TORTILLA

ANNUAL REPORT & ACCOUNTS 2024


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STRATEGIC REPORT

AT A GLANCE

> *THE TORTILLA BRAND IS SYNONYMOUS WITH AN ENERGETIC, VIBRANT CULTURE AND GREAT VALUE FOR MONEY.*
>
> *- Brandon & Jen Stephens, Founders*

Tortilla Mexican Grill plc ("Tortilla", "the Group") is the largest and most successful fast-casual Mexican restaurant business in the UK.

The Group was founded in 2007 by Brandon Stephens. Originally from California, Brandon arrived in London in 2003 to find a gap in the market for quality burritos and tacos. He responded by establishing Tortilla, with a mission to offer customers freshly prepared, customisable and authentic Californian-inspired Mexican food.

Fast-forward to the end of 2024, and we've grown to:

117
SITES WORLDWIDE

- 65 Group-operated Tortilla sites
- 3 Group-operated Chilango sites
- 7 UK franchise sites (SSP Group plc)
- 5 UK franchise sites (Compass Group plc)
- 10 franchise sites across the Middle East
- 13 Group-operated Fresh Burritos sites across France
- 14 France franchise sites

OUR BRAND

Tortilla is more than a meal – it's an experience. Bold, vibrant, and full of flavour, we turn everyday eating into something customers genuinely look forward to.

Our fresh customisable menu hits the sweet spot between health, convenience and craveability – all delivered with a playful vibe that sets us apart in the fast-casual space.

This is a brand people don't just choose – they return to. Scalable, relevant, and emotionally resonant, Tortilla is built for long-term growth in a market hungry for exactly what we offer.

OUR OFFER IS DEFINED BY:

CRAVEABILITY
Because nothing hits like a burrito.

SPEED & CONVENIENCE
A service style that's built for speed.

VALUE FOR MONEY
Big on flavour, bigger on portions – we serve generosity by the scoop.

FRESHNESS
Made fresh daily in our kitchens – no shortcuts, just real food.

PERSONALISATION
From healthy to hearty, with millions of ways to make it yours.

INNOVATION
Limited edition menu drops keep it fresh and culturally relevant.

CHAIR'S STATEMENT

I am pleased to say 2024 has been a year of significant progress for Tortilla, marking a return to sector outperformance in the UK and laying the foundation for growth across Europe, with the acquisition of Fresh Burritos, the largest burrito business in France and the second largest in Europe behind Tortilla.

Andy Naylor took over as CEO in March 2024, and launched the Vital Five strategy. This plan focuses on five key pillars to strengthen our position as Europe's largest fast-casual Mexican chain.

Our Vital Five are:

1. Improve UK profitability
2. Invest in brand to drive growth
3. Invest in team and tech
4. Double down on franchise
5. Develop brand internationally

The management team have put in place the foundations of the Vital Five Strategy over the last twelve months, with those efforts yielding positive early results. While there is more work to be done, the Board expects to see these efforts increasingly contribute to sales and profitability over the course of 2025.

> *"2024 WAS A YEAR OF PROGRESS, DRIVEN BY A NEW STRATEGY, AND A RENEWED FOCUS ON FOOD, AMBIENCE, TECHNOLOGY AND BRAND AWARENESS."*
>
> *- Emma Woods, Chair*

SPECIFIC ACHIEVEMENTS DURING 2024

1. REVITALISING OUR UK OPERATIONS

Against a challenging backdrop of declining volumes across the sector over the last 24-months, the team fixated on in-store volume growth. We are pleased to report that by the end of the year Tortilla's UK business returned to year-on-year volume growth. Moreover, we took the strategic decision to slow down UK openings and directed significant efforts towards enhancing profitability, including a focus on improving the performance of our short tail of loss-making stores.

A crucial contributor to in-store volume growth has been an obsessive focus on our food offering. We conducted a comprehensive strategic food review which, combined with considerable investment in equipment at both the stores and our Central Production Kitchen, resulted in improvements to every core topping across the menu as well as the highly popular introduction of quesadillas at lunchtime. Other efforts included our first kids-meal offering and a significant ramp-up in the number of limited-time-offer campaigns, which have proven to be strong drivers of footfall and sales.

Another key focus area for management in 2024 was driving brand awareness, particularly outside of London where awareness is not as strong. While further work is required in 2025, we saw an increase in prompted brand awareness from 18% to 19%[1] in 2024.

In anticipation of the conversion of the Fresh Burrito stores in France to Tortilla branded stores, in 2024 we undertook Tortilla's first brand refresh since 2010 alongside an overhaul of our interior design, resulting in a more contemporary and purposeful design than our current store fitouts. We look forward to showcasing this new design in France and as part of a broader UK store refresh project.

2. INTRODUCING EFFECTIVE TECH

In 2024, we successfully piloted self-ordering kiosks, which have proven to increase sales and efficiency. Encouraged by these results, we are now implementing kiosks out more widely, alongside continued improvements to the overall customer experience.

We also launched our first loyalty app, which has been well-received by customers and is driving repeat purchases. Both initiatives represent important investments in our long-term strategy, and we look forward to refining and expanding these technology-driven growth levers in the years ahead.

3. INVESTMENT IN TEAM AND CULTURE

We have implemented a new internal development framework to create clear career paths for our employees, alongside leadership training and the introduction of the "Burrito Masters" competition to foster a sense of camaraderie and excellence in our stores. These efforts have led to higher employee satisfaction and reduced turnover, strengthening Tortilla's position as an employer of choice.

4. STRENGTHENING OUR FRANCHISE PARTNERSHIPS

2024 also marked a year of growth in our franchise operations with our UK franchise partners SSP and Compass opening four new stores in aggregate. A key milestone was the five-year extension of our development agreement with SSP, which will see us more than double the number of SSP sites in the UK over the coming years.

[1] *YouGov PLC April 2025*

5. EXPANDING INTERNATIONALLY

Establishing a foothold in continental Europe has been a critical priority for Tortilla for years, as part of our long-term strategy to be the leading fast-casual Mexican operator throughout Europe. To this end, after an extensive review of several options, we acquired the second largest burrito business in Europe after Tortilla, Fresh Burritos in France, in July 2024. This acquisition provided us with 13 company-owned stores in prime locations across Paris and other major French cities, as well as the franchise rights to a network of 18 franchised locations. Our objective is to convert the majority of our company owned stores to the Tortilla brand in 2025. While we purposefully delayed the conversions to finalise the aforementioned brand refresh and new interior design in order to launch the brand properly in France, we unfortunately had further delays from France's notoriously challenging local planning approval processes and timelines. The conversion of the Fresh Burritos stores to Tortilla is the last step in our integration of the Fresh Burritos business, with the Tortilla food offering now live in all owned stores following the launch of our 14,000 sqft Central Production Kitchen in Lille earlier in 2025.

BOARD CHANGES

As part of our ongoing transformation, we saw key changes at the Board level in 2024. Andy Naylor transitioned from CFO to CEO in April 2024, taking the reins from Richard Morris, who stepped down after a decade at the helm.

In early 2025 we also said goodbye to Quilvest Capital Partners, a global private equity firm that has been an investor in Tortilla since 2011, together with Loeïz Lagadec who served ably as a Non-Executive Director since 2021. As part of this significant change we welcomed Auctor Group, a technology holding company, as our largest shareholder; and were pleased to announce that Usman Ali, Managing Partner at Auctor, took on a role as Non-Executive Director on the Tortilla Board. This appointment further emphasises Tortilla's strategic focus on technology as one of our Vital 5 growth pillars.

2025 – YEAR 2 OF VITAL 5

WITH KEY FOCUS BEING DRIVING GROWTH IN THE UK AND CONVERTING THE FRENCH STORES

In conclusion, 2024 was a year of progress, driven by a new strategy, and a renewed focus on food, ambience, technology and brand awareness. The progress we have made has shored-up key areas of the business, put in place foundational building blocks to drive the Vital Five, and given us confidence in our future prospects. The Board is excited about the opportunities that lie ahead.

As we step into 2025, we will be leveraging the positive momentum generated last year to continue to drive profitable growth in the UK. Whilst in France, we will see the final step in the acquisition of Fresh Burritos, with Tortilla finally establishing a long-awaited foothold on the continent, paving the way for expansion across Europe.

EMMA WOODS
CHAIR
20 MAY 2025

CHIEF EXECUTIVE OFFICER'S STATEMENT

As the Chair's report has highlighted, 2024 was a year of significant progress and I am pleased with the momentum the business is building.

I took over as CEO in April 2024 and my first priorities were UK in-store like-for-like sales (LFL[1]) which improved from a 6% decline in March 2024 to 6% growth by year-end, and our UK profitability which rose from £4.6m in 2023 to £5.2m in 2024 ("Adjusted EBITDA").

Secondly, we began expanding into Europe with the Fresh Burritos acquisition in France last summer.

This progress was an output of the first year of 'Tortilla's Vital 5' strategy:

1. Improve UK profitability
2. Invest in brand to drive growth
3. Invest in team and tech
4. Double down on franchise
5. Develop brand internationally

I have explained below the focus area for each pillar.

1. IMPROVE UK PROFITABILITY

Our UK restaurant margin improved by 2 percentage points last year, as we made progress in improving our profit conversion year-on-year by becoming more efficient and strengthening our purchasing power and supplier relationships. A key focus has been securing long-term supply contracts to protect margins in an uncertain environment with rising costs. In response to significant labour cost inflation, we have also taken steps to reduce unproductive labour in our stores by automating certain processes at the central kitchen. UK profitability also benefitted by the increased in-store like-for-like sales as the year went on, and renegotiation of our delivery strategy. As we move through 2025, we will continue to benefit from these cost-saving initiatives while we keep driving profitability through volume growth.

2. INVEST IN BRAND TO DRIVE GROWTH

As the Chair report highlights, we have reconsidered all our core menu items, testing new approaches to improve our recipes. This has resulted in the introduction of our new asado chicken, along with recipe adjustments to our beans, salsas and slow-cooked proteins to enhance quality, flavor and the overall eating experience. Additionally, we have also invested in new cooking equipment for our quesadillas, enabling us to serve them all day in under 60 seconds – something that previously took about five minutes and was only available after 2pm. This led to our "ditch the sandwich" campaign offering quesadillas at a competitive entry price point to increase visit frequency and attract new customers.

We have also introduced limited-time-offers (LTOs) and brand collaborations to generate excitement around our food and engage both our customers and excited our teams. This strategy has been successful so far and something we plan to expand on in 2025 and beyond.

As well as stronger food, in 2024, the Group has made progress in our marketing efforts, focusing on driving customers through our doors through brand collaboration, monthly influence specials, and targeted events. The launch of our new loyalty app in August has enabled us to continue to provide generous offers to our loyal customers and also direct targeted marketing to increase visit frequency and raise the average order value. By year-end we had 79,000 loyalty customers.

One of the standout moments was National Burrito Day in April 2024, where we gave away free burritos and bowls to both new and existing loyalty members. Following the success in 2024, this was repeated in 2025 and became an even bigger success with our app ranked number one in Food and Drinks category and number two in all UK free apps (just behind Chat GPT). The event reached a 6.9m audience via press, and we added 62,000 new users to our loyalty app during the event. This is a great achievement and an important future sales driver, as our active loyal users visit our stores more frequently and tend to spend 5% more than the average customer. We now have 196,000 loyalty users, and we will continue to engage with our loyal customers offering them new incentives and rewards while working to attract new users to sign up to the app.

3. INVEST IN TEAM AND TECHNOLOGY

Technology has played a crucial role in our growth this year. In 2023, we opened our first self-ordering kiosk site in London Wall, located in the City of London's financial district. After seeing strong results and some further pilot site testing, we expanded to 11 new kiosk sites in 2024, with another 20 planned for 2025. The customer feedback has been positive as the kiosks help reduce the waiting time during busy periods, ensure a smoother flow of customers, and allow customers to browse our menu at their own speed. This has resulted in both increased volume and higher average order values, with kiosk sites seeing more than 10 percentage points improvements in like-for-like sales compared with pre-kiosk installation and versus non-kiosk stores. As we roll out further kiosks in 2025, we are also further refining the customer journey to ensure it is as seamless as possible from a customer point of view.

As mentioned above, we also launched our first loyalty app in August, which includes features like referral schemes, notifications and order-ahead functionality. The app not only enhances the customer experience but also allows us to target specific loyalty groups directly, such as lapsed users, to drive greater visit frequency - an important part of our growth strategy.

[1] defined as the percentage change in like-for-like sales compared to the previous year.

In addition, we implemented a new internal data warehouse and business intelligence tool to improve data quality and speed up analysis and report creation. This has enabled us to make more informed decisions, stay agile, and respond quicker to changes in market conditions and consumer behaviour.

Another key priority has been to make Tortilla an employer of choice. This year, we hired a new Head of Learning and Development and introduced an internal development framework to provide clear career paths. We also launched "Burritos Masters", a fun competition across stores to recognise and celebrate the best burrito roller in the company, highlighting the hard work and dedication of our store teams. In addition, I have worked with the rest of the Executive team to increase face-to-face touchpoints with store managers through quarterly business updates, and regular social events. These efforts, coupled with all food news, have had a positive impact on company culture, and our employees now feel more connected and prouder to work at Tortilla. This is reflected in our high employee engagement scores in our Employee Engagement Survey (97.7% completion rate, with an overall engagement of 79%, up from 45% in 2023), and a significant reduction in staff turnover, down to 90% in 2024 from 119% in 2023, and with our most recent rolling 12-month turnover rate end of Q1 2025 at 84%.

We are also committed to promoting diversity, equality and inclusion, ensuring that all employees feel valued and respected, regardless of their background. This is demonstrated by that over 50% of our workforce is non-British, 51% of our management roles are filled by women, and nearly half of our team is under 25.

We are also proud of the steps we have taken to reduce our environmental impact and work towards our ESG targets. During the year Tortilla installed a state-of-the art 60.68kWP solar PV system at our UK central production kitchen, which will lead to a reduction of 11 tonnes of carbon a year. Furthermore, the Group also implemented an AI powered solution to manage plugged-in devices, resulting in a 32% reduction in energy consumption in our plugged-in devices during a successful trial at ten sites. This has now been rolled out across the full estate, and we expect significant improvements in energy efficiency and sustainability, with the full impact to be seen in 2025.

4. DOUBLE DOWN ON FRANCHISE

Franchising is a key element of our business strategy and will play an even greater role in our growth as we expand into new markets. Our straightforward operating model is well-suited for franchising due to offering flexibility in site format, a simple kitchen setup and a central production food model that ensures consistent high-quality food and an efficient labour structure without reliance on chefs. In addition, our established brand, purchasing power and investment in marketing and food development provide valuable support to our franchisees.

In 2024, we were pleased to further strengthen our relationship with our existing UK franchise partners, SSP Group ("SSP") and Compass Group ("Compass"). With SSP, we focus on expanding within travel hub locations, and with Compass, we target higher education campuses across the UK. These sites have continued to perform well with strong like-for-like sales growth (SSP +5% LFL sales). In 2024, SSP opened three new sites, with a further two opened in the first quarter of 2025 and more planned for later in the year. Compass opened one site during the year. I am especially pleased that in September 2024, we were able to sign a new five-year development agreement with SSP, which will see the number of sites double over the duration of the contract to a minimum of 18 Tortilla units.

Alongside this, our Middle East franchise business with Eathos has also performed strongly, with +23.5% like-for-like sales in 2024, giving us confidence to explore further franchise opportunities in the region. We have opened two new sites in the Middle East in 2025 YTD, with another one planned for this year in Abu Dhabi.

Following the acquisition of Fresh Burritos, we now have a franchisee network in France. With the strategically placed new central kitchen in Lille, we see significant growth potential for further franchise expansion in mainland Europe as we leverage our position as Europe's largest fast-casual Mexican restaurant brand.

5. DEVELOP TORTILLA INTERNATIONALLY

In the summer of 2024, we completed the strategic acquisition of Fresh Burritos, the second largest fast-casual Mexican restaurant group in Europe and the largest in France, for a total consideration of €3.95m (£3.34m). This acquisition was an immense step forward in our international expansion plans and to further strengthen our franchising strategy. We acquired 13 company-owned leasehold restaurants, in prime locations across Paris and other major French cities, as well as the rights to the Fresh Burritos brand and a network of 18 franchise locations at point of acquisition.

Since the acquisition, we have been focused on building a local team in France, currently led by our French Managing Director, Gilles Boehringer, who previously served as VP of Development & Franchise for KFC France. In addition, we introduced a new central production kitchen in Lille, which became fully operational in February 2025, now serving both our own and franchise stores. At nearly three times the size of our UK central kitchen, it enables us to produce consistent food at scale for the European market.

With the central kitchen now up and running, our focus for 2025 will be to roll out our new and refreshed store design in France. This will involve converting the majority of our own Fresh Burritos stores to Tortilla stores throughout the year with the first few planned for late summer.

While the UK will always be the heart of Tortilla, this acquisition gives us an important footfall in France and provides a solid platform for expanding our franchise network across Europe. We will update our shareholders with any significant developments as they arise.

CURRENT TRADING AND OUTLOOK

We continue to see steady year-on-year profit improvements in the UK, leveraging on our 2024 initiatives. Although the market in 2025 continues to be soft due to challenging macro-economic conditions, our UK LFL sales for Q1 2025 showed promising growth at +5.9%, outperforming the wider restaurant sector by 8 percentage points. We remain confident that our investment in food, technology and marketing will continue to support robust LFL sales growth going forward and we confirm that the full year outlook for the UK is in line with management expectations

Since year-end we have opened four stores with our franchise partners: two in the UK (Liverpool Street station and Victoria station) in partnership with SSP, and two in the Middle East (Silicon Central Mall and Circle Mall) through Eathos.

In France, our team has worked hard to get the central production kitchen in Lille up and running, and we are pleased to now be serving both company-owned and franchise stores with food prepared in the CPK. Last year, we made the strategic decision to pause the conversion and rebranding of our Fresh Burritos stores as we embarked on a comprehensive brand and interior design refresh. While this initiative was intended to ensure we launched the brand properly in France, we have encountered unforeseen delays due to the complex planning approval processes in France, which means on average a couple of months delay in uplift in sales per store compared with our previous market guidance. We are however pleased to announce that we are now poised to begin the conversion of our French stores to Tortilla with the first conversions scheduled to commence towards the end of the summer. With the enhanced brand identity and improved store designs, we are confident in our ability to achieve our long-term goals in the French market.

I am incredibly proud of what we have accomplished over the past year, from the progress made in the UK to the expansion through our franchise partners, and the strategic acquisition of Fresh Burritos, which has provided us with an important springboard into mainland Europe. With our food offering now better than it has ever been, and exciting technology developments in progress, I am looking forward to what 2025 and beyond will bring.

ANDY NAYLOR
CHIEF EXECUTIVE OFFICER
20 MAY 2025

> "WITH THE STRATEGICALLY PLACED NEW CENTRAL KITCHEN IN LILLE, WE SEE SIGNIFICANT GROWTH POTENTIAL FOR FURTHER FRANCHISE EXPANSION IN MAINLAND EUROPE AS WE LEVERAGE OUR POSITION AS EUROPE'S LARGEST FAST-CASUAL MEXICAN RESTAURANT BRAND."
>
> *- Andy Naylor, CEO*

KEY STRENGTHS

Through continuous innovation, we work hard to maintain high standards in all aspects of business. Over the past few years, the following elements have proven areas of particular strength.

OUR PRODUCTS

Tortilla has developed a great reputation for its freshly prepared, customisable, value-for-money product range of burritos, tacos, salads and quesadillas. This has enabled us to appeal to a wide demographic, maintaining our loyal customer base and generating further customers as we grow. Our defining characteristics also align with forecasted consumer trends and preferences, providing a positive outlook for the future.

By offering great value-for-money, we have successfully expanded operations across the UK and France and are able to charge a minor delivery premium (to address delivery commission costs) while remaining highly competitive.

EMBRACING SECTOR TRENDS

The Tortilla Group observes and embraces key consumer trends, flexing our products, services, and formats to capitalise on growing demand and maintain relevance in a rapidly changing market. Our offering thus adheres to the dominant demands driving our sector, which include:

- **Healthy eating** – packed with rice, beans, vegetables and plant-based options, our menu suits those seeking healthy fast-casual food
- **Fresh and high provenance** – our freshly prepared food is from high quality, responsible sources communicated with full transparency to the consumer
- **Convenience** – Tortilla food is available in-store, via takeaway or delivery, ensuring maximum options for optimum convenience, and reaching more customers than ever before via our multi-channel strategy
- **Customisation** – a wide range of options enable customers to tailor their Tortilla meal to their preferences and dietary requirements
- **Ethnic food** – Tortilla's authentic Mexican style food caters to consumers' growing interest in ethnic food

FLEXIBLE BUSINESS MODEL

Much of the Group's success can be attributed to our ability to adapt, flexing our business model quickly and effectively to suit circumstances and locations.

Our flexibility is driven by three key factors of our business model:

- Trading strength across eat-in, takeaway and delivery channels
- Ability to trade in small units and without extraction
- Value-for-money offering that appeals to diverse customers including students, local residents and office workers

In contrast to similar fast-casual restaurant businesses, Tortilla has achieved significant geographical diversification throughout the UK – in terms of both presence and sales. Over half of our estate and nine of our top twenty selling stores are located outside of London, covering a wide range of sites including shopping centres, high streets, residential areas, and transport hubs. We are adept at scouting and identifying the best format for new locations.

Moreover, our scalable central infrastructure, currently a 5,500 square foot Central Production Unit ("CPU") in Tottenham Hale, and 14,000 square foot in the newly opened Central Production Kitchen in Lille, France, provides cost advantages over our direct competitors, the flexibility to increase its size in tandem with our growth strategy and the assurance that product quality remains consistent across all sites.

MARKETING STRATEGY

Through our clearly defined multi-channel marketing strategy, the Group has built and maintained a loyal and diverse customer base. The launch of our new loyalty app in 2024 has enabled us to not only continue to provide generous offers to our loyal customers but also use direct marketing to increase visit frequency and raise the average order value.

The Group focuses on driving customers through the doors through brand collaboration, monthly influence specials, and targeted events.

With a large proportion of customers in the younger age demographic (aged 16-34), we achieve significant engagement via social media and our vast influencer network drives widespread engagement across the most popular social media platforms, sharing bite-size videos reaching millions of views.

STRONG LEADERSHIP

Tortilla's senior Management team continues to excel in its ability to deliver strong and sustainable growth. Under the stewardship of an experienced Board of Directors, our team has continued to execute Tortilla's growth strategy effectively, taking full advantages of opportunities as they arose and conducting all activity with kindness, integrity and ownership.

We focus on hiring the best people at all levels and work hard to propagate our strong culture and values throughout the organisation.

Our Board and senior Management team regularly visit stores and speak with teams and guests to ensure a strong connection between corporate objectives and on-the-ground practice.

COST EFFECTIVE HIRING MODEL

The simplicity of Tortilla's food means that recipes and methods are straightforward, and managers can train those with limited experience to high levels of competency within a short time period. We can therefore focus on hiring those with the values and behaviour we seek, enabling us to maintain our culture and avoid the negative impact of any potential market staff shortages.

This also helps us to hire from within our stores' local communities, reducing travel time and cost for employees.

PROPERTY PORTFOLIO AND STRATEGY

At the end of 2024, the Group had 117 sites worldwide: 68 UK sites we operate ourselves (65 Tortilla, three Chilango), 7 UK sites franchised to SSP Group, 5 UK sites franchised to Compass Group, 10 franchised sites in the Middle East, 13 French sites we operate ourselves, and 14 franchised sites in France. The Group's property portfolio is entirely leasehold.

Within the UK, the Group's portfolio of sites is well diversified with respect to locations, with 32 sites within the M25 area and 36 sites outside of it. Three of Tortilla's top ten stores (by profit) are located outside of the M25. As customers of fast-casual operators tend to be primarily impulsive purchasers, sourcing locations with high footfall is a critical part of boosting brand awareness and generating sales.

TORTILLA'S PROPERTY PORTFOLIO

The Group's success is driven by our proven property strategy with flexibility across site locations and formats. We generally target locations ranging from 60 square metres to 200 square metres. The estimated capital expenditure per site (excluding delivery-only kitchens) ranges from £375,000 to £500,000 (excluding landlord contribution) depending on the size of the unit, site condition and store front requirements.

The Group aims for a 30% minimum target investment hurdle for its return on capital employed. Our sites are primarily located in high street areas, residential locations, shopping centres and transport hubs as these high footfall locations provide seven-day trade with lunch and dinner availability, helping the brand appeal to a wider range of consumers and trade throughout the day.

