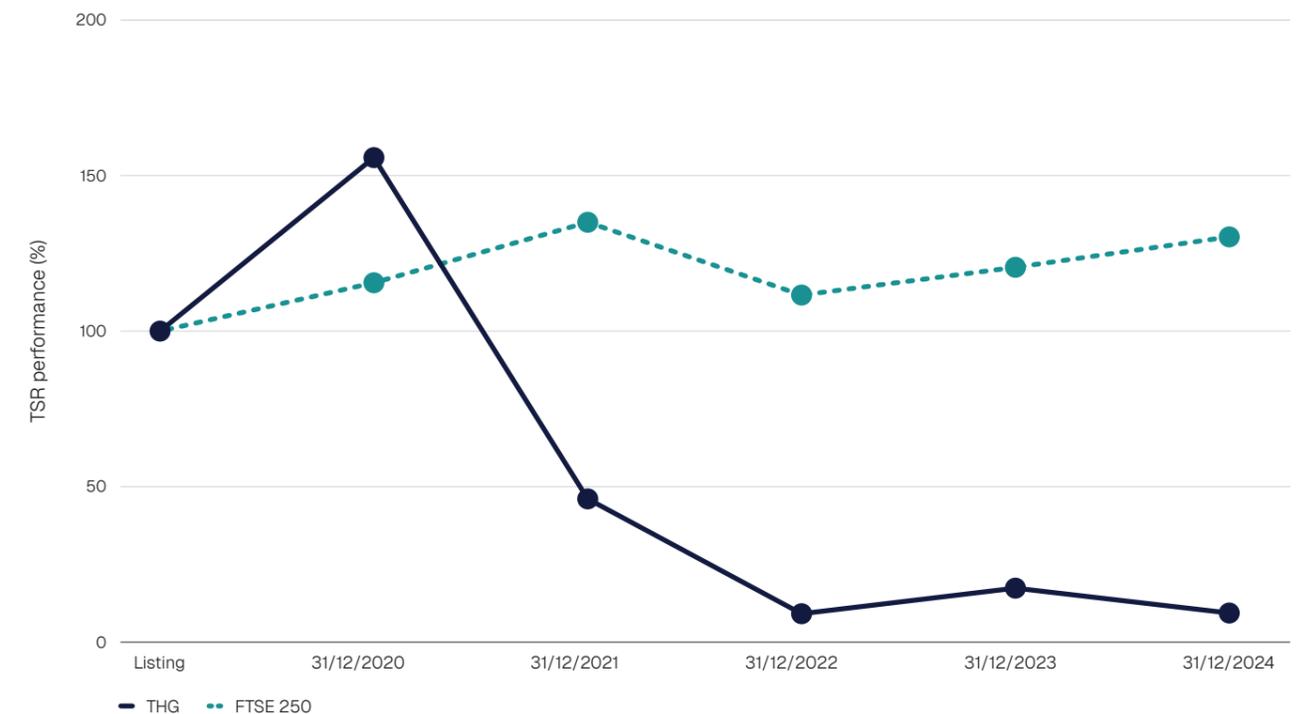
Current shareholdings are based on Shares owned outright and valued using the average Ordinary Share price over the three months ended 31 December 2024 i.e. £0.467.

John Gallemore will comply with THG's post-employment shareholding requirements, maintaining a shareholding of at least 350% of salary for a period of two years post employment with the Company.

Performance graph and table

The following graph shows the TSR (i.e. total shareholder return) performance over the period from Admission to 31 December 2024 relative to the FTSE 250 Index. It illustrates the performance of a £100 investment in the Company in that period compared with the value of £100 invested in the FTSE 250 Index over the same period.

The FTSE 250 Index continues to be considered a more appropriate comparator for this purpose as it is a broad equity index of which the Company is a constituent.



Governance

Directors' Remuneration Report continued

Chief Executive Officer's historical remuneration

The following table details the Chief Executive Officer's remuneration for each of the last five financial years:

	2020	2021	2022	2023	2024
Single figure (£'000)	870,139	453	33	29	32
Bonus outcome as a percentage of maximum	100	n/a ¹	n/a ¹	n/a ¹	n/a ¹
Long-term incentive outcome as a percentage of maximum	100	n/a ²	n/a ²	n/a ²	n/a ²

1. Matthew Moulding waived his entitlement to participate in the annual bonus plan for each of the 2021 to 2024 financial years.

2. No LTIP was eligible to vest in respect of each of the 2021 to 2024 financial years and Matthew Moulding does not participate in any ongoing LTIP.

Percentage change in Directors' remuneration

The Executive Directors are the only employees of the Company and therefore the UK workforce has been selected as the appropriate comparator group to provide a meaningful comparison since this is the geographical location in which all of the Executive Directors, and the majority of NEDs, are based.

Accordingly, the following table shows the percentage change in the Directors' salaries, benefits (excluding pension) and annual bonuses between the 2020 and 2021, 2021 and 2022, 2022 and 2023, and 2023 and 2024 financial years, compared with the percentage change in the average of each of these components of pay for all UK employees for each of these periods. The comparison uses a per capita figure.

	2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive Directors												
Matthew Moulding ¹	2.3%	45.6%	n/a	9.5%	-46.6%	n/a	5.5%	97.3% ¹	n/a	-95.8%	17.0%	-100%
John Gallemore ²	0.0%	-19.5%	n/a	91.5%	-5.2%	n/a	1,100.7% ²	2.6%	n/a	-91.6%	63.0%	-100%
Damian Sanders ³	6.5%	1.5%	n/a	236.3% ³	n/a ³	n/a ³	18.8%	0%	n/a	780%	0%	n/a
NEDs												
Charles Allen	6.8%	0%	n/a ⁵	21.2% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4.5}	n/a ⁴	n/a ⁴	n/a ^{4.5}
Edward Koopman	6.2%	0%	n/a ⁵	-4.1%	0%	n/a ⁵	2.1%	0%	n/a ⁵	250%	0%	n/a ⁵
Iain McDonald ⁷	-67.3%	0%	n/a ⁵	-9.1%	0%	n/a ⁵	-2.8%	0%	n/a ⁵	325%	0%	n/a ⁵
Gillian Kent	5.7%	0%	n/a ⁵	235.8% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4.5}	n/a ⁴	n/a ⁴	n/a ^{4.5}
Dean Moore	-2.8%	0%	n/a ⁵	247.9% ⁴	0%	n/a ⁵	n/a ⁴	n/a ⁴	n/a ^{4.5}	n/a ⁴	n/a ⁴	n/a ^{4.5}
Sue Farr	71.2%	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}
Helen Jones	114.5%	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}	n/a ⁶	n/a ⁶	n/a ^{5.6}
Wider workforce												
Average employee ⁸	8.4%	24.5%	-50.6%	4.7%	22.5%	12.9%	10.5%	-20.8%	85.4%	10.1%	217.3%	-37.5%

1. From Admission and subject to minimum statutory limits, Matthew Moulding has elected to waive his salary and the percentage changes stated above reflect changes in these statutory limits rather than changes to salary levels. The reduction in the 2021 to 2022 benefits figure relates to Matthew Moulding's private security cover which was funded by the Company in 2021 and personally funded from 1 January 2022 onwards. Matthew Moulding waived his entitlement to participate in the 2024 annual bonus plan, as he did in respect of financial years 2021, 2022 and 2023.

2. During 2021 John Gallemore elected to waive his salary subject to minimum statutory limits. In 2022 John Gallemore elected to waive his salary for the period 1 January 2022 to 30 June 2022, and was paid his standard base salary from 1 July 2022 until he resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025. The increase in the 2021 to 2022 salary/fees figure reflects John Gallemore electing not to waive his salary for the period 1 July 2022 to 31 December 2022. John Gallemore waived his entitlement to participate in the 2024 annual bonus plan, as he did in respect of financial years 2021, 2022 and 2023.

3. The percentage increase in the 2022 to 2023 salary/fees figure reflects a change in Damian Sanders' role during the 2023 financial year. He held the position of NED during the 2020, 2021 and 2022 financial years and from 1 January 2023 to 23 January 2023, and was appointed CFO on 24 January 2023 (and has held this position from this date to the date of this Report). It is not possible to show a percentage change for benefits and bonus as Damian Sanders was not eligible to receive these remuneration elements prior to his appointment as CFO. Damian Sanders waived his entitlement to participate in the 2024 annual bonus plan, as he did in respect of the 2023 financial year.

4. Charles Allen, Gillian Kent and Dean Moore were not Directors during the 2020 and 2021 financial years. Charles Allen was appointed to the Board on 22 March 2022 and Gillian Kent and Dean Moore were both appointed on 15 September 2022. Therefore, the percentage change figure disclosed for 2022 to 2023 for: (i) Charles Allen reflects his full year's service in 2023 in comparison to his part year's service in 2022 (i.e. the figure reflects 12 months' service in 2023 versus approximately 9 months' service in 2022); and (ii) each of Gillian Kent and Dean Moore reflects their full year's service in 2023 in comparison to their part year's service in 2022 (i.e. the figures reflect 12 months' service in 2023 versus approximately 3.5 months' service in 2022).

5. NEDs are not entitled to participate in the annual bonus plan.

6. Sue Farr and Helen Jones were not Directors during the 2020, 2021 and 2022 financial years, being appointed to the Board on 24 April 2023 and 21 June 2023 respectively.

7. Iain McDonald stepped down from the Board on 31 March 2024.

8. THG PLC is the parent company of the Group and, with the exception of the Executive Directors, does not have any employees. The figures detailed here are therefore representative of the Group's UK workforce.

Chief Executive Officer's pay ratio

The following table presents the pay ratio between the Chief Executive Officer's single total figure of remuneration and that of the Group's UK workforce. The ratios compare the Chief Executive Officer's single total figure of remuneration with the total remuneration of full-time equivalent UK employees at the 25th, median and 75th percentiles.

Year	Method	CEO remuneration (£'000)	UK employees (full-time equivalents)		
			25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option A	32	1.2:1	1.1:1	0.7:1
2023	Option A	29	1.2:1	1.0:1	0.7:1
2022	Option A	33	1.2:1	1.1:1	0.8:1
2021	Option A	453	21:1	18:1	14:1

The total pay and benefits and salary figures used for the pay ratio calculations are set out in the following table:

Year		UK employees (full-time equivalents)		
		25th percentile	Median	75th percentile
2024	Salary	£26,055	£30,127	£43,083
	Total pay and benefits	£26,550	£30,800	£44,187

The 25th percentile, median and 75th percentile figures used to determine the above ratios were selected by reference to the hourly pay figures for the Group's UK workforce on 31 December 2024. Option A, as set out under the Regulations, was used to calculate remuneration for the 2024 financial year as the Company believes this is the most robust methodology for calculating these figures (and reflects the approach adopted for the preceding three financial years). The full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and long-term incentives) was then calculated for those employees for the 2024 financial year.

The ratio continues to remain around 1:1 on a median basis, primarily as a result of Matthew Moulding waiving as much of his base salary as is legally permissible in return for the Group making a charitable donation of similar value, as well as waiving his entitlement to participate in the annual bonus plan and not participating in any long-term incentive scheme.

Executive Director pay is, typically, more at risk than wider employee pay due to the use of variable pay which is not guaranteed and hence, depending on incentive plan outcomes, can lead to a total pay ratio that varies significantly from year to year. Furthermore, the Remuneration Committee believes that THG's reward policies are not only aligned with the Group's shared values and culture but also incentivise and drive the desired behaviours and ensure all employees are rewarded fairly and competitively for their contribution to the Group's success. For these reasons, the Remuneration Committee is satisfied that the median pay ratio is consistent with the Group's pay, reward and progression policies.

THG PLC is the parent company of the Group and, with the exception of the Executive Directors, does not have any employees. The pay ratio figures have therefore been calculated with reference to the Group's UK workforce which the Company considers is the appropriate comparator, being reflective of the wider policies in operation on employee pay, reward and progression across the vast majority of the Group's overall workforce.

Relative importance of spend on pay

The following table details Shareholder distributions and THG expenditure on total employee pay for the 2024 financial year versus the prior financial year, together with the percentage change year on year:

	2024 (£m)	2023 (£m)	%age change
Profit distributed by way of dividend	0	0	n/a
Total spend on remuneration	318.4	300.2	6.1

Shareholder dilution

Any share incentive plans (including The THG PLC 2022 Executive Long-Term Incentive Plan) post-IPO will be operated in line with both the recently updated Investment Association's Principles of Remuneration (which require that commitments under all share schemes satisfied by newly issued ordinary shares must not exceed 10% of the issued ordinary share capital in any rolling ten-year period) and the approved Directors' Remuneration Policy.

Governance

Directors' Remuneration Report continued

2024 AGM voting outcomes

The following table sets out the Shareholder voting results in respect of the 2023 Directors' Remuneration Report and the Directors' Remuneration Policy, both of which were tabled for Shareholder approval at the 2024 AGM.

Resolution	Votes for	%age of votes cast	Votes against	%age of votes cast	Total votes cast	%age of ISC voted	Votes withheld
To approve the 2023 Directors' Remuneration Report (excluding the Remuneration Policy)	772,314,044	95.12	39,651,037	4.88	811,965,081	61.01	12,240,080
To approve the Directors' Remuneration Policy	770,924,395	94.97	40,859,699	5.03	811,784,094	61.00	12,421,067

Implementation of Remuneration Policy for the 2025 financial year

The Remuneration Committee proposes to implement the Remuneration Policy for the 2025 financial year as follows:

Base salary

Executive Directors have voluntarily waived any salary increase in respect of the 2025 financial year. Therefore, base salaries will remain as follows:

- Matthew Moulding: £750,000; and
- Damian Sanders: £500,000.

Pension

There is no change in the contribution percentage for Executive Directors for the 2025 financial year and it remains at 3% of pensionable salary. Pensionable salary is determined in line with the approach taken for the Group's wider workforce, which is currently in line with auto-enrolment levels.

Executive Directors participate in a Qualifying Earnings scheme where employer contributions are capped at a monthly threshold, such that the effective contribution rate is less than 3% of salary in practice. None of the Executive Directors participate in a Group defined benefit pension scheme.

Benefits

There are no proposed changes to the benefits provisions for Executive Directors for the 2025 financial year.

Annual bonus

In line with the Remuneration Policy, the maximum opportunity for the 2025 financial year will be:

- Matthew Moulding: 100% of base salary; and
- Damian Sanders: 100% of base salary.

The measures and weightings for Matthew Moulding and Damian Sanders for the 2025 financial year will be:

- Free Cash Flow (35%);
- Adjusted EBITDA (continuing)¹ (35%); and
- Group Sales (continuing)¹ (30%).

The specific targets are considered commercially sensitive and will be disclosed in next year's Annual Report on Remuneration.

LTIP award

As previously noted, the Remuneration Committee intends to grant annual LTIP awards on a normal cycle from 2024 onwards, typically following the Company's annual general meeting. It is therefore expected that a 2025 LTIP award of 250% of base salary will be granted to Damian Sanders following the 2025 AGM.

This award will vest on the third anniversary of the date of grant and be subject to: (i) a further two-year post-vesting holding period; and (ii) stretching financial and strategic performance conditions, which will be disclosed at the time of grant via a RNS announcement.

NED fees

Following a review of the fees paid to NEDs, an increase of 4% will be applied to core/base NED and SID fees in line with wider workforce salary increases. This 4% increase does not apply to the additional Board Committee chairing/membership fees. Separately, as a consequence of the Related Party Committee's increased responsibility following the demerger of THG Ingenuity, the additional fee for chairing this Committee has been increased with effect from 1 January 2025 to align with the additional fee paid for chairing each of the Audit, Risk, Remuneration and Sustainability Committees. Accordingly, annual NED fees will be as follows for the 2025 financial year:

NED fee type	Fee
Fee for Independent Chair	£432,640
Fee for SID	£93,600
Base fee for independent NEDs	£75,710
Base fee for non-independent NEDs	£37,850
Additional fee for chairing each of Audit, Risk, Remuneration, Sustainability and Related Party Committees	£12,000
Additional fee for chairing Nomination Committee	£8,000
Additional fee for membership of each of Audit, Risk, Related Party, Nomination, Remuneration and Sustainability Committees	£5,000

Advisers to the Remuneration Committee

PricewaterhouseCoopers LLP ("PwC") remain engaged as the Remuneration Committee's independent remuneration advisers, having been appointed prior to Admission by the then Remuneration Committee Chair. PwC is a member of the Remuneration Consultants Group, the professional body for remuneration consultants, and adheres to its Code of Conduct. The Remuneration Committee is satisfied that the advice provided by PwC during 2024 was objective and independent and, while separate teams within PwC also advise the Company on matters of tax, corporate governance and operations, the Remuneration Committee is further satisfied that these activities do not compromise the independence or objectivity of the advice it receives from PwC as Remuneration Committee advisers.

During 2024 PwC provided general support to the Remuneration Committee and guidance on developments in remuneration governance and best practice, including associated implications for THG. PwC further advised on:

- the 2023 Directors' Remuneration Report;
- NED and Executive Director benchmarking;
- appropriate performance metrics for 2024 and 2025 incentive arrangements;
- treatment of the in-flight LTIP awards as a consequence of the demerger of THG Ingenuity; and
- 2024 AGM season remuneration trends.

Fees charged by PwC for advice provided to the Remuneration Committee for the 2024 financial year amounted to £72,350 (excluding VAT).

On behalf of the Remuneration Committee**Helen Jones**

Chair of the Remuneration Committee

28 April 2025

1. Adjusted EBITDA (continuing) and Sales (continuing) not including discontinued categories.

Directors' Report

Directors' Report disclosures

The Directors present their report, together with the audited consolidated financial statements of the Company, for the financial year ended 31 December 2024. In accordance with section 414C(11) of the Companies Act, the Company has chosen to provide disclosures and information in relation to certain matters elsewhere in this Annual Report. These matters, together with those required under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, are cross-referenced in the table which follows and, together, form part of this Directors' Report.

The Corporate Governance Report, contained on pages 84 to 93, is incorporated by reference into this Directors' Report.

Information	Section in the Annual Report	Page(s)
Risk management (including principal and emerging risks)	Strategic Report	72 to 82
Going Concern Statement	Strategic Report	81
Post balance sheet events	Directors' Report	129
Future developments of the Company	Strategic Report	Throughout the Strategic Report (pages 2 to 82)
GHG emissions	Strategic Report	48 to 53, 62 to 71
Directors' biographies	Corporate Governance Report	86 and 87
Corporate governance arrangements	Corporate Governance Report	84 to 93
Directors' conflicts of interest	Corporate Governance Report	92
Related Party Transactions	Financial Statements	180 and 181
Statement of engagement with employees	Strategic Report	36 to 42
Statement of engagement with suppliers, customers and others in a business relationship with the Company	Strategic Report	36 to 42

Articles of Association

In accordance with the Companies Act, the Articles of Association may only be amended by special resolution at a general meeting of Shareholders. The Articles of Association are available on the Company's website at: <https://www.thg.com/investor-relations/key-governance-documents>.

Annual general meeting

The AGM will be held at THG Studios, 7-9 Sunbank Lane, Altrincham WA15 0AF on 25 June 2025 at 1.00 p.m. The Notice of Meeting, together with explanatory notes, will be sent to Shareholders in May 2025.

Directors

Biographies of those Directors who were in office at 31 December 2024, and remain in office as at the date of this Directors' Report, are contained in the Corporate Governance Report on pages 86 and 87. All of these Directors held office throughout the whole of 2024, with the exception of Milyae Park who was appointed on 28 January 2025. John Gallemore was a director of the Company throughout the whole of 2024 but resigned from the Board and as COO with effect from completion of the demerger of THG Ingenuity on 2 January 2025.

All Directors in office as at the date of this Directors' Report will offer themselves for election or re-election (as appropriate) by Shareholders at the forthcoming AGM.

Directors' interests

Details of Directors' beneficial and non-beneficial interests in the Shares are detailed in the Directors' Remuneration Report on page 118.

On 7 March 2024 and 1 August 2024 nil-cost options were granted to each of Damian Sanders, the CFO, and John Gallemore, the former COO, under the THG PLC 2022 Long-Term Incentive Plan in respect of the 2023 and 2024 financial years. Further details of these awards, including the applicable performance targets and performance periods, can be found within the 'Scheme interests awarded (audited)' section of the Annual Report on Remuneration, within the Directors' Remuneration Report.

Qualifying third party indemnification and insurance

Pursuant to the Articles of Association and their service contracts/letters of appointment (as appropriate), Directors benefited from qualifying third party indemnity provisions for the purposes of section 236 of the Companies Act throughout 2024 and up to the date of this Directors' Report. The Company also maintained Directors' and Officers' Liability Insurance throughout 2024.

Appointment and replacement of Directors

The rules for appointing and replacing Directors are set out in the Articles of Association. Directors can be appointed by the Board or by ordinary resolution of the Company. A Director can be removed from office by the Company passing an ordinary resolution or by notice being given by all other Directors.

Powers of the Directors

The Directors may exercise all the powers of the Company subject to the provisions of the relevant legislation, the Articles of Association and any directions given by the Company in a general meeting.

Share capital

Subject to the Companies Act and the Articles of Association, but without prejudice to the rights attached to any existing Share, any Share may be issued with, or have attached to it, such rights or restrictions as the Company may decide by ordinary resolution or, if no such resolution is in effect, as the Board may decide so far as the resolution does not make specific provision. No such resolution is currently in effect.

Purchase of own Ordinary Shares

At the 2024 AGM the Company was granted authority by its Shareholders to purchase up to 10% of its ordinary issued share capital, in accordance with the Articles of Association. No Shares were bought back under this authority during the 2024 financial year or in the period from 1 January 2025 to the date of this Directors' Report. This buyback authority will expire at the conclusion of the forthcoming AGM, when the Directors intend to propose the authority be renewed.

Allotment of Shares

Under the Companies Act, the Directors may only allot Shares if authorised to do so by Shareholders in a general meeting.

The Directors were granted authority by Shareholders to allot securities in the Company up to an aggregate maximum nominal amount of £4,943,753.96 and to allot securities, without the application of pre-emption rights, up to a nominal amount of £741,563.09 and a further £741,563.09 in connection with an acquisition or specified capital investment of a kind contemplated by the Pre-Emption Group's updated Statement of Principles on Disapplying Pre-Emption Rights. In connection with both authorities, the Directors were also granted authority to allot up to a further nominal amount of £148,312.61 for the purposes of a follow-on offer (as such term is described in the Pre-Emption Group's updated Statement of Principles on Disapplying Pre-Emption Rights).

These authorities apply until the conclusion of the forthcoming AGM when the Company will seek Shareholder approval to renew them, with detailed explanatory notes included within the Notice of Meeting.

Share structure

The Company is the holding company of the Group and has in issue the classes of share set out in the table which follows. On 6 January 2025 the Company transferred the listing category of its Ordinary Shares from the Transition category to the ESCC category of the Official List.

As at 31 December 2024 the Shares in issue were as follows:

Share class	Number of Shares	Percentage of Company's fully diluted issued share capital
Allotted, called up and fully paid Ordinary Shares	1,322,058,529	77.94
Allotted, issued and fully paid B Shares ¹	204,081,632	12.03
Allotted, issued and partly paid D1 Shares	56,082,651	3.30
Allotted, called up and fully paid D2 Shares	17,066	n/a
Allotted, issued and partly paid E Shares	48,605,750	2.87
Allotted, issued and partly paid F Shares	26,715,453	1.57
Allotted, issued and partly paid G Shares	16,885,866	1.00
Allotted, issued and fully paid Deferred 1 Shares	323,059	0.02
Allotted, issued and partly paid Deferred 2 Shares	21,563,860	1.27
Total	1,696,333,866	100

1. Following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Company, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024. These B Shares were redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025. Further information on the demerger and the B Shares is included within the circular that was made available to Shareholders on 28 November 2024.

Governance

Directors' Report continued

Share capital continued**Share structure** continued

As at 31 December 2024 Matthew Moulding was also interested in 121,924,433 Ordinary Shares, representing 9.22% of the total issued Ordinary Shares; 97,227,825 B Shares, representing 47.64% of the total issued B Shares; 50,550,450 D1 Shares, representing 90.14% of the total issued D1 Shares; 360 D2 Shares, representing 2.11% of the total issued D2 Shares; 43,641,266 E Shares, representing 89.79% of the total issued E Shares; 20,197,808 F Shares, representing 75.60% of the total issued F Shares; 7,733,792 G Shares, representing 45.80% of the total issued G Shares; and 18,346,774 Deferred 2 Shares, representing 85.08% of the total issued Deferred 2 Shares.

Rights and obligations attaching to Shares

The rights attaching to the Shares, as detailed within the Articles of Association, are as follows:

(a) Ordinary Shares

The Ordinary Shares rank pari passu in all respects and carry the right to receive all dividends and distributions declared, made or paid on, or in respect of, the Ordinary Shares.

Subject to disenfranchisement in the event of non-payment of any call or other amount due and payable in respect of any Share, or non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any Share, on a show of hands every Shareholder present in person or by proxy has one vote and on a poll every Shareholder present in person or by proxy has one vote for every Ordinary Share that they hold.

Electronic and paper proxy appointments and voting instructions must be received no later than 48 hours (excluding any part of a day that is not a working day) before a general meeting.

Except as set out above and as permitted under applicable statutes, there are no limitations on the voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

(b) D1 Shares, D2 Shares and E Shares

The D1 Shares, D2 Shares and E Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company.

The holders of D1 Shares, D2 Shares and E Shares may convert their D1 Shares, D2 Shares and E Shares into Ordinary Shares (on the basis of, as applicable, one Ordinary Share per D1 Share or E Share or 185 Ordinary Shares per D2 Share).

(c) F Shares, G Shares and H Shares

The F Shares, G Shares and H Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company.

The holders of F Shares, G Shares and H Shares may exercise put options to convert their F Shares, G Shares and H Shares into Ordinary Shares (on the basis of, as applicable, one Ordinary Share per F Share, G Share or H Share). The put options may be exercised for a period of ten years from the end of the performance period (which ended on 31 December 2022).

(d) Deferred 1 Shares and Deferred 2 Shares

The Deferred 1 Shares and Deferred 2 Shares are non-voting ordinary shares and do not carry the right to participate in dividends of the Company.

