

TORTILLA

LIBERUM
Nominated Adviser, Bookrunner & Broker

AIM ADMISSION DOCUMENT

September 2021



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to consult an independent professional adviser authorised under the Financial Services and Markets Act 2000, as amended, (the "FSMA") who specialises in advising on the acquisition of shares and other securities (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

This document constitutes an AIM admission document relating to Tortilla Mexican Grill plc (the "**Company**") and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been nor will it be approved by, or filed with, the Financial Conduct Authority (the "**FCA**") or any other authority which would be a competent authority for the purposes of the UK Prospectus Regulation.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 8 October 2021. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List.

The Company (whose registered office appears on page 13 of this document) and the Directors, whose names, addresses and functions also appear on page 13 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.



Real California Burritos & Tacos

TORTILLA MEXICAN GRILL PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 13511888)

**Placing of 2,762,431 New Ordinary Shares and 12,715,902 Existing Ordinary Shares at a price of
181 pence per Ordinary Share
and
Admission to trading on AIM**

NOMINATED ADVISER & BROKER

The logo for Liberum Capital Limited, featuring the word "LIBERUM" in a bold, sans-serif font. The letters "L", "I", "B", and "E" are blue, while "R", "U", and "M" are green.

Enlarged Share Capital immediately following Admission

<i>Number</i>	<i>Issued and fully paid</i>	<i>Amount £</i>
38,664,031	ordinary shares of £0.01 each	386,640.31

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 8 October 2021 (or such later date as the Company and Liberum Capital Limited may agree, being not later than 31 October 2021). The New Ordinary Shares and the Existing Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Enlarged Ordinary Share Capital to be admitted to the Official List or to any other recognised investment exchange.

Liberum Capital Limited ("**Liberum**"), which is regulated in the United Kingdom by the FCA, is the Company's nominated adviser for the purpose of the AIM Rules for Companies and its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to

any recipient of this document in respect of their decision to acquire Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by Liberum as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Liberum is acting exclusively for the Company in connection with the Placing and Admission. Liberum is not acting for any recipient of this document and will not be responsible to any such recipient for providing the protections afforded to clients of Liberum nor for providing advice in relation to the contents of this document or any transaction, matter or arrangement referred to in it.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Liberum accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from, the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States, any province or territory of Canada, Australia, Japan, New Zealand or the Republic of South Africa and may not be offered or sold, directly or indirectly, within the United States or Canada, Australia, Japan, New Zealand or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or to any US person (within the definition of Regulation S made under the United States Securities Act 1933 (as amended)).

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company or Liberum that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website at www.tortillagroup.co.uk.

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IMPORTANT INFORMATION

General

In deciding whether or not to invest in the Ordinary Shares, prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or Liberum. Neither the delivery of this document nor any subscription or purchase made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information contained herein is correct as at any time after its date.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see "Part II: Risk Factors" of this document).

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this document you should consult your stockbroker or your financial or other professional adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Liberum, which is authorised and regulated in the United Kingdom by the FCA is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Liberum or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Liberum's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Liberum accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

In connection with the Placing, Liberum and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Liberum and any of its affiliates acting as investors for their own accounts. Liberum does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Liberum and its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have an interest that may not be aligned, or could possibly conflict, with the interests of investors.

This document should be read in its entirety before making any investment in the Company.

Forward-looking statements

Certain statements contained in this document are forward-looking statements and are based on current expectations, estimates and projections about the potential returns of the Group and industry and markets in which the Group operates and the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "may", "should", "will", "intends", "plans", "believes", "targets", "seeks", "estimates", "aims", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority (including under the AIM Rules for Companies).

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group's position therein, are based on the Group's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Presentation of financial information

The report on financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom and the related consent to its inclusion in this document appearing in Part III of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the audited consolidated financial statements of Mexican Grill Limited and its subsidiaries for the two 52 week and one 53 week periods ended 3 January 2021 and the notes to those financial statements, have been prepared in accordance with IFRS.

No historical financial information of the Company (Tortilla Mexican Grill PLC) has been included in this

document as the Company is a newly incorporated entity and since the date of its incorporation before Admission the Company has not commenced operations and has no material assets or liabilities.

Rounding

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Non-IFRS information

This document contains certain financial measures that are not defined or recognised under IFRS, including EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA result from operating profit adjusted for depreciation and amortisation, site pre-opening costs and exceptional items. Information regarding EBITDA, Adjusted EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of EBITDA, Adjusted EBITDA or similar measures and the criteria upon which EBITDA, Adjusted EBITDA or similar measures can vary from company to company. EBITDA and Adjusted EBITDA, alone, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Currency presentation

In the document, references to "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom. Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. The Group presents its financial statements in pounds sterling.

No Incorporation of Website

The contents of the Company's website (or any other website) do not form part of this document.

Defined terms and references

Certain terms used in this document are defined and certain other terms used in this document are explained at the sections of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

General notice

This document has been drawn up in accordance with the AIM Rules for Companies and it does not comprise a prospectus for the purposes of the Prospectus Regulation Rules in the United Kingdom. It has been drawn up in accordance with the requirements of the UK Prospectus Regulation only in so far as required by the AIM Rules for Companies and has not been delivered to the Registrar of Companies in England and Wales for registration.

This document has been prepared for the benefit only of a limited number of persons all of whom qualify as "qualified investors" for the purposes of the UK Prospectus Regulation, to whom it has been addressed and delivered and may not in any circumstances be used for any other purpose or be viewed as a document for the benefit of the public. The reproduction, distribution or transmission of this document (either in whole or in part) without the prior written consent of the Company and Liberum is prohibited.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company or Liberum that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

Notice to prospective investors in the UK and overseas

This document is being distributed in the UK where it is directed only at persons who are "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation, and who are: (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"); or (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO and (iii) at persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

Neither the Company or Liberum has authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company or Liberum to publish a prospectus or a supplemental prospectus in the United Kingdom in respect of such offer.