NEW SITES

New sites have historically been a core driver of Tortilla's development. Tortilla opened eight sites in 2014, and five/six sites per year in 2015, 2016 and 2019, but slowed this rollout in 2017 and 2018 as rents did not provide the necessary value at that time. Understandably, site openings slowed in 2020, but we accelerated our pipeline by opening seven sites in 2021 (four bricks and mortar and three delivery kitchens) along with two new SSP Group franchise units. 2022 was a record year for growth with a total of 18 additions to the estate. Growth continued in 2023 with the addition of 6 Tortilla sites, and one SSP Group franchise unit. In 2024 we increased our UK portfolio with a further five sites, one Tortilla site and four franchise sites, whilst we also expanded internationally by the acquisition of Fresh Burritos in France which included 13 company own stores, and the franchise rights to fourteen stores at year end.

New sites will continue to play a key role in our targeted growth trajectory, and the Board see the strategic merit in accelerating our growth through existing and new franchising partnerships and are evolving the mix of new openings to focus more heavily on franchising whilst we take a more targeted approach on the rollout of own stores, focusing on Grade A locations where the brand has high awareness. We are still in line with our IPO growth aspiration, having doubled our rollout commitment in 2022.

ENTRANCE INTO EUROPE

In July 2024, the Group acquired the French Burritos business, marking the beginning of Tortilla's journey into mainland Europe. The acquisition of 13 company-owned stores in prime locations across Paris and other major cities, as well as a network of 14 franchised locations at year end, enables Tortilla to reach a strong footfall in France. These stores are planned to be converted to Tortilla stores, strengthening our brand awareness and paving the way for global recognition of the Tortilla name.

Earlier in 2025 we launched a new Central Production Kitchen in Lille, which has enabled Tortilla's food offering to be made in our French stores. The new Lille kitchen is 3x the size of our existing facility in the UK, placing us in a strong position for future growth, and acting as a springboard into other European countries.

> "WITH OUR FOOD OFFERING NOW BETTER THAN IT HAS EVER BEEN, AND EXCITING TECHNOLOGY DEVELOPMENTS IN PROGRESS, I AM LOOKING FORWARD TO WHAT 2025 AND BEYOND WILL BRING."
>
> *Andy Naylor, CEO*

CHIEF FINANCIAL OFFICER'S REVIEW

GROUP FINANCIAL KPI SUMMARY

	2024	2023	Change
Revenue	**£68.0m**	£65.7m	+ 3.5%
Gross profit margin	**76.6%**	77.3%	- 0.7% pts
Administrative expenses	**£53.3m**	£50.1m	+ 6.4%
Net loss after tax	**(£3.3m)**	(£1.1m)	+ 204%
Cash generated from operations	**£10.5m**	£9.9m	+ 5.8%
Alternative performance measures ("APMs")			
LFL revenue growth	**(0.1)%[1]**	3.6%[2]	- 3.7% pts
Adjusted EBITDA (pre-IFRS 16)[3]	**£4.5m**	£4.6m	- 2.0%
Net cash/(debt) (pre-IFRS-16)[4]	**(£5.7m)**	(£1.3m)	- 335%

[1] *defined as the percentage change in like-for-like sales compared to 2023*

[2] *defined as the percentage change in like-for-like sales compared to 2022*

[3] *defined as statutory operating profit before interest, tax, depreciation, and amortisation (before application of IFRS 16 and excluding exceptional costs) and reflects the underlying trade of the Group. UK reported an Adjusted EBTIDA of £5.2m (£4.6m in 2023), whilst France was (£0.7m)*

[4] *defined as cash and cash equivalents less gross debt. Calculated on a pre-IFRS 16 basis and so does not include lease liabilities*

REVENUE

Revenue increased 3.5% to £68.0m compared to £65.7m in 2023. This was attributable to the following:

- The addition of 13 company-owned sites in France from the acquisition of the Fresh Burritos Group.
- The addition of one new company-owned UK site, four UK franchise sites, and the annualisation of the 2023 openings. The Group remains ahead of its aim of opening 45 new sites across the five years following its IPO in October 2021.
- The inclusion this year of income generated from food sales made to franchise partners, rather than as a credit to our cost of sales. This adjustment contributed 1.1% to our revenue growth. The prior year impact of 0.9% has not been adjusted in the comparatives as this is not deemed to be material to the financial statements.
- An underlying 0.1% decline in in-store LFL across the estate driven in particular by a challenging Q1 which saw a -6% decline. This improved to growth of 6% in the last quarter following the renewed focus on an improved food offer, brand awareness and technology.
- A 11.2% decrease in LFL delivery sales, following the strategic decision to move improve delivery profitability by moving to dual-platform end of February 2024.

THE GROUP ACHIEVED AN ADJUSTED EBITDA (PRE-IFRS 16) IN 2024

£4.5M

GROSS PROFIT MARGIN

The Group achieved a gross profit margin in 2024 of 76.6% (2023: 77.3%). This 0.7% decrease was driven primarily by a -0.9% impact of the reclassification of the income generated by food sales made to franchise partners, as described above. There is also a -0.2% impact due to a lower margin achieved in France, as in 2024 the Group had not yet moved over to a central production kitchen. The underlying margin achieved in in-store sales in the UK improved by 0.5%, reflecting effective negotiations with the Group's main food suppliers.

ADMINISTRATIVE EXPENSES

Under application of IFRS 16, administrative expenses exclude property rents (except for turnover rent) and incorporate the depreciation of right-of-use assets.

Administrative costs increased by 6.3% year-on-year to £53.3m. Of this increase £4.4m (8.8%) is due to the acquisition of Fresh Burrito. The balance relates to increased UK costs due to the National Minimum Wage increase, higher business rates, and some investment in marketing to assist brand awareness.

Administrative expenses include exceptional items of £1.5m in 2024 (2023: £0.4m). In 2023 exceptional items primarily consisted of a new site planned which was subsequently aborted, and restructuring costs, while across 2024 £1.3m of costs are associated with the Fresh Burritos acquisition.

We also incurred an impairment charge of £1.4m in 2024 (2023: £0.3m), impacting 6 stores, which reflects tough market conditions. The discount rate used for the weighted average cost of capital (WACC) was 15.0% pre-tax (2023: 15.1%). See note 3 to the Financial Statements for more information.

Net loss after tax
Net loss after tax position is (£3.3m) (2023: £1.1m), an increase of 204%, which is primarily driven by the exceptional item costs related to the Fresh Burritos acquisition flagged above and impairment of some stores to bring them in line with their respective profitability.

ADJUSTED EBITDA (PRE-IFRS 16) (NON-GAAP)

The Group utilises Adjusted EBITDA (pre-IFRS 16) as the primary assessment metric of profitability. A reconciliation of this measure compared to profit from operations is below.

	52 weeks ended 29 December 2024 £	52 weeks ended 31 December 2023 £
(Loss)/profit from operations	**(1,186,504)**	**684,110**
Pre-opening costs	397,243	344,570
Share option expense	(45,393)	387,443
Depreciation and amortisation	8,762,397	8,155,815
Loss on disposal of fixed assets	126,690	40,746
Impairment	1,441,586	289,901
Exceptional items	1,522,532	437,756
FX loss	67,035	-
Non-trading costs	3,612	18,540
IFRS 16 adjustment*	(6,614,043)	(5,793,606)
Adjusted EBITDA (pre-IFRS 16)	**4,475,155**	**4,565,275**

**The IFRS 16 adjustment relates to the impact of IFRS 16 on rental expenses contained within administrative expenses.*

The Group generated £4.5m of Adjusted EBITDA (pre-IFRS 16), a total decrease of £0.1m compared to 2023. The £4.5m of Adjusted EBITDA in 2024 is comprised of £5.2m generated by the UK estate (+£0.6m vs 2023), offset by (£0.7m) generated by the France subgroup.

The increase in UK profitability reflects steadily improving LFL performance during the year aided by improvements to the food offer, and investment in technology, such as self-ordering kiosks and our loyalty app. It also reflects better profit conversion year-on-year through improved delivery economics, improvements in buying margins and focus on cost control. We believe this puts us in a strong position to continue to drive profitable growth in the UK in 2025.

Since the acquisition of Fresh Burritos, we have worked on stabilising the business operationally and are confident that following the launch of the central production kitchen and the conversion of the Fresh Burritos stores to Tortillas, the business will become profitable in 2026.

CASH FLOW AND LIQUIDITY

The core business remains highly cash generative with a 5.8% increase in cash generated from operations.

Working capital requirements are by nature low and are indeed negative, with cash from in-store customers received and recognised at the point of sale. Hence, trade and other receivables in the main relate to delivery partner receipts and landlord deposits. Trade and other payables relate to supplier credit terms, wages and utility accruals. Additionally, fast delivery times and Central Production Unit (CPU) efficiencies allow for low stock level requirements, meaning inventories are kept at a minimum. This negative working capital position should continue to grow in line with expansion plans.

Cash expenditure on property, plant and equipment increased by £0.5m largely due to the construction of our new Central Production Kitchen in Lille, France. This is offset by lower expenditure for the construction of new company-owned sites in the UK.

The acquisition of the Fresh Burritos group resulted in a net cash outflow of £1.4m. Further details are given in note 25 to the Financial Statements.

The Group is confident it can pay its current liabilities as they fall due, as consumers pay at the point of sale and the inventory is used before supplier payment is due. The Group also have an overdraft facility of £2.5m with Santander which can be utilised for any unforeseen events. The overdraft is part of and not in addition to the revolving credit facility referred to below.

FINANCING AND NET DEBT

The Group had cash balances of £2.8m on 29 December 2024, which translated to a net debt position of £5.7m (2023: net debt of £1.3m), excluding IFRS 16 lease liabilities.

The Group's £10.0m revolving credit facility (RCF) is held with Santander UK plc and comprises of a drawn balance of £7.2m at 29 December 2024 with a further £2.8m of undrawn facility available to the Group. £4.2m of the facility was drawn during 2024 in order to finance the Fresh Burritos acquisition.

The financing facility attracts interest at a rate of 2.75% above SONIA, subject to an upward-only ratchet based on increased net leverage levels and is secured until 14 September 2026.

A number of further facilities were brought into the Group as part of the Fresh Burritos acquisition, which is contributing £1.3m to the Group's net debt position at 20 December 2024. These comprise of 15 separate loan facilities held with French banking groups. See note 20 of the Financial Statements for further information.

SHARE BASED PAYMENTS

In 2024, the Group granted further Long-Term Incentive Plan ("LTIP") shares to the senior leadership team. Share-based payment credits of £0.05m were recognised in 2024 (2023: £0.39m) relating to the LTIP created as part of the Group's admission to the Alternative Investment Market ("AIM"). The small release in 2024 is driven by the reversal of the share-based payment charge relating to options forfeited in 2024.

Further details around vesting conditions are disclosed in note 8.

DIVIDEND

The Board did not recommend a dividend for 2024. The Group's capital will be focused on growth over the coming years with the dividend policy subject to re-assessment going forward.

GOING CONCERN

In assessing the going concern position of the Group for the consolidated financial statements for the year ending 29 December 2024 the Directors have considered the Group's cash flow, liquidity and business activities for a period of not less than twelve months from the date of approval of these financial statements.

During 2024, as mentioned above, the Group drew down £4.2m from the available debt facilities in order to finance the Fresh Burritos acquisition, and at 29 December 2024 has access to a further £2.8m of financing.

Management of the Group has prepared forecasts for a period of not less than twelve months from the date of approval of these financial statements, which include a base case and a downside case (with the latter incorporating management's quantification of realistic worst case scenarios). As part of the going concern assessment, these projections incorporate the effect of mitigating actions that might be necessary to maintain cash, facility and covenant headroom in adverse scenarios.

Upon consideration of these analyses and the principal risks faced by the Group, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis. The going concern policy is also reflected in note 2.6 of the financial statements.

MARIA DENNY
CHIEF FINANCIAL OFFICER
20 MAY 2025

DIRECTORS' DUTIES – S172 STATEMENT

The Directors are aware of their duties under Section 172(1) of the Companies Act 2006 ("CA06"), to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and forms the Directors' statement under section 414CZA CA06.

STAKEHOLDER ENGAGEMENT

The Board is fully committed to engaging with stakeholders and understands the importance of considering their differing interests when considering and making decisions. Stakeholder engagement plays a central part in the Group's purpose and strategy and will play a fundamental role in helping the Group achieve long term sustainable success. Whilst it will not always be possible to ensure a positive outcome for all stakeholders following Board decisions, the Board will always listen to and consider stakeholder views.

OUR KEY STAKEHOLDERS:

- Employees
- Suppliers
- Customers
- Local community and environment
- Shareholders

EMPLOYEES

STAKEHOLDER INTERESTS:

- Career progression
- Development opportunities
- Reward and recognition
- Health and safety
- Competitive benefits

HOW WE ENGAGE:

- In-store recognition
- Group's internal employee platform, Workplace
- Annual Group-wide conference
- Social events and quarterly business updates
- Assessment of employee engagement conducted annually
- Provision of an employee assistance programme for health and wellbeing
- Benefit portals Wagestream and Perkbox are accessible to all

SUPPLIERS

STAKEHOLDER INTERESTS:

- Long-term partnerships and fair pricing
- Ethical and sustainable trading
- Sourcing quality produce and higher welfare meats

HOW WE ENGAGE:

- Open dialogue regarding service levels and upcoming challenges/opportunities
- Regular price reviews and fair negotiations
- Menu development discussions

CUSTOMERS

STAKEHOLDER INTERESTS:

- High quality produce at a great price
- Consistency of food and service across the estate
- Customisable food offer
- Embracing new food trends

HOW WE ENGAGE:

- Digital and in-store marketing
- Customer loyalty program
- Feedback surveys
- New product development and limited time offers
- Brand collaborations
- Allergen and nutritional calculator tool
- Mystery diner programme

LOCAL COMMUNITY & ENVIRONMENT

STAKEHOLDER INTERESTS:

- Community resource
- Disposable packaging to be recyclable or bio-degradable
- Events

HOW WE ENGAGE:

- Where possible, hire from within the local communities where stores are based
- Paying competitive salaries and hourly rates
- Provision of safe and friendly space for the local community
- Tight supply chain with controls on sourcing packaging that is in line with our environmental standards

SHAREHOLDERS

STAKEHOLDER INTERESTS:

- Financial and operational performance
- Growth in Group
- Environmental, social and corporate governance

HOW WE ENGAGE:

- AGM, interim and annual reports
- One-to-one meetings
- Trading updates via RNS
- Corporate website

Approved by the Board on 20 May 2025 and signed on its behalf by:

MARIA DENNY, CHIEF FINANCIAL OFFICER

RISKS AND MITIGATION

The Board is ultimately responsible for ensuring that a robust risk management process is in place and that it is being adhered to. The Directors consider the following to be the principal risks faced by the Group:

GLOBAL POLITICAL AND ECONOMIC INSTABILITY

Risk: Political and economic instability affecting the company's operations, sales, profit, and cash flow. Factors such as the Russia-Ukraine war, Middle East conflicts, US tariffs, high inflation, and the economic downturn reduces customer confidence and spending, negatively impacting sales and profitability.

Responsibility: CEO / CFO

Mitigation: Tortilla's management closely follows and reviews political and economic developments and takes these into account in its operational planning.

To mitigate potential supply chain inefficiencies and costs arising from geopolitical tensions, Tortilla locks down 6-12 months contract for key ingredients, and hedge energy prices.

To mitigate against drop in sales due to lower consumer spend, Tortilla ensures the Group remains competitively priced and offer value for money to our customers.

FAILURE TO DRIVE DEMAND OF TORTILLA IN FRANCE

Risk: Expanding into a new country comes with risks such as cultural differences in consumer tastes, different regulatory and legal challenges, requirement to set up a new supply chain, local competition of more established known brands, economic and financial risks, lack of understanding of the local labour market, and ensuring brand consistency across markets.

Responsibility: CEO / CFO

Mitigation: Tortilla has set up a local team in France headed up by an experienced QSR Managing Director to ensure local understanding and support, and we are adopting the menu to appeal to the local customer.

Furthermore, a CPK has been built in Lille, France to supply the own and franchise stores in Europe, meaning we have similar control of the supply chain as in the UK.

From a brand position, our global marketing director is overseeing the brand message in Europe to ensure brand consistency, and we are investing in driving brand awareness within France.

OPERATIONAL COST CONTROL DEGRADATION

Risk: Poor operational controls and processes would lead to a degradation in Group margins.

Responsibility: CFO

Mitigation: The Group reviews and manages strict weekly budget controls. Our Financial and Operational teams work collaboratively to address any problems via weekly calls.

AVAILABILITY OF NEW SITES

Risk: Increased competition for new sites may cause increased rents/difficulty obtaining new prospects due to competitors outbidding the Group.

Responsibility: Property Director

Mitigation: The Group has a Property Director and is also using external resources for lease renewals and rent reviews. Additionally, the Group has a focus on growing other property prospects via franchised units working with SSP, Compass and Ethos, as well as new franchise partners in France.

DECLINE IN POPULARITY

Risk: Decline in customer demand for burritos/tacos and the wider Mexican cuisine could lead to declining sales.

Responsibility: Marketing Director

Mitigation: The Group has a strong focus on new product development and marketing activities to keep our product offering relevant with the customer base. Consumer trends are monitored and embedded into the proposition wherever possible. We aim to keep our prices as low as possible to retain our strong value-for-money proposition.

INPUT COST INFLATION

Risk summary: Inflated cost of ingredients, materials, fuels or transportation may increase input costs thus reducing profit margin.

Responsibility: CFO

Mitigation: We manage our supply chain in a highly detailed manner, adjusting to input cost pressures by either seeking alternatives (i.e. product swap out) or by increasing menu prices to offset impact. Furthermore, we manage commodity risk by locking in prices for six to twelve months where possible.

CPU BUSINESS CONTINUITY

Risk: Restaurants are reliant on sourcing certain food products from the CPU. Business disruption at this facility would impact the restaurants' ability to trade.

Responsibility: Director of Food

Mitigation: The Group have invested in strengthening the CPU Management team and created a working party to identify strategies for business continuity. The Group are also exploring expanding the unit in order to have capacity to grow the estate over the next 5 years. However with opening up a large CPK in Lille in France, the Group are now exploring how the CPUs can complement each other and also provide business continuity. The Group has an informal arrangement with Fresh Direct to prepare CPU products and continues to explore a process to formalise this. Furthermore, additional work with our key protein supplier has been undertaken to match our CPU products.

STAFF SHORTAGES

Risk: The Group's success depends on the retention of key personnel and our ability to recruit, retain and develop suitable personnel, including site managers and staff who serve customers. Any future shortages of qualified personnel or the Group's inability to recruit and retain such personnel could have a material adverse effect.

Responsibility: People Director

Mitigation: At restaurant level, the Group is well-protected from some of the more challenging recruitment difficulties in the industry. Due to the CPU / CPK, restaurants do not require significant specialised skills in the kitchens which means both back of house and front of house activities are easy to train and do not require experienced employees.

To recruit/train General Managers, we use a combination of internal resource and external recruitment resourcing, pay competitively, and provide structure development and opportunities to grow with the Group.

BRAND REPUTATIONAL DAMAGE

Risk: Reputation issues relating to any actual/perceived problems with our products (e.g. availability, quality, variety and value for money), customer services or the outsourced delivery (through Deliveroo), could subject the brand to reputational damage (such as adverse publicity, negative reviews/adverse social media commentary). Possible issues include food poisoning, unknowingly serving an allergen to a customer, or one of our franchise partners may fall below Group standards.

Responsibility: Marketing Director

Mitigation: Our Marketing team closely monitor social media channels and customers' feedback forms. Store managers sign store crisis management documents which are displayed in staff rooms to highlight procedure for identifying issues and responding to direct media contact. Our crisis communications plan, accessible for all Management staff, highlights our escalation process by severity of issue.

Food safety risk is mitigated by strict controls around the production and storing of food. Stores are audited both internally and by third party experts. The CPU maintains Safe And Local Suppliers Approval ("SALSA") accreditation and has full traceability systems. Our allergen procedure is built into core training procedures and both allergen and dietary information is held centrally. The Group avoids most serious allergens to lower risk further.

Franchising risk is mitigated by legal agreements that enforce the ability for the Group to exert control over the operations of the franchisee. We carry out regular audit visits to check franchisee standards, and products are all sourced from CPU / CPK ensuring quality.

ACCIDENTS AT WORK

Risk: The Group's employees and customers are at risk of accidents whilst working or visiting one of our sites.

Responsibility: COO

Mitigation: The Group maintains a strong training culture to ensure that staff can minimise the frequency of accidents at work. Furthermore, the Group insures this risk, reducing risk of financial exposure.

BRAND INFRINGEMENT

Risk: The Tortilla brand and its intellectual property (including trademarks) is key to our value. Damage to the brand or inability to protect intellectual property could have a material adverse effect.

Responsibility: Marketing Director

Mitigation: The Group has trademarked 'Tortilla' and 'Tortilla Pronto' so the intellectual property of both is legally covered. The Group uses an external monitoring service which watches any recently filed third party trademark applications and opposes any identified threats. With the acquisition of Fresh Burritos, the Group has also acquired the IP rights of the Fresh Burritos brand.

FAILURE OF CARD PAYMENT SERVICES

Risk: The Group depends on card payment providers as all of the Group's in store revenues are generated from customer card payments in the UK. Any temporary or sustained disruption in card payment processing services, resulting in the Group's failure to receive payments and/or the inability of customers to make card payments or use of other services, would have a significant negative impact on the Group's operations and its financial position. There is no guarantee that any such risk could be mitigated, whether through implementing a "cash-only" policy throughout the Group's estate or otherwise.

Responsibility: Technology Director

Mitigation: To minimise the risk, the Group has the following measures in place:

1. Two separate internet lines per sites with failover in operation between these should one encounter a problem
2. Each store has a 3G enabled mobile payment device that can be used in the case of an internet outage impacting both internet lines
3. The Group has the ability to return to taking cash payments should either of the above fail and could continue operating effectively in the short term.

Additionally certain payment gateways have begun allowing merchants to take offline payments once again (with the merchant accepting all risk). Investigation underway with Freedom Pay.

CYBER ATTACKS

Risk: The Group could be subject to a disruptive cyber-attack, resulting in systems being unavailable. Temporary or sustained disruption in card payment processing services could also result in the Group's failure to receive payments and/or customers to make card payments. This would have a negative impact on operations and financial position.

Responsibility: Technology Director

Mitigation: The Group's IT systems are managed by CloudMatters with the head office server backed up offsite daily and therefore, services could be restored within a shorter period. A full Disaster Recovery test was recently undertaken successfully restoring all data and services. Furthermore, the Operations team use Microsoft Sharepoint which is protected by Microsoft policies and is therefore considered low risk.

Recent enhancements to protect the business from cyber-attack/data breach include:

1. All domain login accounts are now protected with Multi Factor Authentication
2. All Group owned mobile devices protected by InTune Mobile Device Manager

SUPPLY CHAIN DISRUPTION

Risk: Unforeseen events such as swine flu or BSE could impair the Group's ability to source produce, causing an adverse effect on the Group's operations.

Responsibility: CFO

Mitigation: The Group uses an external consultancy with expert foresight of upcoming issues to manage supply chain issues. Issues are therefore flagged early, and resolutions found. The Group utilises low risk items which are easily sourced from alternative sources as they are not specialist in nature.

RELIANCE ON DELIVERY PARTNERS

Risk: Risk of over-reliance on delivery partners, a third-party channel which provides circa 25% of the Group's revenue. Industrial action by food couriers/staff at these businesses might result in an outage/impairment in offer. Tortilla might be inadequately supported by way of page positioning/marketing support and may lose customers.

Responsibility: CFO

Mitigation: The Group have lowered the risk of this by partnering with two brands (not just single platform) and by creating a commercial arrangement that contractually commits the delivery partners to extensive marketing commitments.

Furthermore, we have added a new role into the business (Director of Central Operations), to manage the delivery partners very closely. This keen focus on operational and marketing performance will help to de-risk.

PRICING IMPACTS

Risk: Risk of future price rises resulting in negative consumer sentiment and therefore impact future sales volumes.

Responsibility: CFO

Mitigation: Thorough review of competitors, both within Mexican fast-casual and other fast casual businesses. Price trial and testing before rollout to whole estate. Managed as per previous years.

CLIMATE-RELATED FINANCIAL DISCLOSURES

INTRODUCTION

Climate change is a major global concern fuelled by rising greenhouse gas levels.

Tortilla's operations as part of the food industry, contribute to greenhouse gas emissions through our supply chain, transportation, and food waste. We recognise the need to address this by actively adopting sustainable practices, reducing emissions, and prioritising responsible sourcing and we are committed to sustainable and responsible practices.

In response to this the Group have devised a three pillar strategy to tackle climate change, this strategy has naturally formed from all levels of operations and is deeply rooted within the business.