The Deferred 1 Shares and Deferred 2 Shares may be purchased by the Company, provided it is lawful for the Company to purchase them, for an aggregate sum of £1.00.

Restrictions on transfer or holdings of securities in the Company

With the exception of the following, there are no restrictions on the transfer of, or limitations on holding, securities in the Company:

- The Company may, pursuant to the Articles of Association and the Companies Act, send out statutory notices to those it knows, or has reasonable cause to believe, have an interest in its Shares, asking for details of those who have an interest in a particular holding of Shares and the extent of their interest. When a person receives a statutory notice and fails to provide any information required by the notice in the time specified within it, the Company can apply to a court for an order directing, amongst other matters, that any transfer of the Shares which are the subject of the statutory notice is void.

- The Directors may, without giving any reason, refuse to register the transfer of any certificated Ordinary Shares which are not fully paid.
- Transfers of uncertificated Ordinary Shares must be carried out using CREST, the central securities depository for markets in the UK and for Irish stocks, and the operator of the relevant system or the Directors can refuse to register a transfer of an uncertificated Ordinary Share, in accordance with the regulations governing the operation of CREST.

Dividends

Subject to the Companies Act and the Articles of Association, the Company may, by ordinary resolution, declare dividends and the Directors may decide to pay interim dividends. A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors and no dividend may be declared or paid unless it is in accordance with members' respective rights.

No dividends were declared, nor will be distributed, for the financial year ended 31 December 2024 (2023: £nil). However, following Shareholder approval being obtained on 27 December 2024 to the business set out in the circular which was made available to Shareholders on 28 November 2024 relating to the demerger of THG Ingenuity, a dividend liability has been recognised within the statement of financial position at 31 December 2024. See note 12.2 within the notes to the consolidated financial statements for further information.

Return of capital

A liquidator may, on obtaining any sanction required by law, divide amongst the members in kind the whole, or any part, of the assets of the Company and may, for that purpose, value any assets and determine how the division is carried out as between the members or different classes of members.

Shares held on trust

The Company has established an employee benefit trust ("EBT") to hold Ordinary Shares to satisfy awards made under the Employee Incentive Plan. As at the date of this Directors' Report, the EBT holds 82,667,016 Ordinary Shares.

Substantial shareholdings

Disclosable interests of 3% or more in Ordinary Shares as at 31 December 2024 and 31 March 2025 were as follows:

Shareholder	Percentage of Ordinary Shares as at 31 December 2024	Percentage of Ordinary Shares as at 31 March 2025
Frasers Group plc	—	10.86
Sofina S.A.	9.64	9.17
Matthew Moulding	9.22	7.09 ^{1,2}
Balderton Capital (UK) LLP	7.33	6.97
Qatar Investment Authority	7.20	6.84
THG PLC EBT	4.62	3.68

1. As detailed in the 'Post balance sheet events – Equity placing and equity raise' section which follows, Matthew Moulding transferred 23,327,894 Ordinary Shares to the placing book to satisfy demand from investors in the March 2025 fundraise, the gross proceeds of which were reinvested by Matthew Moulding by way of a convertible loan agreement.
2. On a fully diluted basis, Matthew Moulding's equity interest equates to approximately 25% of the Company's issued share capital (further details on which can be found within the 'Directors' shareholdings (audited)' section of the Annual Report on Remuneration).

All notifications made to the Company under the DTRs are released to the market via a Regulatory Information Service and made available on the Company's website at: <https://www.thg.com/investor-relations/regulatory-news/>.

Change of control

Other than the terms of the agreement between Matthew Moulding and the Company, as detailed under the 'Significant contractual arrangements' section which follows, there are no agreements between THG and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) by reason of a takeover bid.

Details concerning the impact on annual bonus in the event of a change of control are set out in the Remuneration Policy. Generally, any annual bonus awards and unvested LTIP awards would be pro-rated for time and performance in the event of a change of control whereas any deferred elements of bonus would not be. While the Remuneration Committee has the discretion not to pro-rate for time, its normal policy is to do so. The Remuneration Committee's discretion not to pro-rate would only be used if there was an acknowledged business case which would be fully explained to Shareholders.

The Company has entered into various agreements with third parties, as well as contracts with third-party service providers, which provide such parties with a right to terminate their agreement in the event of a change of control.

Significant contractual arrangements

The Company is party to a relationship agreement with Matthew Moulding which regulates the ongoing relationship between the two parties (the "Relationship Agreement"). The principal purpose of the Relationship Agreement is to ensure that the Company is capable of carrying on its business independently of Matthew Moulding and that all transactions and arrangements between the Company and Matthew Moulding are conducted on normal commercial terms.

The provisions of the Relationship Agreement, imposing certain obligations on Matthew Moulding, will remain in full force and effect, in respect of Matthew Moulding, for so long as Matthew Moulding beneficially owns, together with any of his associates, at least (a) 5% of the fully diluted share capital of the Company or (b) 10% of the Ordinary Shares.

THG Intermediate Opco Limited and THG Operations Holdings Limited are parties to: (i) a senior facilities agreement originally dated 10 December 2019 in relation to a syndicated €445m Term Loan B Facility and £150m RCF; and (ii) a £156m facilities agreement originally dated 21 October 2022 in relation to a UKEF-backed Term Facility and term loan facility, each as amended and/or amended and restated from time to time, both of which are subject to mandatory prepayment provisions following the occurrence of a change of control or the sale of all, or substantially all, of the assets of THG Operations Holdings Limited and its restricted subsidiaries.

Other than as disclosed above, there are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid.

The Company does not have any agreement with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on a takeover, except that the terms of the Company's share schemes and plans may provide for the vesting of employee options and/or awards in the circumstances of a takeover.

Donations

During the 2024 financial year the Group made several charitable donations totalling £0.2m (2023: £0.3m). An additional amount was also accrued in the year as a result of Matthew Moulding waiving as much as was legally permissible of his base salary during 2024 in return for the Group making a charitable donation to The Moulding Foundation of a similar value (as disclosed within the Directors' Remuneration Report). THG did not make any political donations during 2024 (2023: £nil).

Overseas branches

While the Group does not operate any overseas branches, subsidiaries have been established in the following countries: Australia, China, France, Germany, Guernsey, India, Japan, Jersey, the Netherlands, Poland, Portugal, Singapore, Spain, Sweden, Ukraine, the United Arab Emirates and the United States of America.

Directors' Report continued

Overseas branches continued

As a Group we continue to monitor the situation in Ukraine and Russia and remain committed to safeguarding our employees in the affected regions.

Arrangements are in place to facilitate the relocation of employees in the event required; welfare calls are extended to all members of our workforce with ties to the affected regions; and additional targeted monitoring groups have been established to actively review intelligence on an ongoing basis to ensure the Group continues to adapt as required.

From an operational perspective, all THG own-brand deliveries remain suspended across Russia and Russian-occupied Ukraine territories and the Group has continued to work with its courier partners in this regard. The necessary measures have also been implemented within the Group to ensure continued compliance with all applicable sanctions and related notices and guidance.

Research and development

THG and its third-party commerce clients were all powered by THG Ingenuity, the Group's former proprietary technology platform, during 2024. In addition to providing end-to-end ecommerce functionality, THG Ingenuity provided the Group with important competitive advantages (and continues to do so). Specifically, its commercial teams review real-time transactional and customer insight data which, in turn, informs trading decisions that are then executed within short time frames. In order to remain competitive and promote innovation, investment into THG Ingenuity was a key Group priority prior to the demerger from a people and capex perspective. THG Ingenuity continues to provide services to the Group following the demerger.

Directors' Statement of Responsibility

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

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, the Directors have elected to prepare the Group financial statements in accordance with UK-adopted IFRS and the parent company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the Directors must not approve the financial statements unless they are satisfied that they provide 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 and the Company for the period in question.

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

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS (and, in respect of the parent company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions and other events and conditions on the financial position and financial performance of the Group and/or Company;
- in respect of the Group financial statements, state whether UK-adopted IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;

- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records which are sufficient to show and explain the transactions of the Company and the Group and which disclose, with reasonable accuracy and at any time, the financial position of the Company and the Group, and enable the Directors to ensure that the Company and the Group financial statements comply with the Companies Act.

The Directors are also responsible for safeguarding the assets of the Group and parent company and thus for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with DTR 4.1.12R, each Director whose name and position appears on pages 86 and 87 of the Corporate Governance Report confirms that, to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- the Annual Report, including the Strategic Report, includes a fair review of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report, taken as a whole, to be fair, balanced and understandable, providing the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Post balance sheet events Discontinued operations

On 17 September 2024 the Group announced that it was progressing options for the demerger of THG Ingenuity from the Group into an independent private company. To effect the demerger Shareholder approval was sought to the business set out in the circular which was made available to Shareholders on 28 November 2024, with Shareholder approval being obtained on 27 December 2024. The Company therefore believed that it was highly probable that the transaction would complete within 12 months of the date of the announcement and thus THG Ingenuity was classified as a disposal group held for distribution and discontinued operations from that date. The demerger successfully completed on 2 January 2025.

As required by IFRIC 17, a dividend liability has been recognised at the balance sheet date for the accounting fair value of THG Ingenuity. The delta between the net assets and the accounting fair value will be recognised within adjusting items within the FY25 financial statements (at the date of demerger). For further information please see note 12.2 to the financial statements.

Equity placing and equity raise

On 27 March 2025 the Company announced that, following an oversubscribed equity fundraise, it would receive gross proceeds of £90m, comprising £22m raised from the equity placing and an equity contribution of £68m from Matthew Moulding structured by way of a convertible loan.

As subsequently announced on 31 March 2025, Matthew Moulding transferred 23,327,894 voting Ordinary Shares to the placing book to satisfy demand from new and existing investors in the fundraise. Further details on the change in Matthew Moulding's holding in Ordinary Shares between 31 December 2024 and the date of this Directors' Report can be found in the 'Directors' shareholdings (audited)' section of the Annual Report on Remuneration.

Post year end, 68,527,697 new Ordinary Shares were issued and a convertible loan of £68m has been recognised.

Refinancing

On 4 April 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to delever, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in October 2025. The undrawn RCF totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise referred to above.

The demerger of THG Ingenuity will materially reduce the cash outflows of the Group with substantial reductions in lease commitments and capex requirements which, in turn, mean that the Group requires smaller banking facilities. There are no key covenants attached to the Term Loan B or Term Loan A facilities which are drawn down.

Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above a certain level, which is not anticipated to occur on test dates.

Audit and External Auditor

Each Director confirms that, at the date of approval of this Directors' Report:

- to the best of their knowledge, there is no relevant audit information that has not been brought to the attention of the External Auditor; and
- they have taken all steps required of them to make themselves aware of any relevant audit information and to establish that the External Auditor was aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act.

EY has indicated its willingness to continue in office as External Auditor and, upon the recommendation of the Audit Committee, a resolution to reappoint EY as such will be proposed at the forthcoming AGM. Any remuneration received by EY for: (i) auditing this Annual Report; and (ii) any other (non-audit) services has been disclosed in note 5 to the Group's financial statements.

Approval of Directors' Report

This Directors' Report was approved and issued by the Board and signed on its behalf by

James Pochin

General Counsel and Company Secretary

28 April 2025

Financial Statements

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Independent Auditor's Report to the members of THG PLC

Opinion

In our opinion:

- THG PLC's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the 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 THG PLC (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Company
Consolidated statement of comprehensive income for the year ended 31 December 2024	Company statement of financial position as at 31 December 2024
Consolidated statement of financial position as at 31 December 2024	Company statement of changes in equity for the year ended 31 December 2024
Consolidated statement of changes in equity for the year ended 31 December 2024	Related notes 1 to 11 to the financial statements including material accounting policy information
Consolidated statement of cash flows for the year ended 31 December 2024	
Related notes 1 to 29 to the financial statements, including 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 Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 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 are independent of the Group and parent 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

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 Company's ability to continue to adopt the going concern basis of accounting included:

We have documented and evaluated the process followed by management to prepare the base case and downside scenario forecasts which they have used in their going concern assessment.

- We audited the forecasts underpinning the going concern model which are based on the Board-approved forecasts, including checking the arithmetical accuracy and appropriateness of management's base case forecast over the going concern assessment period to 30 April 2026.
- We challenged the reasonableness of the key assumptions such as the revenue growth rate and EBITDA margin used within the base case and downside scenarios, and compared them to external evidence including sector reports, industry trends and historical data where appropriate.

- Following the refinancing that completed in April 2025, Management's going concern assessment and forecasts were updated to reflect changes in covenants, the size of the facilities available and the associated term of each amended facility. We read and evaluated the signed agreements to ascertain any financial or non-financial covenant restrictions which are in place and corroborated key terms. We obtained management's updated schedule of the amended loan facilities and covenants thereon for the going concern period. We confirmed that loan repayments have been appropriately included within management's forecasts to the extent they are due in the period. We assessed the forecast compliance of each covenant throughout the going concern period.
- We verified the cash positions as at 31 December 2024 and 31 March 2025 to bank statements, and to bank confirmations as at 31 December 2024.
- We reviewed the accuracy of management's forecasting by comparing the forecast results for the period 1 January 2025 to 31 March 2025 to actual results as reported within management accounts and flash results up to the 31 March 2025.

- We identified additional stress tests that were then run by management to determine the impact of changing some of management's key assumptions on the going concern assessment. These key assumptions were in relation to the revenue growth rate and the EBITDA margin, both of which would impact the liquidity headroom in the going concern period. Covenant compliance only becomes applicable when the business draws down on more than 40% of the existing RCF facilities until 30 December 2025, and 20% subsequently until the RCF expires in May 2029. Management performed these stress tests by sensitising for each key assumption individually based on their expectation of a reasonable downside scenario for that assumption, and then prepared a reverse stress test by sensitising multiple assumptions in order to reduce headroom to nil. We then evaluated the likelihood of the scenario that would reduce headroom to nil.
- We reviewed the appropriateness of management's going concern disclosure in describing the risks associated with its ability to continue to operate as a going concern until 30 April 2026.
- The audit procedures on going concern were supervised and directed by the audit engagement partner and senior members of the team.

Our key observations in relation to the work performed are:

- In management's base case and plausible downside scenario the Group retained headroom on forecast cash and covenant compliance throughout the going concern assessment period. The lowest level of cash headroom identified is £53m in management's downside scenario.

- Cash balances as at 31 December 2024 total £309m (excluding cash held in the disposal group presented as held for distribution at the end of the year). The Group is projected to meet all of its covenant tests (which only apply when the Group draws down on more than 40% of the existing RCF facilities until 30 December 2025, and 20% subsequently until the RCF expires in May 2029) throughout the forecast period after applying sensitivities and stress testing modelled by management except for the reverse stress test which was designed to identify which assumptions would eliminate headroom in the model.

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 Company's ability to continue as a going concern for the period to 30 April 2026.

In relation to the Group and Company's reporting on how they have 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	Key audit matters	Materiality
We determined that centralised audit procedures could be performed on 94 components covering all Group significant accounts. We then considered whether the remaining amounts in relation to Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected an additional 5 components of the Group to include in our audit scope to address these risks and performed specified procedures on these components.	<ul style="list-style-type: none"> – Revenue recognition (Group). – Significant disclosures (Group). – Impairment of intangible assets in the THG Beauty CGU (Group). – Demerger of THG Ingenuity (Group). – Recoverability of the Company's investment in subsidiaries (Company). 	<ul style="list-style-type: none"> – Overall Group materiality of £10m which represents 0.5% of Group revenue from continuing and discontinued operations.

Independent Auditor’s Report to the members of THG PLC continued

An overview of the scope of the Company and Group audits

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components on which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the Group’s system of internal control at the entity level, and the existence of centralised processes and applications.

We determined that centralised audit procedures could be performed on 94 components covering all Group significant accounts.

We then considered whether the remaining amounts in relation to Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected an additional 5 components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

For all 5 components selected, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact THG PLC. The Group has determined that the most significant future impacts from climate change on its operations will be from transition and physical risks. These are explained on pages 62 to 71 in the required Task Force On Climate Related Financial Disclosures and on pages 72 to 82 in the principal risks and uncertainties. They have also explained their climate commitments on page 71. All of these disclosures form part of the “Other information”, rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

In planning and performing our audit we assessed the potential impacts of climate change on the Group’s business and any consequential material impact on its financial statements.

The Group has explained in the other judgements and sources of estimation uncertainty (note 1) its articulation of how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management’s assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 65 to 71 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors’ considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (£1,943m¹, 2023: £2,045m¹)

Risk	Our response to the risk
<p>Refer to the Audit Committee Report (page 97); Accounting policies (pages 147 to 148); and Note 2 of the Consolidated Financial Statements (pages 154 to 155)</p> <p>Revenue is a key metric when evaluating the performance of the Group and receives significant scrutiny externally and internally. Product revenue (D2C/B2B revenue) is primarily comprised of a large volume of small value transactions (Beauty & Nutrition – continuing). Revenue from Ingenuity (discontinued) is split across both product revenues and other revenues including services and hosting. As the Group achieves c. 30% of its revenue in the final quarter, we consider it appropriate to heighten our risk response in this quarter.</p> <p>Our risk in relation to revenue recognition incorporates the following:</p> <p>For all significant streams:</p> <ul style="list-style-type: none"> – Risk of bias or fraud through management manipulation of revenue recognised by non-routine/manual adjustments, with a particular focus on postings made in the final quarter of the year. – Risk of bias or fraud through management inappropriately classifying revenue between segments. 	<p>In response to this risk, we:</p> <ul style="list-style-type: none"> – Performed a walkthrough of the relevant controls over revenue recognition for all significant revenue streams within the Group. – Adopted a data analytics approach to corroborate our expectation of the relationship between revenue and cash receipts for D2C websales and revenue, trade receivables and cash receipts for B2B sales. Any material exceptions, representing journals outside of the standard process which may be indicative of management override of controls, were substantively tested. – We audited material non-routine journal entry postings recorded to Ingenuity revenue streams. – We audited material non-routine journal entry/consolidation postings recorded to any significant revenue stream during the period with the purpose of reclassifying revenue between segments. – For journals identified which satisfied the criteria outlined above, we obtained supporting evidence from management to corroborate that the journal entry was valid, appropriate and adequately supported.
<p>Key observations communicated to the Audit Committee</p> <p>Through our analytics procedures and journal testing performed we have gained sufficient assurance that the revenue recognised in the year is appropriately recorded.</p>	
<p>How we scoped our audit to respond to the risk</p> <p>We performed centralised procedures over this risk which covered 92% of revenue. We supplemented this by also performing specified procedures over revenue in one component, which covered a further 3% of revenue.</p>	

1. Total Group revenue includes both continuing and discontinued revenue.

Independent Auditor's Report to the members of THG PLC continued

Key audit matters continued

Significant disclosures (Adjusted items - 2024: £141.3m, 2023: £48.8m) ¹	
Risk	Our response to the risk
<p>Refer to the Audit Committee Report (page 96); Accounting policies (page 152); and Note 4 of the Consolidated Financial Statements (pages 156 to 158)</p> <p>Our risk is focused on the following areas that we consider are more complex or subjective disclosure items:</p> <ul style="list-style-type: none"> Adjusted profit measures – potential for amounts to be classified as adjusted that are not in line with management's accounting policy. Whether the accounts when taken as a whole are fair, balanced and understandable. 	<p>In response to this risk, we have:</p> <ul style="list-style-type: none"> Ensured that narrative within the Annual Report and Accounts (ARA) does not give undue prominence to Alternative Performance Measures (APMs), checking that the APM is reconciled to the nearest GAAP measure and that APMs disclosed are consistent year on year. Understood the costs that have been proposed by management for separate disclosure as adjusted items in the financial statements and challenged whether these costs comply with the Group's policy, merit separate presentation or whether they are simply the ongoing costs of the business. Evaluated how the Board and those charged with governance have assessed and concluded that the Annual Report & Accounts is fair, balanced and understandable.
Key observations communicated to the Audit Committee	
<p>We raised observations to the Audit Committee in relation to certain judgments that had been made in management's determination of adjusted items and challenged the Audit Committee on the appropriateness of conclusions initially reached by management.</p> <p>We requested that certain disclosures provided within note 4 were enhanced to ensure that the narrative included was sufficient and appropriate to reflect the nature of items included in this note and ensure any judgements taken by management were clearly disclosed to a user of the financial statements in order to enable them to form a view on the appropriateness of the adjustments being made.</p> <p>Overall, we concluded that the Annual Report & Accounts, when taken as a whole, is considered to be fair, balanced and understandable.</p>	
How we scoped our audit to respond to the risk	
<p>We performed procedures in relation to adjusted profit measures centrally for the Group as a whole.</p> <p>Our procedures in relation to assessing whether the accounts, when taken as a whole were fair, balanced and understandable, were not impacted by our scoping of account balances.</p>	

1. Includes both continuing and discontinued adjusted items.

Impairment of intangible assets in the THG Beauty CGU (£815m, 2023: £879m carrying value of CGU)	
Risk	Our response to the risk
<p>Refer to the Audit Committee Report (page 96); Accounting policies (pages 148 to 149); and Note 11 of the Consolidated Financial Statements (pages 162 to 164)</p> <p>There is a risk that the recoverable value of assets within the THG Beauty CGU are below the carrying amount resulting in an impairment.</p> <p>The CGU continues to operate in a challenging macroeconomic environment, and the model continues to be sensitive to changes in key assumptions, therefore we identified a significant risk associated with the impairment assessment.</p> <p>The impairment assessment requires management to make a number of key assumptions, including in respect of short and long-term growth rates, EBITDA margins and the discount rate adopted. There is a risk that optimism in the assumptions could lead to an unrecorded impairment.</p>	<p>In response to this risk, we have:</p> <ul style="list-style-type: none"> Performed a walkthrough of management's annual impairment review process and assessed the design effectiveness and implementation of key controls. Obtained management's impairment assessment and evaluated the methodology adopted to confirm it is consistent with the requirements of IAS 36. Assessed the reliability of management's forecasts by comparing previous forecasts to actuals. We validated that the source of the forecasts used for the impairment model is the same underlying cash flows used for other parts of the audit, including going concern. Challenged the reasonableness of the forecasts used in the assessment including key assumptions (revenue growth, EBITDA margin) by comparing to third party industry forecasts, competitors and historic actuals. We engaged EY valuations specialists to calculate an independent range of the discount rate and perpetuity rate expected for the THG Beauty CGU. Assessed the sensitivity of the model to reasonably possible changes in key assumptions both in isolation and as a combined scenario. Assessed the clerical accuracy of the model. Assessed the impairment disclosure presented by management and ensured this is in accordance with the requirements of 'IAS 36 Impairment of Assets'.
Key observations communicated to the Audit Committee	
<p>We are satisfied that the carrying value of assets in this CGU is not impaired. We have highlighted to the Audit Committee the sensitivity of the THG Beauty impairment model to reasonably possible changes in key assumptions when applied in combination such as the revenue growth rate and the discount rate. We have concluded that THG's disclosures sufficiently describe this sensitivity, and that the disclosures in the Annual Report and Accounts regarding the Impairment assessment for this CGU are in line with IAS 36.</p> <p>We observed that the level of uncertainty at the moment meant that it is hard in the current environment to predict the nature and extent of any impact on the entity in relation to recently announced US tariffs. We considered management's initial assessment of the expected impact of tariffs on the CGU and concluded that this would be covered by the headroom available in the model and therefore would not change our overall conclusion.</p>	
How we scoped our audit to respond to the risk	
<p>Our procedures were not impacted by our scoping of account balances.</p>	

Independent Auditor's Report to the members of THG PLC continued

Key audit matters continued

Demerger of THG Ingenuity	
Risk	Our response to the risk
<p>Refer to the Audit Committee Report (page 96); Accounting policies (page 153); and Note 12.2 of the Consolidated Financial Statements (pages 168 to 169)</p> <p>On 17 September 2024 the Group announced the proposed demerger of the THG Ingenuity division which completed on 2 January 2025. Given the significant complexity associated with the transaction and corresponding accounting implications which include classification and impairment we concluded that this represented a significant risk for the audit.</p> <p>We considered that there were three elements to consider in relation to accounting for this risk:</p> <ul style="list-style-type: none"> – The risk of inappropriate classification and measurement of balances associated with the demerged business in comparison with the requirements of IFRS 5 'Non-current assets held for sale and discontinued operations'. – The risk that the carrying value of the net assets in the demerged business is less than the fair value less cost to sell and therefore an impairment is required. – Assessment of the requirements of IFRIC 17 'Distributions of non-cash assets to owners' including whether a dividend liability should be recorded and if so what the appropriate fair value of that dividend should be. 	<p>In response to this risk, we have:</p> <ul style="list-style-type: none"> – Obtained an understanding of the transaction by reviewing the RNS announcements to the markets, the step plan and legal documentation underlying the transaction. – Assessed the accounting treatment proposed by management in respect of classification as an asset held for distribution/ discontinued operation against the requirements of IFRS 5 'Non-current assets held for sale and discontinued operations'. – Considered the measurement requirements of the assets held for distribution including impairment assessment. – Considered whether the requirements of IFRIC 17 'Distributions of non-cash assets to owners' were satisfied and if so if a dividend liability should therefore be recorded. We have then considered the appropriateness of the fair value exercise undertaken by management. – Assessed the completeness and adequacy of the disclosures in line with the requirements of IFRS 13 and IFRIC 17.
<p>Key observations communicated to the Audit Committee</p> <p>In relation to classification and presentation:</p> <ul style="list-style-type: none"> – We concluded that the Group met the requirements outlined in IFRS 5 to classify Ingenuity net assets as held for distribution on the basis of actions taken during 2024, the assets being available for immediate distribution as at 31 December 2024, and the demerger completing on 2 January 2025. – We concluded it was appropriate to present the THG Ingenuity results as a discontinued operation in line with IFRS 5 on the basis that Ingenuity was a 'separate major line of business' and had previously been presented as a separate segment. <p>In relation to impairment of assets:</p> <ul style="list-style-type: none"> – We concluded that management's fair value assessment as at 31 December 2024 was in accordance with IAS 36 and supported that the fair value less cost to sell of the demerged Group was in excess of the carrying value of the net assets and therefore that it was appropriate for the assets held for distribution to remain at their carrying value. <p>In relation to dividend liability recognition:</p> <ul style="list-style-type: none"> – We concluded that the requirements per IFRIC 17 were met and that a dividend liability should be recognised given the distribution was appropriately authorised and no longer at the discretion of the entity on 27 December 2024 following shareholder approval being received. – We engaged our EY Valuation specialists to assist in assessing the reasonableness of management's fair value assessment including the methodology adopted and whether the fair value recorded fell within an acceptable range. We concluded that the dividend liability is appropriately recorded at the fair value of the net assets to be distributed. 	
<p>How we scoped our audit to respond to the risk</p> <p>Our procedures were not impacted by our scoping of account balances.</p>	

Recoverability of the Company's investment in subsidiaries	
Risk	Our response to the risk
<p>Refer to the Audit Committee Report (page 97); Accounting policies (page 189); and Note 5 of the Company Financial Statements (pages 190 to 191)</p> <p>The Company balance sheet included investment in subsidiary undertakings of £558m and intercompany receivables of £1,646m. There is a risk that these amounts may not be recoverable and that an impairment is required.</p>	<p>In response to this risk, we have:</p> <ul style="list-style-type: none"> – For the investment held in THG Insurance Limited we compared the carrying amount of the investment to the net assets of this subsidiary, to identify whether the net assets value was in excess of the carrying value. – For the investment held in THG Intermediate Holdings Limited we compared the carrying amount of the investment and intercompany receivable balances to the recoverable amount of the subsidiaries, as derived from the impairment assessments performed for the THG Beauty and THG Nutrition CGUs. As part of this assessment we also considered the quantum of external debt that would require repayment. – Considered the carrying value of investment in subsidiaries and intercompany receivables in light of the market capitalisation of the Group.
<p>Key observations communicated to the Audit Committee</p> <p>An impairment of £553m has been recorded against investments which reduces the investment in subsidiary undertakings to £5m; reflecting the recoverable value of the investment held in THG Insurance Limited. A further impairment of £99m has been recorded against intercompany receivables.</p>	
<p>How we scoped our audit to respond to the risk</p> <p>Our procedures were not impacted by our scoping of account balances, as we performed our responsive audit procedures on total investment and intercompany receivable balances.</p>	

In the prior year, our auditor's report included key audit matters in relation to impairment of intangible assets in the THG Ingenuity CGU, and capitalisation of platform development costs. In the current year, impairment of THG Ingenuity has been incorporated into our fair value procedures performed and outlined above on the demerger. For capitalisation of platform development costs this area was deemed to have a lower effect than those outlined above on our overall audit strategy and the allocation of resources and therefore has not been identified as a key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £10m (2023: £10m), which is 0.5% (2023: 0.5%) of Group revenue, including revenue from discontinued operations. We believe that revenue is the most important benchmark for users of the financial statements as it is a key performance indicator within the Group's financial reporting and communications to the market.