- **Invest:** The Group invests in and adopts innovative technologies that are more energy-efficient, environmentally friendly, and have lower carbon footprints. This includes upgrades to use cleaner energy sources, implementing energy-efficient processes, and incorporating renewable energy solutions. By embracing cutting-edge technologies such predictive ordering, kiosks and solar panels, the Group can reduce its overall emissions and improve operational sustainability.
- **Influence:** The majority of the Group's carbon emissions come from Scope 3 emissions, more specifically, the supply chain and consumers. Engaging with the supply chain and customers is crucial for a comprehensive emission reduction strategy.
- **Manage:** The Group has implemented measures to actively manage and reduce its existing emissions utilising employee training and ensuring best practises are followed.

Tortilla is now entering our second year embracing the Task force on Climate Financial Disclosures (TCFD) guidelines since establishment in 2023, and is continuing to develop good practices around addressing opportunities and challenges on our path to achieving Net Zero operations. The TCFD framework helps us integrate climate-related risks and opportunities into our assessments, spanning Scope 1 to Scope 3 emissions.

We confirm that we are compliant with the four TCFD recommendations and the 11 recommended disclosures set out in Figure 6 of Section B of the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' updated in October 2021 by the TCFD as well as the mandatory Companies (Strategic Report) Climate-related Financial Disclosure Regulations 2022 (SI 2022/31) (CFD).

The Group now includes several entities and thirteen stores in France; where available the TCFD has been updated and modelled to include France data and factors, namely the Scenario Analysis section. Due to the timing between acquisition and end of year, the majority of the revisions to factor in France stores will be included across 2025.

GOVERNANCE

The Group values strong leadership and transparent governance. Our Board is collectively responsible for setting our company's vision, strategy, and sustainability goals, and we are committed to upholding the Quoted Companies Alliance Corporate Governance Code (the QCA Code) for the highest standards of corporate governance. The Board is accountable and responsible for climate change on the business model and strategy. The Board exercise climate-related management and implementation through the Executive Management via the Chief Executive Officer (CEO).

BOARD OF DIRECTORS
Strategy and oversight

EXECUTIVE MANAGEMENT
Management and implementation

AUDIT COMMITTEE
Reviews internal controls and procedures

OPERATIONAL DEPARTMENT
Delivery

We have a robust governance structure in place to efficiently supervise the management of our key risks, encompassing both the challenges and opportunities arising from climate change. The Board conducts annual reviews of principal risks, recorded within the risk register, which incorporates climate change risks and opportunities, integrating them into the risk management protocols.

Executive Management conducts an annual comprehensive assessment to identify climate-related risks and opportunities that may impact the business this is recorded in the climate-related opportunity and threats report. This involves considering physical risks (e.g. poor crop harvest, sea-level rise), transition risks (e.g. policy changes, market shifts), and opportunities (e.g. renewable energy, sustainable products). Executive Management then engages with internal and external stakeholders, including heads of departments and external specialists, to gather diverse perspectives on climate-related issues. This helps in identifying risks and opportunities that might not be immediately apparent, see table 'Climate-related risks and opportunities' on page 25. This delivers a three level defence model where the CFO is the first line of defence, where the CEO has oversight, and are the second line of defence, and the Audit Committee is tasked with reviewing and improving and act as the third line of defence.

Governance summary for climate-related risks and opportunities

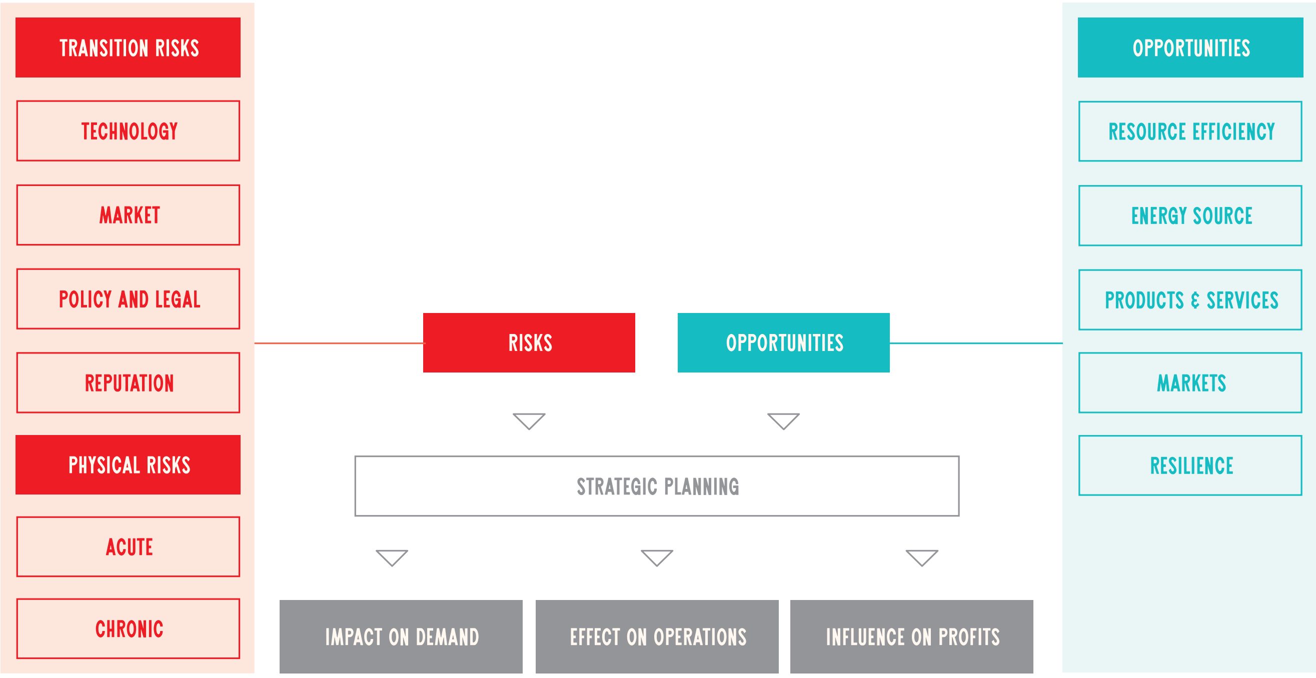
Board of Directors	Monthly	Exercises oversight over Tortilla's company's vision, strategy, and sustainability goals. Conducts annual reviews of principal risks, which incorporates climate change risks and opportunities, integrating them into the risk management protocols. Considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.
Executive Management	Monthly	The Chief Financial Officer bears the highest management-level responsibility for climate-related matters, overseeing the formulation, evaluation, and communication of the Company's Net Zero strategy, policies, and standards to the Board. Their duties encompass establishing and assessing progress toward key performance indicators (KPIs), evaluating climate-related risks, and overseeing associated opportunities. The Operations Director provides support to ensure the implementation of sustainability strategies, along with ongoing review of climate-related risks, controls, and mitigations.
Audit Committee	In line with Audit timing	Evaluates the adequacy and efficacy of the Group's risk management and internal control systems, including the potential impact of climate change, outcomes from the Group's scenario analyses, costs associated with achieving our climate Net Zero commitments, and their implications on the financial statements and associated disclosures.
Operational Departments	Ad hoc	Business Development Leaders hold responsibility for managing climate-related risks and opportunities within their respective regions supported by the Operational Departments. Climate considerations are an integral part of Tortilla's day-to-day operations and decision-making, ensuring a holistic approach to climate responsibility.

STRATEGY

APPROACH

To determine climate-related risks and opportunities for this year's Climate-related Financial Disclosures, our internal teams conducted both qualitative and quantitative risk assessments along with scenario analyses. These processes are an integral part of the risk assessment process, reflecting the Group's commitment to amalgamate climate risk into broader risk management approach.

In assessing materiality, the Group conducts a thorough analysis of risks and opportunities, evaluating them across three critical areas, their potential impact on demand, their effect on operations, and their influence on profits.



This structured approach allows for a comprehensive understanding of the significance of each factor, ensuring a strategic perspective in the determination of materiality. Risks and opportunities are prioritised based on their impact on each of the three critical areas and ranked on their overall collective impact.

IMPACT MATERIALITY

- **Low impact** - this demonstrates limited impact on profitability at Group level, no impact to operations
- **Medium impact** - moderate impact on profitability at Group level, little to no impact to operations
- **High impact** - material impact on profitability at Group level, impact on operations, the Group must apply mitigating actions

TIME HORIZONS

In assessing climate-related issues, the Group takes into consideration relevant short, medium, and long-term time horizons, acknowledging that these issues often manifest themselves over the medium and longer terms, and are aligned with the useful life of the organisation's assets and infrastructure.

S - Short-term (1-3 years)

M – Medium-term (3-5 years)

L – Long-term (5+ years)

The Group identified two milestones which best reflect periods of time to assess risk: three years is selected as this aligns with the useful life of the organisation's assets, whereas five years aligns with the Group Financial Model.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Impact Timeframe Materiality	Key impact on business	Mitigating actions
Transitional		
Carbon pricing - Increased pricing of GHG emissions		Policy and legal risks
S M L	• Carbon pricing would lead to increased operating costs for the Group. This could include higher energy bills, increased costs for transportation and food sourcing, and additional administrative costs associated with tracking and reporting emissions. • Write offs, asset impairment and early retirement of existing assets.	Current • In 2022 the Group prepared a Glidepath to Net Zero which highlights key areas where the Group can reduce their carbon footprint. • Work with suppliers to reduce emissions. Proposed • Offer more plant-based options to alleviate costs. • Cost of high emission products would be reconsidered within pricing strategy.
Increased reporting obligations		Policy and legal risks
S M L	• The Group may need to invest in systems and processes to accurately measure and report emissions, ensuring compliance with carbon pricing regulations. This could involve keeping track of energy consumption, waste, and transportation emissions. • New reporting requirements have been gradually introduced such as the ESG report and TCFD report.	Current • Introduced ESG report in FY2022 and TCFD in FY2023. Now reporting on annually. • Annual legislation horizon scanning. Proposed • Plan to introduce ESG committee in 2025.
Changing in customer preferences		Market risk
S M L	• Customers who are more environmentally conscious may seek out restaurants that offer sustainable and climate-friendly menu options. • The Group may need to reevaluate their sourcing and supply chain practices to align with customer preferences for environmentally responsible ingredients.	Current • Align with industry around data collection and supplier engagement (feedback response). Proposed • New sourcing requirements introduced gradually and in consultation with suppliers.
Increased material and energy costs		Market risk
S M L	• One of the most direct impacts is the increase in operating expenses. When the costs of ingredients, packaging, and energy rise, it can put pressure on The Group's profit margins. • Efficient supply chain management becomes crucial to control material costs.	Current • Half hourly electricity usage monitoring. • Regularly optimise Group operations to reduce waste, minimise inventory carrying costs, and streamline tasks. • Usage of external party to source supply chain which has a competitive price point. • Solar panels installed on CPU UK to reduce impact on energy costs. • Smart plugs introduced to give optimised energy allocation for plugged in devices. Proposed • Source supply chain which adheres to carbon requirements as well as a competitive price point.
Stakeholder concern - Risk of failure to align with customer expectations		Reputation risk
S M L	• Customers may appreciate restaurants that prioritise energy-efficient practices. Therefore, there is a risk of reduced revenue from a decreased demand of goods and services. • Customer preferences for environmentally responsible businesses can influence a restaurant's marketing and branding strategies.	Current • Net Zero by 2045. • Waste management – 100% zero waste to landfill since 2020. • Ethical sourcing and supply chain. • Sustainable packaging.

Physical

Extreme weather conditions - Increased severity of extreme weather events such as cyclones and floods — Acute risk

Time horizon	Risk	Mitigation
● S ● M ● L	• Extreme weather events such as hurricanes, snowstorms, or flooding can disrupt restaurant operations. Restaurants may need to close temporarily due to safety concerns or a lack of customers, which can result in revenue losses. • Severe weather can affect distribution. Roads may become impassable, supplies may be unable to be delivered to stores. • If a restaurant is directly impacted by a severe weather event, recovery and rebuilding can be a long and costly process. It may take time to repair or replace damaged equipment and infrastructure. This can also lead to higher insurance premiums. • During and immediately after extreme weather events, potential customers may stay home or be unable to reach the restaurant due to safety concerns or transportation disruptions.This can result in a significant loss of business and reduced foot traffic. • Risk of an increase in costs from negative impacts on workforce, e.g Health, safety, and absenteeism.	Current • Well diversified portfolio across the UK and France. • Insurance in place to cover business interruptions, including climate events. • The Group operates a flexible business model, with the product delivery friendly allowing for the Group to partner with Delivery platforms to bring the product to the consumer. Proposed • Preparing for extreme weather conditions involves investing in preventive measures. This could include disaster preparedness plans, emergency supplies, and training for staff on how to respond to emergencies.

Rising mean temperatures - Risk of lack of sourcing supply options — Chronic risk

Time horizon	Risk	Mitigation
● S ● M ● L	• Severe weather can affect the supply chain. Suppliers may be unable to grow certain produce in certain areas, and supply shortages may occur. The Group might face difficulties in sourcing key menu items, affecting the quality and availability of food. • Power outages and temperature fluctuations caused by extreme weather can lead to food safety concerns.	Current • Back up supply options sourced as a contingency. • Capacity to freeze certain products to ease short term supply shortages. • Food safety and compliance – prevent accidents and foreign body.

Opportunities

Transition to lower emissions technology - Investment in new technologies		Technology opportunity
● S ● M ● L	• The most significant impact is the reduction in the Group's carbon footprint. By using lower-carbon energy sources such as renewable energy (solar, wind, etc.) or energy-efficient equipment, the Group can significantly decrease its greenhouse gas emissions. • Transitioning to lower-carbon energy sources can lead to cost savings over time. Energy-efficient equipment and renewable energy sources can reduce energy bills, which can positively impact the Group's bottom line. • Investing in lower-carbon energy solutions demonstrates a commitment to long-term sustainability, future-proofs the business by reducing exposure to volatile energy prices and positions the restaurant as a responsible and forward-thinking establishment.	Current • Opportunity to reduce emissions and energy costs through investment in energy efficient equipment/energy saving measures – gas to electricity, energy efficient lightbulbs etc. • Till technology consolidation. • AI software enabling invoice image recognition eliminating the need to print invoices as well as autofill functionality. • AI smart plugs installed in 2024 to reduce energy on plugged in devices. • Solar power – solar panels on UK CPU installed in 2024. Proposed • Looking other options for solar power across future years. • Consideration around transportation alternatives and more lower-carbon sources.
Resource efficiency - Opportunity to reduce emissions and cost by reducing waste		Technology opportunity
● S ● M ● L	• Improved resource efficiency can lead to significant cost savings. By reducing waste, optimising energy and water usage, and efficiently managing inventory, Tortilla can lower its operational expenses, which can positively impact the Group's profitability. • Enhancing resource efficiency aligns with sustainability goals and helps reduce the Group's environmental impact. It can result in lower carbon emissions, reduced water consumption, and decreased waste generation, contributing to a more eco-friendly and responsible image. • Resource efficiency can lead to better menu planning. By reducing food waste through portion control, inventory management, and creative use of ingredients, the Group can optimise its menu offerings and potentially introduce new, sustainable dishes.	Current • Too Good To Go ("TGTG") partnership • Installation of kiosks reducing food waste through precise order placement. • Converting waste oil into biofuel. • Benchmarking stores – 5 stores have water meters installed which act as a benchmark across the board, encouraging best practises followed. Proposed • Predictive ordering – producing the correct amount of food. This is being trialled in Q4 2025.
Changing in customer preferences		Market opportunity
● S ● M ● L	• Customers may seek more sustainable food options. • Customers may seek out companies which are more environmentally friendly.	Current • Opportunity to differentiate through the quality of sustainable offerings e.g. vegan menu. • Customisable menu, customers can choose based on preferences. Proposed • Implementing environmentally friendly limited time offers to drive understanding of viability – Beyond Meat trialled in Q1 2025. • Alternative food options e.g. lab grown meat and avocado alternatives.

IMPACT ON BUSINESS, STRATEGY AND FINANCIAL PLANNING

Invest:

The Group demonstrates its commitment to environmental sustainability through strategic investments in innovative technologies. Initiatives such as reducing or removing gas usage, installing solar panels, and implementing LED lighting across facilities signify a dedicated effort to transition towards cleaner energy sources and enhance energy efficiency. Additionally, installing kiosks to streamline production processes and implementing predictive ordering systems not only optimise operational efficiency but also contribute to reducing carbon footprints. By consolidating technology and embracing cutting-edge solutions, the Group reflects a forward-thinking stance towards environmental sustainability, reducing emissions while maintaining competitiveness.

Influence:

Acknowledging the significance of Scope 3 emissions, especially those emanating from the supply chain and consumers, underscores the Group's commitment to a holistic emission reduction strategy. Engaging with the supply chain involves collaboration with suppliers to encourage the adoption of sustainable practices and the reduction of carbon-intensive processes. Likewise, connecting with consumers allows the Group to influence behaviour and promote environmentally friendly choices. This includes encouraging eco-friendly practices by clearly labelling recycling in stores. By addressing emissions beyond its direct control, the Group demonstrates a commitment to driving positive change throughout its entire ecosystem.

Manage:

The implementation of measures to actively manage and reduce existing emissions is a crucial aspect of the strategy. Employee training plays a pivotal role in ensuring that all staff members are well-informed and aligned with the Group's sustainability goals. Continuous monitoring and assessment of emissions allow the Group to identify areas for improvement and track progress over time. This proactive management approach not only reduces the environmental impact of current operations but also lays the foundation for a culture of sustainability within the organisation.

SCENARIO ANALYSIS

Drawing from the findings of our qualitative risk assessment, we conducted an evaluation of climate change's physical impacts and the consequences of rigorous climate policies across three distinct climate scenarios, in line with TCFD recommendations. These scenarios included two focusing on physical climate impacts and one centred on low-carbon transitions.

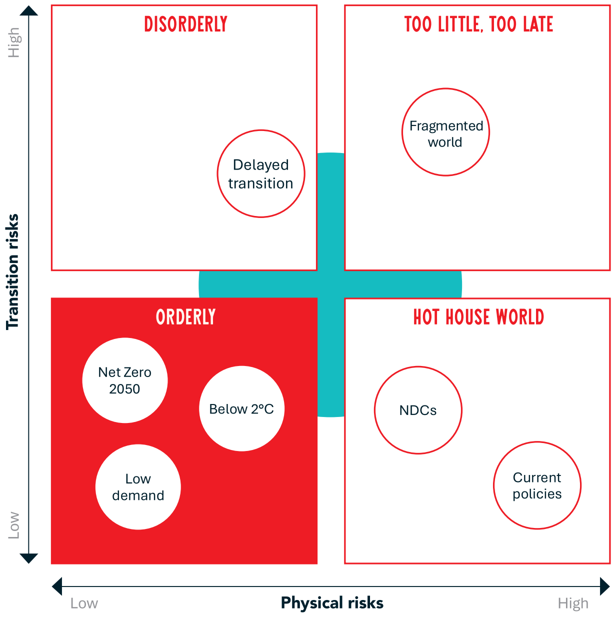
The Network for Greening the Financial System (NGFS), a network of 100+ central banks and Supervisors, partnered with an expert group of climate scientists and economists to design a set of hypothetical scenarios. They provide a common and up-to-date reference point for understanding how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different futures. Seven scenarios were developed, where each scenario shows a range of higher and lower risk outcomes. These scenarios share similar socio-economic assumptions. They assume a continuation of current economic and population trends. The seven scenarios can be categorised within four subsections:

Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome.

Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise.

Too little, too late scenarios reflect delays and international divergences in climate policy ambition that imply elevated transition risks in some countries and high physical risks in all countries due to the overall ineffectiveness of the transition.



In order to gain a better understanding of the external impacts of climate change, three NGFS scenarios were selected to show an active approach, a reactive approach, and business as usual approach.

The three scenarios chosen were:

1. Net Zero 2050 - this scenario sees global warming limited to 1.5°C through stringent climate policies and innovation, reaching global Net Zero CO_2 emissions around 2050. Some jurisdictions such as the US, EU and Japan reach Net Zero for all GHGs.
2. Delayed Transition – this scenario assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. CO_2 removal is limited.
3. Fragmented World - this scenario assumes that only currently implemented policies are preserved, leading to high physical risks.

COST IMPACT OF CLIMATE SCENARIO:

- 🟢 less than 1% cost increase as a % of sales
- 🟡 between 1% and 3% cost increase as a % of sales
- 🔴 larger than 3% cost increase as a % of sales

INCREASED MATERIAL AND ENERGY COSTS

Electricity price has been selected as a focus for the analysis. The UK intends to decarbonise the grid by 2030, so it can be assumed that the investment costs towards this decarbonisation would impact the cost of electricity. Electricity currently makes up 20% of the Group's controllable costs, and fluctuations can have a material impact.

Focus area: Electricity price

Data Sources: NGFS (GCAM 6.0 NGFS)

For the purpose of this exercise, these assumptions are implemented:

- GDP increase and inflation rates are taken from the IMF website
- Consumption levels remain constant per store until 2045
- No action is taken to reduce costs or consumption
- Data is available in 5 year increments, this is extrapolated to achieve annual figures
- NGFS – Electricity price model used

Cost increase as a % of revenue	2030	2045
Net zero 2050	🟢	🟡
Delayed transition	🟢	🟢
Fragmented world	🟢	🟢

Key takeaways: In the case that the world takes an active approach towards reducing emissions, costs will see an increase starting from the short term, however if a reactive approach is taken, the Group will only start seeing cost increases from around 2035. In all scenarios, costs will have only a mild impact on the business.

Proposed actions to mitigate increase in electricity costs:

- Install solar panels in the Central Production Kitchen in the UK in 2024. Potential to look to install in France in the future.
- Ensure all possible current contracts are on green tariffs
- Ensure we use energy efficient systems wherever possible e.g. replacing lights with LED and using passive infra-red sensors (PIRs) where possible
- Energy surveys will be undertaken at sites consuming large amounts of electricity to identify Capex opportunities, such as installation of energy efficient equipment or improving the building's energy performance
- AI powered smart plugs installed in the UK in 2024 to reduce the energy for plugged in devices.

RISING MEAN TEMPERATURES, RISK OF SOURCING SUPPLY OPTIONS

Cost of proteins has been selected for as a focus for this analysis as proteins are a staple of the Group's COGS, making up 24% of the purchases. Price fluctuations will impact the business strategy, marketing and price point.

Focus area: Cost of Proteins

Data Sources: NGFS (REMIND-MAgPIE 3.2-4.6)

For the purpose of this exercise, these assumptions are implemented:

- GDP increase and inflation rates are taken from the IMF website
- No change to the sales mix until 2045
- No action is taken to reduce costs
- Data is available in 5 year increments, this is extrapolated to achieve annual figures
- NGFS – Non-Energy Crops and Livestock price model used

Cost increase as a % of revenue	2030	2045
Net zero 2050	🟢	🔴
Delayed transition	🟢	🔴
Fragmented world	🟢	🟡

Key takeaways: Within the next ten years, all scenarios point to minimum impact, however in the long term, global warming can indirectly lead to increases in meat prices by affecting feed crop production, exacerbating water scarcity, causing heat stress on livestock, altering grazing patterns, and prompting regulatory responses. These interconnected factors contribute to higher production costs for meat producers, which are ultimately passed on to the Group in the form of elevated meat prices. In addition to the physical risks, it's important to note the transition risks, notably the possibility of future carbon tax on both animal protein as well as well as transportation which according to NGFS would impact the Net Zero 2050 scenario from 2030 and all scenarios from 2035 onwards.

Proposed actions to mitigate increase in protein costs:

- Evaluate the menu to identify opportunities for cost-saving without compromising quality or customer satisfaction.
- Strengthen relationships with suppliers and negotiate better pricing terms. Explore options for long-term contracts or volume discounts to secure stable pricing amid fluctuations in food costs.
- Embrace seasonal and locally sourced ingredients, which can often be more affordable than imported or out-of-season items.
- Implement efficient inventory management practices to minimise waste and optimise stock levels.
- Implementing dynamic pricing strategies that allow for flexible pricing based on ingredient costs, demand fluctuations, or seasonal trends.
- Stay up to date with the latest consumer behaviour and technologies, the scenario is assuming the current sales mix will remain until 2045, it's likely that there may be new alternatives to meats which may be more affordable.

EXTREME WEATHER CONDITIONS

Flooding has been selected as a focus for the analysis, as the Group have access to relevant information regarding flood risk from the Group's insurance provider.

Focus area: Flooding

Data Sources: flood-map-for-planning.service.gov.uk, flood-risk-maps.naturalresources.wales, map.sepa.org.uk, www.floodinfo.ie, Insurance provider

For the purpose of this exercise, these assumptions are implemented:

- No Group growth or expansion
- There will be no changes to flood defences between 2024 and 2045

Results: The Group's insurance provider has identified two stores as being in a high-risk flood zone, Tortilla Cabot Circus and Tortilla Guildford. Assessing the flood map for planning service and the risk of flooding from rivers and the sea, as well as the two locations identified, there are an additional seven stores which are within zone 3 for flood risk, all of which have flood defences, and an additional one in a zone 2 for flood risk. The stores within zone 3 are Tortilla Canary Wharf, Tortilla Hammersmith, Tortilla Lakeside, Tortilla Southwark, Tortilla Peckham, Tortilla Greenwich and Tortilla London Bridge. The Group's Central Production Kitchen also falls within a zone 2 area for risk of flooding from rivers and the sea.

The France stores have been assessed using the online tracking tool provided by the French government to verify flooding risk. Each region sets its own parameters for level of risk. The country wide tool then identifies if the address has been declared a potential risk or not by the region's authority. Because the majority of the France stores are near rivers, most have been identified with potential for flooding. Stores flagged at risk are Bethune, Atlantis, Nantes, Grenoble, Bercy, Cergy, Nice, Gare du Nord and Strasbourg. As the stores are consolidated and rebranded one of the areas to investigate will be what specific flood protection is required for each store based on the region's risk level and store circumstances, and what that means for risk management. The stores are currently insured individually but on move to the group insurance programme there will also be steps taken to confirm risk by the insurer and make sure appropriate flood cover is provided.

Key takeaways: As we progress towards 2045, it becomes more likely that floods will occur, particularly in high-risk flood areas. As the stores are based predominantly in the UK, flood risk is relatively low, and all stores within a high-risk flood area have flood defences built. In the case of a flood, insurance will cover the cost of rebuilding the store as well as any business interruption causing loss of sales, however for the two stores identified by our insurance provider, the excess is £100,000 if the Group were to put a claim forward.

The impacts of the potential exposure to flooding were not found to be significant in the context of the overall business.

Proposed actions to mitigate flooding impact:

- The Group works closely with our insurance provider on a business continuity program and ways to reduce risks of business interruption.
- Our insurance company performs annual store surveys and report back to the Group with any improvements.
- Investigate options which provide an excess protection solution.
- Preparing for extreme weather conditions involves investing in preventive measures. This could include disaster preparedness plans, emergency supplies, and training for staff on how to respond to emergencies.
- France stores to be assessed for flood risk, and preventative measures put in place.
- France insurances for flood protection to be reviewed on amalgamation into Group insurance programme during 2025.

> "WE ARE PROUD OF THE STEPS WE HAVE TAKEN TO REDUCE OUR ENVIRONMENTAL IMPACT AND WORK TOWARDS OUR ESG TARGETS."
>
> *- Andy Naylor, CEO*

RISK MANAGEMENT

The Board consistently reviews the principal risks to ensure the safeguarding of our business longevity, reputation, and environmental impact in the best interest of our business and stakeholders. Critical risks, which could impede business operations or significantly affect profitability or reputation, are identified, and incorporated into our Board-reviewed risk register. Key risks, integral to routine business considerations, also feature in this register.

IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

The Group employs a comprehensive approach to assess the relative significance of climate-related risks compared to other risks. This involves conducting assessments at various levels of the business, engaging consultants on an annual basis, and leveraging the expertise of the Board. The assessment considers both financial and non-financial impacts, with a particular focus on evaluating the potential for reputational damage. Additionally, the Group takes into account other relevant factors, such as technological advancements, market trends, and stakeholder expectations, in the comprehensive evaluation of climate-related risks.

Furthermore, the Group actively considers existing and emerging regulatory requirements related to climate change. This involves a holistic perspective that encompasses financial and non-financial impacts, recognising the potential repercussions on the organisation's overall performance. The assessment extends to potential reputational damage, emphasising the need for compliance with evolving climate-related regulations.

For climate-related risks which are deemed to impact the Group, the potential size and scope of climate related risks are assessed via either a qualitative assessments of operational and strategic risks or, where applicable, a quantitative analysis of potential financial impacts using forward-looking scenarios.

A crucial component of the risk management framework is the definition of risk terminology. The Group categorises climate-related risks into Physical Risks and Transition Risks, aligning with the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) and adopted by the CFD. Physical Risks encompass event-driven occurrences, both acute (such as extreme weather events) and chronic (longer-term shifts in climate patterns). These risks may manifest in direct damage to assets or indirect impacts from supply chain disruptions. Transition Risks, on the other hand, arise from the shift towards a lower-carbon economy and involve policy, legal, technological, and market changes. The alignment with the TCFD framework promotes clarity and standardisation in communicating these risks.

The Group's risk management processes reflect an adaptable approach to identifying, assessing, and disclosing climate-related risks. By integrating various assessment methods, considering regulatory requirements, and aligning with established frameworks, the Group ensures a comprehensive and transparent representation of its climate risk management efforts.

MANAGING CLIMATE-RELATED RISKS

Management, tasked with overseeing and devising action plans, holds responsibility for monitoring both critical and key risks. Management evaluate strategies for risk mitigation, transfer, acceptance, or control and report progress to the Board.

In prioritising climate-related risks, Management carefully evaluate materiality, considering both short-term and long-term implications to align risk management strategies with business objectives. Our commitment to adaptability ensures that our risk management processes stay responsive to the dynamic landscape of climate-related challenges, reflecting our dedication to sustainability and resilience.

INTEGRATION INTO THE ORGANISATION'S OVERALL RISK MANAGEMENT

We have seamlessly integrated our processes for identifying, assessing, and managing climate-related risks into our overall risk management framework. Recognising the interconnected nature of risks, our approach ensures that climate-related considerations are an integral part of our broader risk management strategy.

Our identification process involves a comprehensive analysis that considers the potential impacts of climate-related factors on various aspects of our operations and supply chain. We assess both the immediate and long-term implications of these risks. This information is then seamlessly integrated into our overall risk assessment, ensuring a holistic understanding of the interplay between climate-related risks and other organisational vulnerabilities. The CFO is ultimately responsible for the evaluating and monitoring the risk register.

In managing climate-related risks, we leverage the same risk management mechanisms and decision-making processes used for other types of risks. This integration fosters efficiency and consistency in our risk responses. By embedding climate-related risk management into our overall strategy, we can proactively address challenges and capitalise on opportunities, aligning our business objectives with sustainable and resilient practices.

METRICS AND TARGETS

In the current year, we take pride in our achievements related to data collection and management, enabling us to make a firm commitment to achieving Net Zero status by 2045. This stands as a definitive expression of our dedication to responsible business practices, aligning seamlessly with our core values of local, trusted and value.

In pursuit of this goal, we have engaged external consultants to assist with our comprehensive Net Zero strategy. Our aim is to incorporate environmental sustainability into every aspect of our operations, spanning the food we serve, the services we provide, and the daily management of our activities with interim targets spanning every five years starting from 2025.

We have committed to carbon neutrality in our Group operations by 2030 (Scope 1 and 2). This will be achieved by offsetting residual Scope 1 and 2 emissions via high-quality verified offsets (projects must be verified by either Verra or Gold Standard) to become carbon neutral.

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. The Group has chosen January 2022 – December 2022 (financial year 2022) as our baseline year, and can now report and compare on a yearly basis.

CFD cross-industry metric category	Unit of measure	Metric	Metric target set and reported?	Linked to identified climate risks and opportunities
GHG emissions	tCO2e/ £m	Scope 1 and Scope 2 total tCO2e/ £m revenue	Carbon-neutral by 2030: offsetting any residual Scope 1 and 2 emissions	Carbon pricing and cost of transitioning operations to Net Zero
Transition risks	%	% of total UK directly purchased electricity from renewable sources	100% of total UK directly purchased electricity from renewable sources by end of FY2025	Increased material and energy costs
Transition risks	%	% of total gas directly purchased in the UK from renewable sources	100% renewable gas purchased in UK by end of FY2025	Increased material and energy costs
Physical risks	% of annual revenue	% of UK revenue located in an area subject to high risk of flooding	Periodic monitoring to feed into risk assessment process	Extreme weather conditions

SCOPE 1, SCOPE 2, AND SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS

Scope/Category	Item	Total tCO2e	%	Total tCO2e	%
			2024FY		2022FY
Scope 1					
Stationary combustion	Gas and other fuels consumed on site	31.23	0.1%	71.39	0.3%
Transport	Owned and leased vehicles	-	0.0%	-	0.0%
Refrigerants	HVACs	22.60	0.1%	34.81	0.1%
Scope 2					
Electricity (Location based)[1]	Purchased electricity, for own use (grid average)	1,445.82	-	1,299.34	-
Electricity (Market based)[2]	Purchased electricity, for own use (specific contract)	2,908.78	11.3%	324.83	1.3%

Scope/Category	Item	Total tCO2e	%	Total tCO2e	%
			2024FY		2022FY
Scope 3					
Cat 1: Purchased goods & services	Goods and services	18,962.84	73.5%	21,301.87	86.7%
Cat 2: Capital goods	Capex expenditure	690.72	2.7%	922.52	3.8%
Cat 3: Fuel & energy related activities	WTT (Well-To-Tank) & T&D (Transmission & Distribution losses) for S1 and 2	481.19	1.9%	121.33	0.5%
Cat 4: Upstream transport	Paid transport for goods (upstream & downstream), well to wheel (WTW)	984.08	3.8%	49.54	0.2%
Cat 5: Waste	Waste	75.13	0.3%	141.60	0.6%
Cat 6: Business travel	Land and air travel for business purposes (WTW)	47.10	0.2%	100.95	0.4%
Cat 7: Employee commuting	Employees commuting to and back from work (WTW) & Employees working from home	1,012.01	3.9%	951.72	3.8%
Cat 9: Downstream transport	Transport to customers (WTW)	236.03	0.9%	398.85	1.6%
Cat 12: End of life sold goods	Waste disposal and treatment of products sold (by customers)	3.03	0.0%	13.02	0.1%
Cat 14: Franchises	Emissions from the operation of franchises	347.58	1.3%	131.82	0.5%
TOTAL Gross Emissions (Location based)		**24,339.36**	**100.0%**	**25,538.76**	**100.0%**
Less emissions avoided by procurement of renewable electricity				- 974.50	
Additional emissions generated from the procurement of non-renewable electrcity (residual grid mix)		- 1,462.95			
TOTAL Gross Emissions (Market based)		**25,802.31**	**100.00%**	**24,564.26**	**100.0%**
Less carbon offsets		N/A		N/A	
TOTAL Net Emissions		**25,802.31**		**24,564.26**	

To further understand our GHG emissions, we have calculated the intensity ratios to allow us to track our emissions relative to the business size. Hence as the business grows, our intensity ratios should decrease, but the absolute GHG emissions may increase.

Intensity ratios	Gross emissions (Location based)		Gross emissions (Market based)		Net emissions	
	2024FY	2022FY	2024FY	2022FY	2024FY	2022FY
tCO2e per employee[3]	20.49	22.29	21.72	21.43	21.72	21.43
tCO2e per million £ turnover	363.27	386.95	385.11	372.19	385.11	372.19

[1] *Location based represents emissions from electricity consumption based on grill average emissions;*

Emissions from market-based electricity consumption were not calculated and provided to Sustainable Advantage by Tortilla. This has been calculated using the UK grid market-based emissions factor, rather than France grid market-based emissions factor, in line with the location-based emissions as calculated by Tortilla.

[2] *Market based represents emissions from electricity consumption based on specific energy contracts.*

[3] *Based on 1,188 employees. Due to the transient and seasonal nature of the workforce this figure is approximate as of 29 December 2024.*

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

COMMITTEE KEY:

A Audit Committee N Nomination Committee R Remuneration Committee Committee Chair

A N R

EMMA WOODS

NON-EXECUTIVE CHAIR

Emma has extensive experience at Board level in multi-site leisure businesses. She is currently a non-executive director and Chair of the Remuneration Committee of Great Portland Estates plc, Chair of Ancient + Brave, and a Non-Executive Director of Abba Voyage. Emma served as a Non-Executive Director and Chair of the Remuneration Committee of The Gym Group plc from its IPO in 2016 until December 2023, and of Huel from May 2022 to January 2025.

Her hospitality experience includes being the CEO of Wagamama from December 2018 to June 2021, during which time she navigated the acquisition by TRG plc and the Covid-19 pandemic. Prior to this she was Wagamama's Chief Growth Officer and before that was Group Marketing Director for PizzaExpress.

Emma is trained as a global marketer and has previously held Global Marketing Director roles at Merlin Entertainments and Unilever.

ANDY NAYLOR

CHIEF EXECUTIVE OFFICER

Andy joined Tortilla in July 2017 as CFO, bringing with him 15 years' experience. He was appointed as Managing Director in November 2023, and as Chief Executive Officer with effect from March 2024.

Andy joined Tortilla from Gaucho, where he was Head of Finance, a role which included overseeing the sale of the business to Equistone Partners. Andy started his career at Deloitte and holds an ACA qualification.

MARIA DENNY

CHIEF FINANCIAL OFFICER

Maria joined Tortilla in February 2024 as CFO.

Maria draws on a wealth of experience in the food and retail sector spanning 15 years' having held senior finance and accounting positions at Muller UK and Ireland, Dairy Crest Limited and most recently as CFO - UK and Ireland at Signify, (previously Philips Lighting).

A N R

BRANDON STEPHENS

FOUNDER NON-EXECUTIVE DIRECTOR

Brandon founded Tortilla in 2007 and led as CEO until 2014.

Brandon has also been Founder/CEO of REVL, Chairman of Red's True Barbecue, and Interim Director of e-commerce for Arcadia Group. He currently advises TriSpan's Rising Stars fund, a dedicated restaurant private equity programme, and is a NED for Thunderbird Fried Chicken Ltd and Mamma Roma Group.

Brandon started his career in Silicon Valley and has also worked as a consultant at Accenture and Booz Allen Hamilton. He holds an Electrical Engineering degree from Princeton and an MBA from London Business School.

A N R

KEITH DOWN

NON-EXECUTIVE DIRECTOR

Keith joined the Board in August 2023 and is Tortilla's Senior Independent Director and Chair of the Audit Committee. Keith brings a wealth of leadership experience gained across a broad range of consumer-focused businesses.

He has held senior positions at companies operating across a wide range of sectors including retail, leisure, and hospitality. He was previously Finance Director and Company Secretary at JD Wetherspoon plc, Group Finance Director at Go-Ahead plc, Chief Financial Officer at Dunelm plc and, most recently, Finance Director of Selfridges Group. Keith was the Senior Independent Director and Audit Committee Chair of Topps Tiles plc from February 2015 until January 2025.

A N R

FRANCESCA TIRITIELLO

NON-EXECUTIVE DIRECTOR

Francesca joined the Board in September 2022 and is Chair of the Remuneration Committee. Francesca brings a wealth of business development, franchise, finance and M&A experience and she has been involved in the successful expansion of many branded businesses across the European QSR market, in both advisory and senior finance positions.

Francesca is currently a Partner and Co-Founder of Kikkirossi, a European boutique advisory firm specialising in international franchise and brand development.

Previously, she has held a number of director and CFO roles in European hospitality businesses, including eight years at Yum! Brands Inc., the owner and operator of household names including KFC, Pizza Hut and Taco Bell, where she held European CFO and Commercial Director positions.

A N R

USMAN ALI

NON-EXECUTIVE DIRECTOR

Usman represents the interests of Auctor Group, Tortilla's largest shareholder.

Usman is Managing Partner at Auctor, a holding company that builds and supports companies at the forefront of emerging technology. Auctor owns and operates strategic assets where there are long-term opportunities to disrupt and transform legacy industries by leveraging technologies such as robotics and artificial intelligence.

Usman serves on the Board of Kaikaku, a company reinventing the quick-service restaurant industry with proprietary hardware and software. Prior to joining Auctor, Usman was a Partner at emerging markets investment firm Mobius Capital Partners and an Investment Analyst at New York based equity fund Caravel Management.

APPLICATION OF THE CODE PRINCIPLES

As Chair of the Board, I have the pleasure in presenting the corporate governance report for the year ended 29 December 2024.

The Board is committed to ensuring high standards of corporate governance and has follows the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The 2023 version of the QCA Code (which applies for financial years commencing on or after 1 April 2024) did not apply to us during the year, and our disclosure below reflects the previous version of the QCA Code.

During the financial year ended 29 December 2024, the Company has applied and complied with the QCA Code as detailed below:

PRINCIPLE 1

ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Board is responsible for implementing the strategy and managing the business of the Group, and time is allocated to discuss strategic matters at each Board meeting. The Board holds a dedicated strategy session each year.

PRINCIPLE 2

SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Board understands the fundamental importance of ensuring and maintaining an appropriate level of dialogue with shareholders. The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for investor relations, with the Board ultimately being responsible for and ensuring a satisfactory dialogue with Shareholders. The Group's financial PR agency leads the preparation, coordination and communication of all dealings with the financial community and is the primary point of contact for shareholders and third parties.

PRINCIPLE 3

TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Group considers the key stakeholders to be its employees, suppliers, customers, community, and regulators.

The Board understands that the Group's long-term success relies heavily upon strong relations with each of their stakeholders and that they must ensure that the needs of each are understood and met.

The Board is committed to ensuring a continuous and open dialogue with its stakeholders, both internal and external. It is understood that stakeholder feedback must be integrated into both the Board's decisions and the Group's strategy and business model as is ultimately integral to the Group's success. Further details can be found in the Section 172 Statement on pages 16 to 17.

PRINCIPLE 4

EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board ensures that effective risk management, including the consideration of both opportunities and threats, is embedded throughout the Group. A risk management framework is in place and is reviewed by the Board on an annual basis.

The Board and Audit Committee regularly review the risk register, and in particular the principal risks facing the business, and challenge management to ensure that appropriate mitigations are in place to manage risks within the Board's agreed appetite. During 2024, the Audit Committee has received regular updates on the documentation of the Group's internal control framework and the development of a formal testing programme to provide additional assurance around the effectiveness of risk management and internal control systems.

Further details can be found in the Matters Reserved for the Board and the Audit Committee Terms of Reference.

Details of the key risks faced by the business and how we mitigate them are detailed on pages 18 to 21.

PRINCIPLE 5

MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Nomination Committee is responsible for overseeing the structure, composition and make-up of the Board and leads the search and selection process for new Board appointments, including reviewing succession plans, evaluating the balance of skills, diversity, experience, independence and knowledge of Directors.

PRINCIPLE 6

ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

Each Director brings appropriate experience to the Board. The Nomination Committee assesses the composition of the Board and its Committees, including the balance of experience, skills and capabilities, as part of its annual programme of activity and in connection with the process for any Board appointments.

PRINCIPLE 7

EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Chair monitors the Board's performance and effectiveness on an ongoing basis through informal discussions with the Executive and Non-Executive Directors. All Board members also provide feedback to ensure meetings and supporting papers continue to evolve to support effective debate and decision making.

The Board composition has continued to change during 2024 and into early 2025, and a new governance structure has been created for the French business. The Board agreed that there would be more value in conducting a formal evaluation process once those changes were more embedded and therefore has not conducted a formal evaluation during 2024. The Board intends to conduct a formal internally facilitated evaluation process during 2025.

PRINCIPLE 8

PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The culture of the Group is set by the Board, and the Directors are committed to promoting a culture of honesty and ethical behaviour. All new staff to the Group receive training and information on the values and culture of the Group, as well as receiving regular communications from the senior Management team. The following policies, amongst others, are included in the Employee Handbook: Whistleblowing, Anti-Bribery, Equality and Diversity, Bullying and Harassment and Corruption and Bribery. The Group invests in creating a culture of employee engagement via the Workplace platform, in addition to which the CEO releases periodic all-employee updates.

PRINCIPLE 9

MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Chair has the ultimate responsibility for corporate governance, and ensures that the Directors have access to timely, accurate and clear information from which to base their decisions, as well as ensuring that the Committees are functioning appropriately and the fiduciary requirements of the Board are being carried out.

PRINCIPLE 10

COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Group communicates with its shareholders through:

- the Annual Report and Accounts;
- half-year report announcements;
- RIS announcements;
- AGM;
- one-to-one meetings with large existing or potential new shareholders;
- its investor relations programme; and
- the Company's website (www.tortillagroup.co.uk)

COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board currently consists of seven Directors: the Non-Executive Chair, two Executive Directors and four Non-Executive Directors ("NEDs"). Three of the Directors, Emma Woods, Francesca Tiritiello and Keith Down, are deemed by the Board to be independent in character and free from relationships or circumstances which could affect their judgement.

Details of each Director's experience and background are given in their biographies on page 37. Their skills and experience are relevant and cover areas in the leisure and hospitality industries including global marketing, business development, financial management and control, corporate governance, legal and mergers and acquisitions.

The Board considers all Directors to be effective and committed to their roles.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The Board has delegated to the Nomination Committee the tasks of reviewing the Board's structure, size and composition, preparing a description of the role and capabilities required by a particular appointment and identifying and nominating, for the approval of the Board, candidates to fill board vacancies as and when they arise. Further details on the role of the Nomination Committee are available in its Terms of Reference which can be found on the Group's website: https://tortillagroup.co.uk/corporate-governance/.

All Directors offer themselves for annual re-election, in accordance with best practice in corporate governance.

HOW THE BOARD WORKS

The Board has overall responsibility for the Company's purpose, strategy, business model, performance, capital structure, approval of key contracts and major capital investment plans, the framework for risk management and internal controls, governance matters and engagement with shareholders and other key stakeholders.

The Board remains committed to understanding the needs of our shareholders and the wider stakeholders and it always considers how the Board's decisions impact them in the longer term. In the Section 172 statement on page 16 we explain who the key stakeholders are and how the Directors engage with them. The Board's full responsibilities are set out in a formal schedule of matters reserved for its decision.

BOARD MEETINGS

The Board has an agreed annual schedule of activity for its meetings, and the meetings of its Committees. Additional meetings may be convened outside that schedule to deal with ad-hoc matters as they arise.

Directors also have contact on a variety of issues between formal meetings. An agenda and accompanying detailed papers, covering key business and governance issues are circulated to the Board in advance of each Board meeting.

The Board normally meets at least six times per year and met on 11 scheduled occasions during 2024. Additional ad-hoc meetings may also be convened at short notice to discuss specific matters and with seven such ad-hoc meetings convened during the year principally to discuss matters relating to the acquisition and integration of the French business.

Attendance at the scheduled Board and Committees for 2024 is set out in the table below:

Director	Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Emma Woods	11/11	3/3	3/3	2/2
Andy Naylor	11/11	-	-	-
Maria Denny[1]	9/9	-	-	-
Brandon Stephens	11/11	-	3/3	-
Keith Down[2]	10/11	3/3	3/3	2/2
Loeïz Lagadec[3]	10/11	-	-	-
Francesca Tiritiello	11/11	3/3	3/3	2/2
Past Directors:				
Richard Morris[4]	3/3	-	-	-

[1] *Appointed 8 March 2024*

[2] *Keith Down was unable to attend one meeting in June 2024 due to a pre-existing family commitment.*

[3] *Loeïz Lagadec was unable to attend one meeting in October 2024 due to another external commitment.*

[4] *Stepped down 31 March 2024*

DIVISION OF RESPONSIBILITIES

The Chair and Chief Executive have separate, clearly defined roles. The roles and responsibilities of the Chair and Chief Executive Officer are set out below:

Emma Woods, as Chair of the Board, is responsible for leading an effective Board, upholding high standards of corporate governance throughout the Group, particularly at Board level, and ensuring appropriate strategic focus and direction.

The Chair has the ultimate responsibility for corporate governance and ensures that the Board retains accountability for good governance and is responsible for monitoring the activities of the Senior Management team.

The CEO, Andy Naylor, has overall responsibility for proposing the strategic focus to the Board, delivery of the business model and strategy and the day-to-day management of the Group's business.

NON-EXCUTIVE DIRECTORS

Each of the Non-Executive Directors has entered into a letter of appointment with the Company which set out the duties of the Director and commitment expected. They are expected to commit at least 20 days per annum to their role and are specifically tasked with:

- bringing independent judgement to bear on issues put to the Board;
- applying their knowledge and experience in considering matters such as strategy, company performance, use of resources and standards of conduct; and
- ensuring high standards of financial probity and corporate governance.

HOW THE BOARD OPERATES

Certain matters are specifically reserved for decision by the Board, and these are set out in a formal Schedule of Matters Reserved for the Board. The matters reserved include decisions relating to:

- setting the Group's values and standards, including policies on employment, health and safety, environment and ethics, and ensuring workforce policies are consistent with the Group's values and supports long term success of the Group;
- the Group's strategic aims and objectives;
- the structure and capital of the Group;
- financial reporting, financial controls and dividend policy;
- approval of significant contracts and expenditure above agreed delegated authority limits;
- effective communication with shareholders; and
- any changes to Board and Committee membership or structure.