We determined materiality for the Company to be £10m (2023: £10m), which is 1% (2023: 1%) of equity, capped at Group materiality.

During the course of our audit, we reassessed initial materiality set at the planning stage of the audit, but concluded that we did not need to change the amount or basis of materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £5.0m (2023: £5.0m). We have set performance materiality at this percentage due to the level of errors identified through the course of the 2023 audit.

Audit work is undertaken on components for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £1.0m to £4.4m (2023: £2.5m to £4.4m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.5m (2023: £0.5m), which is set at 5% (2023: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report to the members of THG PLC continued

Our application of materiality
continued**Reporting threshold** continued

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 129 and 193 to 198, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the 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.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

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:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 81;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 81 to 82;

- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 81;
- Directors' statement on fair, balanced and understandable set out on page 97;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 72 to 82;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 72 to 74; and
- The section describing the work of the audit committee set out on pages 94 to 99.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 128, 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 and 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 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted IAS, Companies Act 2006, the UK Corporate Governance Code and the Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which THG PLC operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, manufacturing, marketing and advertising, data protection and privacy, and bribery and corruption practices.
- We understood how THG PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, internal audit reports and papers provided to the Audit Committee and Risk Committee.

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journal entries and were designed to provide reasonable assurance that the financial statements were free from fraud and error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on consolidation journals and journal entries indicating large or unusual transactions based on our understanding of the business. We performed inquiries of internal and external legal counsel, reviewed material items within the Group's legal expenses, and reviewed media coverage of the Group to identify whether there were relevant matters that had not been brought to our attention through discussions with management. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the Company in 2011 to audit the financial statements for the year ending 31 December 2011 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 14 years, covering the years ending 31 December 2011 to 31 December 2024. The Group listed on the London Stock Exchange for the year ended 31 December 2020, became a UK PIE and therefore at this point mandatory auditor rotation rules became effective.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Karl Havers (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

29 April 2025

Financial Statements

Consolidated statement of comprehensive income
for the year ended 31 December 2024

	Note	2024 Total £'000	2023 (restated) Total £'000
Continuing operations			
Revenue	2	1,751,404	1,879,866
Cost of sales		(1,057,809)	(1,082,493)
Gross profit		693,595	797,373
Distribution costs		(230,957)	(277,255)
Administrative costs		(610,533)	(559,350)
Operating loss	3	(147,895)	(39,232)
Finance income	8	9,049	12,878
Finance costs	8	(63,554)	(65,898)
Loss before taxation		(202,400)	(92,252)
Income tax credit/(charge)	9	21,867	(15,710)
Loss for the financial year from continuing operations		(180,533)	(107,962)
Discontinued operations			
Loss for the financial year from discontinued operations, net of tax	12.2	(145,607)	(140,410)
Loss for the financial year		(326,140)	(248,372)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of tax		12,175	(46,255)
Net loss in cash flow hedges		(7,941)	(5,220)
Total comprehensive expense for the financial year		(321,906)	(299,847)
Basic and diluted loss per share continuing operations (£)	26	(0.13)	(0.08)
Basic and diluted loss per share discontinued operations (£)	26	(0.11)	(0.11)
Basic and diluted loss per share (£)	26	(0.24)	(0.19)

Adjusted EBITDA

	Note	2024 Total £'000	2023 (restated) Total £'000
Operating loss		(147,895)	(39,232)
Adjustments for:			
Amortisation	11	19,880	21,005
Amortisation of acquired intangibles	11	45,506	48,953
Depreciation	3	24,824	24,059
Adjusted items – cash	4	24,547	10,445
Adjusted items – non-cash	4	42,440	21,162
Adjusted items – non-cash impairment	4	57,466	—
Share-based payments	7	16,579	16,723
EBITDA on discontinued categories		8,739	8,143
Post-demerger Adjusted EBITDA²		92,086	111,258

The comprehensive expense is 100% attributable to the owners of the parent company.

1. Restated for discontinued operations, refer to note 12.2 for further detail.

2. Post-demerger Adjusted EBITDA is defined as operating profit before depreciation, amortisation, share-based payments, adjusted items and discontinued categories.

Consolidated statement of financial position
as at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Non-current assets			
Intangible assets	11	958,322	1,207,383
Property, plant and equipment	12.1	64,890	273,171
Right-of-use assets	22	29,327	303,635
Investments		—	1,400
Other financial assets	14	4,590	7,999
Deferred tax asset	21	4,072	—
		1,061,201	1,793,588
Current assets			
Assets held for distribution	12.2	762,369	—
Inventories	13	265,371	297,143
Trade and other receivables	15	147,272	271,782
Other financial assets	14	727	1,915
Cash and cash equivalents	16	308,622	416,162
		1,484,361	987,002
Total assets		2,545,562	2,780,590
Equity			
Ordinary Shares		8,219	7,072
Share premium	23	2,117,148	2,024,824
Merger reserve		615	615
Capital redemption reserve		523	523
Hedging reserve		(36,134)	(20,020)
Cost of hedging reserve		33,456	25,283
FX reserve		27,779	15,604
Retained earnings		(1,845,779)	(1,032,234)
		305,827	1,021,667
Non-current liabilities			
Borrowings	18	491,782	621,011
Other financial liabilities	14	35,705	—
Lease liabilities	22	31,077	301,440
Provisions	19	11,911	22,130
Deferred tax liability	21	63,701	55,698
		634,176	1,000,279
Current liabilities			
Liabilities held for distribution	12.2	589,672	—
Contract liability	20	15,650	22,864
Trade and other payables	17	342,527	638,350
Borrowings	18	112,785	29,026
Current tax liability		3,568	1,266
Lease liabilities	22	10,293	43,537
Provisions	19	6,469	3,838
Other financial liabilities	14	23,264	19,763
Dividend liability	12.2	501,331	—
		1,605,559	758,644
Total liabilities		2,239,735	1,758,923
Total equity and liabilities		2,545,562	2,780,590

The financial statements on pages 142 to 186 were approved by the Board of Directors on 28 April 2025 and were signed on its behalf by:

Damian Sanders
Chief Financial Officer

Registered number: 06539496

Financial Statements

Consolidated statement of changes in equity
for the year ended 31 December 2024

	Note	Ordinary Shares £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	FX reserve £'000	Hedging reserve £'000	Cost of hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		6,903	2,024,452	615	523	61,859	(6,221)	16,704	(803,096)	1,301,739
Loss for the year		—	—	—	—	—	—	—	(248,372)	(248,372)
Other comprehensive expense:										
Impact of foreign exchange		—	—	—	—	(46,255)	—	—	—	(46,255)
Movement on hedging instruments		—	—	—	—	—	(13,799)	8,579	—	(5,220)
Total comprehensive (expense)/income for the year		—	—	—	—	(46,255)	(13,799)	8,579	(248,372)	(299,847)
Issue of Ordinary Share capital		169	372	—	—	—	—	—	—	541
Share-based payments	7	—	—	—	—	—	—	—	16,723	16,723
Deferred tax in equity	21	—	—	—	—	—	—	—	2,511	2,511
Balance at 31 December 2023		7,072	2,024,824	615	523	15,604	(20,020)	25,283	(1,032,234)	1,021,667
Balance at 1 January 2024		7,072	2,024,824	615	523	15,604	(20,020)	25,283	(1,032,234)	1,021,667
Loss for the year		—	—	—	—	—	—	—	(326,140)	(326,140)
Other comprehensive income:										
Impact of foreign exchange		—	—	—	—	12,175	—	—	—	12,175
Movement on hedging instruments		—	—	—	—	—	(16,114)	8,173	—	(7,941)
Total comprehensive (expense)/income for the year		—	—	—	—	12,175	(16,114)	8,173	(326,140)	(321,906)
Issue of Ordinary Share capital		1,147	92,324	—	—	—	—	—	—	93,471
Share-based payments	7	—	—	—	—	—	—	—	16,579	16,579
Deferred tax in equity	21	—	—	—	—	—	—	—	(2,653)	(2,653)
Dividend in specie	12.2	—	—	—	—	—	—	—	(501,331)	(501,331)
Balance at 31 December 2024		8,219	2,117,148	615	523	27,779	(36,134)	33,456	(1,845,779)	305,827

Consolidated statement of cash flows
for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities before adjusted cash flows			
Cash generated from operations	25	136,412	162,258
Income tax paid		(621)	(5,411)
Net cash generated from operating activities before adjusted cash flows		135,791	156,847
Cash flows relating to adjusted items		(39,328)	(15,040)
Net cash generated from operating activities		96,463	141,807
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	10	(23)	(20,259)
Proceeds from sale of non-core freehold assets		—	55,450
Purchase of property, plant and equipment		(31,709)	(46,289)
Purchase of intangible assets		(69,571)	(79,369)
Interest received	8	9,190	13,329
Net cash used in investing activities		(92,113)	(77,138)
Cash flows from financing activities			
Proceeds from issuance of Ordinary Shares net of fees		93,319	—
Interest paid		(44,954)	(47,803)
Repayment of lease liabilities	22	(47,476)	(49,487)
Repayment of bank borrowings and loan fees		(23,800)	(25,000)
Net cash flow from financing activities		(22,911)	(122,290)
Net decrease in cash and cash equivalents		(18,561)	(57,621)
Cash and cash equivalents at the beginning of the year		416,162	473,783
Cash and cash equivalents at the end of the year (including cash held in disposal groups)	16	397,601	416,162
Cash and cash equivalents held in disposal group presented as held for distribution at the end of the year	12.2	88,979	—
Cash and cash equivalents at the end of the year		308,622	416,162

Notes to the consolidated financial statements

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS"). The financial statements have been prepared on the historical cost basis, except for derivatives which are held at fair value.

The accounting policies adopted by the Group in the current year are consistent with those adopted during the year ended 31 December 2023.

There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Group's financial statements.

The following new standards, interpretations and amendments to published standards and interpretations have been issued and are relevant to the Group for the period ending 31 December 2024 but have not been adopted early:

- IFRS 7 and 9 Amendments in respect of the classification and measurement of financial instruments
- IFRS 18 Presentation and Disclosure in Financial Statements

The Group is currently reviewing the likely impact of IFRS 18 on its statutory reporting as well as any potential impact from the amendments to IFRS 9 and IFRS 7 in relation to credit and debit card payments made by customers which are receivable from banks and clear the bank shortly after the transaction takes place (as disclosed in note 17).

There are no other standards, interpretations or amendments to IFRS that have been issued but are not yet effective that are expected to have a material impact on the Group's financial statements.

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude on whether or not it is appropriate to prepare financial statements on the going concern basis. There has been no material uncertainty identified that would cast significant doubt upon the Group's ability to continue using the going concern basis of accounting for the 12 months to 30 April 2026.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 1 to 82.

The Group's strategic planning cycle includes an annual Budget process, which is reviewed by the Board. This planning process involves modelling under a series of assumptions. Severe but plausible downside scenarios were also modelled setting out impacts of a combination of the principal risks, as well as a reverse stress test to identify what would be required to either breach covenants or run out of liquidity. This process is led by the Group CFO and Deputy Group CFO along with the Board and Independent Chair and CEO providing further direction to align strategic initiatives. Forecasts have been prepared on a divisional level. The Directors of the Group review its Budget periodically, which is revisited and revised as appropriate in response to evolving market conditions.

In considering the Group's financial position, the Directors have considered:

- expected future growth of trading businesses;
- margins expected to be achieved in the future; and
- wider market and industry-specific factors.

The Directors have also considered the liquidity of the Group as well as available facilities and note that as at the balance sheet date, the Group had a total of £150m in undrawn facilities, along with £309m readily available cash held on the balance sheet (excluding cash of £89.0m that left the Group on demerger). Net debt at 31 December 2024 was £346m (31 December 2023: £563m), with net debt of £304m (£215m on a pre demerger basis adjusting for the cash held within THG Ingenuity) (31 December 2023: £218m) before the inclusion of IFRS 16 lease liabilities.

Post year end, On 4 April 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to delever, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in October 2025. The undrawn RCF totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise.

The demerger of THG Ingenuity will materially reduce the cash outflows of the Company with substantial reductions in lease commitments (c. £20m per annum) and capex requirements, which in turn mean that the Group requires smaller banking facilities. Additional liquidity was also obtained through asset backed lending facilities. There are no key covenants attached to the Term Loan B or Term Loan A facilities which are drawn down. Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above 20%, which is not anticipated to occur on test dates (biannually).

This covenant requires the Group to maintain the ratio of net debt over adjusted EBITDA to below 4.50 – 3.50 (over the course of the term), which is reviewed regularly, although as noted the facility is not drawn. This facility provides the Group liquidity optionality to manage seasonal working capital movements. These covenants are effective from 31 December 2025, prior to this the existing covenants remain in place (gross debt over adjusted EBITDA below 7.60 only in respect of the RCF).

The Directors are of the opinion that the Group's forecasts and projections, which they believe are based on an appropriate assessment of the market and past experience taking account of reasonably possible changes in trading performance given the current market and economic conditions, show that the Group should be able to operate within the current facility and comply with its banking covenants in the event that the RCF facilities are drawn upon.

The Directors have modelled a range of scenarios, as outlined above, over a three-year period. Further details of the Group's considerations are provided in the Viability Statement and Going Concern Statement on page 81.

As a result of the analysis performed, including potential severe but plausible downside scenarios, the Board believes that the Group is able to adequately manage its financing and principal risks and that the Group will be able to operate within the level of its facilities and meet the required covenants for the going concern assessment period. Based on the above activity, the Directors are satisfied that it is appropriate to prepare the financial statements of the Group on a going concern basis.

1. Accounting policies

The Group's key accounting policies are set out below. These policies have been prepared on the basis of the recognition and measurement requirements of IFRS in effect that apply to accounting periods beginning on or after 1 January 2024 and have been applied to 2023 comparatives where applicable.

a. Basis of consolidation

The Group financial statements consolidate those of the Company and all its subsidiary undertakings drawn up to 31 December 2024. Subsidiaries are all entities over which the Group has control. When the end of the reporting period of a subsidiary is not 31 December, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Group. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

b. Business combinations

Business combinations are accounted for using the acquisition method under IFRS 3 Business Combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed, including contingent liabilities, in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

These fair values can be re-assessed retrospectively for a period of 12 months from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date, and if known, would have resulted in the recognition of those assets and liabilities as of that date. Goodwill is stated after separate recognition of other identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount.

In determining whether a transaction is a business combination or an asset purchase, the Group considers the inputs, processes and outputs acquired in accordance with IFRS 3.

c. Revenue

Revenue consists primarily of direct to consumer ("D2C") internet sales along with business to business ("B2B") sales.

D2C and B2B sales

Identifying performance obligations:

For D2C and B2B sales the performance obligation is the delivery of the goods purchased by the customer. Control of goods is transferred upon delivery of the product to the customer.

Identifying the transaction price: For D2C sales, the customer pays in full at the point of sale, with the transaction price allocated to individual goods purchased. A contract liability is recognised until the related goods have been delivered. For B2B sales, the customer pays in line with the agreed credit terms.

Revenue is shown net of returns, with expected sales returns estimated based on historical return data applied to sales. These returns are accounted for at the lower of cost or net realisable value. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

Allocation of transaction price to performance obligations: In general, the whole transaction price is allocated to the performance obligation. Where a customer purchases multiple goods within one transaction, the transaction price is allocated to those goods based on relative stand-alone selling prices.

Revenue recognition: Revenue is recognised at the point of time when the customer receives the goods, shown net of returns.

Revenue from contracts

Identification of performance obligations: THG Ingenuity Commerce contracts often have multiple performance obligations that include, but are not limited to: creation of digital assets, marketing services, stock management, fulfilment, customer support services and access to THG's Ingenuity platform. Each contract is reviewed individually once signed and is assessed to identify the separate performance obligations.

In a typical Ingenuity Commerce contract, all goods and services provided are considered to be 'distinct' as the client can derive independent benefit from each service provision and the promise to transfer services to the customer is separately identifiable. These contracts contain multiple performance obligations.

Determining transaction prices:

Transaction prices are agreed in advance of the commencement of the work and are outlined within the signed contract. The amount agreed per service is deemed to be the fair value of the service provision. Consideration receivable is usually at a fixed price, however there are some elements that are variable and dependent on order volume and sales levels, for example operations revenues made up of fulfilment fees and revenue share income. The charging structure for such transactions is clearly detailed within the signed contract.

Allocation of transaction price to performance obligations: Where contracts cover multiple performance obligations, the transaction price is allocated on a basis that is consistent with the sale of each performance obligation in isolation.

Revenue recognition: Within certain Ingenuity contracts, the amount of revenue recognised depends on whether the Group is acting as an agent or principal. The Group acts as principal when it has control of the specified good or service prior to transfer to the customer. Where the Group acts as principal, the revenue recorded is the gross amount billed. Where the Group is an agent, predominantly relating to revenue share arrangements, revenue from the customer and costs with suppliers are reported on a net basis representing the net margin earned. Whether the Group is acting as principal or agent depends on management's analysis of both legal form

Notes to the consolidated financial statements continued

1. Accounting policies
continued**c. Revenue** continued

Revenue from contracts continued and substance of the agreement between the Group and its business partners.

The allocated transaction price is recognised from the point at which the customer starts to benefit from the service and over the time the service is provided. For marketing services, stock management, fulfilment, customer support services and access to THG's Ingenuity platform these are recognised when the service is provided.

The creation of digital assets revenue is recognised on a percentage completion basis as the work is performed because the work does not create an asset with an alternative use and the Group has a right to payment for the work performed at each point in time.

Revenue which is invoiced in advance is recorded as a contract liability on the balance sheet and released to the statement of comprehensive income account over the periods in which the services are provided.

Costs associated with obtaining a contract with a customer that would not have been incurred if the contract had not been obtained are recognised as an asset where they are expected to be recoverable and depreciated over the life of the contract. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or not are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Revenue recognised under IFRS 16

Revenue from internet hosting contracts is recognised under IFRS 16 as the Group is considered a lessor in these transactions.

Income from hosting contracts is recognised on a straight-line basis from the commencement date over the lease term. Any initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Revenue from memberships

Fees recognised in respect of memberships are recorded on a straight-line basis over the membership period.

Barter income

For some of its monthly subscription offerings, THG receives goods for inclusion in its subscription boxes from business partners in return for the marketing exposure received by those products being included in the subscription box. The goods are recognised as stock when received and held at their fair value. When the box is sold, the revenue for providing those marketing services is recognised with an equal and offsetting entry recorded in cost of goods sold.

LF Beauty Plus+ Rewards and Cult Status Points

LF Beauty Plus+ Rewards points and Cult Status Points issued by Lookfantastic and Cult Beauty when a customer purchases goods are a separate performance obligation providing a right to a future discount. The amounts allocated to LF Beauty Plus+ Rewards and Cult Status Points are deferred as a contract liability within trade and other payables. Revenue is recognised as the points are redeemed by the customer.

d. Adjusted items

The business is managed and measured on a day-to-day basis using underlying results (Adjusted EBITDA). This is an important metric utilised within the business to monitor performance and guide strategic business decisions. The metric captures the Group's view of underlying trading performance after excluding non-recurring items and initial investment/set-up costs related to establishing the Group's warehousing and logistics facilities. Further details of the categories considered as adjusting items are detailed in note 4.

Management applies judgement in determining which items should be excluded from Adjusted EBITDA. The considerations factored into this judgement include, but are not limited to:

- nature of the item;
- significance of the item on the financial results; and
- management's expectation on the recurring or non-recurring nature of the item.

These are items which are material in nature and include, but are not limited to, costs relating to acquisitions, disposals and significant events or projects, some of which span multiple years.

Although categories of Adjusted items may appear across multiple periods, the underlying event driving that cost or income is often non-recurring.

These items are excluded from adjusted EBITDA as management believe their inclusion distorts the underlying trading performance. This is consistent with the way that financial performance is measured by management and reported to the Board. For further details, refer to note 4.

e. Share-based payments

The Group operates share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense in the statement of comprehensive income. The cost of the equity-settled transaction is measured at the fair value on the date the awards were granted. In the instance that the awards need to be valued, an appropriate valuation model is applied. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions along with taking account of any equity instruments that may have been cancelled or modified in the period. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity.

The shares issued under the Group's share schemes are held by an Employee Benefit Trust ("EBT"), with the beneficial interest in the shares being held jointly by the EBT and the individual participant until the shares vest. The EBT has been consolidated within the Group's financial statements.

f. Intangible assets**Goodwill**

Goodwill represents the excess of the cost of acquisitions over the Group's interest in the fair value of the identifiable assets and liabilities (including intangible assets) of the acquired entity at the date of acquisition. Goodwill is recognised as an asset and assessed for any indications of impairment at least annually. Any impairment is recognised immediately in the statement of comprehensive income.

For the purposes of impairment testing, goodwill is reviewed by assessing the cash-generating unit ("CGU") that has benefited from the acquisition. If the recoverable amount of the cash-generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Platform development costs

The costs of acquiring and developing the platform and websites is capitalised separately as an intangible asset. Capitalised website costs include direct costs of materials, services, directly attributable overheads, payroll and payroll-related costs for employees who are directly associated with website development projects. Such costs are only capitalised when the criteria within IAS 38 are met.

Intellectual property

This includes separately acquired customer lists, domain and trade names, and other intellectual property, including customer lists acquired as part of business combinations.

Separately acquired intangible assets are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Brands

Brands arising from business combinations are recognised at fair value on acquisition date. An assessment is made on the useful economic life, and the intangible asset is subsequently amortised over that life. The useful economic life is reviewed on an annual basis to confirm that the useful life continues to be supportable.

Other intangible assets

Costs associated with developing new products are capitalised as an intangible asset, including directly associated costs.

Intangible assets are amortised on a straight-line basis over their estimated useful economic life. Amortisation is charged to the statement of comprehensive income, classified in expenses depending on the nature of the asset. The estimates of useful economic lives are reviewed on an annual basis and any changes are treated as changes in accounting estimates.

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Amortisation is provided on the cost of software and is calculated on a straight-line basis over the useful life of the software.

The following useful economic lives are applied:

Platform development costs	5-10 years
New product development	1-5 years
Brands	5-20 years
Intellectual property (including customer lists, domain and trade names)	2-20 years

g. Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at the following annual rates in order to write off each asset on a systematic basis over its estimated useful economic life. Depreciation is charged to the statement of comprehensive income, classified in expenses depending on the nature of the asset.

At each reporting date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows of the relevant cash-generating unit or fair value less costs to sell if higher. Any impairment in value is charged to profit or loss in the period in which it occurs.

Plant and machinery	5-10 years
Fixtures and fittings	3-20 years
Computer equipment and software	1-10 years
Freehold buildings	20-50 years
Motor vehicles	3-7 years
Leasehold improvements	Lower of lease term or asset life

h. Discontinued operations and assets held for distribution

The Group classifies a component of its business as a discontinued operation when it has been disposed of or is classified as held for distribution, and the disposal meets the criteria for being a separate significant line of business or geographical area of operations.

The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the consolidated statement of profit or loss, separate from the continuing operating results of the Group. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss is represented as if the operation had been discontinued from the start of the comparative year. Expenses are presented as discontinued if they will cease to be incurred on disposal of the discontinued operation.

A non-current asset (or disposal group) is classified as held for distribution to owners when the Group is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. The Group measures a non-current asset (or disposal group) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute. No depreciation or amortisation is charged in respect of non-current assets classified as held for distribution once the classification has been made.

i. Borrowing costs

Borrowing costs incurred in relation to bringing into use qualifying tangible and intangible assets are capitalised as the expenditure is incurred on such assets and subsequently depreciated in line with the useful economic life of the relevant asset.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. For the majority of inventory this is on an average cost basis. The remainder is measured on a standard cost basis. Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and any other directly attributable costs, less trade discounts. A provision is made to write down any slow-moving or obsolete inventory to net realisable value.

Notes to the consolidated financial statements continued

1. Accounting policies
continued**k. Financial instruments**

The following are deemed to be financial assets and liabilities within the scope of IFRS 9.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency and interest rate swaps, to hedge its foreign currency and interest rate risks. Derivative financial instruments are recognised initially and subsequently at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. The sale and purchase of derivative financial instruments are non-speculative.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge against the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, any gain or loss on the effective part of the derivative financial instrument is recognised in other comprehensive income and accumulated within the hedging reserve. The gain or loss on any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income. Hedge accounting is discontinued when the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. The cumulative gain or loss in the hedging reserve is transferred to the statement of comprehensive income in the same period that the hedged item affects profit or loss.

Gain or loss on a portion of a derivative designated as a hedging instrument that is excluded from that hedging relationship is captured in the cost of hedging reserve.

Trade and other receivables

Trade and other receivables are non-interest bearing and are initially recognised at fair value. Subsequently they are measured at amortised cost using the effective interest rate method less loss allowance. The Group measures the loss allowance at an amount equal to lifetime expected credit losses.

During the year, the Group entered into a non-recourse factoring arrangement whereby a proportion of its receivables are sold to HSBC. The Group does not retain ownership over the risks and rewards associated with the receivables.

The arrangement includes an upfront administration fee and a monthly non-recourse fee of 0.07% of the aggregate balance of the receivables in question. These amounts have been recognised in the statement of comprehensive income.

The non-recourse facility does not meet the definition of loans and borrowings under IFRS.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents include amounts receivable from banks and payment providers for credit and debit card transactions which clear the bank shortly after the transaction takes place.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined, net of outstanding bank overdrafts.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Group measures contingent consideration liabilities at fair value through profit and loss.

Trade and other payables

Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Within trade and other payables, returns recognised under IFRS 15 (representing the liability for potential returns from customers) are captured within accruals.

The Group has a supplier finance arrangement in place to support the cash flow of its external suppliers. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by two of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices. All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank. All trade payables subject to the supply finance agreement are included in trade and other payables in the consolidated statement of financial position and within trade payables.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, which equals the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for using an effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

l. Supplier income

Supplier income comprises retrospective rebates and discounts. They are receivable in respect of goods which have been sold and are initially recognised as accrued income. The retrospective rebates are analysed per supplier basis and accrued income is adjusted accordingly based on quarterly assessment of variables impacting expected rebates. All retrospective rebates and discounts received and receivable are deducted from cost of sales when the sale to the third party has been completed.

m. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

n. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and machinery	1-6 years
Motor vehicles	3-6 years
Buildings	1-28 years

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. 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 that are considered to be low value. 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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Sale and leaseback accounting

The Group applies sale and leaseback accounting in accordance with IFRS 16 Leases. Specifically, the Group recognises the gain or loss on the sale and leaseback transaction by recognising the proportion relating to rights transferred to the buyer directly to the income statement.

Dilapidations provisions

Dilapidations provisions relate to leased properties. Dilapidations provisions are made based on the best estimate of the likely committed cash outflow and discounted to net present value. The provision, when recognised, increases the right-of-use asset. Dilapidations provisions are expected to be used at or by the end of the lease term.

o. Taxation

The tax expense included in the statement of comprehensive income and statement of changes in equity comprises current and deferred tax.

Current tax is the expected tax payable based on the taxable profit for the period and the tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities. Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date. The business combinations in previous years have given rise to deferred tax liabilities, as a result deferred tax assets are recognised to the extent they offset the corresponding liability. Deferred tax is calculated at the tax rates (and laws) that are expected to apply in the period when the liability is settled, or the asset is realised.

Notes to the consolidated financial statements continued

1. Accounting policies
continued**o. Taxation** continued

Tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities and where there is an intention to settle the balances on a net basis.

p. Foreign currency translation
Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in sterling, which is also the parent company's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange date. Exchange differences on monetary items are taken to the statement of comprehensive income.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into the presentational currency of the Group at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income ("OCI").

On disposal of a foreign operation, the component of OCI relating to that foreign operation is recognised in the statement of comprehensive income.

q. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

r. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, to the extent that the inclusion of such shares is not anti-dilutive.

s. Dividend liability

The dividend liability is measured at the fair value of the assets to be distributed at the date the distribution is approved. The liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised directly in equity. On settlement, the difference between the carrying amount of the asset distributed and the amount of the dividend liability is recognised in profit or loss.

t. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most critical accounting judgements or key sources of estimation uncertainty are detailed below.

However, certain judgements and sources of estimation uncertainty relate specifically to discontinued operations and will not be considered critical accounting judgements and sources of estimation uncertainty in future periods. For clarity, management has indicated where a judgement applies solely to discontinued operations.

Critical accounting judgements
Adjusted items

The identification of adjusted items depends on management judgement in identifying and quantifying amounts deemed to be adjusting or not reflective of the underlying performance of the Group. The key elements management take into consideration include, but are not limited to:

- the underlying nature of the item;
- whether management believe the item is recurring in nature, or if it represents a one-off distortion of the underlying results of the business; and
- significance of the item on the financial results.
- Where income streams can be segregated and reliably measured in respect of adjusted costs, these are disclosed accordingly.

Refer to note 4 for details of each class of adjusted items.

Critical accounting judgements relating to discontinued operations only (not expected to recur in 2025)
Capitalisation and amortisation of platform development costs

Costs capitalised as platform development costs include direct external costs such as consultancy costs and internal payroll costs. The capitalisation of internal costs is based on the amount of time spent by employees on capital projects. Judgement is applied in determining which costs meet the IAS 38 criteria for capitalisation as development costs, dependent on the type of cost and the project, along with the appropriate element of employee time capitalised.

The key judgement relates to assessing the feasibility and the extent of future economic benefits that will be derived from each project. Refer to note 11 for details of capitalised platform development costs. The useful economic life of the platform is between one and ten years, dependent on the type of development work capitalised. The estimate of useful economic life is reviewed on a regular basis to ensure that this continues to be appropriate.

Demerger – classification as held for distribution

Management has assessed whether THG Ingenuity should be classified as held for distribution at the reporting date. Under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, an asset must be available for immediate distribution and the distribution must be highly probable. The timing and certainty of the transaction were key considerations in concluding that the business met the criteria to be classified as held for distribution. Refer to note 12.2 for management's detailed considerations in respect to this matter.

Key sources of estimation uncertainty
Demerger – measurement of the disposal group and dividend liability

THG Ingenuity has been measured at the lower of its carrying amount and fair value less costs to distribute, in accordance with IFRS 5. The dividend liability is measured in accordance with IFRIC 17 at the fair value of the assets to be distributed at the date the distribution is approved. Determining the appropriate valuation in line with IFRS 13 requires judgement, including assessing the fair value of the business based on comparable transactions, market conditions, and internal financial projections. Management has considered all relevant factors to ensure the carrying value reflects an appropriate estimate of its recoverable amount. Refer to note 12.2 for management's detailed considerations in respect to this matter.

Inventory provisioning

The Group holds levels of stock sufficient to meet the forecasted demand of its customers. As part of this, a provision is recognised to ensure that the balance sheet value of stock held is at the lower of cost and net realisable value in accordance with IAS 2. As part of the provisioning process, management's consideration includes, but is not limited to: age of stock, type of stock, and inventory acquired through business combinations.

All of these positions are variable in nature and management apply judgement in concluding on the recoverable value and changes to risk profiles which could have a material impact on provisioning levels. Refer to note 13 for further details on inventory. A reduction of 10% in online sales selling prices would impact the net realisable value by c.£1m.

Impairment reviews – key estimates and judgements

When a review for impairment is conducted, the recoverable amount of the CGU is determined based on the higher of value-in-use calculations applying IAS 36 and fair value less costs to dispose applying IFRS 13. The recoverable amount is calculated using management's assumptions and estimates. The key estimates within the value-in-use calculation are growth rates, margin forecasts and discount rates applied. Refer to note 11 for further details of calculations.

Other judgements and other sources of estimation uncertainty
Climate change

In preparing the consolidated financial statements management has taken into consideration the impact of climate change. Considerations include, but are not limited to:

- the identification of costs which have been committed and which have been included within forecasts where appropriate including increased plastics and waste taxes and levies;
- the impact of climate change on a number of key estimates which the Group has included within forecasts where appropriate, such as:
 - the cost of sourcing sustainable raw materials;
 - packaging compliance fees and zero waste implementation costs;
 - membership and consultancy costs in respect of GHC footprint, energy usage, TCFD compliance and UK Plastic Pact; and
 - where measurable, the impact of consumer behaviours of sustainable brand recognition and development, for example shifts towards Myvegan; and
- continued investment in sustainable businesses, including More Trees, Preston Plastics and Indigo Environmental, as the Group continues to work towards and evolve its sustainability targets.

These considerations have not identified any significant impacts from our climate commitments and therefore do not have a material impact on the financial statements or reporting judgements and estimates.

Other judgements and other sources of estimation uncertainty relating to discontinued operations only (not expected to recur in 2025)
Revenue recognition – principal versus agent

Judgement is required in concluding whether the Group acts as a principal or agent for certain external Ingenuity contracts, with the amount of revenue recognised depending on this conclusion. The Group acts as principal when it has control of the specified good or service prior to transfer to the customer. Where the Group acts as principal, the revenue recorded is the gross amount billed. Where the Group is an agent, predominantly relating to revenue share arrangements, revenue from the customer and costs with suppliers are reported on a net basis, representing the net margin earned. Whether the Group is acting as principal or agent depends on management's analysis of both legal form and substance of the agreement between the Group and its business partners. Each contract is reviewed and concluded on accordingly.

Financial Statements

Notes to the consolidated financial statements continued

2. Segmental reporting and revenue

The Directors have assessed the criteria and considerations under IFRS 8 Operating Segments in order to identify operating segments within the Group. For the year to 31 December 2023, the Group's activities were divided into the following segments: THG Beauty, THG Nutrition, THG Ingenuity and Discontinued categories.

In 2024, following successful completion of the demerger of THG Ingenuity on 2 January 2025, the THG Ingenuity segment has been recognised in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Refer to note 12.2 for further detail. On this basis, the Directors have concluded that for 2024, the Group has three operating segments: THG Beauty, THG Nutrition and Discontinued categories. The prior year segmental analysis has been re-presented to provide a like-for-like comparison.

The following table describes the main activities for each reportable operating segment:

Segment	Activities
THG Beauty	A digital-first brand owner, retailer and manufacturer in the prestige beauty market, with a portfolio of own brands across skincare, haircare and cosmetics. Through its retail websites, including Lookfantastic, Dermstore and Cult Beauty, it is a route to market globally for third-party premium brands.
THG Nutrition	A group of digital-first nutrition brands, which includes the world's largest online sports nutrition brand Myprotein and its family of brands (Myvegan, Myvitamins, MP Activewear and MyPRO), with a vertically integrated business model supported by global THG production facilities.
Discontinued categories	Discontinued categories are, as previously reported, certain loss-making categories and territories within THG Beauty and THG Nutrition which following the ongoing strategic review, has led to the successful exit. These exits do not meet the criteria under IFRS 5 Discontinued Operations at the balance sheet date, as these categories and territories are not a major component of the Group as defined by the accounting standard; however, management report the financial results of these categories separately in their reporting to the chief operating decision-maker ("CODM"); as such, the result has also been shown in the same format within this note.

Central costs relate primarily to the PLC Board remuneration, professional services fees, Group finance, M&A, risk (insurance) and governance costs that are not recharged to the divisions as they principally relate to the operations of the PLC holding company.

The CODM is the executive Board directors, who make key operating decisions for the business. The CODM receives daily financial information at the combined Group level, along with monthly information at a business level, and uses this information to allocate resources, make operating decisions and monitor the performance of each of the businesses.

The measure of the Group's profit or loss used by THG's management team is Adjusted EBITDA comprising operating loss adjusted for interest, tax, depreciation, amortisation, shared-based payments and adjusted items. This is reconciled to the nearest IFRS measure (loss before tax) in the below table.

	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Post demerger £'000	Discontinued categories £'000	FY 2024 Continuing operations £'000
2024						
External revenue	1,108,497	579,780	—	1,688,277	63,127	1,751,404
Internal revenue	—	—	—	—	—	—
Total revenue	1,108,497	579,780	—	1,688,277	63,127	1,751,404
Adjusted EBITDA	79,785	34,538	(22,237)	92,086	(8,739)	83,347
Margin %	7.2%	6.0%	—	5.5%	(13.8%)	4.8%
Depreciation	—	—	—	—	—	(24,824)
Amortisation	—	—	—	—	—	(65,386)
Share-based payments	—	—	—	—	—	(16,579)
Adjusted items	—	—	—	—	—	(124,453)
Operating loss	—	—	—	—	—	(147,895)
Finance income	—	—	—	—	—	9,049
Finance costs	—	—	—	—	—	(63,554)
Loss before taxation	—	—	—	—	—	(202,400)

Segment assets and liabilities are not disclosed because they are not regularly reported or reviewed by the Board.

	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Post demerger £'000	Discontinued categories £'000	FY 2023 Continuing operations £'000
2023						
External revenue	1,073,304	657,911	—	1,731,215	148,651	1,879,866
Internal revenue	—	—	—	—	—	—
Total revenue	1,073,304	657,911	—	1,731,215	148,651	1,879,866
Adjusted EBITDA	44,086	88,929	(21,757)	111,258	(8,143)	103,115
Margin %	4.1%	13.5%	—	6.4%	(5.5%)	5.5%
Depreciation	—	—	—	—	—	(24,059)
Amortisation	—	—	—	—	—	(69,958)
Share-based payments	—	—	—	—	—	(16,723)
Adjusted items	—	—	—	—	—	(31,607)
Operating loss	—	—	—	—	—	(39,232)
Finance income	—	—	—	—	—	12,878
Finance costs	—	—	—	—	—	(65,898)
Loss before taxation	—	—	—	—	—	(92,252)

The segmental result for 2023 has been restated for the following:

- THG Beauty: THG Luxury was previously included in the THG Beauty segment consistent with management reporting. As it was sold during the year, it is now reported within discontinued categories. There is no change to the previously reported total revenue, Adjusted EBITDA, operating loss or loss before taxation.

The Group has provided an analysis of external continuing revenue by region (by destination):

	2024 £'000	2023 (restated ¹) £'000
UK	820,517	841,943
USA	362,874	343,052
Europe	362,489	401,910
Rest of the world	205,524	292,961
	1,751,404	1,879,866

1. Restated for discontinued operations (refer to note 12.2).

The Group's non-current assets by geography are as follows:

	2024 £'000	2023 £'000
UK	624,541	1,189,386
Europe	42,270	120,459
Rest of the world	385,728	475,744
	1,052,539	1,785,589

Notes to the consolidated financial statements continued

3. Operating loss

	Note	2024 £'000	2023 (restated) £'000
Operating loss has been arrived at after charging/(crediting):			
Adjusted items – cash	4	24,547	10,445
Adjusted items – non-cash	4	42,440	21,162
Adjusted items – non-cash impairment	4	57,466	—
Employee costs	6	142,253	123,770
Share-based payments	7	16,579	16,723
Depreciation on fixed assets	12.1	13,092	14,258
Depreciation on right-of-use assets	22	11,732	9,801
Amortisation	11	19,880	21,005
Amortisation of acquired intangibles	11	45,506	48,953
Net foreign exchange (gain)/loss		(37)	(201)

1. Restated for discontinued operations (refer to note 12.2).

4. Adjusted items

These are items which are material in nature and include, but are not limited to, costs relating to acquisitions, disposals and significant events or programmes, some of which span multiple years. These items are excluded from Adjusted EBITDA as management believe their inclusion distorts the underlying trading performance. This is consistent with the way that financial performance is measured by management and reported to the Board.

	2024 £'000	2023 (restated) £'000
Within cost of sales		
Loss on disposal of discontinued and the exiting of loss-making categories	24,742	10,465
Inventory provision following strategic review and commercial rebrand	8,820	4,786
	33,562	15,251
Within distribution costs		
Transportation, delivery and fulfilment costs	1,268	1,846
Commissioning – new facilities	—	342
	1,268	2,188
Within administrative costs		
Impairment of assets – THG Experience	14,854	—
Impairment of assets – discontinued categories	57,466	—
Loss on property portfolio restructure	528	6,788
Loss on disposal of (or exit from) discontinued and loss-making categories	259	4,498
Other costs following the outcome of strategic review	172	152
Restructuring costs	5,582	2,184
Acquisitions – restructuring and integration	3,047	346
Onerous contracts	7,075	—
Other legal and professional costs	640	200
	89,623	14,168
Total adjusted items before tax	124,453	31,607
Tax impact	(5,095)	(1,868)
Total adjusted items	119,358	29,739
Cash adjusting items before tax²	24,547	10,445

1. Restated for discontinued operations (refer to note 12.2).

2. Cash adjusting items before tax total £24.5m (2023: £10.5m) reflecting the total cash before tax expected to be paid.

Impairment of assets – THG Experience

The decision to pause refurbishment work on an asset within THG Experience has led to an impairment charge in the year of £14.9m, this also includes the expected cost of returning the property at the end of the term, More information is included within note 11.

Impairment of assets – discontinued categories

Following the decision to discontinue certain beauty brands an impairment has been charged totalling £57.5m against affected assets. More information is included within note 11.

Loss on disposal of discontinued and the exiting of loss-making categories

Consistent with the Group's ongoing commitment to simplify and streamline operations as part of the strategic review of loss-making categories and territories, several actions concluded in 2024. This includes the sale of its portfolio of luxury goods websites (previously THG Luxury) along with some non-core brands and product offerings across THG Beauty and THG Nutrition. This has resulted in an inventory provision adjustment within cost of sales and asset impairments within administrative costs to reflect the recoverable value. These costs are deemed to be one-off losses to enable and complete the exit of loss-making areas of the business. Associated income in respect of costs arising for discontinued categories has been set out in note 2. FY 2023 reflects costs of the same nature following the sale of THG OnDemand in July 2023 and commencement of the strategic review.

Inventory provision following strategic review and commercial rebrand

In H2 2023, Myprotein initiated a comprehensive global rebrand, reflecting a pivotal change in strategy aimed at broadening the accessibility of its products. The Group's commitment to sustainability, notably reducing waste, underpinned this phased rebrand which spanned several months. This allowed for the trade through of old brand packaging and drove minimal disposal of stock. Where possible, stock was sold through in line with this strategy; however, for items that could not be sold, primarily clothing, a one-off stock provision has been recognised for discontinued or obsolete items as part of adjusting items, as these costs are not indicative of the Group's underlying trade as discounts and marketing expenses associated with the clearance of associated stock would typically not be incurred and are not expected to recur in 2025. The comparative position reflects the strategic review in 2023 for THG Beauty manufacturing, where efficiencies were identified that would support long-term cost savings. Consistent with this, a one-off provision was recognised in the prior year in respect of inventory that is no longer required to drive forward the operations.

Transportation, delivery and fulfilment costs

The conflict in Israel has resulted in pressures across the international network and travel routes, with increased costs being experienced as the war continues, which are not fully passed on to customers. The Group continues to insulate the customer from the full impact of these rising costs, with the residual expense therefore being over and above those incurred through the normal course of business. The Group was severely impacted by high surcharges from suppliers in respect of travel routes travelling through and into Asia during the Covid-19 pandemic and extended lockdown periods. The supplier surcharge has not recurred in 2024.

Commissioning – new facilities

Consistent with its strategic priorities, including warehouse optimisation, the Group completed the commissioning of its campus at Manchester Airport, UK ("Icon") in 2023. The warehouse is now fully operational and no further costs were incurred in 2024.

Loss on property portfolio restructure

Following a Group review of properties held within its portfolio, leased properties no longer in use have been sold or repurposed. Where vacated properties are retained, unavoidable costs relating to these sites are incurred over the remaining life of the lease and will continue to be classified as adjusted items.

Other costs following the outcome of strategic review

As part of the strategic review the Group has consolidated acquired warehouses into the existing THG network. The costs that have been incurred as part of this process include costs associated with the dual running of facilities and other third-party costs such as rent and utilities. All costs recognised within adjusted items are from the point of management's decision to exit the acquired warehouse. These costs are considered to be one-off costs and are incremental to the ongoing trading of the Group. The majority of these costs have now been incurred.

Restructuring costs

Consistent with the strategic review, the Group continues to explore and implement corporate restructuring and evolve its internal operations where sustainable alternatives are identified. The costs incurred are attributable to employee-related severance as part of specific operational restructuring projects as efficiencies are implemented across the business. During 2024, given the nature of the programmes, additional costs in respect of salary costs for employees within consultation periods and dual running costs were also included within adjusted items. The costs of the restructuring programme were offset by the annualised saving within 6 months. These projects, and the costs attached, are expected to be completed within a 12-month period.

Acquisitions – restructuring and integration

Costs incurred relate to the integration of Biossance into the existing THG network which was acquired in December 2023. The nature of these costs is consistent with those set out under other costs following the outcome of strategic review but have been incurred from the point of initial acquisition. Given the nature of these costs, it is not unusual for these to span more than one accounting period depending on the date of acquisition and the time required for the integration to be completed. It is expected that the costs will reduce in 2025.

Onerous contracts

The Group entered into a sponsorship agreement in 2023 with Williams racing which has not delivered the expected commercial returns, as such, this has been identified as an onerous contract. Under the terms of the sponsorship agreement, the Group is contractually obligated to incur annual fees and termination costs. Notice of termination has been provided, and the contract will be exited at the earliest available opportunity; 31 December 2025. The total cost recognised within adjusting items includes the costs incurred from 1 January 2024 plus any unavoidable committed costs to 31 December 2025.

Additionally, the unavoidable costs committed to an aborted implementation of a Human Resources enterprise reporting platform (ERP) have also been recognised as an onerous contract. The Group classifies these expenses as adjusted items, as they do not represent costs incurred in the normal course of business.

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4. Adjusted items continued**Other legal and professional costs**

The Group incurs legal and professional costs that are non-recurring, one-off in nature and not related to trading activities. These costs are included as adjusted items and can include, but are not limited to, legal costs for one-off matters and other fees associated with investor activities. The legal and professional costs incurred during 2024 relate to the transfer to the ESCC category of the Official List.

5. Auditor's remuneration

	2024 £'000	2023 £'000
Fees in respect of the audit of the consolidated and parent company financial statements	2,300	2,300
Total audit fees	2,300	2,300
Other services:		
– other assurance services ¹	280	480
Total non-audit services	280	480
Total fees	2,580	2,780

1. Fees in respect of other assurance services relate to interim procedures in accordance with International Standard for Review Engagements (UK and Ireland) 2410 and other assurance procedures.

6. Employee costs and Directors' remuneration

	Note	2024 £'000	2023 £'000
Wages and salaries		273,925	259,955
Social security costs		31,854	29,525
Pension costs		12,621	10,728
Share-based payments	7	16,579	16,723
Total		334,979	316,931
Continuing operations (restated)¹		160,965	142,641
Discontinued operations (restated)¹		174,014	174,290

1. Restated for discontinued operations (refer to note 12.2).

The aggregate amount of employee costs included above that have been capitalised within platform development costs was £47.6m (2023: £46.8m).

The costs incurred in respect of the Executive Directors and Non-Executive Directors, who are regarded as the key management personnel, were as follows:

	2024 £'000	2023 £'000
Wages and salaries	2,610	1,786
Social security costs	248	267
Pension costs	2	2
Total	2,860	2,055
Continuing operations (restated)¹	2,348	1,532
Discontinued operations (restated)¹	512	523

1. Restated for discontinued operations (refer to note 12.2).

No retirement benefits are accruing to any of the Directors at 31 December 2024 (2023: £nil).

The average number of employees (including Executive Directors) during the year was:

	2024 Number	2023 Number
Retail	1,593	2,108
Administration	1,655	1,483
Distribution	3,056	3,465
Information technology	823	908
Total	7,127	7,964
Continuing operations (Restated)	3,140	3,384
Discontinued operations (Restated)	3,987	4,580

The above table reflects the full-time equivalent ("FTE") number of employees calculated as an average throughout the year.

The total staff numbers on an actual basis at 1 January 2024 were 7,291 and at 31 December 2024 were 6,797.

7. Share-based payments**Overview**

The Group operates a share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the Statement of Comprehensive Income with the corresponding increase to equity.

Previously issued plans**Senior leadership plan**

Under the senior leadership plan (SLT Plan), share options of the parent are granted to senior executives of the Company, including members of key management personnel. The awards vest in three equal tranches, annually on 31 December over the three years from grant date. Performance conditions and targets linked to ESG are attached to a small proportion of the awards to a small number of participants. The fair value of the share options is the market price of the underlying shares on the grant date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these options. The Group accounts for the SLT as an equity-settled plan.

Employee plan

Under the employee plan, the Group, at its discretion, may grant share options of the parent to employees other than senior executives. The option awards will vest in three equal tranches annually on 31 December over the three years from grant date, provided participants remain in continued employments with the Company at each date. A small number of shares vested in full on 31 December following issue. The fair value of the share options is the market price of the underlying shares on the grant date.

The contractual term of the share options is three years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards. The Group accounts for the employee plan as an equity-settled plan.

Plans issued in the year

A total of 33,574,120 shares were issued in the 12 months to 31 December 2024. The shares issued during the year are as follows:

- On 7 March 2024 a total of 3,685,598 options were granted with 737,120 of these shares only vesting if targets linked to ESG are met. The remainder of the shares vest in three equal tranches and are subject to performance based targets.
- On 15 March 2024 a total of 22,146,794 options were granted. The vesting conditions are as follows:
 - 20,376,943 awards that vest in three equal tranches, with the first being 31 December following the date of grant. The second and third tranches for each separate grant will vest on 31 December in the following two years respectively;
 - 1,680,852 awards, 560,284 of which vested on grant date, with the second tranche vesting on 31 December 2024. The third tranche will vest on 31 December 2025;
 - 88,999 awards that vested on 31 December 2024.
- On 1 August 2024 a total of 3,653,846 options were granted with 730,769 of these shares only vesting if targets linked to ESG are met. The vesting criteria is the same as that of the shares issued on 7 March 2024.
- On 30 August a total of 4,087,882 options were granted. The vesting conditions are as follows:
 - 2,196,973 awards with 137,311 of these shares only vesting if targets linked to ESG are met. The remainder of the shares vest in three equal tranches and are subject to performance based targets.
 - 1,890,909 awards with 1/24th vesting at the end of each month from September 2024.