The Board has delegated other matters, responsibilities and authorities to its Board Committees, details of which are stated later in this report. Anything falling outside of the schedule of matters reserved or the Committees Terms of Reference falls within the responsibility and authority of the Chief Executive, including all executive management matters.

At each meeting, the Board reviews comprehensive financial and trading information produced by the management team for both the UK and French businesses and considers the trends in the Company's performance and its performance against strategic objectives and plans. It also regularly reviews the work of its formally constituted standing Committees as described below and compliance with the Group's policies and obligations.

All Directors are expected to attend all meetings of the Board and any Committees of which they are members, and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Where Directors are unable to attend a meeting, they are encouraged to submit any comments on paper to be considered at the meeting to the Chairman in advance to ensure that their views are recorded and taken into account during the meeting (as was the case for the Board meetings that Keith Down and Loeïz Lagadec were unable to attend during 2024 as noted in the table above).

Directors are encouraged to question and voice any concerns they may have on any topic put to the Board for debate.

THE MAIN ACTIVITIES OF THE BOARD DURING THE YEAR

There are a number of standing and routine items included for review on each Board agenda. These include operational reports, financial reports, governance and investor relations updates. In addition, key areas put to the Board for consideration and review included:

- approval of annual and half-year report and financial statements;
- review and approval of budget;
- review and implementation of strategy;
- product development and marketing strategy;
- updated brand and brand strategy;
- approval of the acquisition of Fresh Burritos, and regular updates on the integration and strategic plans for the business in France;
- Establishing the French Board structure and governance framework and agreeing the terms of the appointment of Francesca Tiritiello as the Chair of the French Board.

BOARD COMMITTEES

The Board is supported by three committees, each established in accordance with the recommendations of the QCA Code: the Audit Committee, the Nomination Committee; and the Remuneration Committee. Keith Down is Chair of the Audit Committee, Emma Woods is Chair of the Nomination Committee, and Francesca Tiritiello is Chair of the Remuneration Committee. The Board has determined that each Committee's members have the appropriate skills to discharge their duties. Details of the operation of the Committees are set out in their respective reports. Further detail on the roles and activity of the Audit, Nomination and Remuneration Committees are is set out in their respective reports below.

EXTERNAL ADVISORS

The Board receives annual briefings and updates from the Group's Nominated Adviser, Panmure Liberum Limited, in respect of continued compliance with the AIM Rules.

The Board seeks advice on various other matters from its Nominated Adviser and other advisers as appropriate.

DEVELOPMENT, INFORMATION AND SUPPORT

Directors keep their skillset up to date with a combination of attendance at industry events, individual reading and study, and experience gained from other Board roles. Directors also have direct access to the advice and services of the Company Secretary. The Company Secretary supports the Chair in ensuring that the Board receives the information and support it needs to carry out its roles. Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

CONFLICTS OF INTEREST

Under the Company's Articles, the Directors may authorise any actual or potential conflict of interest a Director may have and may impose any conditions on the Director that are felt to be appropriate. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest and they are not counted in the quorum. A process is in place to identify any of the Directors' potential or actual conflicts of interest.

ACCOUNTABILITY

The Company has in place a system of internal financial controls commensurate with its current size and activities, which is designed to ensure that the possibility of misstatement or loss is kept to a minimum. These procedures include the preparation of management accounts, forecast variance analysis and other ad-hoc reports. There are clearly defined authority limits throughout the Group, including matters reserved specifically for the Board.

The documentation and assessment of internal controls has been reviewed by the Audit Committee during 2024 as described in more detail in its report on page 44.

FINANCIAL AND BUSINESS REPORTING

The Board seeks to present a fair, balanced and understandable assessment of the Group's position and prospects in all half-year, final and any other ad-hoc reports, and other information as may be required from time to time. The Board receives a number of reports, including those from the Audit Committee, to enable it to monitor and clearly understand the Group's financial position.

ANNUAL GENERAL MEETING (AGM)

This year's AGM will be held on 19 June 2025. The Notice of Annual General Meeting will be circulated separately to shareholders and will be available on the Company's website at www.tortillagroup.co.uk/circulars-and-documents/. Separate resolutions are provided on each issue so that they can be given proper consideration and all shareholders are encouraged to submit their votes.

EMMA WOODS
CHAIR
20 MAY 2025

AUDIT COMMITTEE REPORT

On behalf of the Board, I am pleased to present the Audit Committee report for the period ended 29 December 2024.

MEMBERSHIP, ROLE AND RESPONSIBILITIES

There were no changes to the composition of the Committee during the year (Brandon Stephens having ceased to be a member of the Committee at the end of 2023), with its members throughout the year comprising of me (Keith Down) as Chair, Emma Woods and Francesca Tiritiello. Usman Ali joined the Committee on 26 February 2025 on his appointment as a Non-Executive Director. Although Usman, as Auctor's appointed representative director, is not considered to be independent, all other members of the Committee are independent and the Board is therefore satisfied that the overall composition of the Committee is sufficiently independent to effectively discharge its duties.

The role and responsibilities of the Audit Committee are set out in its formal Terms of Reference which have been approved by the Board and are reviewed annually by the Committee. The Committee's key role is in monitoring the integrity of annual and interim financial statements as well as ensuring the appropriate consideration is given to key accounting judgement and estimates. We are also responsible for monitoring the effectiveness of the Group's internal controls and risk management systems, reviewing reports from the Group's auditors relating to the Group's accounting, and overseeing the relationship with the external auditor (including advising on its appointment and agreeing the scope of the audit and the external audit fee). In all cases the Committee ensures it gives due regard to the interests of shareholders.

ACTIVITY DURING THE YEAR

The Committee met three times during 2024, with all meetings attended by all members of the Committee at the time. Committee meetings were also attended by the external audit partner and other members of the external audit team. Although not members of the Audit Committee, our CEO and CFO are also routinely invited to attend meetings, with other members of the Company's finance team (for example the Head of Group Reporting) invited to attend to present on matters specific to their role.

Key activity at meetings of the Committee included:

- Reviewing and challenging the key accounting judgements and estimates in relation to the Group's full-year and half-year financial statements, including in relation to impairment testing (and goodwill valuation), acquisition accounting (in relation to the acquisition of the Fresh Burritos business in France) and share based payments;
- reviewing the Group's draft financial statements and reviewing the external auditor's detailed reports thereon, including discussion of key audit matters and risks; and
- approving the external auditor's plan for the audit of the Group's annual financial statements, including key audit matters, key risks, confirmation of auditor independence and terms of engagement, including audit fees;
- meeting the external auditor, without management, to discuss matters relating to its remit and any issues arising from its work;
- discussing improved documentation of the Group's internal control framework, and continuous improvements in the process for testing the effectiveness of controls, and the approach to standardising the controls framework across the expanded international group; and
- reviewing the Group's risk register and risk management process.

SIGNIFICANT ISSUES CONSIDERED IN RELATION TO THE FINANCIAL STATEMENTS

The Committee reviewed the financial statements, with particular attention to accounting policies and areas of judgement. The key matters considered by the Committee in respect of the period ended 29 December 2024 are set out below:

Key audit matter	How the issues were addressed
Valuation of the Group's non-current assets (including property, plant and equipment, right of use assets and allocated goodwill) As at 29 December 2024, the Group recognised non-current assets with a carrying value of £51.7m. These assets are material to the Group and there is a risk that they are materially overstated if impairment charges have not been appropriately recognised.	Detailed analysis of each individual cash generating unit ("CGU") was performed with a key emphasis on forward-looking profitability expectations. Each site is considered to be a separate CGU, which includes the allocated goodwill and right-of-use asset values. An independent consultancy was engaged to perform calculations of the Group's weighted average cost of capital ("WACC"). The Directors acknowledge that the key risk of material misstatement comes from achieving the key growth assumptions applied in the calculations and this has therefore been an area of focus, along with the WACC computation and goodwill allocation.

Acquisition of the Fresh Burrito Group and associated disclosures During the period the Group undertook a business combination which resulted in it taking 100% ownership of the entities comprising the Fresh Burritos business. There is a risk that the accounting for this acquisition may be incorrectly carried out giving rise to a risk of material misstatement of goodwill and/or other separately identifiable intangible assets.	Throughout and on conclusion of the acquisition, detailed analysis and was conducted on the relevant purchase agreements and entity accounts to confirm the fair value of assets recognised on acquisition and subsequent recognition of goodwill. Furthermore, the Group appointed an audit firm to act as statutory and component auditor in respect of the Group's French subsidiaries. The Directors acknowledge that the valuation of acquisition date assets and liabilities, together with the carrying value of goodwill arising on the acquisition are in part based on forward looking assumptions and this has therefore been a key area of focus.

EXTERNAL AUDITORS & AUDIT TENDER

The Audit Committee oversees the relationship with the external auditor (HaysMac LLP) to ensure that auditor independence and objectivity are maintained. This includes monitoring the tenure of the external auditor and audit partner, and the nature and extent of any non-audit services that the external auditor is engaged to provide. During 2024, this oversight was conducted as follows:

Audit Process

The Committee received a detailed plan from HaysMac LLP for the 2024 audit, identifying the auditor's assessment of the key audit matters and their intended areas of focus. The audit plan also set out the scope of the audit and audit timetable, and identified the approach to calculating materiality thresholds. The plan was presented at the Committee's meeting in November 2024, with a key focus on ensuring alignment on the timetable and deliverable to support an efficient and effective audit process.

Non-Audit services

As part of its monitoring, the Committee keeps the nature and extent of non-audit services (and non-audit fees set out in note 5 to the financial statements) provided by HaysMac under review. Non-audit services are principally in connection with loan covenant reporting and turnover certificates. The fees associated with these non-audit services are not material, and HaysMac and the Committee continue to be satisfied that appropriate safeguards are in place such that the provision of such services does not impact on HaysMac's independence.

Audit effectiveness and Auditor re-appointment

The Committee reviews the effectiveness of the external process on an annual basis, taking into account the views of the CFO, finance team and the external auditor, as well as assessing the Committee's own interactions with the external auditor. The Committee is satisfied with HaysMac's performance and has recommended to the Board that a resolution to reappoint HaysMac as the Group's auditor is proposed at the forthcoming AGM.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining sound internal control and risk management systems and has delegated responsibility to monitor their effectiveness to the Committee.

The system of internal control comprises high level Groupwide controls, controls operating within individual stores and controls over processes. Policies, procedures and clearly defined levels of delegated authority have been communicated across the Group, and Management has identified the key operational and financial processes which exist within the business and implemented internal controls over these processes in addition to the higher-level review and authorisation-based controls. These policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of financial statements.

During the year, the framework of internal controls has been more formally documented in the form of a controls matrix. The Committee has overseen the development and iteration of this matrix, with the initial focus on documenting key financial and operational controls for the UK business. As part of the integration of the French business, the matrix will be used as the basis to document controls for that business with a view to ensuring these are aligned (wherever possible subject to differing local requirements or regulations) with the UK to support consistent monitoring, review and reporting.

The Committee is satisfied that the system of controls is sufficient for a Group of Tortilla's size and complexity, and that there is no evidence to suggest that any of the established controls are ineffective. The Committee has also challenged management to formalise the controls testing and review process to support the Committee's ongoing oversight of their effectiveness.

INTERNAL AUDIT

The Group does not currently have an internal audit function, but this is kept under regular review by the Committee. The Committee continues to support Management's view that there is no need, at present, to establish an internal audit function given the operational scale of the business as well as the fact that no cash payments are made in its UK restaurants. The Committee gains assurance over the effectiveness of the internal control framework through regular reporting by the finance team (including reviewing the risk register and internal control matrix), and this will be further enhanced through reporting against the more formal controls testing and review process currently being developed by management. The Committee will continued to keep under review the need for an internal audit function on an annual basis.

WHISTLEBLOWING

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The policy is reviewed annually by the Committee. No whistleblowing incidents have been raised under the policy during the year. No concerns were raised during the year and the Committee is comfortable that the policy continues to operate effectively. Since the year-end, the Committee has also reviewed and approved a communications plan to ensure that all staff are aware of the policy and the methods by which the may raise concerns.

KEITH DOWN
CHAIR
20 MAY 2025

REMUNERATION COMMITTEE REPORT

As Chair of the Remuneration Committee ("the Committee") I am pleased to present the report of the Committee for the period ended 29 December 2024. The report sets out the remuneration for Directors in respect of 2024 and how remuneration will operate in 2025.

MEMBERSHIP, ROLE AND RESPONSIBILITIES

The members of the Committee for the duration of the period ended 29 December 2024 were me (as Chair), Emma Woods, and Keith Down. Subsequent to the end of the period, Usman Ali also became a member of the Committee following his appointment as a Non-Executive Director on 26 February 2025.

As the nominated representative of Auctor Group, a significant shareholder in the Company, Usman Ali is not considered to be independent by the Board. All other members of the Committee are considered to be independent by the Board within the meaning of the QCA Code, and the Committee therefore comprises a majority of independent directors.

The Committee operates under Terms of Reference approved by the Board, which are available for inspection on the Company's website at https://tortillagroup.co.uk/. The terms of reference are subject to an annual review by the Committee.

The Committee is responsible for reviewing the performance of the Executive Directors and other designated senior executives and, within the terms of the agreed remuneration policy, determining their remuneration packages, including where appropriate, bonuses, incentive payments and the grant of share options or other share awards.

The Terms of Reference of the Committee requires that it meets at least twice a year.

ACTIVITY DURING THE YEAR

The Committee had two scheduled meetings during 2024, with a further three ad-hoc meetings convened to discuss and agree specific remuneration matters in connection with the CEO change and the establishment of the senior management team for our French business. All Committee members were present at each meeting. During the period, the Committee discussed and agreed:

- the structure of performance targets and measures for the 2024 bonus targets, and monitored outturns for the financial period ended 29 December 2024 (see below for more details);
- the Group wide pay review, including a 3% average base salary increase for head-office staff, and specific salary increases for staff earning £80k or more and/or direct reports of the Executive Directors (in line with the Committee's terms of reference).
- awards made in 2024 under the Tortilla Mexican Grill plc Long Term Incentive Plan 2021 ("LTIP") to the Executive Directors and key members of the senior management team, and associated performance targets (see below for more details);
- the remuneration package and structure for the incoming Managing Director of our French business; and
- the calibration and weighting of performance targets to apply to LTIP awards to Executive Directors in 2025.

In May 2024, the Committee approved a grant of awards of nil-cost options under the LTIP to the CEO and CFO with a value of 100% of their base salaries, in line with the Group's remuneration policy. The awards will vest after three years subject to continued employment and the satisfaction of stretching strategic performance measures as set out below. The awards were in line with our intention that performance-related awards will be granted on an annual basis to the Executive Directors and key members of the senior management team to support the Company's ambitious growth plans and to enable us to recruit, motivate and retain key talent in a competitive market.

REMUNERATION POLICY

The objective of the Group's remuneration policy is to attract, motivate and retain high quality individuals who will contribute to the success of the Group. In order to achieve this, the Group provides competitive salaries and benefits, and Executive Directors' remuneration is balanced between both fixed and performance-related elements. It is the Remuneration Committee's intention that remuneration should reward achievement of objectives aligned with shareholders' interests over the medium to long term. The table below summarises the key elements of the remuneration policy for Executive Directors:

Element	Link to remuneration policy/strategy	Operation	Maximum opportunity	Performance metric
Base salary	To help recruit and retain high performing Executive Directors. Reflects the individual's experience, role and importance to the business.	Basic salary is reviewed annually at the start of the financial period with reference to each Executive Director's performance and contribution during the year, Group performance, the scope of the Executive Directors' responsibilities and consideration of competitive pressures.	There is no prescribed maximum annual base salary or salary increase. The Committee is guided by the general increase for the broader employee population, but has discretion to award a lower or a higher increase.	The Committee considers individual and Group performance when setting base salary.
Benefits	To help recruit and retain high performing Executive Directors. To provide market competitive benefits.	Benefits are in line with those offered to other senior Management employees and include private medical expenses cover and life insurance cover.	No maximum potential value.	None
Pension	To help recruit and retain high performing Executive Directors. To provide market competitive pensions.	Executive Directors are entitled to participate in the Group's pension scheme.	The CEO and CFO receive statutory minimum pension contributions, in line with legislation and with all other UK employees.	None
Annual bonus	To incentivise and reward performance. To align the interests of the Executives and shareholders in the short and medium term.	Parameters, performance criteria, weightings and targets are set at the start of each year. Payments are made in cash following completion of the year subject to the Committee's assessment of performance against targets and other matters it deems relevant.	The maximum bonus opportunity for the CEO and CFO is 100 percent of base salary.	Performance measures may include financial, non-financial, personal and strategic objectives. Performance criteria and weightings may be changed from year to year.
Long Term Incentive Plan	To incentivise and reward long term performance and value creation. To aid retention and align the interests of Executive Directors and shareholders in the long term.	Executive Directors are eligible to receive awards under the 2021 Long Term Incentive Plan at the discretion of the Committee. Under the 2021 LTIP, awards may be granted as nominal or nil cost options or market value options. Awards are subject to malus and clawback provisions. An additional holding period post vesting may be applied.	The maximum LTIP opportunity for the CEO and CFO is 100 percent of base salary.	Awards may be subject to performance conditions, including financial and non-financial metrics. Performance criteria and weightings may be changed from year to year.

ANNUAL REMUNERATION REPORT

DIRECTORS' REMUNERATION (AUDITED)

The total remuneration paid to each Director who served during the period ending 29 December 2024 is set out in the table below:

	Salary/fee £000		Taxable benefits[1] £000		Pension contributions £000		Annual Bonus[2] £000		LTIP[3] £000		Total Remuneration £000	
	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**
Executive Directors												
Andy Naylor	172	**220**	2	**2**	1	**1**	-	-	139	**146**	175	**369**
Maria Denny[4]	-	**143**	-	**2**	-	**1**	-	-	-	**14**	-	**160**
Non-Executive Directors												
Emma Woods	81	**81**	-	-	-	-	-	-	-	-	81	**81**
Keith Down[5]	17	**48**	-	-	-	-	-	-	-	-	17	**48**
Loeïz Lagadec[6]	-	**-**	-	-	-	-	-	-	-	-	-	**-**
Brandon Stephens[7]	32	**32**	-	-	-	-	-	-	-	-	32	**32**
Francesca Tiritiello[8]	34	**45**	-	-	-	-	-	-	-	-	34	**45**
Past Directors												
Richard Morris[9]	227	**57**	3	**1**	1	-	-	-	219	**(308)**	231	(250)
Total	563	**626**	5	**5**	2	**2**	-	-	**139**	**(148)**	570	**485**

[1] Taxable benefits for the Executive Directors relate to private medical insurance.

[2] Outturns for the 2024 annual bonus are described below. As disclosed in the 2023 Annual Report, Maria Denny also received a bonus of 10% of base salary payable following satisfaction of a successful 12-week probationary period.

[3] The LTIP award granted to Andy Naylor on 1 December 2022 over 85,714 shares vested in full on 1 December 2024.

[4] Appointed 8 March 2024

[5] Appointed 24 August 2023

[6] Loeïz Lagadec was employed by Quilvest and stepped down as a Director on 31 January 2025 as a consequence of the sale of Quilvest's stake in the Group to Auctor. As part of the Relationship Agreement entered into on 30 September 2021, Quilvest was entitled to be paid £32,000 per annum.

[7] In addition to his standard NED fee, Brandon Stephens also received a fee of £82,000 during 2024 in respect of services relating to the Fresh Burritos acquisition and, from September 2024, a fee of £49,000 in connection with his role as an advisor to the Board of our French operating subsidiary Tortilla Mexican Grill France SAS.

[8] In addition to the standard NED fee, Francesca Tiritiello also received a fee of £146,000 (paid to Kikkirossi Sàrl) during 2024 in respect of specific services relating to the Fresh Burritos acquisition and, from September 2024, a fee of €21,000 in connection with her role as Chair of the Board of our French operating subsidiary Tortilla Mexican Grill France SAS.

[9] Stepped down 31 March 2024.

PENSION CONTRIBUTIONS (AUDITED)

Executive Directors are entitled to participate in the Group's pension scheme, in line with terms available for the UK workforce, and each of the CEO and CFO receive a contribution of 3 percent of base salary within the legal thresholds for auto-enrolment.

ANNUAL BONUS (AUDITED)

The table below sets out the performance targets which applied to the 2024 annual bonus for Executive Directors:

	Weighting	Performance targets			Underpin
		Threshold	Target	Maximum	
Corporate EBITDA	70%	£5.3m	£5.6m	£6.0m	N/A
European Expansion	15%	N/A	Opening first unit in Continental Europe or two countries signed	N/A	Corporate EBITDA of £5.3m*
UK Expansion	15%	N/A	Opening 8 units in the UK	N/A	Corporate EBITDA of £5.3m*

**after bonus accrual.*

Due to the challenging macroeconomic environment the threshold EBITDA target was not met. As a result, no bonuses will be paid to the Executive Directors in respect of the period ended 29 December 2024.

LTIP (AUDITED)

As noted above, the Executive Directors were granted awards of nil cost options over ordinary shares under the LTIP on 10 May 2024, with a face value at the date of grant equal to 100% of base salary. The awards will vest on the third anniversary of grant, subject to each Executive Director's continued employment over the period, and the satisfaction of the following performance measures over a three-year period from 1 January 2024 to 31 December 2026:

	Weighting	Performance targets*		
		Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)
UK and Middle East Expansion	60%	Opening of 8 new units per year	Opening of 10 new units per year	Opening of 15 or more new units per year
European Expansion	40%	Entry into 1 new market	Entry into 2 new markets	Entry into 3 or more new markets

** Subject to financial underpin such that awards will only vest if a minimum level of EBITDA, equal to the sum of threshold targets used for bonus awards, is achieved cumulatively over the three full financial years beginning 1 January 2024. The threshold targets for future financial years have not yet been set.*

The table below sets out details of all outstanding share awards in respect of the Executive Directors:

Type of initial option	No. of Ordinary Shares subject to options	Grant date	Vesting date	Exercise price (pence)
Andy Naylor				
CSOP option	16,574	8 October 2021	50 percent of the aggregate Ordinary Share options vested on 8 October 2024 (the third anniversary of the date of grant), and the remainder will vest one year later subject to continued employment and the satisfaction of Adjusted EBITDA (pre IFRS-16) performance targets.	181
LTIP (market value) option	447,514	8 October 2021		
LTIP (nil cost) option	85,714	1 December 2022	This award vested on 1 December 2024 but remains unexercised as at the date of this report.	Nil
LTIP (nil cost) option	150,697	10 May 2023	10 May 2026, subject to continued employment and the satisfaction of strategic measures linked to expansion and an EBITDA financial underpin..	Nil
LTIP (nil cost) option	461,224	2 May 2024	2 May 2027, subject to continued employment and the satisfaction of strategic measures linked to expansion	Nil
Maria Denny				
LTIP (nil cost) option	336,734	2 May 2024	2 May 2027, subject to continued employment and the satisfaction of strategic measures linked to expansion	Nil

IMPLEMENTATION OF REMUNERATION POLICY IN 2025

The remuneration policy will operate as follows in 2025:

	Basic salary/fee £'000	Maximum bonus (% of salary)	Maximum LTIP (% of salary)	Pension (% of salary)
Executive Directors				
Andy Naylor	226	100%	100%	3%
Maria Denny	165	100%	100%	3%
Non-Executive Directors				
Emma Woods	81	-	-	-
Keith Down	48	-	-	-
Usman Ali[1]	-	-	-	-
Brandon Stephens	32	-	-	-
Francesca Tiritiello[2]	45	-	-	-
Loeïz Lagadec[3]	-	-	-	-

[1] *In accordance with the terms of the Relationship Agreement between Auctor and the Group dated 31 January 2025, Auctor is entitled to receive a fee of £35,000 in respect of Usman Ali's service as a Non-Executive Director of the Group.*

[2] *Francesca Tiritiello will also receive an additional annual fee of €64,000 in connection with her role as Chair of Tortilla Mexican Grill France SAS.*

[3] *Stepped down with effect from 31 January 2025. In accordance with the terms of the Relationship Agreement between Quilvest and the Group, Quilvest was entitled to receive a fee of £2,667 in respect of Loeïz Lagadec's service as a Non-Executive Director of the Group for the period from the start of 2025 to 31 January 2025.*

The maximum bonus opportunities for Executive directors in the 2025 financial year will be 100% of base salary. The bonus will continue to be assessed against financial (profit) and non-financial (relating to UK and European growth and conversion of French stores) targets, with 70 percent of total bonus opportunity weighted on the Group Adjusted EBITDA, and payment against the non-financial measures being conditional on the achievement of a financial underpin being met.

The actual performance targets are not disclosed in advance as they are considered to be commercially sensitive but will be disclosed in the 2025 Annual Report when determination of the bonus has been made.