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Notes to the consolidated financial statements continued

7. Share-based payments continued

	2024 £'000	2023 £'000
Expense arising from equity-settled share-based payment transactions	16,579	16,723

The following table shows the shares granted and outstanding at the beginning and end of the year:

	2024 Number of shares	2024 Weighted average exercise price	2023 Number of shares	2023 Weighted average exercise price
As at 1 January	68,718,060	£0.04	41,796,012	£0.06
Granted during the year	33,574,120	£0.02	35,529,824	£0.01
Forfeited during the year	(3,854,758)	£0.00	(5,324,678)	£0.00
Exercised during the year	(9,982,528)	£0.00	(3,283,098)	£0.00
As at 31 December	88,454,894	£0.04	68,718,060	£0.03
Exercisable as at 31 December	6,072,570	£0.00	19,975,803	£0.00

The key inputs to calculate the charge are the share price at the date of grant and an assumption around those not remaining in continued employment, spread across the vesting period. Achievement of performance conditions has been considered where appropriate. The range of exercise prices are £0.00 to £0.16, and the weighted average remaining contractual life is 8.3 years. The weighted average share price at date of exercise of shares exercised during the year was £0.60.

8. Finance income and cost

	2024 £'000	2023 (restated) £'000
Finance income		
Bank interest receivable	9,049	12,878
Finance costs		
Bank interest payable and charges	61,968	64,672
Interest on lease liabilities	1,586	1,226
	63,554	65,898

1. Restated for discontinued operations (refer to Note 12.2).

9. Income tax

The tax (credit)/charge for the year on continuing operations comprises:

	Note	2024 £'000	2023 (restated) £'000
Current tax			
Tax charge for the year		2,659	15,170
Adjustments in respect of prior year		1,230	6,808
		3,889	21,978
Deferred tax			
Origination and reversal of temporary differences		(22,022)	589
Adjustments in respect of prior year		(3,734)	(8,645)
Change in tax rates		—	1,788
	21	(25,756)	(6,268)
Total income tax (credit)/charge		(21,867)	15,710

1. Restated for discontinued operations (refer to note 12.2).

The difference between the tax as charged in the consolidated statement of profit or loss and tax at the UK standard rate is reconciled below:

	2024 £'000	2023 (restated) £'000
Loss before taxation from continuing operations	(202,400)	(92,252)
Loss before taxation from discontinued operations	(120,840)	(159,712)
Loss before taxation	(323,240)	(251,964)
Tax at statutory rate of 25.0% (2023: 23.5%)	(80,810)	(59,212)
Tax effects of:		
Adjustments in respect of prior year	(353)	452
Expenses not deductible	17,011	24,906
Income not taxable	—	(11,745)
Recognised previously unrecognised deferred tax asset	(3,700)	—
Effect of overseas tax rates	650	(682)
Write down of previously recognised deferred tax asset	26,429	—
Amounts not recognised	40,251	40,907
Change in recognition of share scheme attributes	3,422	—
Effect of change in tax rate	—	1,782
Total income tax expense/(credit)	2,900	(3,592)
Total income tax (credit)/expense – continuing operations	(21,867)	15,710
Total income tax expense/(credit) – discontinued operations	24,767	(19,302)

1. Restated for discontinued operations (refer to note 12.2).

The main rate of corporation tax in the UK is 25.0%, as this is the rate of UK corporation tax with effect from 1 April 2023.

The effective tax rate of -0.9% (2023: 1.4%) differs from the average statutory rate of 25.0%. This is primarily due to a movement in deferred tax not recognised and expenses not deductible.

A portion of the previously recognised deferred tax asset has been reversed. This is primarily as a result of most of the taxable temporary differences staying with the continuing operations whereas a significant portion of the deductible temporary differences is included within discontinued operations. This changed the overall deferred tax asset recognition profile and reduced the amount of deferred tax asset that could be supported in the discontinued operations.

In addition to the write off of previously unrecognised deferred tax assets, an additional amount has become able to be recognised in continuing operations. Similarly, this is related to the change in the recognition profile as a result of the split of the business into the two separate groups. This is split across deferred tax on losses and the corporate interest restriction in the continuing operations.

In addition, there are amounts not recognised of £40.3m relating to additional tax losses arising in the period across both continuing operations and discontinuing operations, with limited additional taxable temporary differences being generated.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation was effective for the Group's financial year beginning 1 January 2024.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, all jurisdictions should meet the Country-by-Country Safe Harbour provisions and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes in any jurisdiction reviewed through this assessment.

10. Business combinations

2024 Business combinations

No business combinations occurred during the current year.

2023 Business combinations

The 2023 business combinations relate to the acquisition of the trade and assets of London's City AM newspaper and the intellectual property and assets of US beauty brand Biossance on 26 July 2023 and 28 December 2023 respectively. The details are set out in the 2023 Annual Report.

Notes to the consolidated financial statements continued

11. Intangible assets

	Goodwill £'000	Platform development costs £'000	Intellectual property £'000	Brands £'000	New product development £'000	Total £'000
Cost or valuation						
At 1 January 2023	790,977	268,249	223,972	640,756	13,213	1,937,167
Transfers	—	—	(1,627)	103	1,524	—
Additions	—	60,775	19,988	83	798	81,644
Business combinations	2,318	—	1,816	4,329	—	8,463
Currency translation	(18,901)	(199)	(8,730)	(17,606)	(8)	(45,444)
Disposals	(1,175)	(31,226)	(24,078)	(376)	(310)	(57,165)
At 31 December 2023	773,219	297,599	211,341	627,289	15,217	1,924,665
At 1 January 2024	773,219	297,599	211,341	627,289	15,217	1,924,665
Transfers	—	(1,278)	137	—	528	(613)
Additions	—	50,046	14,474	591	3,043	68,154
Currency translation	1,266	19	1,663	1,941	(12)	4,877
Disposals	(439)	(18,285)	(21,119)	(1,499)	(15)	(41,357)
Transfers to assets held for distribution	(86,896)	(324,782)	(33,343)	(14,913)	(4,893)	(464,827)
At 31 December 2024	687,150	3,319	173,153	613,409	13,868	1,490,899
Accumulated amortisation						
At 1 January 2023	304,632	168,332	95,323	87,953	5,165	661,405
Transfers	—	97	(130)	33	—	—
Amortisation	—	38,520	26,893	52,474	1,485	119,372
Impairment loss	—	240	—	—	—	240
Currency translation	(1,651)	766	(5,418)	(2,437)	(2)	(8,742)
Disposals	—	(30,853)	(23,468)	(362)	(310)	(54,993)
At 31 December 2023	302,981	177,102	93,200	137,661	6,338	717,282
At 1 January 2024	302,981	177,102	93,200	137,661	6,338	717,282
Amortisation	—	43,725	29,555	36,661	2,558	112,499
Currency translation	392	(4)	1,086	370	(14)	1,830
Reclassification	—	—	15,468	(15,468)	—	—
Disposals	(428)	(17,684)	(19,762)	(2,099)	(15)	(39,988)
Impairment loss (net)	40,521	—	—	15,770	—	56,291
Transfers to assets held for distribution	(85,483)	(199,925)	(24,620)	(3,235)	(2,074)	(315,337)
At 31 December 2024	257,983	3,214	94,927	169,660	6,793	532,577
Net book value						
At 1 January 2023	486,345	99,917	128,649	552,803	8,048	1,275,762
At 31 December 2023	470,238	120,497	118,141	489,628	8,879	1,207,383
At 31 December 2024	429,167	105	78,226	443,749	7,075	958,322

The reclassification line relates to the reclass of amortisation charges between appropriate intangible asset categories.

Consideration of impairment of goodwill and intangible assets

Goodwill and intangible assets that have an indefinite life are subject to annual impairment testing, or more frequently if there are indications of impairment. Intangible assets and goodwill are reviewed by assessing the appropriate cash-generating units (CGUs) annually, which are identified based on the smallest identifiable group of assets that generate cash inflows largely independently.

As at 31 December 2024, the continuing operations consisted of four (2023: four) CGUs within THG, being THG Beauty and THG Nutrition, discontinued categories and certain assets of THG Experience. THG Luxury was sold during the year and therefore is no longer a CGU. Goodwill has arisen from previous business combinations across the Group and is allocated to the CGUs that are expected to benefit from synergies of those acquisitions. The recoverable amounts of these CGUs are the higher of fair value less costs to dispose ("FVLCTD") and value-in-use ("VIU").

Management has reviewed each CGU in turn and has adopted the VIU approach for THG Beauty, THG Nutrition and THG Experience. For discontinued categories, this includes beauty brands previously allocated to the THG Beauty CGU which have discontinued in the year. Given the trade has ceased for these brands, the associated assets have been written down to nil.

THG Beauty – Goodwill totalling £296.5m (2023: £296.5m)

For THG Beauty, management has estimated a VIU using a discounted cash flow method. This method was adopted during 2023 and has been applied consistently during the current year.

The key assumptions made are as follows:

Key assumption	
Discount rate	The post-tax discount rate used is 9.5% (pre-tax rate 12.7%).
Forecast cash flows	Forecasts are based on assumptions from the Board-approved budget with projections covering a five-year period. The key assumptions within the cash flow forecasts are the future revenue growth and EBITDA margin. The projections are based on the best estimate of future cash flows, taking into account externally available expectations that the beauty and online markets will continue to grow at a medium single-digit rate. During the year, THG Beauty has outperformed forecast EBITDA margins and therefore, coupled with the shift in strategy and the medium-term growth outlook for the prestige beauty market, the Directors believe the forecasts are both reasonable and consistent.
Long-term growth rate	A long-term growth rate of 3.0% was used for cash flows after the five-year period which is based on long-term growth rate across the beauty market.

No impairment has been recognised in respect of THG Beauty.

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these assumptions. There are possible downside risks across the five year forecast period including if there was a 5.0% reduction in revenue per annum this would lead to a reduction in headroom of £75m; an EBITDA margin reduction of 50bps per annum, £90m; and an increase in discount rate of 1.0%, £45m. Mitigations to these scenarios include; refinements to the operating model to optimise margins and cash generation, improved control surrounding capex spend, and a further focus on higher margin more profitable sales. The model is not sensitive to reasonably possible changes in assumptions in isolation, however, management consider that a combination of reducing revenue by 5.0% per annum and EBITDA by 50bps per annum into perpetuity would eliminate headroom. The aforementioned scenario does not reflect the potential mitigations including cost reduction and margin enhancement.

THG Nutrition – Goodwill totalling £132.7m (2023: £132.1m)

The key assumptions used within the VIU calculation are:

Key assumption	
Discount rate	The post-tax discount rate used is 8.1% (pre-tax rate 10.8%).
Forecast cash flows	The VIU calculation uses cash flow projections from financial budgets approved by the Board covering a five-year period. The key assumptions within the forecasts are the future revenue growth and EBITDA margin and are in line with market-wide forecast growth projections.
Long-term growth rate	A long-term growth rate of 3.0% was used for cash flows after the five-year period which is based on the long-term growth rate across sports and nutrition retailing.

No impairment has been recognised in respect of THG Nutrition.

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these assumptions. The model is not sensitive to reasonably possible changes in these key assumptions in isolation, however it is recognised that a change in more than one of these assumptions could result in a material change. Management consider that a combination of reducing revenue by 36.5% and EBITDA by 46.0% per annum into perpetuity would eliminate headroom across the five year forecast period. THG Nutrition's historic revenue performance and the current market outlook and projections provide reasonable, measured assurance that there is remote possibility of performance dropping by such significant levels for the headroom to be eliminated. Management has therefore concluded that there are no reasonably possible changes in key assumptions that would lead to an impairment.

THG Experience – Goodwill totalling £nil (2023: £nil)

As part of the demerger, some assets within THG Experience were classified within the disposal group and were demerged with THG Ingenuity. For those assets included within the disposal group the Directors have concluded that there are no indicators of impairment in respect of 2024 and therefore a further impairment assessment has not been undertaken.

For the remaining assets within continuing operations, it was identified that for one asset a decision had been taken in the year to pause refurbishment work, as such, an impairment assessment was undertaken which led to an impairment charge in the year of £14.5m in respect of right of use assets and fixtures and fittings along with the expected cost of returning the property at the end of the term. The impairment charge has been recognised in adjusted items within the consolidated statement of comprehensive income. Please refer to Note 4.

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Notes to the consolidated financial statements continued

11. Intangible assets continued

Consideration of impairment of goodwill and intangible assets continued**Discontinued categories – Goodwill totalling £nil (after impairment of £41.7m) (2023: £41.7m)**

Discontinued categories include beauty brands previously allocated to the THG Beauty CGU which have discontinued in the year. Given the trade has ceased for these brands, the associated assets have been written down to nil. The impairment charge of £57.5m in respect of goodwill and brands has been recognised in adjusted items within the consolidated statement of comprehensive income. Please refer to Note 4.

12.1 Property, plant and equipment

	Motor vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment and software £'000	Leasehold improvements and freehold buildings £'000	Total £'000
Cost						
At 1 January 2023	2,317	143,100	141,393	118,719	123,719	529,248
Additions	111	11,209	6,707	12,224	2,829	33,080
Business combinations	—	—	8	11	19	38
Transfers	—	5,430	(37,869)	3,009	29,430	—
Currency translation differences	—	(302)	743	(532)	(515)	(606)
Disposals	(165)	(6,474)	(4,117)	(281)	(45,875)	(56,912)
At 31 December 2023	2,263	152,963	106,865	133,150	109,607	504,848
At 1 January 2024	2,263	152,963	106,865	133,150	109,607	504,848
Additions	137	11,935	8,712	7,053	2,474	30,311
Transfers	39	1,878	(3,698)	2,289	1,041	1,549
Currency translation differences	—	(332)	(783)	142	(33)	(1,006)
Disposals	(116)	(2,349)	(1,345)	(780)	(874)	(5,464)
Transfer to assets held for distribution	(1,893)	(109,492)	(83,062)	(124,692)	(42,431)	(361,570)
At 31 December 2024	430	54,603	26,689	17,162	69,784	168,668
Accumulated depreciation						
At 1 January 2023	1,587	43,103	36,399	54,881	33,237	169,207
Depreciation (note 3)	340	14,494	13,489	21,310	6,058	55,691
Impairment loss	—	1,064	987	115	10,950	13,116
Currency translation differences	—	(342)	232	(581)	(187)	(878)
Disposals	(170)	(1,949)	(51)	(257)	(3,032)	(5,459)
At 31 December 2023	1,757	56,370	51,056	75,468	47,026	231,677
At 1 January 2024	1,757	56,370	51,056	75,468	47,026	231,677
Depreciation (note 3)	178	17,857	13,984	18,134	4,155	54,308
Transfers	—	8	(8)	—	—	—
Impairment loss	—	7,328	—	—	155	7,483
Currency translation differences	—	(92)	(224)	100	(50)	(266)
Disposals	—	(2,347)	(1,212)	(780)	(494)	(4,833)
Transfer to asset held for distribution	(1,773)	(47,492)	(42,213)	(83,675)	(9,438)	(184,591)
At 31 December 2024	162	31,632	21,383	9,247	41,354	103,778
Net book value						
At 1 January 2023	730	99,997	104,994	63,838	90,482	360,041
At 31 December 2023	506	96,593	55,809	57,682	62,581	273,171
At 31 December 2024	268	22,971	5,306	7,915	28,430	64,890

Transfers relate to work in progress assets that have been transferred to the relevant asset class as these became ready for use in the current year. In 2023, disposals include the sale of non-core freehold assets which were not commensurate to the Group's strategic priorities and resulted in a non-recurring and non-cash loss on disposal of £17.7m in the prior year income statement. Subsequent to the completion of the sale of the subsidiary holding one of these disposed-of properties, the Group leased the property back, with this now sublet to a third party.

12.2 Discontinued operations

On 17 September 2024, the Group announced its intention to demerge THG Ingenuity from THG PLC into an independent private company. Shareholder approval was obtained on 27 December 2024 and, therefore, the Group believed that it was highly probable that the transaction would complete within 12 months from the date of the announcement. Therefore, THG Ingenuity was classified as a disposal group held for distribution and discontinued operations from that date. Upon demerger, THG Ingenuity included THG Experience, which had previously been reported as part of the THG Beauty segment. The demerger successfully completed on 2 January 2025.

The results of THG Ingenuity for the year are presented below:

	2024 £'000	2023 £'000
Total revenue	654,768	685,383
Internal revenue ¹	(462,858)	(519,871)
External revenue	191,910	165,512
Cost of sales	(142,392)	(122,595)
Gross profit	49,518	42,917
Administrative costs	(155,949)	(171,414)
Other operating expense	—	(17,664)
Operating loss	(106,431)	(146,161)
Finance income	141	451
Finance costs	(14,550)	(14,002)
Loss before taxation	(120,840)	(159,712)
Income tax (charge)/credit	(24,767)	19,302
Loss for the financial year	(145,607)	(140,410)

1. Internal revenue is eliminated at Group level in the current year but will be recognised as external revenue within THG Ingenuity from the next financial year, following the demerger on 2 January 2025.

THG Ingenuity – Adjusted EBITDA

	Notes	2024 £'000	2023 £'000
Operating loss		(106,431)	(146,161)
Adjustments for:			
Amortisation	11	44,703	47,824
Amortisation of acquired intangibles	11	2,411	1,590
Depreciation	12.1, 22	68,407	71,054
Adjusted items – cash	a	19,211	5,346
Adjusted items – non-cash	a	2,736	13,674
Other operating expense – non-cash loss on disposal of freehold assets		—	17,664
Adjusted EBITDA		31,037	10,991

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Notes to the consolidated financial statements continued

12.2 Discontinued operations continued**a. THG Ingenuity – Adjusted items**

	2024 £'000	2023 £'000
Within administrative costs		
Transportation, delivery and fulfilment costs	160	609
Commissioning – new facilities	273	2,263
Restructuring costs	10,694	524
Loss on property portfolio restructure	956	12,433
Loss on disposal of (or exit from) discontinued and loss-making categories	—	1,504
Other costs following the outcome of strategic review	932	1,329
Acquisitions – restructuring and integration	1,064	358
Onerous contracts	7,868	—
Total adjusted items before tax	21,947	19,020
Tax impact	(2,574)	(1,140)
Total adjusted items	19,373	17,880
Cash adjusting items before tax	19,211	5,346

Transportation, delivery and fulfilment costs

The conflict in Israel has resulted in pressures across the international network and travel routes, with increased costs being experienced as the war continues, which are not fully passed on to customers. The Group continues to insulate the customer from the full impact of these rising costs, with the residual expense therefore being over and above those incurred through the normal course of business.

Commissioning – new facilities

Consistent with strategic priorities, the Group has completed its commissioning of its campus in New Jersey, US. The 2024 costs relate to the final stages of commissioning that were required to enable the warehouse to be fully operational and work at optimised levels. No further costs are expected to be incurred.

Restructuring costs

Consistent with the strategic review, the Group continues to explore and implement corporate restructuring and evolve its internal operations where sustainable alternatives are identified. As part of this, the costs incurred are attributable to employee-related severance as part of specific operational restructuring projects as efficiencies are implemented across the business. During 2024, given the nature of the programmes, additional costs in respect of salary costs for employees within consultation periods and dual running costs were also included within adjusted items.

Additionally, costs were incurred in executing the demerger of THG Ingenuity, which left the Group on 2 January 2025. These projects, and the costs attached, are expected to be completed within a 12-month period.

Loss on property portfolio restructure

Following a Group review of properties held within its portfolio, leased properties no longer in use have been sold or repurposed. Where vacated properties are retained, unavoidable costs relating to these sites are incurred over the remaining life of the lease and will continue to be classified as adjusted items.

Loss on disposal of discontinued and the exiting of loss-making categories

The comparative position reflects adjustments following the sale of THG OnDemand in July 2023.

Other costs following the outcome of strategic review

As part of the strategic review the Group has consolidated acquired warehouses into the existing THG network. The costs that have been incurred as part of this process, include:

- Those incurred to relocate the stock across the fulfilment network.
- Restructuring costs associated with the dual running of facilities, severance payments and other third-party costs such as rent and utilities.

All costs recognised within adjusted items are from the point of management's decision to exit the acquired warehouse. These costs are considered to be one-off costs and are incremental to the ongoing trading of the Group. The majority of these costs have now been incurred.

Acquisitions – restructuring and integration

The costs during the year relate to pre-acquisition settlement costs that arose before the acquisition of a subsidiary and has been classified as an adjusted item as they relate to legacy matters predating the Group's ownership. These costs are considered non-recurring in nature and do not form part of the Group's underlying operating performance. The settlement was finalised in 2024 and no further related costs are expected to be incurred in 2025.

The 2023 costs are in relation to the integration of City AM that was acquired in July 2023.

Onerous contracts

The Group entered into a sponsorship agreement in 2023 with Williams racing which has not delivered the expected commercial returns, as such, this has been identified as an onerous contract. Under the terms of the sponsorship agreement, the Group is contractually obligated to incur annual fees and termination costs. Notice of termination has been provided, and the contract will be exited at the earliest available opportunity; 31 December 2025. The total cost recognised within adjusting items includes the costs incurred from 1 January 2024 plus any unavoidable committed costs to 31 December 2025.

The major classes of assets and liabilities classified as held for distribution as at 31 December are as follows:

	31 December 2024 £'000
Assets	
Intangible assets	149,490
Property, plant and equipment	176,979
Right-of-use assets	232,222
Investments	1,400
Deferred tax asset	2,705
Inventories	8,370
Trade and other receivables	101,924
Other financial assets	300
Cash and cash equivalents	88,979
Total assets held for distribution	762,369
Liabilities	
Lease liabilities	267,929
Provisions	21,795
Deferred tax liability	503
Contract liability	12,236
Current tax liability	219
Trade and other payables	286,990
Total liabilities held for distribution	589,672
Net assets directly associated with distribution group	172,697
Amounts included in reserves directly associated with disposal group	(3,155)

The net cash flows incurred by discontinued operations were as follows:

	2024 £'000	2023 £'000
Operating	18,113	(20,201)
Investing	(80,290)	(49,257)
Financing	(35,785)	(27,099)
Net cash outflow	(97,962)	(96,557)

Notes to the consolidated financial statements continued

12.2 Discontinued operations continued

b. THG Ingenuity – Related party transactions

The amounts recognised within the major classes of assets and liabilities classified as held for distribution in relation to the leases with Propco for discontinued operations in the year are as follows:

	2024 £'000
Right-of-use asset	18,784
Lease liability	23,920

The amounts recognised within the results of THG Ingenuity in relation to the leases with Propco for discontinued operations in the year are as follows:

	2024 £'000	2023 £'000
Depreciation arising on right-of-use assets	7,117	7,780
Expense recognised in financing costs	5,274	6,145
Impairment arising on property plant and equipment	—	9,663

The table below gives further detail around the leases in place for discontinued operations:

	Residual lease term date divestment	2024 rent £'000
Number of properties		
10	0-4 years	8,383
2	18-24 years	1,700
12		10,083

Fair value assessment of dividend liability

Under IFRIC 17 'Distributions of Non-cash Assets to Owners', a liability to pay a non-cash dividend is measured at the fair value of the assets and liabilities to be distributed when the dividend is appropriately authorised and it is no longer at the entity's discretion. The assets and liabilities to be distributed are the THG Ingenuity business.

The dividend liability was considered to be appropriately authorised on 27 December 2024 following shareholder approval and has been recognised within the statement of financial position at 31 December 2024. The settlement of the dividend liability took place on the date of the demerger on 2 January 2025.

The resulting gain on demerger will therefore be recognised within the FY 2025 financial statements. This gain is calculated as the difference between the fair value and the book value of the attributable net assets. As this is a material, non-recurring transaction, it will be recognised within adjusted items.

We have determined the fair value of the THG Ingenuity business by considering the requirements within IFRS 13 'Fair value measurement'. We concluded that there was not an observable market price available for the stand-alone THG Ingenuity business on the basis that it was part of a larger listed Group prior to demerger and became a private limited company post-demerger.

The uncertainties over future cashflows meant that this was best achieved by considering the underlying assets and liabilities as a basis for then comparing to similar market transactions and valuations. Therefore, the fair value of THG Ingenuity has instead been derived using a combination of the valuation techniques outlined in IFRS 13 being; the market approach, the cost approach and the income approach. The measurement of the dividend liability is a level 3 fair value measurement. The material assets and liabilities which were valued to assess the overall value of the business are as follows:

Asset/ liability	Method	Key assumptions	Hierarchy
Intangible assets	Primarily relating to the capitalised platform development costs Valued on a replacement cost basis (using the cost approach)	<ul style="list-style-type: none"> Total hours and number of developers to rebuild the platform Rates per hour 	Level 3 If the total hours to or number of developers to rebuild the platform, or the rate per hour increased/decreased by +5%/-5% the fair value would change by +/- c.£17m respectively.

Asset/ liability	Method	Key assumptions	Hierarchy
Property, plant and equipment	Primarily relating to fit-out of fulfilment centres including specialist automation equipment. Valued on a market approach	<ul style="list-style-type: none"> Benchmarking of cost to similar fit outs and specialist equipment Condition and location of assets Useful economic lives These inputs are considered to be level 2 and level 3 hierarchy.	Level 2
Right-of-use assets	Valued on a market approach	<ul style="list-style-type: none"> Market rents for similar properties Different assumptions were applied for the different classifications of assets such a warehousing and offices.	Level 2
Working capital assets and liabilities	Valued on a line by line basis	<ul style="list-style-type: none"> Recoverability of trade and other receivables Net realisable value of inventories Completeness of trade and other payables Cash and cash equivalents were considered to be carried at their fair value given the nature of the balance 	Level 2

In determining the fair value, significant judgement exists in relation to the valuation techniques used and significant estimation exists in relation to the key inputs into the models. Therefore, a fair value range was calculated. This range is sensitive to changes made to the key inputs described above.

When concluding on an appropriate fair value within that range we considered the valuation derived in the context of alternative data sources, such as relevant multiples on revenue and earnings. This resulted in the following transaction values:

	£'000
Fair value of THG Ingenuity	501,331
Carrying value of net assets and liabilities held for distribution (note 12.2)	172,697
Intercompany receivable due from THG plc ¹	121,457
Gain to be recognised on 2 January 2025 within THG PLC	207,177

1. The carrying value of the net assets and liabilities held for distribution excludes intergroup balances that are eliminated on consolidation. The carrying value of assets distributed as part of the THG Ingenuity business will also include £121m of intergroup receivables.

It is important to highlight that this fair value has been prepared on a different basis to the valuation of THG Ingenuity reported in the Shareholder Circular. The valuation reported in the Board-approved Shareholder Circular was based on a pro-rata of the market capitalisation of the listed Group, resulting in an £88 million valuation. This valuation is not an observable market price and as such, was not in line with the requirements of IFRS 13. These two valuations are prepared on different bases and therefore are not comparable.

13. Inventories

	2024 £'000	2023 £'000
Goods held for resale	200,533	225,600
Raw materials	60,301	67,427
Goods in transit	4,537	4,116
	265,371	297,143

Goods in transit relate to goods whose control is still to be transferred to the customers as of the reporting date. The cost of inventories recognised as an expense and included in cost of sales amounted to £1,017.1m (2023: £1,015.5m). The value of inventories written down and recognised as an expense in the statement of comprehensive income in the year was £38.5m (2023: £20.4m) including adjusted items. Within goods held for resale is a £1.3m (2023: £2.4m) right to recover asset which represents the carrying value of inventory expected to be received back from customers as returns.

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Notes to the consolidated financial statements continued

14. Financial assets and liabilities

	Note	2024 £'000	2023 £'000
Assets as per balance sheet – financial assets			
Trade and other receivables excluding non-financial assets	15	70,770	147,686
Cash and cash equivalents	16	308,622	416,162
Investments		—	1,400
Assets as per balance sheet – held at fair value through OCI			
Derivative financial instruments designated as hedging instruments		5,317	9,613
Derivative financial instruments held at fair value through profit and loss		—	301
		384,709	575,162
Liabilities as per balance sheet – other financial liabilities at amortised cost			
Bank borrowings	18	604,567	650,037
Lease liabilities	22	41,370	344,977
Trade and other payables excluding non-financial liabilities		315,042	553,656
Liabilities as per balance sheet – other financial liabilities at fair value			
Dividend liability	12.2	501,331	—
Derivative financial instruments designated as hedging instruments		58,969	19,763
		1,521,279	1,568,433
Derivative financial instruments designated as hedging instruments			
FX forwards hedging foreign exchange risk on borrowings		(53,020)	(19,763)
Interest rate swaps		(1,303)	7,999
FX forwards hedging foreign exchange risk on highly probable future cash flows		669	1,615
		(53,652)	(10,149)

Assets and liabilities relating to THG Ingenuity are included within the balances for 31 December 2023, but have been classified as net assets held for distribution at 31 December 2024. See note 12.2 for more information.

Financial instruments included within current assets and liabilities, excluding borrowings, are generally short-term in nature and accordingly their fair values approximate to their book values. Bank borrowings are initially recorded at fair value net of direct issue costs. The derivative financial instruments designated as hedging instruments have been recognised at fair value through other comprehensive income. Hedging instruments used are measured based on observable inputs and have been classified at Level 2 hierarchy level in line with IFRS 13 Fair Value Measurement. The dividend liability is explained further within note 12.2.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and cash flow contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. All the hedging activities and derivatives are established to be effective. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives.

2024 Notional	Notional	Impact on OCI ¹ £'000	Impact on OCI ² £'000	Recycled through interest payable in the statement of comprehensive income £'000
Derivatives hedging foreign exchange risk on borrowings	€600,000,000	(1,201)	(1,600)	(36,556)
Derivatives hedging interest rate risk on borrowings	€600,000,000	6,977	9,303	(10,746)
Derivatives hedging foreign exchange risk on future cash flows	£11,577,753	709	945	(4,780)

1. Note impact on OCI is shown net of deferred tax.

2. Note impact on OCI is shown gross of deferred tax.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group regularly forecasts cash flows and maintains an appropriate balance of cash and debt facilities to ensure that sufficient funds are available to cover future expenses and capital expenditure. The Group held €600m notional of forward contracts expiring in December 2024 and €450m notional of interest swaps expiring in December 2026. Maturity of the Group's derivative and non-derivative financial liabilities are given below. The Group has a supplier finance arrangement in place to support the cash flow of its external suppliers. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by one of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices.

All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank. Included within trade payables is £44.8m (2023: £43.1m) due to suppliers that participate in the Group's supply chain financing agreement. The agreement does not change the suppliers' agreed payment terms directly with the Group. Management doesn't consider the supplier finance agreement to result in liquidity risk.

To further support cash flow initiatives, the group entered into a £30m non-recourse factoring arrangement during the year whereby a proportion of its receivables are sold to HSBC. The Group does not retain ownership over the risks and rewards associated with the receivables.

	Contractual amount						
	Carrying amount £'000	Total £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 2 years £'000	2 to 5 years £'000	More than 5 years £'000
31 December 2024:							
Bank borrowings	604,567	610,339	—	112,785	497,554	—	—
Lease liabilities	41,370	68,943	3,015	7,363	10,426	29,828	18,311
Trade payables	315,042	315,042	286,041	29,001	—	—	—
Derivative financial liabilities	58,969	58,969	—	23,263	35,706	—	—
Dividend liability	501,331	501,331	501,331	—	—	—	—
31 December 2023:							
Bank borrowings	650,037	657,934	—	29,026	109,000	519,908	—
Lease liabilities	344,977	557,100	11,636	33,128	44,764	134,290	333,282
Trade payables	553,656	553,656	524,387	29,269	—	—	—
Derivative financial liabilities	19,763	19,763	—	19,763	—	—	—

Undiscounted bank borrowings disclosed in the table above include variable-rated interest which is based on the level of the index at the reporting date.

There is no material difference between the fair value and the carrying value of the bank borrowings.

Foreign currency risk

The Group trades internationally and is exposed to exchange rate risk on purchases (euro, US dollars and Polish zloty) and sales (primarily in euro and US dollars). The Group's results are presented in sterling and are thus exposed to exchange rate risk on translation of foreign currency assets and liabilities.

The Group's approach to managing foreign exchange risk is to designate cash flow hedges across a combination of forwards and spot transactions, whose fair value is based on the observable market value of the respective instrument, taking into account foreign exchange rates and market volatility at the balance sheet date.

The Group is also exposed to EUR:GBP exchange rate risk on a €600m loan within the Group and mitigates this risk through the use of hedging instruments in the form of FX forward contracts. As at 31 December 2024, the Group held €600m notional of forward contracts expiring in December 2026.

The Group's foreign exchange exposure is predominantly euro, US dollars and Polish zloty. If the closing exchange rate was 5% higher/lower, the Group's statement of comprehensive income would be impacted as follows:

	Change in foreign exchange rate	Effect on change in EUR rate ² £'000	Effect on change in USD rate ³ £'000	Effect on change in PLN rate £'000
2024	+5%	(215)	2,235	140
2024	-5%	237	(2,470)	652
2023 ¹	+5%	(401)	1,877	258
2023 ¹	-5%	444	(2,075)	(285)

1. Restated for discontinued operations (refer to note 12.2).

2. If the closing exchange rate was 5% higher/lower, the impact on Group equity would be £1.6m (2023: £4.1m) reflecting the impact of the derivative hedges associated with the €600m term loan B.

3. If the closing exchange rate was 5% higher/lower, the impact on Group equity would be £32.0m (2023: £61.8m) reflecting the impact of the substantial other intangible assets denominated in USD.

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Notes to the consolidated financial statements continued

14. Financial assets and liabilities continued**Interest rate risk**

The Group is exposed to EURIBOR and SONIA through its loan facilities and has entered into a series of interest rate swap agreements to mitigate this risk. As of 31 December 2024, the Group held €450m expiring in December 2026. Interest rate sensitivity is summarised in note 18. The Group's financial risks are detailed on pages 72 to 82 in this Annual Report.

Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities are presented below:

	1 January 2024 £'000	Cash flows £'000	New leases and lease modifications £'000	Repayment of bank borrowings £'000	Disposals £'000	Foreign exchange movement £'000	Other £'000	31 December 2024 £'000
Borrowings	650,037	(44,954)	—	(22,000)	—	(23,959)	45,443	604,567
Lease liabilities	344,977	(47,476)	(1,914)	—	(213)	(1,942)	15,867	309,299
Total liabilities from financing activities	995,014	(92,430)	(1,914)	(22,000)	(213)	(25,901)	61,310	913,866

	1 January 2023 £'000	Cash flows £'000	New leases and lease modifications £'000	Repayment of bank borrowings £'000	Foreign exchange movement £'000	Other £'000	31 December 2023 £'000
Borrowings	679,189	(47,804)	—	(25,000)	(9,133)	52,785	650,037
Lease liabilities	334,376	(49,486)	47,844	—	(2,396)	14,639	344,977
Total liabilities from financing activities	1,013,565	(97,290)	47,844	(25,000)	(11,529)	67,424	995,014

Balances and movements in respect of the total Group are presented to allow reconciliation to the Group cash flow statement.

Of the total lease liabilities of £309.3m, an amount of £267.9m is allocated to the disposal group classified as held for distribution. For further details, refer to note 12.2.

The 'Other' column includes the effect of accrued interest on interest-bearing loans and borrowings, including lease liabilities and the effect of prepaid loan fees. The Group classifies interest paid as cash flows from financing activities.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables. The Group monitors and reviews exposure to credit risk on an ongoing basis and makes best efforts to ensure recoverability of amounts owed to the Group. Information about the credit risk exposure on the Group's trade receivables is disclosed in note 15.

15. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	34,578	110,912
Less: loss allowance	(1,122)	(2,056)
Net trade receivables	33,456	108,856
Prepayments	13,253	28,483
Accrued income	22,875	36,428
Other taxation and social security	40,374	59,185
Other receivables	37,314	38,830
	147,272	271,782

Trade and other receivables are principally denominated in sterling.

Trade and other receivables relating to THG Ingenuity are included within the balances for 31 December 2023, but have been classified as held for distribution at 31 December 2024. See note 12.2 for more information.

At 31 December 2024, there were 159,293,306 fully vested, but partly paid and unlisted Shares (31 Dec 2023: 160,392,591). The average amount of unpaid share capital per fully vested but partly-paid and unlisted Share is £0.17 (2023: £0.17) representing a receivable to the Group of £26.3m (2023: £26.7m). The amount is included within other receivables as this is repayable on demand. The movement in the year is all due to certain fully vested but partly paid and unlisted Shares being paid-up and converted to Ordinary Shares. During the year, the Group entered into a £30m non-recourse factoring arrangement whereby receivables are sold to HSBC. The Group does not retain ownership over the risks and rewards associated with the receivables.

At 31 December 2024 the ageing of trade receivables of continuing operations was as follows:

	2024 £'000	2023 £'000
Not due	23,039	68,952
0 to 3 months overdue	3,946	25,041
More than 3 months overdue	7,593	16,919
	34,578	110,912

The movement in the loss allowance of trade receivables of continuing operations was as follows:

	£'000
At 1 January 2024	2,056
Charge for the year	3,497
Released	(3,240)
Utilised	(27)
Foreign exchange movement	3
Transfer to asset held for distribution	(1,167)
At 31 December 2024	1,122

The Group's credit risk exposure on trade receivables of continuing operations using a provision matrix is as follows:

	Current	0-30 days	31-60 days	61-90 days	90+ days	Total
Expected credit loss rate	2.32%	2.41%	2.5%	2.58%	2.85%	
Estimated total gross carrying amount at default	23,039	881	1,637	1,428	7,593	34,578
Expected credit loss	(716)	(27)	(54)	(49)	(276)	(1,122)
At 31 December 2024	22,323	854	1,583	1,379	7,317	33,456

The Group has adopted IFRS 9 applying the simplified approach to measure the expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. No provision is required in respect of accrued income.

16. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash equivalents	308,622	416,162

Cash and cash equivalents of £89.0m that left the Group on demerger have been classified as held for distribution at 31 December 2024. See note 12.2 for more information.

Cash and cash equivalents includes amounts receivable of £1.8m (2023: £3.5m) from banks and £9.9m (2023: £16.7m) from payment providers, for credit and debit card transactions. Such amounts clear the bank shortly after the transaction takes place.

17. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	246,035	368,855
Accruals	69,007	182,922
Other taxation and social security	27,485	82,351
Government grants	—	2,343
Contingent consideration on acquisitions	—	1,879
	342,527	638,350

Trade and other payables relating to THG Ingenuity are included within the balances for 31 December 2023, but have been classified as held for distribution at 31 December 2024. See note 12.2 for more information.

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17. Trade and other payables continued

The Directors consider the carrying amount of trade and other payables approximates to their fair value when measured by discounting cash flows at market rates of interest as at the balance sheet date. Included within trade payables is £44.8m (2023: £43.1m) due to suppliers that participate in the Group's supply chain financing agreement. The participation in the arrangement is at the suppliers' own discretion. The funding is provided by one of the Group's relationship banks and gives certain suppliers the flexibility to receive early payments on specific invoices. Supplier finance terms are not renegotiated as part of the agreement. All early payments are processed by the funding bank and the Group settles the original invoice amount with the funders at the original invoice due date. The Group does not provide any security to the funding bank.

	2024 £'000	2023 £'000
Carrying amount of trade payables that are part of the Group's supplier financial arrangement	44,762	43,088
Of which suppliers have received payment	34,770	37,051

There were no significant non-cash changes in the carrying amount of the trade payables included in the Group's supply chain financing agreement.

18. Interest-bearing loans and borrowings

	Note	2024 £'000	2023 £'000
Current			
Bank borrowings		112,785	29,026
Lease liabilities	22	10,293	43,537
		123,078	72,563
Non-current			
Bank borrowings		491,782	621,011
Lease liabilities	22	31,077	301,440
		522,859	922,451

Bank borrowings relate predominantly to the seven-year euro term loan B, undrawn five-year revolving credit facility and an incremental facility. The revolving credit facility is provided by Barclays, HSBC, Santander, Citibank, NatWest and JPM. The term loan B carried an interest rate of 4.50% plus EURIBOR and the revolving credit facility's interest rate is SONIA. This loan is provided by the Group's existing lenders and carries a base rate of Daily RFR (SONIA). The floating element of the term loan B is hedged by interest rate derivatives. Management note that EURIBOR is being reformed as a benchmark rate and are in dialogue with its lending and hedging partners to minimise the impact on the Group as transition occurs. If interest rates moved by 100bps, the Group's loss before tax would be c.£5.1m higher/lower (2023: c.£7.3m) and the subsequent move on the derivative valuation would cause equity to be c.£7.3m higher/lower (2023: c.£15.5m) as a result of the same move. Post year end, the Group refinanced its facilities. More information is included within note 29.

Net debt consists of loans and lease liabilities, less cash and cash equivalents, defined as referenced in note 22. For the purpose of the Group's net debt calculation, loans that are denominated in foreign currency are translated at the effective hedged rate where applicable. Net debt is an alternative performance measure and is not defined under IFRS. A reconciliation to the most directly comparable IFRS measure is included below:

	2024 £'000	2023 £'000
Loans and other borrowings	(604,567)	(650,037)
Lease liabilities	(41,370)	(344,977)
Cash and cash equivalents	308,622	416,162
Sub-total	(337,315)	(578,852)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	(8,306)	15,653
Net debt	(345,621)	(563,199)
Net debt before lease liabilities	(304,251)	(218,222)

The contractual maturity analysis of bank borrowings and lease liabilities is given in note 14.

19. Provisions

	Dilapidations £'000	Onerous contracts £'000	Total £'000
At 1 January 2024	23,084	2,884	25,968
Created	9,035	9,100	18,135
Utilised	(283)	(1,300)	(1,583)
Released	(1,985)	(603)	(2,588)
Interest	217	—	217
FX on retranslation	26	—	26
Transfer to assets held for distribution	(18,017)	(3,778)	(21,795)
At 31 December 2024	12,077	6,303	18,380
Current	2,238	4,231	6,469
Non-current	9,839	2,072	11,911

Dilapidations provisions relate to leased properties. Dilapidations provisions are made based on the best estimate of the likely committed cash outflow and discounted to net present value. Future costs are expected to be incurred over the term of the existing lease arrangements at the reporting date, which is a period of up to 20 years.

The following table shows the timeline in which undiscounted costs in relation to the dilapidation provision are expected to be incurred:

	Current £'000	1-5 years £'000	6-10 years £'000	11-15 years £'000	16-20 years £'000	21-25 years £'000	Total £'000
At 31 December 2024	2,359	914	1,980	—	15,530	—	20,783
At 31 December 2023	2,544	5,488	1,178	3,145	456	11,019	23,830

Onerous contracts relate to the unavoidable costs arising where the Group no longer operates from a leased property. Unless a separate sublease or exit has been agreed with the landlord, the Group has provided for the costs of meeting the obligations of the contract, being primarily service charges. The cost is recognised for the existing contractual term. Additionally, the Group entered into a sponsorship agreement in 2023 with Williams racing which has not delivered the expected commercial returns, as such, this has been identified as an onerous contract. Under the terms of the sponsorship agreement, the Group is contractually obligated to incur annual fees and termination costs. Notice of termination has been provided, and the contract will be exited on 31 December 2025. Furthermore, onerous contracts include the unavoidable costs committed to an aborted implementation of a payroll ERP system.

20. Contract liabilities

	2024 £'000	2023 £'000
Contract liabilities	15,650	22,864

Contract liabilities are the consideration received from the customers for sales where the Group still has an obligation to transfer goods or services. 100% of the transaction price of the unsatisfied contracts as at 31 December 2023 was recognised as revenue during 2024.

21. Deferred tax

The deferred tax balance comprises:

	2024 £'000	2023 £'000
Short-term timing differences	(4,725)	(6,920)
Accelerated capital allowances	(478)	(5,754)
Business combinations	122,963	135,335
Tax losses	(46,366)	(29,821)
Loan relationships	(15,993)	(38,577)
Derivatives	1,547	2,253
Other balance sheet amounts	479	(818)
Total deferred tax liability	57,427	55,698

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21. Deferred tax continued

Reflected in the statement of financial position as follows:

	2024 £'000
Continuing operations	
– Deferred tax assets	(4,072)
– Deferred tax liabilities	63,701
Net deferred tax liabilities	59,629
Assets held for distribution (note 12.2)	
– Deferred tax assets	(2,705)
– Deferred tax liabilities	503
Net deferred tax assets	(2,202)

The movement on the deferred tax liability during the year is as follows:

	Total £'000
Opening balance 1 January 2024	55,698
Credited to the statement of comprehensive income	(25,756)
Charged to equity	1,326
Credited to OCI	(86)
Discontinued operations (note 12.2)	26,245
Closing balance 31 December 2024	57,427

The movement in respect of discontinued operations is the overall impact on deferred tax, across statement of comprehensive income and equity, for discontinued operations, primarily relating to the change in recognition for deferred tax assets as disclosed in note 9.

Deferred tax assets have been recognised to the extent there is a legally enforceable right to set off current tax assets and liabilities, levied by the same taxation authority. Due to the history of losses within the Group, no deferred tax assets have been recognised in respect of forecasted future profits.

The Group has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required in the amendments to IAS 12 International Tax reform to Pillar Two Model Rules, issued in May 2023.

The Group did not recognise deferred tax assets in excess of those that could be unwound against deferred tax liabilities. These assets relate to tax attributes, which have no expiry date. There is a decrease in the unrecognised deferred assets compared to 2023 (£96m net) due to losses in the discontinued operations.

	2024 Gross amount £'000	2024 Tax effected £'000	2023 Gross amount £'000	2023 Tax effected £'000
At 31 December:				
Short term timing difference (UK)	14,538	3,635	—	—
Loan relationships (UK)	120,572	30,143	—	—
Losses (UK)	460,526	115,132	384,715	96,179
Fixed assets (UK)	89,544	22,386	—	—
Losses (US)	1,527	382	—	—

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries as, where tax would arise on the realisation of those temporary differences, the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

22. Leases

Set out below are the carrying amounts of the right-of-use assets recognised and movements during the period:

	Motor vehicles £'000	Plant and machinery £'000	Land and buildings £'000	Total £'000
As at 1 January 2023	210	164	293,935	294,309
Additions	1,920	(3)	59,475	61,392
Depreciation (note 3)	(568)	(45)	(38,809)	(39,422)
Lease modifications	98	—	(10,377)	(10,279)
Currency translation differences	(4)	(3)	(2,358)	(2,365)
As at 31 December 2023	1,656	113	301,866	303,635
As at 1 January 2024	1,656	113	301,866	303,635
Additions	—	—	25,057	25,057
Depreciation (note 3)	(614)	(45)	(38,263)	(38,922)
Lease modifications	(3)	—	(18,531)	(18,534)
Disposals	—	—	(213)	(213)
Transfers	—	—	(950)	(950)
Currency translation differences	(4)	(1)	(1,147)	(1,152)
Impairment	—	—	(7,372)	(7,372)
Transfer to assets held for distribution	(807)	(35)	(231,380)	(232,222)
As at 31 December 2024	228	32	29,067	29,327

Set out below are the carrying amounts of lease liabilities (included under note 18 interest-bearing loans and borrowings) and the movements during the period:

	2024 £'000	2023 £'000
As at 1 January	344,977	334,376
Additions	15,950	56,708
Accretion of interest	15,867	14,641
Payments	(47,476)	(49,487)
Lease modifications	(17,864)	(8,864)
Disposals	(213)	—
Currency translation differences	(1,942)	(2,397)
Transfer to liabilities held for distribution	(267,929)	—
As at 31 December	41,370	344,977
Current	10,293	43,537
Non-current	31,077	301,440

The maturity analysis of lease liabilities is disclosed in note 14.

The Group had total cash outflows for leases of £47.5m in 2024 (2023: £49.5m).

The following are the amounts recognised in the year in the consolidated statement of comprehensive income:

	2024 £'000	2023 (Restated) ¹ £'000
Depreciation expense on right-of-use assets	11,732	9,801
Interest expense on lease liabilities	1,558	1,226
	13,290	11,027

1. Restated for discontinued operations (refer to note 12.2).

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Notes to the consolidated financial statements continued

23. Share capital and reserves

THG PLC is a public company limited by shares and incorporated in England and Wales. It has a standard listing on the London Stock Exchange and is the holding company of the Group. The Company has nine classes of shares: Ordinary Shares of £0.005 each, all of which are fully paid; B Shares of £0.005 each, all of which are fully paid; D1 Shares of £0.005 each; D2 Shares of £1 each, all of which are fully paid; E Shares of £0.005 each; F Shares of £0.005 each; G Shares of £0.005 each; Deferred 1 Shares of £0.005 each, all of which are fully paid; and Deferred 2 Shares of £0.005 each. As at 31 December 2024, the Company's issued share capital comprised:

Class	2024 Number	2023 Number	Nominal value £ each
Ordinary Shares	1,322,058,529	1,299,700,302	0.005
B Shares	204,081,632	—	0.005
D1 Shares	56,082,651	56,082,651	0.005
D2 Shares	17,066	17,441	1.000
E Shares	48,605,750	48,944,593	0.005
F Shares	26,715,453	27,014,247	0.005
G Shares	16,885,866	17,267,066	0.005
Deferred 1 Shares	323,059	317,613	0.005
Deferred 2 Shares	21,563,860	21,563,860	0.005
	1,696,333,866	1,470,907,773	

The rights attaching to the shares are set out in the Directors' Report on pages 124 to 129.

Capital risk management

The Group's objectives when managing capital, which comprises equity, are to safeguard the Group's ability to continue as a going concern, to provide returns for Shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

During the financial year ended 31 December 2024, the following share conversions took place in respect of pre-IPO employee share schemes:

(i)	2,339 Ordinary Shares were converted from 742 F Shares and 1,597 G Shares	(xvii)	209,440 Ordinary Shares were converted from 28,786 E Shares and 180,654 G Shares
(ii)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xviii)	14,105 Ordinary Shares were converted from 14,105 E Shares
(iii)	16,878 Ordinary Shares were converted from 16,878 E Shares	(xix)	13,095 Ordinary Shares were converted from 13,095 G Shares
(iv)	8,717 Ordinary Shares were converted from 3,524 F Shares and 5,193 G Shares	(xx)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares
(v)	103,867 Ordinary Shares were converted from 42,474 E Shares, 24,483 F Shares and 36,910 G Shares	(xxi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
(vi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxii)	1,000 Ordinary Shares were converted from 1,000 E Shares
(vii)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares	(xxiii)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares
(viii)	14,096 Ordinary Shares were converted from 14,096 F Shares	(xxiv)	8,000 Ordinary Shares were converted from 8,000 G Shares
(ix)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxv)	2,000 Ordinary Shares were converted from 2,000 E Shares
(x)	65,000 Ordinary Shares were converted from 65,000 F Shares	(xxvi)	15,326 Ordinary Shares were converted from 15,326 F Shares
(xi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxvii)	80,000 Ordinary Shares were converted from 24,255 E Shares and 55,745 F Shares
(xii)	26,337 Ordinary Shares were converted from 10,572 F Shares and 15,765 G Shares	(xxviii)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
(xiii)	20,869 Ordinary Shares were converted from 20,869 E Shares	(xxix)	35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
(xiv)	3,000 Ordinary Shares were converted from 3,000 E Shares	(xxx)	35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
(xv)	13,215 Ordinary Shares were converted from 5,048 F Shares and 8,167 G Shares	(xxxi)	185,476 Ordinary Shares were converted from 185,476 E Shares
(xvi)	16,000 Ordinary Shares were converted from 16,000 F Shares	(xxxii)	50,395 Ordinary Shares were converted from 27,792 F Shares and 22,603 G Shares

Following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Company, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024. These B Shares were redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025. Further information on the demerger and the B Shares is included within the circular that was made available to Shareholders on 28 November 2024.