It is anticipated that a performance-based award will be granted under the LTIP to the Executive Directors during the 2025 financial year, with a maximum opportunity of 100% of base salary in line with the Group's remuneration policy. The performance targets have yet to be determined and will be disclosed in next year's Directors' Remuneration Report.

SHAREHOLDER VIEWS

The Group is committed to high standards of corporate governance and our policy and disclosures on Directors' remuneration are intended to reflect this approach. We welcome shareholder feedback. We have included an advisory resolution on remuneration to shareholders at our 2024 AGM and we will continue to do this for all future AGMs. At the 2023 AGM, 100% of the votes cast were in favour of the remuneration report.

DIRECTORS' INTERESTS IN SHARES

The beneficial interests of Directors holding office as at 29 December 2024 and persons connected with them in the ordinary shares of the Group (excluding share options) were as follows:

	Held at 29 December 2024
Andy Naylor	151,822
Maria Denny	-
Emma Woods	34,074
Keith Down	-
Loeïz Lagadec	-
Brandon Stephens	3,284,503
Francesca Tiritiello	92,574

There were no changes in the Directors' interests in shares between 29 December 2024 and 8 May 2025.

DIRECTORS' SERVICE CONTRACTS

Executive Directors

The general principle is that all Executive Directors will have a rolling contract of employment with mutual notice periods of at least six months. The table below provides details of the service contracts of the Executive Directors as at 29 December 2024.

	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Andy Naylor	20 September 2021	6	6
Maria Denny	09 November 2023	6	6

Non-Executive Directors

The Non-Executive Directors do not have service contracts but instead have letters of appointment which contain a three-month notice period.

FRANCESCA TIRITIELLO
CHAIR
20 MAY 2025

NOMINATION COMMITTEE REPORT

On behalf of the Board, I am pleased to present the Nomination Committee report for the period ended 29 December 2024.

MEMBERSHIP, ROLE AND RESPONSIBILITIES

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required by a particular appointment and identifying and nominating, for the approval of the Board, candidates to fill board vacancies as and when they arise. The Nomination Committee will meet, as required.

The Committee met three times during 2024 and its members are:

- Emma Woods (Chair)
- Keith Down
- Brandon Stephens
- Francesca Tiritiello

Usman Ali joined the Committee on his appointment as a Non-Executive Director on 26 February 2025.

ACTIVITIES DURING THE YEAR

- Executive Director succession planning (recruitment of new CFO and appointment of Andy Naylor as CEO to succeed Richard Morris – described in our 2023 Annual Report)
- Annual review of Non-Executive Director independence and time commitment
- Annual review of the composition of the Board and its committees

COMPOSITION, INDEPENDENCE AND TIME COMMITMENT

During the year, and as part of its usual cycle of activity, the Committee considered the composition of the Board and its Committees, including the skills, experience and independence of the Directors and the balance of independence on the Board and Committees. As noted on page 41, the Board currently comprises two executive directors, two non-independent Non-Executive Directors (Brandon Stephens and Usman Ali) and three Non-Executive Directors considered to be independent by the Board (Emma Woods, Keith Down and Francesca Tiritiello). Although this composition means that less than half of the Board is independent, the Committee is comfortable that there is sufficient independent representation and that the independent directors are effectively in objectively assessing the strategy and performance of the business and safeguarding the interest of shareholders. The independence of the Board meets the minimum requirement of the QCA Corporate Governance Code.

The Committee also reviewed the time commitment set out in the letters of appointment of each of our Non-Executive Directors. Each Non-Executive Director confirmed they continue to have sufficient time to discharge their roles, and the Committee was satisfied that their other external appointments do not adversely impact on the time they devote to Tortilla.

EMMA WOODS
COMMITTEE CHAIR
20 MAY 2025

DIRECTORS' REPORT

The Directors present the Directors' report on the affairs of Tortilla Mexican Grill plc (the "Company"), together with the audited consolidated financial statements, for the period ended 29 December 2024.

The following information is provided in other sections as noted below and is incorporated by reference into this report:

Strategic Report	Pages 3 to 35
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Note 2.22 to the Financial Statements - pages 72 to 73
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Strategic Report - pages 14 to 15 and note 2.22 to the Financial Statements
ESG Report	Pages 22 to 35
Corporate Governance Report	Pages 36 to 43
Statement of Directors' Responsibilities	Page 56
Going Concern Statement	Page 15
Future business development	Details can be found in the Strategic Report on pages 5 to 13

The Company is a public limited company, registered in England and Wales, with registered number 13511888, and is listed on the AIM segment of the London Stock Exchange. The Company has been permanently domiciled in the UK since incorporation and is the ultimate parent company of the Tortilla group of companies (the "Group"). Details of the companies in the Group are included in note 26 to the audited financial statements on page 93.

REVIEW OF THE BUSINESS

The Strategic report on pages 3 to 35 provide an operating and financial review of the business and the Group's trading for the year ended 29 December 2024 as well as risk management.

DIVIDENDS

The Directors' current intention is to retain the Group's earnings for investment in growth.

Accordingly, the Directors are not proposing the payment of a final dividend for the financial period ended 29 December 2024.

DIRECTORS

The Directors of the Company who held office during the year were as follows:

Executive Directors	Non-Executive Directors
Andy Naylor	Emma Woods
Maria Denny (appointed as a Director with effect from 8 March 2024)	Brandon Stephens
Richard Morris (stepped down 31 March 2024)	Loeïz Lagadec (stepped down 31 January 2025)
	Francesca Tiritiello
	Usman Ali (appointed as a Director with effect from 26 February 2025)

Usman Ali, having been appointed since the last AGM, will be standing for election by shareholders at the forthcoming AGM in accordance with the Company's Articles of Association ("Articles").

In accordance with our established approach to good corporate governance practice, the Board has voluntarily adopted the policy that all continuing Directors will stand for re-election on an annual basis. Biographical details of the Directors are set out on pages 37 to 38.

Directors' remuneration, share options, long-term executive plans, pension contributions, benefits and interests are set out in the Directors' Remuneration report on pages 48 to 51.

The Company's Articles provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Group and Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers. Directors' and Officers' liability insurance cover is maintained by the Company and is in place in respect of all the Company's Directors at the date of this Annual Report. The Company will review its level of cover on an annual basis.

SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS

As at 29 December 2024, the issued share capital of the Company was £386,640.31 divided into 38,664,031 ordinary shares of £0.01 (1 January 2024 – 38,664,031) which are admitted to trading on AIM.

The holders of the ordinary shares are entitled to one vote per share at the Company's general meetings. The Directors are not aware of any agreements between the holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying special rights or controls over the Company's share capital.

AUTHORITY TO PURCHASE OWN SHARES

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

At the Company's AGM held on 11 June 2024, the Company was generally and unconditionally authorised by its shareholders to make market purchases (within the meaning of section 693 of the Companies Act 2006) of up to a maximum of 3,886,403 of its ordinary shares. The Company has not repurchased any of its shares under this authority, which is due to expire at the AGM to be held on 19 June 2025, and accordingly has an unexpired authority to purchase up to 3,886,403 ordinary shares with a nominal value of £38,864.03.

SIGNIFICANT SHAREHOLDERS

As at 8 May 2025, the Company had been notified of the following interests amounting to 3% or more of the voting rights attaching to the Company's issued share capital:

	Number of Ordinary Shares of £0.01 each	% of Total Voting Rights
Auctor UEP PTE. LTD	7,892,928	20.4
Canaccord Genuity Inc	4,407,000	11.4
Brandon Stephens	3,284,503	8.5
Tercio Capital, FIL	2,094,062	5.4
Francisco Javier Otegui Orensan	1,943,362	5.0
Nadine Benchaffai	1,540,500	4.0
Luke Johnson	1,400,000	3.6
Richard Morris	1,374,750	3.6

STREAMLINED ENERGY & CARBON REPORTING ("SECR") / ENERGY CONSUMPTION

The SECR reporting requirement has been fulfilled in the Climate-related Financial Disclosures, detailed on page 22.

RELATED PARTY TRANSACTIONS

There are no related party transactions to be disclosed under the AIM Rules. Information on other related party transactions is detailed in note 27 of the financial statements on page 93.

POLITICAL DONATIONS

The Group made no political donations during the period ending 29 December 2024.

BRANCHES

As at 29 December 2024, the Company has 13 owned branches outside the UK, in France.

EMPLOYMENT POLICIES

The Group's employment policy includes that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. Should any employee of the Group become disabled during their employment, we will retrain that employee and make necessary adjustments to their working environment where possible to keep the employee with the Group.

AUDITOR

On 19 November 2024 the company's auditor changed its name from haysmacintyre LLP to HaysMac LLP. The auditors, HaysMac LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

HaysMac LLP has indicated its willingness to continue in office as auditor and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the Directors who held office at the date of this Director's Report is aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

ANNUAL GENERAL MEETING

The Group's next AGM will be held at the offices of Panmure Liberum Limited, 25 Ropemaker Street, London, EC2Y 9LY on 19 June 2025. Details of the business to be transacted at the AGM are set out in the Notice of AGM which is available on the Group's website and, where appropriate, by an announcement via a RIS, if any changes are required to the AGM arrangements.

The Directors' report was approved by the Board on 20 May 2025.

MARIA DENNY
CHIEF FINANCIAL OFFICER
20 MAY 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards. The Directors have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK accounting standards 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 Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with the legislation in the UK governing the preparation and dissemination of financial statements, which may differ from legislation in other jurisdictions.

The maintenance and integrity of the Company's website is the responsibility of the Directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and parent Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and parent Company's auditors are aware of that information.

This Responsibility Statement was approved by the Board on 20 May 2025 and is signed on its behalf by:

MARIA DENNY
CHIEF FINANCIAL OFFICER
20 MAY 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TORTILLA MEXICAN GRILL PLC

OPINION

We have audited the financial statements of Tortilla Mexican Grill Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 29 December 2024, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated Statement of Cash Flows, Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the Group's and of the Parent company's affairs as at 29 December 2024 and of the Group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards as adopted by the United Kingdom and in accordance with the requirements of the Companies Act 2006; and
- the parent company financial statements have been property prepared in accordance with United Kingdom Generally Accepted Accounting Practice and in accordance with the requirements of the Companies Act 2006.

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 are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements.

For the 52 week period ended 29 December 2024, the Group undertook all its trading activities through its wholly-owned subsidiaries. The components in scope for audit procedures were selected based on our assessment of the likelihood of that component giving rise to a risk of material misstatement in the Group financial statements. Full scope audit procedures were performed on components with significant levels of aggregation risk. Specific audit procedures were performed on components where aggregation risk was considered to be limited or none.

Audit work to respond to the risks of material misstatement for all other Group components and the parent company was performed directly by the audit engagement team. The scope of the audit and our audit strategy was developed by using our audit planning process to obtain and update our understanding of the Group, its activities, internal control environment, and likely future developments. Our audit testing was informed by this understanding of the Group and accordingly was designed to focus on areas where we assessed there to be the most significant risks of material misstatement.

Audit work to respond to the assessed risks in respect of the Group's UK incorporated entities was performed directly by the group audit engagement team, and this included full scope audit procedures on the parent company, Mexican Grill Limited, Mexican Grill International Franchise Limited and Chilango Limited.

Of the Group's 9 components incorporated in France (as listed in note 26 of these financial statements) 7 were considered relevant and were subject to specific scope audit procedures undertaken with reference to component materiality levels by Fideliance Audit, under instruction from and supervision by HaysMac LLP as the Group auditor.

Involvement with component auditor

We have been involved at all stages of the component audit to ensure in our role as Group auditor the work completed was sufficient to provide us with sufficient and appropriate audit evidence to allow us to form our basis for our opinion on the Group financial statements as a whole. Our involvement with the component auditor consisted of, but was not limited to the following procedures:

- A scoping meeting to consider and document our pre-planning assessments;
- An audit planning meeting with ourselves and the component auditor and component management;
- An assessment of the internal policies and procedures of the component auditor to ensure that the audit work undertaken addressed our Group audit risk and assessment and of a consistent quality with our own;
- The issue of group audit instructions to the component auditor;
- Obtaining copies of and reviewing the audit working papers of the component auditor; and
- Completion meeting with the component auditor and group management to discuss their findings.

Throughout the audit process the Group audit team remained in contact with the component auditors to discuss progress, findings and discuss further audit work to be performed in order to complete the work on the Group's French subsidiaries to an appropriate standard.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT OF USE ASSETS AND ALLOCATED GOODWILL)

As at 29 December 2024, the Group recognised non-current assets with a carrying value of £51.7m. These assets are material to the Group and there is a risk that they are materially overstated if impairment charges have not been appropriately recognised.

The process for measuring and recognising impairment under International Accounting Standard (IAS) 36 "Impairment of Assets" is complex and incorporates both significant judgement and estimation, particularly in respect of forward-looking financial projections and the allocation of attributable cash flows to these projections.

Our audit work included, but was not restricted to the following:

- The assessment of Management's impairment review process and the consideration and challenge of Management's assumptions.
- The review of each cash generating unit for indicators of impairment and assessment of whether cash generating unites showing impairment risk indicators were considered in the impairment assessment.
- The verification of the arithmetical accuracy and integrity of the value in use model prepared by Management.
- The review and assessment of cashflows as forecast by Management and as used in their calculations of the value in use of the assets.
- The assessment and challenge of assumptions used in the impairment calculation with reference to data such as historic results, market trends and future expectations.
- Consideration of the appropriateness of the discount rate used in Management's impairment assessment, which was based on the Group's weighted average cost of capital.
- The assessment of whether disclosures made in the financial statements relating to impairments are appropriate.

ACQUISITION OF THE FRESH BURRITO GROUP AND ASSOCIATED DISCLOSURES

During the period the Group undertook a business combination which resulted in it taking 100% ownership of the entities comprising the Fresh Burritos business.

There is a risk that the accounting for this acquisition may be incorrectly carried out giving rise to a risk of material misstatement of goodwill and/or other separately identifiable intangible assets. Furthermore the requirement to adjust assets and liabilities to their fair value at the date of acquisition requires considerable judgement and estimation.

Our audit work included, but was not restricted to the following:

- Review and assessment of the Share Purchase Agreement ("SPA") and Asset Purchase Agreement ("APA").
- Review of the acquisition accounting to ensure this correctly followed the SPA and APA.
- The acquisition balance sheet was audited by the French component auditor - we have reviewed and obtained copies of their audit work.
- The assessment of Management's impairment review process and the consideration and challenge of Management's assumption in relation to the goodwill on acquisition impairment.
- Review and assessment of the goodwill allocation between the CGUS within the French acquired entities.
- The assessment of whether disclosures made in the financial statements relating to impairments are appropriate.

OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £673,000. This was determined as being 1% of group revenue. Revenue has been selected as a benchmark because it is a Key Performance Indicator used by the Group (which is presently loss-making) and a relevant indicator of its size and growth. On the basis of our risk assessment and review of the Group's control environment, group performance materiality was set at 75% of materiality, being £505,000. The reporting threshold to the audit committee was set at 5% of materiality, being £33,600. If in our opinion, differences below this level warranted reporting on qualitative grounds, these would also be reported.

We have determined Parent Company materiality to be £71,100. This was determined as being 1.7% of gross assets. Gross assets has been selected as the benchmark as the Parent company is a holding company and does not trade. Therefore the gross asset position is deemed to be the area of principle interest for the stakeholders. Because of our risk assessment and review of the Parent's control environment, performance materiality was set at 75% of materiality, being £53,300. The reporting threshold to the audit committee was set at 5% of materiality, being £3,560. If in our opinion, differences below this level warranted reporting on qualitative grounds, these would also be reported.

CONCLUSIONS RELATING TO ONGOING 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's ability to continue to adopt the going concern basis of accounting included but was not limited to:

- The review of Management's going concern assessment, which incorporates scrutiny of working capital projections for a period of not less than twelve months from the date of approval of the financial statements;
- The review and consideration of the appropriateness of sensitivity analysis of trading performance and cash flow forecasts prepared by Management;
- Review and consideration of compliance with bank loan covenants during the period ended 29 December 2024 and as prospectively forecast;
- Challenging and assessing the underlying assumptions of the cashflow forecasts and considering whether the period of the forecast is appropriate and;
- The review of post balance sheet trading performance and cash flow to assess the reasonableness of managements forecasting.

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's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and trade regulations, such as minimum wage regulation and food standards requirements and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws or regulations; and
- Enquiry of management, the Audit Committee and those charged with governance regarding any known or suspected instances of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the 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.

CHRISTOPHER CORK

(SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF HAYSMAC LLP,
STATUTORY AUDITORS

10 QUEEN STREET PLACE
LONDON
EC4R 1AG

20 MAY 2025

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	52 weeks ended 29 December 2024 £	52 weeks ended 31 December 2023 £
Revenue	4	67,999,489	65,674,965
Cost of sales		(15,899,248)	(14,883,204)
Gross profit		52,100,241	50,791,761
Administrative expenses		(53,286,745)	(50,107,651)
Operating (loss)/profit	5	(1,186,504)	684,110
Finance income	9	83,999	31,900
Finance expense	10	(2,214,464)	(1,801,176)
Loss before tax		(3,316,969)	(1,085,166)
Tax on loss	11	(9,502)	(7,377)
Loss for the period and comprehensive income attributable to equity holders of the parent company		(3,326,471)	(1,092,543)
(Loss) / earnings per share for profit attributable to the owners of the parent during the year			
Basic and diluted (pence)	12	**(8.6)**	(2.8)

There were no items of recognised income or expense other than as shown in the Consolidated statement of comprehensive income above. All activities relate to continuing operations.

The notes on pages 67 to 95 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 DECEMBER 2024

	Note		29 December 2024 £		31 December 2023 £
Non-current assets					
Intangible assets	14		**4,909,031**		2,627,039
Tangible assets	15		**15,169,803**		14,119,801
Right-of-use assets	13		**31,592,056**		29,520,494
			51,670,890		46,267,334
Current assets					
Inventories	16	**547,753**		358,861	
Trade and other receivables	17	**3,299,473**		3,135,075	
Cash and cash equivalents	18	**2,760,960**		1,644,674	
		6,608,186		5,138,610	
Current liabilities					
Trade and other payables	19	**(12,180,782)**		(9,749,505)	
Lease liabilities	13	**(7,060,640)**		(5,670,902)	
Net current liabilities			**(12,633,236)**		(10,281,797)
Total assets less current liabilities			**39,037,654**		35,985,537
Non-current liabilities					
Loans and borrowings	20		**(8,433,523)**		(2,949,021)
Lease liabilities	13		**(30,489,693)**		(29,532,937)
Deferred taxation	21		**(600,419)**		(617,696)
Net assets			**(485,981)**		**2,885,883**
Equity attributable to equity holders of the company					
Called up share capital	22		**386,640**		386,640
Share premium account	23		**4,433,250**		4,433,250
Share based payment reserve	23		**794,585**		839,978
Merger reserve	23		**4,793,170**		4,793,170
Retained earnings	23		**(10,893,626)**		(7,567,155)
Total equity			**(485,981)**		**2,885,883**

The accompanying notes on pages 67 to 95 form an integral part of these financial statements.

The Company statement of financial position can be found on page 96.

The financial statements of Tortilla Mexican Grill plc (registration number 13511888) were approved and authorised for issue by the board and were signed on its behalf by:

MARIA DENNY
CHIEF FINANCIAL OFFICER
20 MAY 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Called up share capital	Share premium account	Share-based payment reserve	Merger reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 02 January 2023	**386,640**	**4,433,250**	**452,535**	**4,793,170**	**(6,474,612)**	**3,590,983**
Loss for the period	-	-	-	-	(1,092,543)	**(1,092,543)**
Share based payments	-	-	387,443	-	-	**387,443**
At 01 January 2024	**386,640**	**4,433,250**	**839,978**	**4,793,170**	**(7,567,155)**	**2,885,883**
Loss for the period	-	-	-	-	(3,326,471)	**(3,326,471)**
Share-based payments	-	-	(45,393)	-	-	**(45,393)**
At 29 December 2024	**386,640**	**4,433,250**	**794,585**	**4,793,170**	**(10,893,626)**	**(485,981)**

The notes on pages 67 to 95 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	52 weeks ended 29 December 2024 £	52 weeks ended 31 December 2023 £
Cash flows from operating activities			
Loss for the financial period		**(3,326,471)**	(1,092,543)
Adjustments for:			
Amortisation of intangible assets	14	**14,045**	5,166
Depreciation of right-to-use assets	13	**4,685,847**	4,344,878
Depreciation of property, plant and equipment	15	**4,054,126**	3,805,769
Loss on disposal of tangible assets	15	**126,690**	40,746
Net finance expense	10	**393,782**	269,491
Taxation charge	11	**9,502**	7,377
(Increase) / decrease in inventories	16	**(156,032)**	38,222
Decrease/ (Increase) in trade and other receivables	17	**162,555**	(327,477)
Increase in trade and other payables	19	**918,854**	639,436
Impairment of property, plant and equipment	15	**598,291**	289,901
Impairment of right-to-use asset	13	**158,538**	-
Impairment of intangible assets	14	**684,757**	-
Corporation tax received / (paid)		**571,145**	(3,402)
Share based payments		**(45,393)**	387,443
Finance cost on lease liabilities	13	**1,735,062**	1,531,685
Foreign exchange loss		**(72,472)**	-
Net cash generated from operations		**10,512,826**	9,936,692
Cash flows from investing activities			
Purchase of tangible fixed assets	15	**(4,999,191)**	(4,535,117)
Interest received	9	**83,999**	31,900
Acquisitions, net of cash acquired		**(1,350,253)**	-
Net cash from investing activities		**(6,265,445)**	(4,503,217)
Cash flows from financing activities			
Interest paid	10	**(477,781)**	(282,849)
Payments made in respect of lease liabilities	13	**(6,853,314)**	(5,881,752)
Loan drawdown		**4,200,000**	-
Net cash used in financing activities		**(3,131,095)**	(6,164,601)
Net increase/ (decrease) in cash and cash equivalents		**1,116,286**	(731,126)
Cash and cash equivalents at the beginning of period	18	**1,644,674**	2,375,800
Cash and cash equivalents at the end of period		**2,760,960**	1,644,674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Tortilla Mexican Grill plc, the "Company" together with its subsidiaries, "the Group", is a public limited company whose shares are publicly traded on the Alternative Investment Market, "AIM", and is incorporated and domiciled in the United Kingdom and registered in England and Wales (registration number 13511888).

The registered address of Tortilla Mexican Grill plc and all subsidiaries is 142-144 New Cavendish Street, London, W1W 6YF, United Kingdom. A list of the Company's subsidiaries is presented in note 26.

The Group's principal activity is the operation and management of restaurants trading under the Tortilla, Chilango, and Fresh Burritos brands within the United Kingdom, France, and the Middle East.

Judgements made by the directors in the application of these accounting policies have been discussed in note 3.

2. ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with International Accounting Standards as adopted by the UK.

Tortilla Mexican Grill plc has taken advantage of the exemption under section 408 of the Companies Act 2006 to not present its own statement of comprehensive income. The loss for the single entity Tortilla Mexican Grill plc for the 52 weeks ended 29 December 2024 was £861,668 (31 December 2023: £5,479).

2.2 Basis of preparation of financial statements

The consolidated financial information contained in this document includes the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows, and related notes for the companies which comprise the Group.

The financial statements have been prepared on an accruals basis and under the historical cost convention unless otherwise stated. The financial statements are presented in GBP.

2.3 New standards, amendments and interpretations adopted

The Directors do not consider that there are any new standards or amendments applicable for the 52 weeks ending 29 December 2024 that would have a material impact on the Group's accounting treatment.

2.4 Standards issued but not yet effective

The following standards are applicable for financial years beginning on/after 1 January 2025:

- IAS 21 - Lack of Exchangeability

The following standards are applicable for financial years beginning on/after 1 January 2026:

- IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

When applied, none of these amendments are expected to have a material impact on the Group.

2.5 Basis of consolidation

The consolidated financial information incorporates the financial statements of the Group and all of its subsidiary undertakings. The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies. Where the Group has power, either directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities, it is classified as a subsidiary.

The statement of financial position as at 29 December 2024 incorporates the results of Tortilla Mexican Grill plc and its subsidiaries for all periods, as set out in the basis of preparation.

2.6 Going concern

In assessing the going concern position of the Group for the consolidated financial statements for the 52 weeks ended 29 December 2024, the Directors have considered the Group’s cash flow, liquidity and business activities.

During 2024 the Group drew down £4.2m from the debt facilities in order to finance the acquisition of Fresh Burritos group. At 29 December 2024, £2.8m of the facility remained undrawn. The Group had cash balances of £2.8m on 29 December 2024 which translated to a net debt position of £5.7m, excluding lease liabilities.

As part of their going concern assessment the Directors have prepared forecasts for a minimum period of twelve months from the date of approval of the financial statements. In addition, certain adverse scenarios have been considered for the purposes of stress and sensitivity testing. In these adverse scenarios, the Group would have sufficient liquidity to remain in compliance with its covenant obligations.

Upon consideration of this analysis and the principal risks faced by the Group, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future, a period of at least twelve months from the date of this report. Accordingly, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

2.7 Revenue

Revenue represents the amount receivable from customers for goods and services, exclusive of VAT and discounts.

The Group has recognised revenue in accordance with IFRS 15. The standard requires revenue to be recognised when goods or services are transferred to customers and the entity has satisfied its performance obligations under the contract, and at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Group's revenue comprises of:

- Food and beverage sales at restaurants with one performance obligation that is satisfied when control is transferred to the customer at the point of sale, which is usually when payment is received, and no contract assets or contract liabilities are created. The Group also generates revenue with third-party delivery partners, which is payable the week after the revenue was recorded. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group’s activities. Revenue is shown net of sales/value added tax, returns and discounts; and
- Franchise fees from the Group’s role as franchisor in the UK, France, and Middle East. Revenue comprises ongoing royalties based on the sales results of the franchisee and up-front initial site fees. Royalty revenue is accrued in line with reported sales performance once revenue can be reliably measured. Upfront initial site fees are recognised on opening of the associated franchisee restaurant.

The Group operates a loyalty scheme for customers which entitles the customer to free products after a specified number of purchases. IFRS 15 requires entities to recognise a liability for the provision of these products as the customer, in effect, pays the Group in advance for future goods. The Group has not recognised this liability as the value is not considered material.

2.8 Employee benefits

Short-term benefits
Salaries, wages, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are provided by employees of the Group.

Defined contribution plan
Contributions to defined contribution schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

2.9 Share-based payments

A transaction is accounted for as a share-based payment where the Group receives services from employees and Directors and pays for these in shares or similar equity instruments.

The Group makes equity-settled share-based payments to certain employees and Directors. Equity-settled share-based schemes are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant, measured by use of an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payment is recognised as an expense in the statement of comprehensive income on a straight line basis over the vesting period.

The vesting is dependent on achievement of specific performance conditions for the 2023, 2024 and 2025 financial years. The share-based payment expense will be modified if it is determined that these performance conditions will not be met.

Share options are forfeited when an employee ceases to be employed by the Group unless determined by the board to be a 'Good Leaver'. A participant who ceases employment by reason of death, injury, ill-health or disability is also deemed a good leaver.

2.10 Current and deferred tax

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

Deferred tax balances are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

2.11 Alternative performance measures ("APMs")

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally.

The Group's APMs are: like for like ("LFL") revenue growth/(decline), Adjusted EBITDA (Pre-IFRS), Operating cash flow and net cash/(debt).

The Directors use Adjusted EBITDA as a primary KPI in managing the business. This measure excludes exceptional items, share option expenses and site pre-opening costs and applies pre-IFRS 16 treatment of leases. The Directors believe this measure gives a more relevant indication of the underlying trading performance of the Group and is also the measure used by the banks for the purposes of assessing covenant compliance.

2.12 Intangible assets

Goodwill
Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis.

Other intangible assets
Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate their cost over their estimated useful life on a straight line basis. Computer software assets have a finite useful life, which is determined to be 3 years.

2.13 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis, which is reviewed at each balance sheet date:

Short-term leasehold property	- over the lease term
Plant and machinery	- over 5 years
Fixtures and fittings	- over 3 years

2.14 Leases

Right-of-use assets
The Group recognises a right-of-use asset at the lease commencement date. Right-of-use assets are initially measured at the same amount as the lease liability, reduced for any lease incentive received. Subsequently, right-of-use assets are amortised on a straight line basis over the remaining term of the lease and are assessed for impairment at each balance sheet date. The majority of leases are covered by the Landlord and Tenant Act 1985 which gives the right to extend the lease beyond the termination date. The Group expects to extend the majority of leases covered by the Landlord and Tenant Act 1985. This extension period is not included within the lease term as the termination date cannot be determined.

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 lease payments less any lease incentives receivable. 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. Where the Group expects to extend the leases covered by the Landlord and Tenant Act 1985, the extension period is not included within the lease term as the termination date cannot be determined and these are not reasonably certain.

Subsequently, lease liabilities are increased to reflect the interest cost on the liability and reduced for the lease payments made, which are recognised on a straight-line basis over the term of the lease. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, for example a rent review or a change in the lease term.

When a lease liability is remeasured, the Group adjusts the carrying amount of the liability to reflect the payments to be made over the revised term, which are discounted at a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term. Lease payments which are variable in nature and are not linked to any index or rate are expensed in the period to which they relate.

2.15 Impairment

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating units). Each site is considered to be a CGU in its own right.

Goodwill arising on the acquisition of Chilango Ltd and the Fresh Burritos group has been allocated to individual cash-generating units based on the forecasted EBITDA expected to be generated from each cash-generated unit at the date of acquisition.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured on a first-in-first-out basis.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Payments taken from customers on debit and credit cards are recognised as cash.

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Income is recognised from these investments only in relation to distributions receivable from post-acquisition profits. Distributions received in excess of post-acquisition profits are deducted from the cost of the investment.

2.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (“CODM”). The CODM has been identified as the management team including the Chief Executive Officer and Chief Financial Officer.

The Directors have taken a judgement that individual sites meet the aggregation criteria in IFRS 8, constituting one operating and one reporting segment and hence have concluded that the Group only has a single reporting segment, as discussed in note 4.

2.20 Equity instruments

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group’s ordinary shares are classified as equity instruments.

2.21 Financial instruments

The Group does not trade in financial instruments and all such instruments arise directly from operations.

Financial assets
Financial assets held at amortised cost are trade and other receivables and cash. All trade and other receivables are initially recognised at transaction value, as none contain in substance a financing transaction.

Trade receivables are all due for settlement within one year. Due to their short-term nature, the Directors consider the carrying amount of trade and other receivables to equal their fair value.

Fees paid on the establishment of loan facilities are recognised as transactional costs of the loan and the fee is capitalised as a prepayment for liquidity services and amortised straight line over the period of the facility to which it relates.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss (ECL) provision for financial assets. To measure expected credit losses on a collective basis, financial assets are grouped based on similar credit risk and ageing. There are no expected credit losses as consideration for goods is received at the point of sale.

Interest income is recognised in the Statement of comprehensive income and is included in the "finance income" line item.

Financial liabilities
Financial liabilities held at amortised cost include trade and other payables, lease liabilities and borrowings. Trade and other payables are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

There are no material differences between the carrying values of financial assets and liabilities held at amortised cost and their fair values.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest payable is recognised in the Statement of comprehensive income and is included in the 'finance expenses' line item.

2.22 Financial risk

The Group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the Group to manage these risks are detailed below. The primary objectives of the financial instrument risk management function are to establish risk limits and then ensure exposure to risks remains within these limits.

Interest rate risk
The Group is exposed to interest rate risk as the Group's borrowings have an interest rate of SONIA plus a margin.

Commodity price risk
The Group is exposed to movements in wholesale prices of food and drinks. The Group sources the majority of its products in Europe, however there is the risk of disruption to supply caused by external factors, for example political or economic factors. The Group always benchmarks any cost changes and typically fixes prices for periods of between three and six months.

Capital risk
The Group manages the capital structure to ensure it will be able to operate as a going concern, whilst maximising the return to shareholders. The Directors look to optimise the debt-to-equity balance and may adjust the capital structure by paying dividends to shareholders, returning capital to shareholders, issue new shares or sell assets to reduce debt. The Directors intend to maintain low net leverage levels as the Group's operating cash flows are sufficient to fund the addition of new restaurants to the portfolio.

Credit risk
The Group's credit risk is attributable to trade and other receivables and cash with the carrying amount best representing the maximum exposure to credit risk. The Group places its cash only with banks with high-quality credit standings. Trade and other receivables relate to day-to-day activities which are entered into with creditworthy counterparties.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting its financial obligations as they fall due. They may arise from the Group's management of working capital, finance charges and principal repayments on its debt. Following the acquisition of the Fresh Burritos group, the Group's liquidity risk profile includes the working capital and funding requirements of the French operation.

The Group has access to a £10m revolving credit facility held with Santander UK plc, of which £2.8m is undrawn at the year end. Of this undrawn amount, £2.5m has been allocated to an ancillary facility, an overdraft, which was not utilised at 29 December 2024. As part of the Group's acquisition of Fresh Burritos group on 5 July 2024, fifteen bank loans totalling £1,335,928 were acquired.

The Directors regularly review cash flow forecasts to determine whether the Group has sufficient reserves to meet obligations and take advantage of opportunities.

Maturity analysis

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	£	£	£	£	£
29 December 2024					
Trade and other payables	12,180,782	-	-	-	**12,180,782**
Lease liabilities	8,514,332	6,998,525	16,087,227	16,610,119	**48,210,203**
Borrowings	-	7,770,634	585,777	77,112	**8,433,523**
	20,695,114	**14,769,159**	**16,673,004**	**16,687,231**	**68,824,508**
31 December 2023					
Trade and other payables	9,749,505	-	-	-	**9,749,505**
Lease liabilities	5,804,285	5,548,013	13,630,276	18,373,748	**43,356,322**
Borrowings	-	-	2,949,021	-	**2,949,021**
	15,553,790	**5,548,013**	**16,579,297**	**18,373,748**	**56,054,848**

Lease liabilities in table are undiscounted for purposes of report.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes certain judgements, estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. Judgements that have been made by the directors in the application of these accounting policies that fall within the scope of IAS 1 paragraph 125 have been discussed below.

Determining the discount rate for IFRS 16

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used. This being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Directors carried out a review of the historic borrowing rates of the Group and historic bond rates together with analysis of the lease terms. They concluded that the use of a single discount rate applied to all leases signed prior to 2 January 2022 is a reasonable approach. Based on this analysis a discount rate of 3.4 percent has been applied. Subsequently, discount rates have been applied on a lease-by-lease basis, in order to reflect the increasing risk-free rate during this period. These discount rates range from 4.9 percent to 7.3 percent.

For the lease liabilities at 29 December 2024 a 0.1 percent increase in the discount rate would reduce the total liabilities by £140,000 (31 December 2023: £11,000), which is not considered to be material. Therefore this is not considered to be a key source of estimation uncertainty.

Impairment of goodwill, right of use assets and property, plant and equipment

Goodwill, right-of-use assets and property, plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired by comparing the carrying value of the assets with their recoverable amounts. The recoverable amount of an asset or cash generating unit (CGU) is determined based on value-in-use calculations prepared on the basis of the Directors' estimates and assumptions. Individual sites are viewed as separate CGUs.

The key assumptions in the value-in-use calculations include the growth rates of revenue and expenses, together with the Group's weighted average cost of capital (WACC), which is used as a discount rate. Projected cash flows are based on financial budgets approved by the Board covering a four year period. Beyond this four year period, projected cash flows have been based on a 3.0% growth rate until the end of the lease terms. The value-in-use calculations also factor in the cost of maintaining the assets, set at £21,000 per annum for each site based on historic averages, and the impact of direct overhead costs.

For the leases held in Chilango Ltd, a further key assumption in the value-in-use calculations was that the leases with terms ending in less than five years would be able to be renewed with terms of 10 years, in line with the term lengths of leases held by Mexican Grill Ltd. If this assumption was incorrect, the maximum potential impact on the impairment charge for the 52 weeks ended 29 December 2024 is an increase of £880,000 (31 December 2023: increase of £1,605,818).

An independent external consultancy was engaged to calculate the Group's post-tax WACC. As at 29 December 2024, the pretax WACC was determined to be 15.0% (31 December 2023: 15.1%). An increase in the discount rate of 1.0 percent would increase the impairment charge for the 52 weeks ended 29 December 2024 by £33,000 (31 December 2023: £nil), which is not considered to be material.

In the 52 weeks ended 29 December 2024, goodwill of £5,510,175, property, plant and equipment assets of £15,768,094 and right-of-use assets of £31,750,594 have been tested for impairment. Detailed impairment testing resulted in the recognition of an impairment charge of £598,291 (52 weeks ended 31 December 2023: £289,901) against property, plant and equipment assets (note 15), an impairment charge of £684,757 (52 weeks ended 31 December 2023: £nil) against goodwill (note 14), and an impairment charge of £158,538 (52 weeks ended 31 December 2023: £nil) against right-of-use assets (note 13).

As these assumptions have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, these are considered to be key sources of estimation uncertainty.

Business combinations

The acquisition of the Fresh Burritos group has been accounted for using the acquisition method under IFRS 3. The identifiable assets and liabilities are recognised at their fair value at the date of acquisition. Determining the fair value of these assets and liabilities involved a degree of estimation. In particular, the goodwill held within the Fresh Burritos group was not determined to be separately identifiable and so the fair value of this goodwill was adjusted to £nil. Additionally, a fair value adjustment was recognised in respect of the right-of-use assets to reflect the expected cash flows to be generated by the leases over their remaining terms, which is a source of significant estimation uncertainty.

Useful economic lives of property, plant and equipment

The depreciation charge is dependent upon the assumptions used regarding the useful economic lives of assets. A 10 percent increase in average useful economic lives would result in a £369,000 decrease in depreciation in the 52 weeks ended 29 December 2024 (31 December 2023: £346,000). This is not considered to be material and therefore this judgement is not deemed to be a key source of estimation uncertainty.

Share-based payments

The charge for share-based payments is calculated according to the methodology described in note 8. The Black-Scholes model requires subjective assumptions to be made including the volatility of the Company's share price, fair value of the shares and the risk free interest rates.

The vesting of certain share-based payments is dependent on the achievement of specific performance and expansion targets over the three financial years 2023, 2024 and 2025. Assumptions have been made regarding the likelihood of these criteria being met. A 25% increase in likelihood would result in a £33,000 increase in share-based payment charge in the 52 weeks ended 29 December 2024 (31 December 2023: £21,175). This is not considered to be material and therefore this judgement is not deemed to be a key source of estimation uncertainty.

4. REVENUE

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Sale of goods	66,898,225	64,848,049
Franchise royalty income	1,101,264	826,916
	67,999,489	65,674,965
Geographical analysis - revenue		
UK	64,593,706	65,348,619
Rest of Europe	3,003,338	-
Rest of World	402,445	326,346
	67,999,489	65,674,965
Geographical analysis - non-current assets		
UK	45,456,164	46,267,334
Rest of Europe	6,214,726	-
	51,670,890	46,267,334

IFRS 8 Operating Segments requires operating segments to be based on the Group's internal reporting to its Chief Operating Decision Maker ("CODM"). The CODM is regarded as the management team of the Chief Executive Officer and the Chief Financial Officer.

The Group has five income streams:

- UK sales from Group-operated restaurants
- UK franchise sales from franchised restaurants
- Middle East franchise sales from franchised restaurants
- France sales from Group-operated restaurants
- France franchise sales from franchised restaurants

The franchise aspects of the business have a minimal cost and asset base which cannot be reliably determined and therefore they are not considered to be material and separable segments, and are not separately monitored. There are similar economic characteristics between the franchise aspects and the Group-operated restaurant business, with each following a similar sales and EBITDA trajectory. These have been reviewed by the Directors along with the non-financial criteria of IFRS 8. It is the Directors' judgement that despite some short-term variability, all income streams have similar economic characteristics in the medium and long-term and meet the criteria for aggregation into a single reporting segment. Therefore, no segmental analysis is provided. While the nature of the Group's business is not considered to encompass separate operating segments for the reasons outlined above, their geographical monitoring and therefore analysis is presented in line with IFRS 8 paragraph 33.

5. OPERATING PROFIT

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Depreciation and amortisation	8,762,397	8,155,814
Impairment of right-of-use assets	158,538	-
Loss on disposal of fixed assets	126,690	40,747
Impairment of fixed assets	598,291	289,901
Impairment of goodwill	684,757	-
Variable lease payments	418,846	692,886
Inventories - amounts charged as an expense	15,889,248	14,883,204
Share option (credit)/expense	(45,393)	387,443
Pre-opening costs (non-GAAP)**	397,243	344,570
Exceptional items (non-GAAP)*	1,522,532	437,756
Bank arrangement fee amortisation	18,540	18,540
Auditors remuneration:		
Audit fees	165,610	133,000
Other assurance services	17,500	9,700

** Exceptional items in 2024 includes £1.3m of costs incurred in relation to the acquisition of Fresh Burritos (see note 25).*

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Pre-opening costs	397,243	344,570
Number of new launches in period	3	6

*** Pre-opening costs include costs of £84,562 for the opening of one UK site, and costs of £312,681 for the conversion of an acquired site in Strasbourg, France, to the Tortilla brand and the opening of our Central Processing Kitchen in Lille, France.*

6. EMPLOYEES

The average monthly number of employees, including the directors, during the period was as follows:

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	No.	No.
Operations staff	1,127	1,094
Head office staff	61	52
	1,188	1,146
	52 weeks ended	**52 weeks ended**
	29 December 2024	**31 December 2023**
	£	**£**
Wages and salaries	21,026,142	19,634,665
Social security costs	1,462,167	1,164,438
Pension costs	279,981	220,650
Share based (credit)/expense (note 8)	(45,393)	387,443
	22,722,897	21,407,196

Directors' remuneration, included in staff costs, was as follows:

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Short-term employee benefits	762,000	585,205
Post-employment benefits	2,000	2,643
	764,000	587,848

Due to the transient and seasonal nature of the workforce this figure is approximate as of 29 December 2024.

7. DIRECTORS' REMUNERATION AND KEY MANAGEMENT INFORMATION

The highest paid Director received remuneration of £223,000 (2023: £231,000).

The number of Directors receiving pension contributions was 2 (2023: 2).

The share-based payment credit arising from the Directors' participation in the Company's LTIP scheme was £160,000 (2023: expense £219,000).

There are no Key Management Personnel other than the Directors. Further information about the remuneration of individual Directors is provided in the Annual Remuneration report on pages 48 to 51.

8. SHARE BASED PAYMENTS

A transaction is accounted for as a share-based payment when services are paid for in shares or similar equity instruments.

The Group issues equity-settled share-based payments to Directors and certain members of staff. Equity-settled share-based schemes are measured at fair value at the date of grant, using the Black Scholes valuation model. The expected life used in the model is adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The Tortilla Mexican Grill plc Long-Term Incentive Plan 2021 ("LTIP")

Under the LTIP, options were awarded to Directors and members of the senior management team. 50 percent vests after three years and the remaining 50 percent vests after the fourth year. The vesting is dependent on achievement of specific Adjusted EBITDA targets for the 2023 and 2024 financial years. The Adjusted EBITDA target for 2023 has been met, however the target for 2024 has not been met. Therefore the options that were due to vest after three years have been forfeited.

In the 52 weeks ended 1 January 2023, 205,714 nil cost options were awarded under the LTIP to Directors which will vest on 1 December 2024. The vesting is dependent on the Directors' continuous employment.

In the 52 weeks ended 31 December 2023, 600,387 nil cost options were awarded under the LTIP to Directors and members of the senior management team which will vest on 10 May 2026. The vesting of the awards made to Directors is dependent on achievement of specific performance and expansion targets over the three financial years 2023, 2024 and 2025, as well as the Directors' continuous employment. The vesting of the awards made to members of the senior management team is dependent on continuous employment only.

In the 52 weeks ended 29 December 2024, 1,166,778 nil cost options and 119,081 market value options were awarded under the LTIP to Directors and members of the senior management team which have a vesting period of 36 months. The vesting of the awards made to Directors is dependent on achievement of specific expansion targets over the three financial years 2024, 2025 and 2026, as well as the Directors' continuous employment. The vesting of the awards made to members of the senior management team is dependent on continuous employment only.

Awards are forfeited if the employee leaves the Group before the awards vest, except under the circumstances where the employee is considered a 'Good Leaver'.

Details of the share awards outstanding are as follows:

	29 December 2024	29 December 2024	31 December 2023	31 December 2023
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	#	£	#	£
Outstanding at beginning of the period	2,245,991	1.2	1,946,046	1.6
Granted during the period	1,285,859	-	600,387	-
Exercised during the period	-	-	-	-
Forfeited during the period	(1,076,618)	1.5	(300,442)	1.8
Outstanding at the end of the period	2,445,232	0.5	2,245,991	1.2

The awards outstanding at the end of 29 December 2024 have a remaining weighted average contractual life of nineteen months (31 December 2023: nineteen months) and an exercise price of £0.46 (31 December 2023: £1.16). At the end of 29 December 2024 543,392 awards were exercisable (31 December 2023: none).

The Group recognised total credits related to the above equity-settled share-based payment transactions in the form of options during the 52 weeks ended 29 December 2024 of £60,136 (31 December 2023: charge of £369,021) and related employer National Insurance charge of £14,743 (£31 December 2023: £18,422).

The fair values were calculated using a Black Scholes model. The inputs used for fair valuing awards granted during the period were as follows:

	29 December 2024			
	May-24	Jul-24	Dec-24	31 December 2023
Share price at grant date (pence)	47p	53p	51p	107p
Exercise price (pence)	-	-	52p	-
Expected volatility (%)	58%	57%	53%	56%
Option life (years)	3.0	3.0	3.0	3.0
Risk free interest rate (%)	4.11%	3.96%	4.12%	3.88%

9. INTEREST RECEIVABLE

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Bank interest income	83,999	31,900

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£	£
Bank interest payable	477,781	269,491
Finance cost on lease liabilities	1,736,683	1,531,685
	2,214,464	1,801,176

11. TAXATION

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
Current tax		
UK corporation tax on profits for the period	-	-
France corporation tax on profits for the period	26,779	-
Adjustments in respect of previous periods	-	(610,319)
Total current tax	26,779	(610,319)
Deferred tax		
Origination and reversal of timing differences	(17,277)	617,696
Total deferred tax	(17,277)	617,696
Total tax charge for the period	9,502	7,377

Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK and France of 25%. The differences are explained below:

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
Loss on ordinary activities before tax	(3,316,969)	(1,085,166)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK and France of 25% (2023 UK: 25%):	(829,242)	(271,292)
Effects of:		
Expenses not deductible for tax purposes	415,580	91,098
Capital allowances in excess of depreciation	140,616	608,059
Other timing differences, primarily arising from operating lease accounting	(157,893)	129,693
Movement in unprovided deferred tax	440,441	60,138
Adjustments to tax charge in respect of prior periods	-	(610,319)
Total tax charge / (credit) for the period	9,502	7,377

At 29 December 2024, the Group had unused carried forward tax losses of £5,265,402 (31 December 2023: £3,037,488). £1,768,479 of carried forward tax losses relate to French group entities, which have not been recognised as a deferred tax asset as the timing of utilisation is uncertain. The remainder are held with UK group entities and are expected to be fully utilised in future periods. The rate used to calculate the deferred tax balances at 29 December 2024 is 25% (31 December 2023: 25%).

12. EARNINGS / (LOSS) PER SHARE

Basic earnings/(losses) per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares outstanding during the period.

	52 weeks ended 29 December 2024	52 weeks ended 31 December 2023
Loss used in calculating basic and diluted loss	(3,326,471)	(1,092,543)
Weighted average number of shares for the purpose of basic and diluted earnings per share	38,664,031	38,664,031
Basic and diluted loss per share (pence)	**(8.6)**	**(2.8)**

In accordance with IAS 33, diluted EPS must be presented when a company could be required to issue shares that would decrease earnings per share or increase the loss per share. However, IAS 33 stipulates that diluted EPS cannot show an improvement compared to basic EPS. In this case, as the inclusion of potential ordinary shares would result in an improvement, they have been disregarded in the calculation of diluted EPS.