24. Pension commitments

During the year, the Group operated an auto-enrolment pension scheme. The scheme is managed by independent fund managers and the Group contributes in accordance with the statutory requirements. In addition to the auto-enrolment scheme, a subsidiary company operates a defined contribution pension scheme which is also managed by independent fund managers and its assets and liabilities are held separately from that of the Group. The total Group pension charge represents the amount paid by the Group and amounted to £12.6m (2023: £10.7m) of which £6.0m (2023: £4.6m) relates to continuing operations. £1.2m of contributions due to the fund were outstanding at year end (2023: £1.2m) of which £0.6m relates to continuing operations.

25. Cash flow generated from operations

Note	2024 £'000	2023 £'000
Loss before taxation from continuing operations	(202,400)	(92,252)
Loss before taxation from discontinued operations	(120,840)	(159,712)
Loss before taxation	(323,240)	(251,964)
Adjustments for:		
Depreciation of property, plant and equipment	12.1 54,308	55,691
Depreciation of right-of-use assets	22 38,922	39,422
Amortisation	11 64,582	68,829
Amortisation of acquired intangibles	11 47,917	50,543
Share-based payments	7 16,579	16,723
Adjusted items	4, 12.2 146,400	50,627
Other operating expense	12.1 —	17,664
Net finance costs	8, 12.2 68,914	66,571
Operating cash flow before adjusting items and before movements in working capital and provisions	114,382	114,106
Decrease in inventories	1,280	70,678
Decrease/(increase) in trade and other receivables	24,500	(10,414)
Decrease in trade and other payables ¹	(9,798)	(11,336)
Increase/(decrease) in provisions	6,084	(575)
Foreign exchange loss	(36)	(201)
Cash generated from operations before adjusting items	136,412	162,258

1. Included within trade and other payables is an increase in contract liabilities of £5.0m (2023: decrease £11.4m).

Refer to the Chief Financial Officer's Review on page 26 of this report for details regarding undrawn borrowing facilities that may be available in the future for the operating activities and settling capital commitments.

26. Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024	2023 (Restated) ¹
Loss for the financial year – continuing operations (£'000)	(180,533)	(107,962)
Loss for the financial year – discontinued operations (£'000)	(145,607)	(140,410)
Total loss for the financial year (£'000)	(326,140)	(248,372)
Weighted average number of Ordinary Shares for basic EPS	1,368,632,773	1,296,925,602
Basic and diluted EPS (£'s)	(0.24)	(0.19)
Basic and diluted EPS – continuing operations (£'s)	(0.13)	(0.08)
Basic and diluted EPS – discontinued operations (£'s)	(0.11)	(0.11)

1. Restated for discontinued operations (refer to note 12.2).

In 2024, if the impact of impairment charges in the year was removed, the Basic and Diluted EPS would have been £(0.19).

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26. Earnings per share continued

The basic loss per share has been calculated by dividing the loss attributable to the Group by the weighted average number of Ordinary Shares in issue. Earnings per share has been calculated with respect to total loss for the year for the Group, including both continuing and discontinued operations (see note 12.2).

The diluted loss per share has been calculated by adjusting the weighted average number of shares for the effects of the D, E, F and G Shares assuming full vesting of all potentially dilutive shares. The number of these shares is disclosed in note 23.

Basic and diluted earnings per share are equal since the effect of all potentially dilutive shares outstanding was anti-dilutive.

27. Related Party Transactions

The Directors' interests in the Ordinary Share capital of the Company at the balance sheet date are detailed below:

	£ per share	Ordinary Shares 2024 Number	Ordinary Shares 2023 Number
M J Moulding	0.005	269,702,708	249,294,545
M J Moulding	1.000	360	360
J A Gallemore	0.005	4,216,826	4,216,826
J A Gallemore	1.000	3,174	3,174
D Sanders	0.005	487,487	21,926
C Allen	0.005	2,942,000	2,400,000
G Kent	0.005	53,600	—
D Moore	0.005	53,143	—
S Farr	0.005	171,743	67,397
H Jones	0.005	134,084	—
I McDonald ¹	0.005	2,691,419	2,505,943
		280,456,544	258,510,171

1. I McDonald stepped down from the Board on 31 March 2024.

In addition to the shareholdings noted above, the Directors had the following interests in vested shares issued under previous incentive arrangements at the balance sheet date. These shares carry no voting rights.

	Date of award	2024 Subscription/ exercise price £	2023 Subscription/ exercise price £	2024 Number	2023 Number
M J Moulding	Dec-19	0.23	0.23	43,641,266	43,641,266
M J Moulding	Aug-20	0.33	0.33	20,197,808	20,197,808
M J Moulding	Aug-20	0.28	0.28	7,733,792	7,733,792
J A Gallemore	Dec-19	0.23	0.23	185,476	185,476
J A Gallemore	Aug-20	0.33	0.33	2,666,963	2,666,963
J A Gallemore	Aug-20	0.28	0.28	4,000,537	4,000,537
I McDonald ¹	Dec-19	0.23	0.23	—	185,476
				78,425,842	78,611,318

1. I McDonald stepped down from the Board on 31 March 2024.

Details of unvested awards granted to the Directors under the 2024 LTIP scheme are provided in the Directors' Remuneration Report. Also refer to note 15 and the Directors' Remuneration Report for further information as to shareholdings.

In 2024, the Group has provided interest free loans to the Directors of £0.6m (2023: none) for them to subscribe for shares as part of the employee benefit scheme which remain outstanding at the balance sheet date. A further £0.3m of interest-free loans provided in previous years for the same purpose also remains outstanding at the balance sheet date. Full details of the Directors' shareholdings are detailed in the Directors' Remuneration Report on page 110. Movements in shareholdings post year end, following the demerger have been disclosed within note 29.

The Group has in place an agreement on commercial terms with Moulding Capital Limited to provide property, facilities and project management services to the entity and its subsidiaries. This agreement generated £235,382 (2023: £307,720) for the Group, recognised within administrative expenses.

Prior to the IPO which took place in September 2020, THG divested the Propco Group, an entity now wholly owned by the Group's CEO. The Propco Group owns property assets occupied and utilised by THG and its operating businesses.

The amounts recognised on the Group's balance sheet in relation to the leases with Propco for continuing operations in the year are as follows:

	2024 £'000	2023 £'000
Right-of-use asset	12,742	154,682
Lease liability	24,025	174,457

The amounts recognised on the Group's statement of comprehensive income in relation to the leases with Propco for continuing operations in the year are as follows:

	2024 £'000	2023 £'000
Depreciation arising on right-of-use assets	2,764	2,286
Expense recognised in financing costs	991	1,052
Impairment arising on property, plant and equipment	7,372	—

The table below gives further detail around the leases in place for continuing operations:

Number of properties	Residual lease term date divestment	FY 2024 rent £'000
5	0-4 years	470
10	9-10 years	1,770
1	18-24 years	650
16		2,890

Refer to Note 12.2 for further details on related parties in relation to discontinued operations.

28. Subsidiary undertakings

These consolidated financial statements include the results of all subsidiaries owned by THG PLC as listed in the table below, split below by those pertaining to continuing and discontinued operations. Some of these subsidiaries, in respect of continuing operations, which are listed below, have taken the exemption from an audit for the year ended 31 December 2024 permitted by s479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company THG PLC has given a statutory guarantee, in line with s479C of Companies Act 2006.

At the balance sheet date, the following subsidiaries were controlled by the Group (a company incorporated in England and Wales). All investments are 100% owned by THG PLC either directly or indirectly.

Continuing operations

Subsidiary	Registered office	Country of incorporation	Nature of business
The Hut Holdings Limited	1	England and Wales	Dormant
Cend Limited	1	England and Wales	Holding company
EnSCO 818 Limited	1	England and Wales	Holding company
Mankind Holdings Limited	3	Guernsey	Holding company
Mankind Direct Limited	1	England and Wales	Dormant
Lookfantastic Group Limited	1	England and Wales	Holding company
Lookfantastic.com Ltd	1	England and Wales	Holding company
Lookfantastic Franchising Limited	1	England and Wales	Holding company
Lookfantastic London Limited	1	England and Wales	Dormant
Lookfantastic Salons Limited	1	England and Wales	Holding company
Exante Diet Limited	1	England and Wales	Dormant
Bike Kit Limited	1	England and Wales	Dormant
CNP Professional Holdings Limited	3	Guernsey	Holding company
MyVitamins Limited	1	England and Wales	Dormant
HQ Hair Limited	3	Guernsey	Holding company
Cend International Limited	1	England and Wales	Holding company
Mama Mio Limited	1	England and Wales	Holding company
Mama Mio Distribution Limited	1	England and Wales	Dormant

Financial Statements

Notes to the consolidated financial statements continued

28. Subsidiary undertakings continued**Continuing operations** continued

Subsidiary	Registered office	Country of incorporation	Nature of business
Mama Mio US, LLC	7	USA	Holding company
Gadbrook Limited	1	England and Wales	Holding company
THG International Limited	1	England and Wales	Marketing company
The Hut Group International (Shanghai) Co Limited	10	China	License holding company
PC Beauty Inc.	1	USA	Holding company
Performance Supplements LLC	7	USA	Holding company
Salu Australia PTY Limited	15	Australia	Holding company
Skincarestore Australia PTY Limited	15	Australia	Online retailing
Salu Beauty, LLC	1	USA	Holding company
RY.com.au Pty Limited	15	Australia	Online retailing
Media Ark Limited	1	England and Wales	Holding company
Illamasqua (Holdings) Limited	1	England and Wales	Holding company
Illamasqua Limited	1	England and Wales	Holding company
Beauty Box Beteiligungen GmbH	16	Germany	Holding company
Beauty Trend Holding GmbH	16	Germany	Online retailing
Beauty Trend GmbH	16	Germany	Online retailing
Jade 1150. GmbH	16	Germany	Holding company
Beauty Trend S.A.S France	4	France	Holding company
GlossyBox Sweden Holding UG	16	Germany	Holding company
GlossyBox Sweden AB	23	Sweden	Online retailing
GlossyBox United Kingdom Holding GmbH	16	Germany	Holding company
Beauty Trend UK Limited	1	England and Wales	Online retailing
VRB GmbH & Co. B-149 KG	16	Germany	Holding company
Beauty Trend USA Inc.	7	USA	Online retailing
El Spa Holdings (UK) Limited	1	England and Wales	Holding company
ESPA International (UK) Limited	1	England and Wales	Holding company
Primavera Aromatherapy Limited	1	England and Wales	Holding company
ESPA International (US) LLC	7	USA	Holding company
ESPA International FZE	12	UAE	Holding company
Make Money Limited	1	England and Wales	Holding company
M Beauty Limited	1	England and Wales	Holding company
Acheson & Acheson Limited	1	England and Wales	Manufacturing
1010 Products Limited	1	England and Wales	Dormant
Ameliorate Skincare Limited	1	England and Wales	Holding company
Great John Street Hotel Limited	1	England and Wales	Hotel operator
THG Trustee Limited ¹	1	England and Wales	Trustee of EBT
THG Nutrition US Inc.	1	USA	Holding company
Myprotein Japan K.K.	8	Japan	Online retailing
Colorist Christophe Robin S.A.S.	4	France	Online retailing
Colorist Christophe Robin US LLC	7	USA	Holding company
THG General Trading LLC	19	UAE	Online retailing
David Berryman Ltd	1	England and Wales	Online retailing
David Berryman Holdings Limited	1	England and Wales	Holding company
Fair Juice Limited	1	England and Wales	Dormant
Claremont Ingredients Ltd	1	England and Wales	Online retailing
THG 100 KING STREET LIMITED	1	England and Wales	Holding company
Lion/Wrinkle Holdings, LLC	1	USA	Holding company
Lion/Wrinkle Parent LLC	1	USA	Holding company

Subsidiary	Registered office	Country of incorporation	Nature of business
Lion/Wrinkle Intermediate LLC	1	USA	Holding company
N.V. Perricone LLC	7	USA	Holding company
Perricone MD Cosmeceuticals UK Limited	1	England and Wales	Holding company
THG Intermediate OpCo Limited	1	England and Wales	Holding company
THG Operations Holdings Limited	1	England and Wales	Holding company
THG Intermediate Holdings Limited ¹	1	England and Wales	Holding company
THG Shelfco Limited	1	England and Wales	Holding company
THG Beauty USA LLC	7	USA	Online retailing
The Protein Lab (UK) Limited	1	England and Wales	Manufacturing
Brighter Foods Limited	1	England and Wales	Manufacturing
Bentley Laboratories Blocker Company	7	USA	Holding company
Bentley Laboratories LLC	14	USA	Manufacturing
Cult Beauty Limited	1	England and Wales	Holding company
THG Beauty Limited	1	England and Wales	Online retailing
THG Beauty Singapore PTE Limited	17	Singapore	Online retailing
THG Luxury Limited	1	England and Wales	Online retailing
THG Nutrition Limited	1	England and Wales	Online retailing
THG AUS Nutrition PTY Limited	15	Australia	Online retailing
THG Nutrition India Private Limited	18	India	Online retailing
THG Nutrition Singapore PTE Limited	17	Singapore	Online retailing
THG Nutrition Poland s.p.z.o.o	6	Poland	Online retailing
THG Beauty Europe GmbH	16	USA	Online retailing
THG Shared Services Limited	1	England and Wales	Shared service centre
THG Shared Services AUS PTY Limited	15	Australia	Shared service centre
THG Shared Services Poland sp.z.o.o	6	Poland	Shared service centre
THG Shared Services US LLC	13	USA	Shared service centre
THG Beauty Trading LLC	21	UAE	Online retailing
THG Insurance Limited ¹	3	Guernsey	Holding company
Dermstore LLC	1	USA	Holding company
THG Finco PLC	1	England and Wales	Holding company

1. Companies owned directly by THG PLC

Discontinued operations

Subsidiary	Registered office	Country of incorporation	Nature of business
The Hut.com Limited	1	England and Wales	Online retailing
The Hut Platform Limited	1	England and Wales	Holding company
The Hut.com (Trading) Limited	2	Jersey	Holding company
Guco Internet Supplies Limited	3	Guernsey	Holding company
Iwantoneofthose Limited	3	Guernsey	Holding company
Moo Limited	1	England and Wales	Online advertising
THGPP LLC	1	USA	Holding company
THG International LLC	1	USA	Warehouse and distribution
Hale Country Club Limited	1	England and Wales	Retail and leisure company
Ideal Shape LLC	7	USA	Marketing company
UK-2 Limited	1	England and Wales	Webhosting
Another.com Limited	1	England and Wales	Holding company
Virtual Internet Holdings Limited	1	England and Wales	Holding company
Hosting Services Inc.	1	USA	Webhosting
UK2 Ukraine LLC	5	Ukraine	Webhosting
Virtual Internet (UK) Limited	1	England and Wales	Webhosting

Financial Statements

Notes to the consolidated financial statements continued

28. Subsidiary undertakings continued**Discontinued operations** continued

Subsidiary	Registered office	Country of incorporation	Nature of business
The Hut.com (Poland) sp. z.o.o.	6	Poland	Warehouse and distribution
THG Studios Limited	1	England and Wales	Visual content producer
H7P Portugal Unipessoal LDA	11	Portugal	Holding company
Language Connect International Ltd	1	England and Wales	Translation and interpretation
Language Connect, Inc.	7	USA	Translation and interpretation
THG Ingenuity Singapore Pte. Limited	24	Singapore	Translation and interpretation
Eddie Rockers Limited	1	England and Wales	Holding company
King Street Investments Limited	1	England and Wales	Hotel operator
The Hut Group Limited	1	England and Wales	Dormant
THG Hangar Holdco Limited	1	England and Wales	Holding company
THG Hangar 2 Limited	1	England and Wales	Holding company
The Hut Group, S.L	9	Spain	Online retailing
THG Ingenuity Limited	1	England and Wales	Holding company
Arrow Film Distributors Limited	1	England and Wales	Motion picture distributor and film processing
The Engine House Media Services Limited	1	England and Wales	Holding company
Indigo Environmental Limited	1	England and Wales	Environmental consulting activities
Indigo Environmental Holdings Limited	1	England and Wales	Holding company
Indigo Polymers Limited	1	England and Wales	Dormant
Three Counties Reclamation Limited	1	England and Wales	Recovery of sorted metals
Preston Plastics (Holdings) Limited	1	England and Wales	Holding company
Preston Plastics Limited	1	England and Wales	Recovery of sorted metals
Eco Credits Limited	1	England and Wales	Environmental consulting activities
THG AUS Fulfilment PTY Limited	15	Australia	Fulfilment
THG Eco Ltd	1	England and Wales	Holding company
THG Ingenuity Germany GmbH	16	Germany	Online retailing
THG Experience Limited	1	England and Wales	Holding company
THG OnDemand Limited	1	England and Wales	Online retailing
THG OnDemand Netherlands B.V	20	Netherlands	Online retailing
THG OnDemand US LLC	13	USA	Online retailing
THG Ingenuity General Trading LLC	22	UAE	Holding company
THG Icon CP PropCo Limited	1	England and Wales	Holding company
City A.M. Limited	1	England and Wales	Financial and business newspaper

Registered offices:

- Icon 1 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom, WA15 0AF.
- 2nd Floor, Charter Place, 23/27 Seaton Place, St Helier, Jersey, JE1 1JY.
- PO Box 296, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 4NA.
- 73 rue Sainte-Anne, Paris, France.
- 79060, Ukraine, Lviv, Naukova str. 7D, office No. 305.
- ul. Magazynowa 1, 55-040 Magnice, Poland.
- 06-101, WeWork 115 Broadway, New York, NY 10006, USA.
- DLA Piper Tokyo, 2-1-1 Marunouchi, Chiyoda-ku, Meiji Seimei Kan 7F, Tokyo, 100-0005, Japan.

- Monte Equinza 30 Bajo Izquierda 2810, Madrid, Spain.
- Room 204-10, Tower 2, 38 Debao Road, China (Shanghai) Pilot Free Trade Zone.
- R Hortas de Fanares 30 Loja Esquerda 2725-326 Mem Martins, Portugal.
- Jebel Ali Free Zone, Dubai, UAE.
- 300 Creekview Road, Suite 209, Newark, New Castle, 19711.
- 111 Fieldcrest Avenue, Edison NJ 08837.
- C/O Azure Group PTY Ltd, Suite 20.01, Level 20, 133 Castlereagh Street, Sydney NSW 2000, Australia.
- Maximilianstrasse 5480538 Munich.
- 100 Tras Street, #16-01 100AM, 079027, Singapore.
- 203, 2nd Floor, Time Tower, Gurgaon Haryana, India.
- Office F-31, Hamood Abdulla Ismail Alyasi – Port Saeed, Dubai, UAE.
- FAO NTREE, De Boelelaan 30 1083 HJ Amsterdam, The Netherlands.
- Office 350, 1st floor Onyx Business Office Building al Khabeesi Deira Dubai, UAE.
- Office 1105-102, The Offices at IBN Battuta Gate, Dubai, UAE.
- c/o Intertrust (Sweden) AB, Box 16285, 103 25 Stockholm.
- Rawlinson & Hunter Singapore – 30 Cecil Street, #18-02 & 03, Prudential Tower, Singapore 049712.

Subsidiary audit exemptions

The below subsidiaries have taken the exemption from an audit for the year ended 31 December 2024 permitted by s479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company THG PLC has given a statutory guarantee, in line with s479C of Companies Act 2006.

Name	Company number
Ensco 818 Limited	7459909
Lookfantastic Group Limited	5381562
Illamasqua (Holdings) Limited	6116121
El Spa Holdings (UK) Limited	9317257
Make Money Limited	5880897
THG Intermediate Holdings Limited	12526036
Lookfantastic.com Ltd	3519634
Mankind Direct Limited	4112104
Cend Limited	4067712
THG Shared Services Limited	13515579
The Protein Lab (UK) Limited	8491800
THG Nutrition Limited	13400484
Gadbrook Limited	9867117
Lookfantastic London Limited	6338404
Mama Mio Distribution Limited	7721655
Fair Juice Limited	6494686
Beauty Trend UK Limited	7569585
THG International Limited	10523712
Illamasqua Limited	6301971
Primavera Aromatherapy Limited	2053064
M Beauty Limited	5850964
THG 100 KING STREET LIMITED	12938227
Cend International Limited	8651475
ESPA International (UK) Limited	2742156
Acheson & Acheson Limited	2764368
Great John Street Hotel Limited	7973960
THG Beauty Limited	13400467
THG Luxury Limited	13515580
Media Ark Limited	6127322
Ameliorate Skincare Limited	3427037
THG Trustee Limited	10511000

Notes to the consolidated financial statements continued

28. Subsidiary undertakings continued**Subsidiary audit exemptions** continued

Name	Company number
THG Intermediate OpCo Limited	12297092
David Berryman Holdings Limited	10392135
Claremont Ingredients Ltd	2817306
David Berryman Ltd	2185279
Perricone MD Cosmeceuticals UK Limited	6471993
Lookfantastic Franchising Limited	5382066
Lookfantastic Salons Limited	6310534
Mama Mio Limited	5251791
Brighter Foods Limited	8815259
Cult Beauty Limited	6195011
Bike Kit Limited	8317188
The Hut Holdings Limited	7002848
THG Finco PLC	15788663
Exante Diet Limited	7126424
1010 Products Limited	3402920
Myvitamins Limited	8179216
THG Shelfco Limited	13120197

29. Post balance sheet events**Discontinued operations**

On 17 September 2024 the Group announced that it was progressing options for the demerger of THG Ingenuity from the Group into an independent private company. To effect the demerger Shareholder approval was sought to the business set out in the circular which was made available to Shareholders on 28 November 2024, with Shareholder approval being obtained on 27 December 2024. The Company therefore believed that it was highly probable that the transaction would complete within 12 months of the date of the announcement and thus THG Ingenuity was classified as a disposal group held for distribution and discontinued operations from that date. The demerger successfully completed on 2 January 2025.

As required by IFRIC 17, a dividend liability has been recognised at the balance sheet date for the accounting fair value of THG Ingenuity. The delta between the net assets and the accounting fair value will be recognised within adjusting items within the FY25 financial statements (at the date of demerger). For further information please see note 12.2 to the financial statements.

Equity placing and equity raise

On 27 March 2025 the Company announced that, following an oversubscribed equity fundraise, it would receive gross proceeds of £90m, comprising £22m raised from the equity placing and an equity contribution of £68m from Matthew Moulding structured by way of a convertible loan. As subsequently announced on 31 March 2025, Matthew Moulding transferred 23,327,894 voting Ordinary Shares to the placing book to satisfy demand from new and existing investors in the fundraise. Further details on the change in Matthew Moulding's holding in Ordinary Shares between 31 December 2024 and the date of signing can be found in the 'Directors' shareholdings (audited)' section of the Annual Report on Remuneration. Post year end, 68,527,697 new Ordinary Shares were issued and a convertible loan of £68m has been recognised.

Refinancing

On 4 April 2025 the Company announced the completion of its debt refinancing through to 2029. As part of a plan to delever, an 'amend and extend' refinancing was agreed that reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in October 2025. The undrawn RCF totals £150m and has also been extended to 2029. The reduction in facilities was partially funded by the equity placing and equity raise referred to above. Additional liquidity was also obtained through asset backed lending facilities.

The demerger of THG Ingenuity will materially reduce the cash outflows of the Group with substantial reductions in lease commitments (c. £20m cash cost per annum) and capex requirements which, in turn, mean that the Group requires smaller banking facilities. There are no key covenants attached to the Term Loan B or Term Loan A facilities which are drawn down. Covenants attached to the RCF are linked to net debt leverage and only become effective when the facility is drawn above a certain level, which is not anticipated to occur on test dates.

Company statement of financial position

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	5	5,000	541,303
		5,000	541,303
Current assets			
Receivables	6	1,582,356	1,599,654
Assets held for distribution	7	501,331	—
Cash		47,860	52,112
		2,131,547	1,651,766
Payables: amounts falling due within one year	8	(514,962)	(7,320)
Net current assets		1,616,585	1,644,446
Total assets less current liabilities		1,621,585	2,185,749
Provisions for liabilities	9	(689)	—
Net assets		1,620,896	2,185,749
Capital and reserves			
Called-up share capital	10	8,219	7,072
Share premium		2,117,148	2,024,824
Merger reserve		615	615
Capital redemption reserve		523	523
Loss for the year		(173,572)	(16,288)
Retained earnings		(332,037)	169,003
Total Shareholders' funds		1,620,896	2,185,749

The financial statements on pages 187 to 193 were approved by the Board of Directors on 28 April 2025 and were signed on its behalf by:

Damian Sanders Chief Financial Officer Registered number: 06539496

Company statement of changes in equity for the year ended 31 December 2024

	Ordinary Shares £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	6,903	2,024,452	615	523	152,280	2,184,773
Loss for the year	—	—	—	—	(16,288)	(16,288)
Issue of Ordinary Share capital	169	372	—	—	—	541
Share-based payment	—	—	—	—	16,723	16,723
Balance at 31 December 2023	7,072	2,024,824	615	523	152,715	2,185,749
Balance at 1 January 2024	7,072	2,024,824	615	523	152,715	2,185,749
Loss for the year	—	—	—	—	(173,572)	(173,572)
Issue of Ordinary Share capital	1,147	92,324	—	—	—	93,471
Share-based payment	—	—	—	—	16,579	16,579
Dividend in specie	—	—	—	—	(501,331)	(501,331)
Balance at 31 December 2024	8,219	2,117,148	615	523	(505,609)	1,620,896

Notes to the Company financial statements

1. Accounting policies

The principal accounting policies have been applied in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and are detailed below. The policies have been applied consistently throughout both the current and preceding year.

a. Basis of preparation

The Company financial statements have been prepared in accordance with United Kingdom's Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), and in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The loss for the financial year in the financial statements of the Company is £173.6m (2023: £16.3m). The financial statements have been prepared on the historical cost basis.

In accordance with FRS 101, the Company has taken advantage of the following disclosure exemptions:

- Company cash flow statement and related notes;
- disclosures required by IFRS 2 Share-based Payments;
- disclosures required by IFRS 7 Financial Instrument Disclosures; and
- disclosure of Related Party Transactions.