13. LEASES

Right-of-use assets	£
At 01 January 2023	31,035,358
Additions	3,682,001
Arising from acquisition	-
Disposals	(851,987)
Depreciation	(4,344,878)
At 31 December 2023	**29,520,494**
Additions	4,486,940
Arising from acquisition	4,094,256
Disposals	(1,665,249)
Depreciation	(4,685,847)
Impairment	(158,538)
At 29 December 2024	**31,592,056**

Lease liabilities	£
At 01 January 2023	(36,723,889)
Additions	(3,682,004)
Arising from acquisition	-
Interest expense	(1,531,685)
Lease payments	5,881,752
Disposals	851,987
At 31 December 2023	**(35,203,839)**
Additions	(4,487,023)
Arising from acquisition	(4,642,972)
Interest expense	(1,735,062)
Lease payments	6,853,314
Disposals	1,665,249
At 29 December 2024	**(37,550,333)**

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	More than 1 year	Total
	£	£	£	£	£	£
29 December 2024	7,060,640	6,242,115	13,205,294	11,042,284	30,489,693	37,550,333
31 December 2023	5,670,902	5,195,183	11,769,439	12,568,315	29,532,937	35,203,839

14. INTANGIBLE ASSETS

	Computer software	Leasehold rights	Goodwill	Total
	£	£	£	£
Cost				
At 01 January 2023	15,500		2,624,886	2,640,386
At 31 December 2023	**15,500**		**2,624,886**	**2,640,386**
Arising on acquisition	12,577	82,928	2,885,289	2,980,794
At 29 December 2024	**28,077**	**82,928**	**5,510,175**	**5,621,180**
Amortisation				
At 01 January 2023	8,181		-	8,181
Amortisation charge	5,166		-	5,166
At 31 December 2023	**13,347**	**-**	**-**	**13,347**
Amortisation charge	4,563	9,482	-	14,045
Impairment	-	-	684,757	684,757
At 29 December 2024	**17,910**	**9,482**	**684,757**	**712,149**
Net book value				
At 29 December 2024	**10,167**	**73,446**	**4,825,418**	**4,909,031**
At 31 December 2023	2,153	-	2,624,886	2,627,039

Goodwill

The components of goodwill comprise the amounts arising on acquisition of the following businesses:

	29 December 2024	31 December 2023
	£	£
Brewer Street	110,374	334,647
Brushfield Street	171,507	171,507
Chancery Lane	117,126	117,126
Croydon	104,577	104,577
Islington	5,930	466,414
London Bridge	543,801	543,801
London Wall	363,928	363,928
Manchester	522,886	522,886
Goodwill arising on acquisition of Chilango Ltd	1,940,129	2,624,886
Goodwill arising on the acquisition of Fresh Burritos (see note 25)	2,885,289	-
	4,825,418	**2,624,886**

At the acquisition date, goodwill is allocated to each group of CGUs expected to benefit from the combination. Each site is considered to be a separate CGU for impairment purposes and therefore the goodwill was allocated to individual sites. The goodwill allocation was based on the forecasted EBITDA that was expected to be generated.

15. TANGIBLE ASSETS

	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 01 January 2023	16,049,266	5,128,645	6,692,407	27,870,318
Additions	1,995,101	960,842	1,579,174	4,535,117
Disposals	(51,995)	(860,302)	(765,619)	(1,677,916)
At 31 December 2023	**17,992,372**	**5,229,185**	**7,505,962**	**30,727,519**
Additions	803,688	2,780,168	1,415,335	4,999,191
Arising on acquisition	-	1,395,405	220,110	1,615,515
Disposal	(432,889)	(120,192)	(63,798)	(616,879)
At 29 December 2024	**18,363,171**	**9,284,566**	**9,077,609**	**36,725,346**
Depreciation				
At 01 January 2023	8,068,909	3,269,990	2,810,318	14,149,217
Charge for the period	1,238,432	640,731	1,926,606	3,805,769
Disposals	(34,288)	(849,855)	(753,026)	(1,637,169)
Impairment charge	289,901	-	-	289,901
At 31 December 2023	**9,562,954**	**3,060,866**	**3,983,898**	**16,607,718**
Charge for the period	1,180,809	917,411	1,955,906	4,054,126
Arising from acquisition	-	624,503	161,094	785,597
Disposals	(510,015)	(81,909)	101,735	(490,189)
Impairment charge	527,152	54,119	17,020	598,291
At 29 December 2024	**10,760,900**	**4,574,990**	**6,219,653**	**21,555,543**
Net book value				
At 29 December 2024	**7,602,271**	**4,709,576**	**2,857,956**	**15,169,803**
At 31 December 2023	8,429,418	2,168,319	3,522,064	14,119,801

16. INVENTORIES

	29 December 2024	31 December 2023
	£	£
Food and beverage for resale	547,753	358,861

There is no material difference between the replacement cost of inventories and the amounts stated above.

Total inventory recognised as an expense in the consolidated statement of comprehensive income during the period was £15,899,248 (52 weeks ended 31 December 2023: £14,883,204).

17. TRADE AND OTHER RECEIVABLES

	29 December 2024	31 December 2023
	£	£
Trade receivables	743,556	404,241
Other receivables	1,284,958	1,713,007
Prepayments and accrued income	1,270,959	1,017,827
	3,299,473	3,135,075

Trade receivables primarily relate to sales due from third party delivery providers and these are settled the week immediately following the week in which the sale was recorded. There are also amounts owed by the Group's franchise partners, which are due within 30 days of the end of the period.

Other receivables consists of deposits held by third parties, generally landlords, and franchise income accrued but not yet invoiced to third parties.

The Group held no collateral against these receivables at the balance sheet dates. The Directors consider that the carrying amount of receivables are recoverable in full and that any expected credit losses are immaterial.

18. CASH AND CASH EQUIVALENTS

	29 December 2024	31 December 2023
	£	£
Cash at bank and in hand	2,760,960	1,644,674

Cash and cash equivalents comprise cash at bank, in hand and cash in transit. Cash in transit comprises card payment receipts, which are received on the next working day. The fair value of cash and cash equivalents is the same as their carrying value.

19. TRADE AND OTHER PAYABLES

	29 December 2024	31 December 2023
	£	£
Trade payables	(4,664,955)	(2,768,567)
Other taxation and social security	(2,192,159)	(2,119,292)
Other payables	(1,535,772)	(940,674)
Accruals and deferred income	(3,787,896)	(3,920,972)
	(12,180,782)	(9,749,505)

20. LOANS AND BORROWINGS

	29 December 2024	31 December 2023
	£	£
Bank loans - falling due after one year	(8,465,962)	(3,000,000)
Amortised issue costs	32,439	50,979
	(8,433,523)	(2,949,021)

As part of the Group's IPO on 8 October 2021, the existing facilities were repaid and a new financing arrangement was signed with Santander UK plc. This is a £10m senior facility, repayable in full on 14 September 2026, with a drawn balance at 29 December 2024 of £7.2m (31 December 2023: £3.0m). The Group has allocated £2.5m of the remaining undrawn amount to an ancillary facility, an overdraft, which was not utilised at 29 December 2024 or 31 December 2023. Arrangement fees of £93,000 were incurred as part of the refinancing and this is being amortised to the Group consolidated statement of comprehensive income over the term of the facility. The loan balance is being recognised net of these arrangement fees.

The facility accrues interest at rates of 2.75% - 3.25% plus SONIA and the overdraft attracts interest at a rate of 2.75% plus SONIA when utilised. These loans are secured by a debenture over the assets of the Group and are presented net of capitalised amortised issue costs.

As part of the Group’s acquisition of Fresh Burritos group on 5 July 2024, fifteen bank loans totalling £1,335,928 were acquired. These loans are held across Société Générale S.A, BNP Paribas, LCL S.A (Credit Lyonnais) and Crédit Agricole. The term dates of these loans vary in length and are repayable over the period from 27 May 2025 to 12 July 2030, with interest rates ranging from 1 – 5.19%.

21. DEFERRED TAXATION

	Deferred taxation liability
	£
At 1 January 2023	-
Charged to profit or loss	617,696
At 31 December 2023	**617,696**
Charged to profit or loss	(17,277)
At 29 December 2024	**600,419**

	29 December 2024	31 December 2023
	£	£
Accelerated capital allowances	(1,474,650)	(1,444,558)
Tax losses carried forward	874,231	826,862
	(600,419)	(617,696)

22. SHARE CAPITAL

	29 December 2024	31 December 2023
	£	£
Allotted, called up and fully paid		
38,664,031 Ordinary shares of £0.01 each	386,640	386,640

Ordinary shares entitle the holder to participate in dividends and the process on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have a par value of £0.01 and the Company does not have a limited amount of authorised capital.

23. RESERVES

Share premium account
The share premium account records the amount above the nominal value received for shares sold.

Share based payment reserve
The Group presents employee share options as an adjustment to own equity through this reserve until the point that the shares are awarded and cease to be conditional awards.

Merger Reserve
The merger reserve represents the excess over nominal value of the fair value consideration for the business combination of Tortilla Mexican Grill plc and Mexican Grill Ltd during the Group's IPO. This was satisfied by the issue of shares in accordance with Section 612 of the Companies Act 2006.

Profit and loss account
The accumulated net profits and losses of the Group.

24. ANALYSIS OF NET DEBT

	At 31 December 2023	Cash flows	Amounts arising on acquisition of subsidiaries	Loan drawdown	Additions and disposals of leases	Finance expense	At 29 December 2024
	£	£	£	£	£	£	£
Cash at bank and in hand	1,644,674	(3,263,616)	179,902	4,200,000			2,760,960
Bank loans	(2,949,021)		(1,335,928)	(4,200,000)		51,426	(8,433,523)
Lease liabilities	(35,203,839)	6,853,314	(4,642,972)		(2,821,774)	(1,735,062)	(37,550,333)
Net debt	(36,508,186)	3,589,698	(5,798,998)	-	(2,821,774)	(1,683,636)	(43,222,896)

	At 2 January 2023	Cash flows	Additions and disposals of leases	Finance expense	At 31 December 2023
	£	£	£	£	£
Cash at bank and in hand	2,375,800	(731,126)	-	-	1,644,674
Bank loans	(2,930,481)	-	-	(18,540)	(2,949,021)
Lease liabilities	(36,723,889)	5,881,748	(2,830,013)	(1,531,685)	(35,203,839)
Net debt	(37,278,570)	5,150,622	(2,830,013)	(1,550,225)	(36,508,186)

25. BUSINESS COMBINATIONS

On 5 July 2024, the Company entered into a transaction to acquire the Fresh Burritos Group. This included 100% of the issued share capital and voting rights of six entities FB GDN, LADJ & CO, FB VDE, FB NICE, FB CARRE SENART, and FB STRAS51, and the trade and assets of seven further restaurants: FB ATLANTIS SARL, FB BERCY SARL, FB BETHUNE SARL, FB CERGY SARL, FB GRENOLBLE SARL, FB NANTES SARL, and FB SAINT-LAZARE SARL.

The purpose of the acquisition was to grow the Group's business by entering into a new market in France.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value	Fair value adjustments	Fair value
	£	£	£
Non-current assets			
Intangible assets	1,104,368	(1,019,784)	84,584
Tangible assets	846,489	-	846,489
Right-of-use assets	4,642,973	(548,717)	4,094,256
Total non-current assets	6,593,830	(1,568,501)	5,025,329
Current assets			
Inventories	32,860		32,860
Trade and other receivables	326,953		326,953
Cash and cash equivalents	179,902		179,902
Total current assets	539,715	-	539,715
Liabilities			
Trade and other payables due within one year	(942,687)	177,247	(765,440)
Loans and borrowings due after more than one year	(1,553,542)	217,614	(1,335,928)
Lease liabilities	(4,642,972)		(4,642,972)
Total liabilities	(7,139,201)	394,861	(6,744,340)
Total identifiable net liabilities	**(5,656)**	**(1,173,640)**	**(1,179,296)**
Goodwill			**2,885,289**
Total purchase consideration			**1,705,993**
Fair value of consideration paid:			
Cash			1,530,155
Contingent consideration			175,838
Total purchase consideration			**1,705,993**

At acquisition date, the acquired entities reported goodwill and licence fees of £1,019,784 within intangible assets. These were not considered to be separately identifiable and therefore a fair value adjustment was made in respect of these.

The lease liabilities of £4,642,972 were calculated on acquisition in line with IFRS 3. These were calculated as if the lease inception date was the acquisition date.

The goodwill arising on the Fresh Burritos acquisition is not deductible for tax purposes.

The contingent consideration was dependent on the finalisation of the net non-banking debt of the acquired entities as at the date of acquisition. The contingent consideration was outstanding as at 29 December 2024, however subsequent to the period year this has been finalised and settled in full.

The revenue included in the consolidated statement of comprehensive income since 5 July 2024 contributed by the Fresh Burritos group was £3,003,338. The Fresh Burritos group also contributed losses of £1,639,477 over the same period. Had the Fresh Burritos group been consolidated from 1 January 2024, the consolidated statement of comprehensive income would have included revenue of £4,777,665 and losses of £2,651,939.

An amount of £1,285,503 has been charged to the Statement of comprehensive income in the 52 weeks ended 29 December 2024 in respect of acquisition costs and is recognised within administrative expenses.

26. SUBSIDIARY UNDERTAKINGS

The subsidiaries of Tortilla Mexican Grill plc, all of which have been included in the consolidated financial information and comprise the Group, are as follows:

Name	Registered Office	Principal activity	Holding
Mexican Grill Ltd	United Kingdom	Operation of restaurants	100%
Mexican Grill International Franchise Ltd	United Kingdom	International franchising	100%
California Grill Ltd	United Kingdom	Holding leases	100%
Chilango Ltd	United Kingdom	Operation of restaurants	100%
Chilango City Ltd	United Kingdom	Holding leases	100%
Chilango London Ltd	United Kingdom	Holding leases	100%
Chilango Mexican Ltd	United Kingdom	Holding leases	100%
Chilango UK Ltd	United Kingdom	Holding leases	100%
Tortilla Mexican Grill France SAS	France	Financing subsidiaries	100%
Tortilla Restaurants SAS	France	Operation of restaurants	100%
Tortilla Franchise SAS	France	Franchising	100%
FB CARRE SENART	France	Operation of restaurants	100%
FB GDN	France	Operation of restaurants	100%
FB NICE	France	Operation of restaurants	100%
FB STRAS51	France	Operation of restaurants	100%
FB VDE	France	Operation of restaurants	100%
LAJD & CO	France	Operation of restaurants	100%
			100%

The registered address for all above named subsidiaries based in the United Kingdom is 1st Floor Evelyn House, 142 New Cavendish Street, London, UK, W1W 6YF.

The registered address for all above named subsidiaries based in France is 4 rue de Marivaux, 75002, Paris, France.

The shares held in all above named subsidiaries are ordinary shares.

The below subsidiaries will apply the parent guarantee audit exemption under section 479A of the Companies Act 2006 for the purposes of their reporting for the period ended 29 December 2024: California Grill Ltd, Chilango London Ltd, and Chilango Mexican Ltd.

27. RELATED PARTY TRANSACTIONS

Mexican Grill Ltd was charged monitoring fees of £30,000 for the 52 weeks ended 29 December 2024 (31 December 2023: £30,000) by QS Direct SI 2 S.à.r.l, in its capacity as General Partner of the Group's shareholder QS Direct SI 2 SCA SICAR.

Tortilla Mexican Grill plc was charged consulting fees of £146,000 and non-executive director fees of £nil for the 52 weeks ended 29 December 2024 (31December 2023: non-executive director fees of £9,000) by Kikkirossi SARL, an entity incorporated in Switzerland which is wholly owned by a Director of Tortilla Mexican Grill plc.

28. CONTROLLING PARTY

The Directors believe that there is no ultimate controlling party of the Group.

29. CAPITAL COMMITMENTS

The Group had capital commitments of £215,000 at 29 December 2024 (31 December 2023: £nil).

30. POST-BALANCE SHEET EVENTS

The Directors consider that there are no material post balance sheet effects affecting the Group or the Company that have occurred between the end of the period and the date of publication of this report.

31. IFRS COMPARISON TO UK GAAP (UNAUDITED)

This is a non-GAAP note and does not form part of the financial statements.

	Pre-IFRS 16	IFRS 16	IFRS	Pre-IFRS 16	IFRS 16	IFRS
	52 weeks ended	adjustments	52 weeks ended	52 weeks ended	adjustments	52 weeks ended
	29 December 2024		29 December 2024	31 December 2023		31 December 2023
	£	£	£	£	£	£
Revenue	67,247,502	-	67,247,502	65,674,965	-	65,674,965
Cost of sales	(15,294,786)	147,525	(15,147,261)	(14,883,204)	-	(14,883,204)
Gross profit	51,952,716	147,525	52,100,241	50,791,761	-	50,791,761
Administrative expenses	(54,997,403)	1,710,658	(53,286,745)	(51,657,149)	1,549,498	(50,107,651)
Profit/(loss) from operations	(3,044,687)	1,858,183	(1,186,504)	(865,388)	1,549,498	684,110
Adjusted EBITDA	4,475,155	6,614,043	11,089,198	4,565,275	5,793,606	10,358,881
Pre-opening costs	(411,114)	13,871	(397,243)	(478,911)	134,341	(344,570)
Share based payments	45,393	-	45,393	(387,443)	-	(387,443)
Depreciation and amortisation	(4,163,840)	(4,725,247)	(8,889,087)	(3,818,112)	(4,378,449)	(8,196,561)
Impairment charge	(1,283,048)	(158,538)	(1,441,586)	(289,901)	-	(289,901)
Non-trading costs	(3,612)	-	(3,612)	(18,540)	-	(18,540)
FX loss	(67,035)	-	(67,035)	-	-	-
Exceptional items	(1,636,586)	114,054	(1,522,532)	(437,756)	-	(437,756)
Profit/(loss) from operations	(3,044,687)	1,858,183	(1,186,504)	(865,388)	1,549,498	684,110
Finance income	83,999	-	83,999	31,900	-	31,900
Finance expense	(478,063)	(1,736,401)	(2,214,464)	(269,491)	(1,531,685)	(1,801,176)
Profit/(loss) before tax	(3,438,751)	121,782	(3,316,969)	(1,102,979)	17,813	(1,085,166)
Tax (charge)/credit	(9,502)	-	(9,502)	(7,377)	-	(7,377)
Loss for the period	**(3,448,253)**	**121,782**	**(3,326,471)**	**(1,110,356)**	**17,813**	**(1,092,543)**

32. IFRS COMPARISON TO UK GAAP (UNAUDITED) (CONTINUED)

	Pre-IFRS 16 52 weeks ended 29 December 2024	IFRS 16 adjustments	IFRS 52 weeks ended 29 December 2024	Pre-IFRS 16 52 weeks ended 31 December 2023	IFRS 16 adjustments	IFRS 52 weeks ended 31 December 2023
	£	£	£	£	£	£
Fixed assets						
Intangible assets	4,909,031	-	4,909,031	2,627,039	-	2,627,039
Tangible assets	14,675,387	494,416	15,169,803	13,573,308	546,493	14,119,801
Right-of-use assets	(548,716)	32,140,772	31,592,056	-	29,520,494	29,520,494
Total fixed assets	19,035,702	32,635,188	51,670,890	16,200,347	30,066,987	46,267,334
Current assets						
Inventories	547,753	-	547,753	358,861	-	358,861
Trade and other receivables	4,417,207	(1,117,734)	3,299,473	4,213,507	(1,078,432)	3,135,075
Cash at bank and in hand	2,760,960	-	2,760,960	1,644,674	-	1,644,674
Total current assets	7,725,920	(1,117,734)	6,608,186	6,217,042	(1,078,432)	5,138,610
Current liabilities						
Trade and other payables	(13,672,810)	1,492,028	(12,180,782)	(11,416,127)	1,666,622	(9,749,505)
Lease liabilities	(2,441,919)	(7,060,640)	(9,502,559)	-	(5,670,902)	(5,670,902)
Total current liabilities	(16,114,729)	(5,568,612)	(21,683,341)	(11,416,127)	(4,004,280)	(15,420,407)
Non-current liabilities						
Loans and borrowings	(8,547,577)	114,054	(8,433,523)	(2,949,021)	-	(2,949,021)
Lease liabilities	2,442,002	(30,489,776)	(28,047,774)	-	(29,532,937)	(29,532,937)
Deferred taxation	(600,419)	-	(600,419)	(617,696)	-	(617,696)
Total non-current liabilities	(6,705,994)	(30,375,722)	(37,081,716)	(3,566,717)	(29,532,937)	(33,099,654)
		-				
Net assets	**3,940,899**	**(4,426,880)**	**(485,981)**	**7,434,545**	**(4,548,662)**	**2,885,883**
Equity attributable to equity holders of the company						
Called up share capital	386,640	-	386,640	386,640	-	386,640
Share premium account	4,433,250	-	4,433,250	4,433,250	-	4,433,250
Share based payment reserve	794,585	-	794,585	839,978	-	839,978
Merger reserve	4,793,170	-	4,793,170	4,793,170	-	4,793,170
Profit and loss account	(6,466,746)	(4,426,880)	(10,893,626)	(3,018,493)	(4,548,662)	(7,567,155)
Total equity	**3,940,899**	**(4,426,880)**	**(485,981)**	**7,434,545**	**(4,548,662)**	**2,885,883**

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 29 DECEMBER 2024

	Note		29 December 2024 £		31 December 2023 £
Fixed assets					
Investments	3		1,504,133		1,549,526
Current assets					
Debtors: amounts falling due within one year	4	2,608,115		2,608,115	
Creditors: amounts falling due within one year	5	(1,205,054)		(343,386)	
Net current assets			1,403,061		2,264,729
Total assets less current liabilities			2,907,194		3,814,255
Net assets			2,907,194		3,814,255
Capital and reserves					
Called up share capital	6		386,640		386,640
Share premium account	7		4,433,250		4,433,250
Share based payment reserve	7		794,585		839,978
Profit and loss account	7		(2,707,281)		(1,845,613)
			2,907,194		3,814,255

The accompanying notes on pages 98 to 100 form an integral part of these financial statements.

As permitted by section 408(3) of the Companies Act 2006, the Company's statement of comprehensive income has not been included in these financial statements. The loss for the period was £861,668 (2023: £5,479).

The financial statements of Tortilla Mexican Grill plc (registration number 13511888) were approved and authorised for issue by the board and were signed on its behalf by:

MARIA DENNY
CHIEF FINANCIAL OFFICER
20 MAY 2025

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 02 January 2023	**386,640**	**4,433,250**	**452,535**	**(1,840,134)**	**3,432,291**
Loss for the period	-	-	-	(5,479)	(5,479)
Share based payments	-	-	387,443	-	387,443
At 01 January 2024	**386,640**	**4,433,250**	**839,978**	**(1,845,613)**	**3,814,255**
Loss for the period	-	-	-	(861,668)	(861,668)
Share based payments	-	-	(45,393)	-	(45,393)
At 29 December 2024	**386,640**	**4,433,250**	**794,585**	**(2,707,281)**	**2,907,194**

The notes on pages 98 to 100 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

1. GENERAL INFORMATION

Tortilla Mexican Grill plc, the “Company”, is incorporated and domiciled in the United Kingdom and registered in England and Wales. The registered address of Tortilla Mexican Grill plc is 142-144 New Cavendish Street, London, W1W 6YF, United Kingdom.

The Company was incorporated on 15 July 2021 and was admitted to trading on AIM on 8 October 2021. The Company is a public limited company limited by shares whose shares are publicly traded on the Alternative Investment Market of the London Stock Exchange.

The principal activity of the Company and the nature of the Company’s operations are as a holding entity.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a Company statement of comprehensive income and Company statement of cash flows, standards not yet effective, impairment of assets, related party transactions and remuneration of key management personnel.

The financial statements are presented in GBP. The financial statements present information about the Company as an individual entity and not about the Group.

The following principal accounting policies have been applied:

2.2 Investments

Investments held as non-current assets are stated at cost less provision for any impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Shares issued in a paper for paper exchange to which local merger relief applies are booked at their nominal value.

2.3 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from banks and other parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable within one year, typically trade debtors and credit, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. FIXED ASSET INVESTMENTS

	Investment in subsidiary companies
	£
Cost	
At 02 January 2023	1,162,083
Additions - Mexican Grill Ltd	387,443
At 01 January 2024	**1,549,526**
Additions - Mexican Grill Ltd	(45,393)
At 29 December 2024	**1,504,133**

The investment additions in Mexican Grill Ltd relates wholly to the shared based payment for both periods.

The Company's subsidiary undertakings are shown in note 26 to the consolidated financial statements.

4. DEBTORS

	29 December 2024	31 December 2023
	£	£
Amounts owed by group undertakings	2,584,414	2,584,414
Other debtors	23,701	23,701
	2,608,115	2,608,115

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 December 2024	31 December 2023
	£	£
Amounts owed to group undertakings	(907,863)	-
Other creditors	(250,000)	(250,000)
Accruals and deferred income	(47,191)	(93,386)
	(1,205,054)	(343,386)

Amounts owed to group undertakings are repayable on demand and are non-interest bearing.

6. SHARE CAPITAL

	29 December 2024	31 December 2023
	£	£
Allotted, called up and fully paid		
38,664,031 Ordinary shares of £0.01 each	386,640	386,640

In addition to the table above, please refer to note 22 of the consolidated financial statements, which provides information on the Company's called up share capital.

7. RESERVES

Share premium account
The share premium account records the amount above the nominal value received for shares sold.

Share based payment reserve
The Group presents employee share options as an adjustment to own equity through this reserve until the point that the shares are awarded and cease to be conditional awards.

Profit and loss account
The accumulated net profits and losses of the Group.

8. CONTROLLING PARTY

The Directors believe that there is no ultimate controlling party of the Company.

COMPANY INFORMATION

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COMPANY NUMBER

13511888

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