There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Company's financial statements.

There are no standards, interpretations or amendments to IFRS that have been issued but are not yet effective that are expected to have a material impact on the Company's financial statements.

b. Taxation and deferred taxation

Current tax including UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

c. Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The most significant financial asset relates to an intercompany debtor, representing funding requirements within the Group. Management have considered all aspects of IFRS 9 with respect to recognising the appropriate value of this financial instrument at the balance sheet date, including credit risk, and have concluded that this has not adversely changed since initial recognition.

d. Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

e. Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Where equity-settled share-based payments are granted to the employees of subsidiary companies, the fair value of the award is treated as a capital contribution by the Company and the investments in subsidiaries are adjusted to reflect this capital contribution.

f. Share-based payments

The Group operates share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Company.

The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an increase to investments in the statement of comprehensive income. The total charge is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions along with taking account of any equity instruments that may have been cancelled or modified in the period. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Note 7 in the consolidated financial statements details the schemes in place.

g. Dividends received

Dividends received from subsidiaries are recognised in the statement of comprehensive income when the right to receive payment is established, unless the equity method is used, in which case the dividend is recognised as a reduction of the carrying amount of the investment.

h. Dividend liability

The dividend liability is measured at the fair value of the assets to be distributed at the date the distribution is approved. The liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised directly in equity. On settlement, the difference between the carrying amount of the asset distributed and the amount of the dividend liability is recognised in profit or loss.

Financial Statements

Notes to the Company financial statements continued

1. Accounting policies continued**i. Critical accounting judgements and key sources of estimation uncertainty****Critical accounting judgements****Impairment of investments**

The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is any indication of impairment in accordance with the accounting policy set out in note 1 of the consolidated financial statements. The Company considers impairment of its investments in subsidiaries by estimating the recoverable amounts of its investments. In performing this assessment, management have considered the cash flows at a group consolidated level adjusted for applicable intercompany borrowings and external borrowings held at a subsidiary level, consistent with the impairment review for the Group's goodwill. See note 5 for more information. Note 11 in the consolidated financial statements details the assumptions used together with an analysis of the sensitivity to changes in key assumptions which could impact the Group level assessment. There are no critical assumptions in respect of the parent level adjustments which would reasonably change to the overall assessment performed.

Key sources of estimation uncertainty**Recoverability of intercompany receivables**

The Company uses estimates to determine the recoverability of amounts due from its subsidiaries. Under IFRS 9, the carrying amounts of receivables from other Group subsidiaries are required to be assessed for recoverability on a forward-looking basis through the recognition of an expected credit loss ("ECL") provision. This requires the estimation of loss given default ("LGD") and probability of default ("PD") to compute the ECL, which is deemed to reflect the risk over recoverability of intercompany debtors. The Group external credit risk ratings have been used as the primary measure of PD. Management consider this to be a reasonable metric of the Company as a result of the funding arrangements in place and as these ratings provide an independent view as to financial health and market sentiment, including the impact of macroeconomic factors. Other sources of internal and external information are also used in determining the final PD applied, including financial forecasts, financing arrangements and an assessment as to significant changes in credit risk and default events of each borrower.

Valuation of dividend liability

The dividend liability, included within payables: amounts falling due within one year, is measured at the fair value of the assets to be distributed at the date the distribution is approved. Determining the appropriate valuation required judgement, including assessing the fair value of the business based on comparable transactions, market conditions, and internal financial projections. Refer to note 12.2 of the THG PLC Group notes to the consolidated financial statements for management's detailed considerations in respect to this matter.

2. Employee costs and numbers

	2024 £'000	2023 £'000
Short-term employee benefits	993	961
Social security costs	187	137
Pension costs	2	1
	1,182	1,099

The average number of employees during the year was three (2023: three).

3. Auditor remuneration

Amounts paid to the Company's auditor are disclosed in note 5 of the Group's consolidated financial statements.

4. Dividend received

A dividend was received from the Company's immediate subsidiary to reflect the receipt of the investment of THG Ingenuity in advance of demerger:

	2024 £'000	2023 £'000
Dividend received	501,331	—

5. Fixed asset investments

Fixed asset investments comprise investments in subsidiary undertakings.

	2024 £'000	2023 £'000
At 1 January	541,303	524,580
Additions – share based payments	16,579	16,723
Additions – dividend received (note 4)	501,331	—
Transfer to assets held for distribution (note 7)	(501,331)	—
Impairment	(552,882)	—
At 31 December	5,000	541,303

An impairment of £552.9m has been recognised in respect of fixed asset investments. The recoverable value for the investment in THG Intermediate Holdings Limited was determined with reference to the recoverable amount of the Group's trading entities, utilising the forecasts applied as part of Group goodwill impairment assessments. The Group uses a 5-year discounted cash flow (DCF) approach for each of the businesses and this has been used as the starting position for the amount available for distribution to the parent.

Appropriate adjustments have been made to these DCFs to determine the cash flows available to support the Group's investments including deducting amounts receivable from the investment group, adding cash held in the investment group and deducting amounts payable by the investment group to settled it's external financing facilities.

This recoverable value has then been compared to the investment carrying values resulting in an impairment of £552.9m. The impairment arose as a result of the removal of THG Ingenuity from the recoverable amount of the investment following the planned demerger and separate presentation of THG Ingenuity along with the impact of the performance in THG Nutrition. Given the mathematical workings and limitations of a 5-year DCF model under IAS 36 these changes have led to an impairment charge in the year.

6. Receivables

	2024 £'000	2023 £'000
Trade and other receivables	3,260	3,004
Amounts owed from Group undertakings	1,547,499	1,564,437
Unpaid share capital	26,335	26,685
Corporation tax asset	2,368	2,486
Other taxation and social security	715	1,080
Prepayments and accrued income	2,179	1,962
	1,582,356	1,599,654

Amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand. The current amount includes amounts of £1,547.5m (2023: £1,564.4m) due on demand but expected to be settled after one year. This amount is net of an Expected Credit Loss allowance of this amount of £11.0m (2023: £8.9m).

At 31 December 2024, there were 159,293,306 fully vested, but partly paid and unlisted Shares (31 Dec 2023: 160,392,591). The average amount of unpaid share capital per fully vested but partly-paid and unlisted Share is £0.17 (2023: £0.17) representing a receivable to the Group of £26.3m (2023: £26.7m). The movement in the year is all due to certain fully vested but partly paid and unlisted Shares being paid-up and converted to Ordinary Shares. The amount is included within receivables as this is repayable on demand.

7. Assets held for distribution

The following investment is held for distribution, being the investment within THG Ingenuity which was demerged on 2 January 2025:

	2024 £'000
At 1 January	—
Transfer from fixed asset investments (note 5)	501,331
At 31 December	501,331

Financial Statements

Notes to the Company financial statements continued

8. Payables: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	4,598	1,697
Accruals and deferred income	8,588	5,488
Other taxation and social security	133	135
Onerous contract (note 9)	312	—
Dividend liability	501,331	—
	514,962	7,320

A dividend liability has been recognised for the accounting fair value of the asset held for distribution at 31 December 2024 in THG Ingenuity which was demerged on 2 January 2025. More details are included within note 12.2 of the THG PLC Group notes to the consolidated financial statements.

The Directors, in accordance with their duties and the relevant provisions of the Companies Act, determined the sufficiency of the Company's distributable reserves up to and including the date of completion of the demerger of THG Ingenuity on 2 January 2025.

9. Provisions for liabilities

	Onerous contract £'000	Total £'000
At 1 January 2024	—	—
Created	1,001	1,001
At 31 December 2024	1,001	1,001
Current (note 8)	312	312
Non-current	689	689

During the year the implementation of a payroll ERP system was aborted, as such being identified as an onerous contract. As a result, a one-off provision has been recorded to reflect these unavoidable costs associated with fulfilling the contract. The Group classifies these expenses as adjusted items, as they do not represent costs incurred in the normal course of business.

10. Share capital and reserves

THG PLC is a public company limited by shares and incorporated in England and Wales. It has a standard listing on the London Stock Exchange and is the holding company of the Group. The Company has nine classes of shares: Ordinary Shares of £0.005 each, all of which are fully paid; B Shares of £0.005 each, all of which are fully paid; D1 Shares of £0.005 each; D2 Shares of £1 each, all of which are fully paid; E Shares of £0.005 each; F Shares of £0.005 each; G Shares of £0.005 each; Deferred 1 Shares of £0.005 each, all of which are fully paid; and Deferred 2 Shares of £0.005 each.

As at 31 December 2024, the Company's issued share capital comprised:

Class	2024 Number	2023 Number	Nominal value £ each
Ordinary Shares	1,322,058,529	1,299,700,302	0.005
B Shares	204,081,632	—	0.005
D1 Shares	56,082,651	56,082,651	0.005
D2 Shares	17,066	17,441	1.000
E Shares	48,605,750	48,944,593	0.005
F Shares	26,715,453	27,014,247	0.005
G Shares	16,885,866	17,267,066	0.005
Deferred 1 Shares	323,059	317,613	0.005
Deferred 2 Shares	21,563,860	21,563,860	0.005
	1,696,333,866	1,470,907,773	

During the financial year ended 31 December 2024, the following share conversions took place in respect of pre-IPO employee share schemes:

(i)	2,339 Ordinary Shares were converted from 742 F Shares and 1,597 G Shares	(xvi)	16,000 Ordinary Shares were converted from 16,000 F Shares
(ii)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xvii)	209,440 Ordinary Shares were converted from 28,786 E Shares and 180,654 G Shares
(iii)	16,878 Ordinary Shares were converted from 16,878 E Shares	(xviii)	14,105 Ordinary Shares were converted from 14,105 E Shares
(iv)	8,717 Ordinary Shares were converted from 3,524 F Shares and 5,193 G Shares	(xix)	13,095 Ordinary Shares were converted from 13,095 G Shares
(v)	103,867 Ordinary Shares were converted from 42,474 E Shares, 24,483 F Shares and 36,910 G Shares	(xx)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares
(vi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
(vii)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares	(xxii)	1,000 Ordinary Shares were converted from 1,000 E Shares
(viii)	14,096 Ordinary Shares were converted from 14,096 F Shares	(xxiii)	17,620 Ordinary Shares were converted from 7,048 F Shares and 10,572 G Shares
(ix)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxiv)	8,000 Ordinary Shares were converted from 8,000 G Shares
(x)	65,000 Ordinary Shares were converted from 65,000 F Shares	(xxv)	2,000 Ordinary Shares were converted from 2,000 E Shares
(xi)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares	(xxvi)	15,326 Ordinary Shares were converted from 15,326 F Shares
(xii)	26,337 Ordinary Shares were converted from 10,572 F Shares and 15,765 G Shares	(xxvii)	80,000 Ordinary Shares were converted from 24,255 E Shares and 55,745 F Shares
(xiii)	20,869 Ordinary Shares were converted from 20,869 E Shares	(xxviii)	4,452 Ordinary Shares were converted from 1,855 F Shares and 2,597 G Shares
(xiv)	3,000 Ordinary Shares were converted from 3,000 E Shares	(xxix)	35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
(xv)	13,215 Ordinary Shares were converted from 5,048 F Shares and 8,167 G Shares	(xxx)	35,055 Ordinary Shares were converted from 14,096 F Shares and 20,959 G Shares
		(xxxi)	185,476 Ordinary Shares were converted from 185,476 E Shares
		(xxxii)	50,395 Ordinary Shares were converted from 27,792 F Shares and 22,603 G Shares

Following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Company, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024. These B Shares were redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025. Further information on the demerger and the B Shares is included within the circular that was made available to Shareholders on 28 November 2024.

11. Related Party Transactions

The Company has taken exemption under FRS 101 not to disclose transactions with wholly owned subsidiary companies.

Additional Information

Alternative performance measures (“APMs”)

The Group tracks a number of alternative performance measures in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these alternative performance measures, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

These alternative performance measures should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial information relating to the Group, which are prepared in accordance with IFRS. The Group believes that these alternative performance measures are useful indicators of its performance.

However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

Profit-related APMs frequently exclude significant recurring business transactions (e.g. restructuring charges and acquisition-related costs) that impact financial performance and cash flows.

The Audit Committee has reviewed the overall presentation of APMs to ensure that these are not given undue prominence, challenged the nature and amount of adjusting items and evaluated the reconciliations used by Management.

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:

- It is a significant item.
- It has been directly incurred as a result of acquisition-related restructuring and integration costs, transportation, delivery or fulfilment costs in relation to a one-off event or as part of the outcome of the strategic review or divisional reorganisation.
- It is unusual in nature or linked to a one-off agreement signed outside of the normal course of business.

Purpose

The Group uses APMs to improve the comparability of information between reporting periods, either by adjusting for uncontrollable factors or special items which impact upon IFRS measures.

Their use is driven by characteristics particularly relevant to THG:

- Adjustments to operating profit – the Group has a significant non-current asset base and consequently incurs a high proportion of depreciation and amortisation. APMs are used to provide adjusted measures for users of the financial statements to evaluate our operating performance.
- One off events - such as the demerger and completion of the strategic review have led to adjusted items which management do not consider reflect the ongoing underlying results of the Group.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Purpose
Adjusted gross profit	Gross profit	<ul style="list-style-type: none"> – Depreciation – Amortisation See following pages for reconciliation.	To show gross profit before depreciation and amortisation charged due to its nature to aid comparability.
Adjusted distribution costs	Distribution costs	<ul style="list-style-type: none"> – Adjusted items – Depreciation and amortisation See following pages for reconciliation.	To show distribution costs before adjusted items and depreciation and amortisation charged due to their nature to aid comparability.
Adjusted administrative expenses	Administrative expenses	<ul style="list-style-type: none"> – Adjusted items – Depreciation and amortisation – Share-based payments See following pages for reconciliation.	To show administrative expenses before adjusted items and depreciation and amortisation charged due to their nature to aid comparability.
Adjusted amortisation	Amortisation	<ul style="list-style-type: none"> – Amortisation on acquired intangibles (Adjusted items) See following pages for reconciliation.	To show amortisation before the impact of the amortisation of acquired intangibles to aid comparability.
Adjusted operating profit	Operating profit	<ul style="list-style-type: none"> – Adjusted items 	To show operating profit before adjusted items due to their nature to aid comparability.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Purpose
Adjusted EBITDA	Operating profit	<ul style="list-style-type: none"> – Adjusted items – Depreciation and amortisation – Share-based payments – Other operating expense – non-cash loss on disposal freehold assets See the Chief Financial Officer's Review for a reconciliation.	EBITDA is a useful measure for investors because it is a measure closely tracked by Management to evaluate THG's operating performance and to make financial, strategic and operating decisions and may help investors to understand and evaluate, in the same manner as Management, the underlying trends in operational performance on a comparable basis year on year. Share-based payment costs are added back, following the launch of the share-based payment scheme in the year, and Management consider these to be outside of the underlying day-to-day operations. Given the material size of these charges they are removed from underlying Adjusted EBITDA.
Pre-demerger EBITDA	Operating profit	<ul style="list-style-type: none"> – Adjusted items – Depreciation and amortisation – Share-based payments – EBITDA from discontinued categories See following pages for reconciliation.	To disclose adjusted EBITDA as this would have been reported before the demerger occurred.
Post-demerger Adjusted EBITDA	Operating profit	<ul style="list-style-type: none"> – Adjusted items – Depreciation and amortisation – Share-based payments – EBITDA from discontinued categories – Discontinued operations – THG Ingenuity See following pages for reconciliation.	To disclose adjusted EBITDA as this will be reported following the demerger from FY25 onwards.
Free cash flow	Cash flow	<ul style="list-style-type: none"> – Debt (repayments)/proceeds – Acquisition cash flows – In respect of FY 2023, a cash receipt remitted from HMRC to the Group Refer to note 25 for further detail.	Free cash flow is a useful measure that is closely tracked by Management in order to evaluate and assess the profitability of the business. The free cash flow calculation is routinely reviewed by Management and forms the basis of strategic decisions made in respect of working capital management.
Net (debt)/cash before lease liabilities	Cash	<ul style="list-style-type: none"> – Loans and other borrowings – Foreign exchange (retranslate debt balance at swap rate where hedged by foreign exchange derivatives) – Lease liabilities See the Chief Financial Officer's Review for a reconciliation.	To show the cash balance after the deduction of the loans and other borrowings balances but before lease liabilities are deducted and after retranslation of debt balance at swap rate. This measure is tracked by Management when reviewing liquidity and the indebtedness of the Group which is then used to drive any strategic or acquisition-related decisions.
Net debt	Cash	<ul style="list-style-type: none"> – Loans and other borrowings – Foreign exchange (retranslate debt balance at swap rate where hedged by foreign exchange derivatives) See the Chief Financial Officer's Review for a reconciliation.	To show the cash balance after the deduction of the loans and other borrowings balances and after retranslation of debt balance at swap rate. This measure is tracked by Management when reviewing liquidity and the indebtedness of the Group which is then used to drive any strategic or acquisition-related decisions.

Additional Information

Glossary

The definitions set out below apply throughout this document, unless the context requires otherwise.

Term	Meaning	Term	Meaning
2022 AGM	the annual general meeting of the Company held on 10 June 2022	Admission	the admission of the Ordinary Shares to both the standard listing segment of the Official List of the FCA and the London Stock Exchange's main market for listed securities, which took place on or around 16 September 2020
2024 AGM	the annual general meeting of the Company held on 24 June 2024	AGM	the annual general meeting of the Company that will be held on 25 June 2025
2023 Annual Report	the Annual Report and Accounts of the Company in respect of the financial year ended 31 December 2023	Annual Report	this Annual Report and Accounts of the Company in respect of the financial year ended 31 December 2024
2018 Code	the UK Corporate Governance Code (July 2018), published by the FRC and applicable to financial years beginning prior to 1 January 2025	AOV	Average Order Value
2024 Code	the UK Corporate Governance Code (January 2024), published by the FRC and applicable to financial years beginning on or after 1 January 2025	ASP	Average Selling Price
2030 Sustainability Strategy	the Group's Sustainability Strategy, THG x Planet Earth, for a better, sustainable future with targets centred around three key priorities: (i) protecting climate and nature; (ii) strengthening our supply chain and circularity; and (iii) empowering people and communities	Articles of Association	the Articles of Association of the Company, as adopted by special resolution on 9 September 2020
Active Customers	customers who have purchased at least once within the period	B2B	business to business
Adjusted EBITDA	the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments, SaaS change in accounting policy and adjusting items as detailed in note 4 of the financial statements contained within this Annual Report	Bentley	Bentley Laboratories LLC, an innovative developer and manufacturer of prestige skincare and haircare products that was acquired by THG on 15 June 2021
Pre-demerger Adjusted EBITDA	the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments, adjusting items and discontinued categories in respect of THG Beauty, THG Nutrition and THG Ingenuity net of central costs	Board	the board of directors of the Company from time to time
Post-demerger Adjusted EBITDA	the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments, adjusting items and discontinued categories in respect of THG Beauty and THG Nutrition net of central costs	Board Committees	the Company's Board-constituted committees i.e. the Audit Committee, the Nomination Committee, the Related Party Committee, the Remuneration Committee, the Risk Committee and the Sustainability Committee, and "Board Committee(s)" means any, or a combination, of them as the context requires
		B Shares	following the receipt from certain Shareholders of valid elections to participate in the demerger of THG Ingenuity from the Group, 204,081,632 Ordinary Shares were redesignated as B Shares on 30 December 2024, and these B Shares were subsequently redesignated as Deferred 1 Shares upon completion of the demerger on 2 January 2025 (further information on the demerger and the B Shares is included within the circular that was made available to Shareholders on 28 November 2024)

Term	Meaning	Term	Meaning
Chair or Independent Chair	Charles Allen, Lord Allen of Kensington, CBE, independent non-executive chair of the Company, appointed on 22 March 2022	D2C	direct to customer
Chief Executive Officer or CEO	Matthew Moulding, the Company's Chief Executive Officer and co-founder	Deferred 1 Shares	the deferred 1 shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
Chief Financial Officer or CFO	Damian Sanders, the Company's Chief Financial Officer	Deferred 2 Shares	the deferred 2 shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
Chief Operating Officer or COO	John Gallemore, the Company's former Chief Operating Officer and co-founder	Dermstore	Dermstore LLC, the pure play online prestige skincare business that was acquired by THG on 2 February 2021
Code	the 2018 Code or the 2024 Code, as the context requires	Directors	the directors of the Company from time to time and "Director" means any one of them
Companies Act	the Companies Act 2006 (as amended from time to time)	Disclosure Guidance and Transparency Rules or DTRs	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time)
Company	THG PLC, a public limited company incorporated in England and Wales with registered number 06539496, whose registered office is at Icon 1, 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom WA15 0AF	EDI	equity, diversity and inclusion
Company Secretary	James Pochin, the Company Secretary of THG PLC	Employee Incentive Plan	the employee incentive plan that was put in place during the financial year ended 31 December 2022 and under which Ordinary Share awards are made to certain key employees below the level of the Executive Leadership Team
Constant currency	without taking into account fluctuations in the exchange rate; therefore showing the figures as if the exchange rate remained constant	ESCC category	the equity shares (commercial companies) category of listing pursuant to UKLR 1.5.1
Covid-19	the disease caused by Severe Acute Respiratory Syndrome Coronavirus 2, responsible for the global pandemic that has impacted the Group's operations	ESG	environmental, social and corporate governance factors which are non-financial and are used in assessing the sustainability and societal impact of the Group and its value chain
Cult Beauty	Cult Beauty Limited, the UK-based online beauty retailer of prestige and emerging independent brands that was acquired by THG on 3 August 2021	EU	the European Union
D1 Shares	the D ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association	E Shares	the E ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
D2 Shares	the D ordinary shares of £1.00 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association	Executive Leadership Team	collectively, those individuals holding executive management positions within the Company

Additional Information

Glossary continued

Term	Meaning	Term	Meaning
Executive Directors	the executive directors of the Company from time to time, being the Chief Executive Officer and the Chief Financial Officer at the date of this Annual Report, and "Executive Director" means any one of them	LTIP	any long-term incentive plan operated by the Company from time to time
EY or External Auditor	Ernst & Young LLP, the Group's statutory auditor	M&A	mergers and acquisitions
FCA	the Financial Conduct Authority	Management or Senior Management	the direct reports of the Executive Leadership Team
FMCG	fast moving consumer goods	NEDs	the non-executive directors of the Company from time to time, and "NED" means any one of them
FRC	the Financial Reporting Council	Notice of Meeting	the notice of AGM circulated to Shareholders on or around the date of posting of this Annual Report
F Shares	the F ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association	NPD	new product development
GAAP	Generally Accepted Accounting Principles	Official List	the FCA's list of securities that have been admitted to listing
GDPR	the General Data Protection Regulation (EU) 2016/679	Ordinary Shares	means the voting ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association
General Counsel	James Pochin, the General Counsel of the Company	Perricone MD	Perricone MD, the US prestige skincare brand that was acquired by THG on 29 September 2020
GHG	greenhouse gas or greenhouse gases, as the context requires	Propco Group	Moulding Capital Limited (formerly Kingsmead Holdco Limited), a company incorporated in Guernsey (registered no. 51762), whose registered office is at PO Box 296, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 4NA ("Propco"), and its subsidiaries from time to time, which together hold certain property assets that are used or occupied by THG under leases between the relevant Group company and the relevant subsidiaries of Propco
Group or THG	the Company and its subsidiaries and subsidiary undertakings from time to time	Propco Transaction	the sale of the Propco Group prior to Admission to Moulding Group Limited (formerly FIC Holdings Limited), which is wholly owned by Matthew Moulding, the CEO
G Shares	the G ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association	RCF	revolving credit facility
H1 2024	the six-month period from January 2024 to June 2024	Related Party Transaction	a transaction, arrangement or relationship in respect of which the Company, or any of its subsidiaries, will be a participant and where any related party has a direct or indirect interest
H Shares	the H ordinary shares of £0.005 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association		
IAS	International Accounting Standards		
IFRS	International Financial Reporting Standards		
IPO	the initial public offering of Ordinary Shares by the Company in September 2020		
KPI	key performance indicator		
London Stock Exchange	the London Stock Exchange PLC or its successor		

Additional Information

Term	Meaning	Term	Meaning
Remuneration Policy	the Shareholder-approved policy which sets out the remuneration arrangements for Directors (as amended from time to time)	THG Luxury	the Company's luxury fashion retail included within the THG Beauty business which was sold during 2024
SaaS	software as a service	THG Nutrition	a key business of the Company relating to nutritional products, commerce and distribution
SBTi	the Science Based Targets initiative, the global body enabling businesses to set emissions reduction targets in line with climate science	THG OnDemand	the Company's business unit offering personalisation and customisation to a range of consumers via online platforms – this business unit was sold during FY 2023
Section 172	section 172 of the Companies Act which relates to the duty of a company's directors to promote the success of the company	THG Studios	the Company's business unit which produces digital content and included within the THG Ingenuity business
Sedex	Supplier Ethical Data Exchange	Transition category	the equity shares (transition) category of listing pursuant to UKLR 1.5.1
Shareholder	a holder of Ordinary Shares	UK Listing Rules or UKLRs	the rules published by the FCA, as contained in the UK Listing Rules sourcebook (as part of the FCA Handbook), laying down minimum requirements for the admission of securities to the Official List and the continuing obligations of listed issuers
Shares	together the Ordinary Shares, B Shares, D1 Shares, D2 Shares, E Shares, F Shares, G Shares, H Shares, Deferred 1 Shares and Deferred 2 Shares or any, or a combination, of them as the context requires	YoY	year on year
SID	the Board's senior independent NED, currently Sue Farr who was appointed on 24 April 2023		
TAM	Total Addressable Market		
TCFD	the Task Force on Climate-related Financial Disclosures, a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes		
THG Beauty	a key business of the Company relating to beauty products, commerce and distribution		
THG Eco	the Company's sustainability solutions business		
THG Experience	the prestige event and experience venues included within the THG Beauty business in support of the Group's influencer marketing		
THG Ingenuity	The Hut.com Limited, a company incorporated in England and Wales with registered number 05016010, whose registered office is at Icon 1, 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom WA15 0AF		

Notes

THG PLC

(Company number: 06539496)

Icon 1

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Ringway, Altrincham

UK

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