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into the United States, Australia, Canada, the Republic of South Africa, Japan, New Zealand or any other jurisdiction where to do so would be in breach of any law and/or regulations. The Ordinary Shares have not been, and will not be, registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States or under any applicable securities laws of any of the Prohibited Territories. The Ordinary Shares may not be offered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold only in "offshore transactions" outside the United States in reliance on and in accordance with Regulation S under the Securities Act. No public offering of the Ordinary Shares is being made in the United States.

The distribution of this document and the Placing in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or Liberum to permit a public offer of Ordinary Shares or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors and Liberum to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area (each, a "**Relevant Member State**"), no Placing Shares have been offered, or will be offered, pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Placing Shares which has been approved by the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of Placing Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (A) to any legal entity which is a "qualified investor" (as defined in the Prospectus Regulation);
- (B) to fewer than 150, natural or legal persons (other than "qualified investors") in such Relevant Member State; or
- (C) in any other circumstances falling within Article 4(2) of the Prospectus Regulation,

provided that no such offer of Placing Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State and each person who initially acquires any Placing Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Placing Shares in any Relevant Member State" means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Placing Shares to be offered so as to enable an investor to decide to purchase the Placing Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as it forms part of domestic law by virtue of the EUWA; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Liberum will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act" or "Companies Act"	means the Companies Act 2006, as amended
"Admission"	means the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"AIM"	means the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	means the AIM Rules for Companies, as published by the London Stock Exchange from time to time and setting out the rules and responsibilities in relation to companies with a class of securities admitted to AIM
"AIM Rules for Nominated Advisers"	means the AIM Rules for Nominated Advisers, as published by the London Stock Exchange from time to time and setting out the rules and responsibilities in relation to companies with a class of securities admitted to AIM
"Articles"	means the articles of association of the Company adopted by special resolution on 29 September 2021, a summary of certain provisions of which is set out in paragraph 4 of Part IV of this document
"Board" or "Directors"	means the board of directors of the Company whose names are set out on page 13 of this document
"CAGR"	means compound annual growth rate
"certificated" or "in certificated form"	means in relation to an Ordinary Share, recorded on the Company's register as being held in certificated form (that is not in CREST)
"CGT"	means Capital Gains Tax
"cloud kitchen"	means a professional commercial kitchen used only to produce food for delivery
"Company"	means Tortilla Mexican Grill plc
"Concert Party"	means Richard Morris, Andy Naylor, Brandon Stephens, Navin Patel, Neil Patel and Laura Salerno as more fully described in paragraph 21 of Part I and paragraph 10 of Part IV of this document
"Covid-19"	means the Coronavirus Disease 2019 as designated by the World Health Organisation
"Covid-19 Government Support Schemes"	means the UK Government's Covid-19 pandemic related support measures, including (amongst others): the temporary reduction in the rate of VAT, the Coronavirus Job Retention Scheme, Business Rates relief, Local Restrictions Support Grants, the Retail, Hospitality and Leisure Grant Fund and the Coronavirus Business Interruption Loan Scheme
"CPU"	means the Group's central production unit in Tottenham Hale comprising the commercial kitchen used by the Group to prepare food and ingredients for supply to the restaurants in the Group
"CREST"	means the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland is the operator

"Disclosure and Transparency Rules" or "DTRs"	means the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
"Distribution"	means any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
"EBITDA"	means earnings before interest, taxation, depreciation and amortisation
"Enlarged Share Capital"	means the entire ordinary share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares
"ESG"	means Environmental, Social and Governance
"EU"	means the European Union
"Euroclear UK & Ireland"	means Euroclear UK & Ireland Limited
"EUWA"	means the European Union (Withdrawal) Act 2018
"Executive Directors"	means Richard Morris and Andy Naylor
"Existing Ordinary Shares"	means the 35,901,600 Ordinary Shares that will be in issue immediately prior to Admission
"Existing Shareholders"	means holders of Ordinary Shares immediately prior to Admission
"FCA"	means the UK Financial Conduct Authority
"FSMA"	means the Financial Services and Markets Act 2000, as amended
"GDPR"	means the General Data Protection Regulation (EU) 2016/679
"Group" or "Tortilla"	means the Company and its Subsidiaries
"HMRC"	means Her Majesty's Revenue & Customs
"IFRS"	means the International Financial Reporting Standards as adopted by the International Accounting Standards Board and the EU
"ITEPA 2003"	means the Income Tax (Earnings and Pensions) Act 2003
"LEI"	means legal entity identifier
"Liberum"	means Liberum Capital Limited, the nominated adviser and broker to the Company
"Lock-In Agreements"	means the lock-in and orderly market agreements described in paragraph 13.3 of Part IV of this document
"London Stock Exchange"	means London Stock Exchange plc
"LTIP"	means the Tortilla Mexican Grill plc Long Term Incentive Plan 2021, the terms of which are set out in paragraph 8 of Part IV of this document
"LTM"	means last twelve months

"MAR"	means the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the EUWA
"MGL"	means Mexican Grill Ltd, a company incorporated and registered in England and Wales with registered number 05553988
"Minority Selling Shareholders"	means those existing Shareholders, other than the Principal Selling Shareholders, who have entered into selling shareholder deeds of election electing to sell some of their Existing Ordinary Shares and appointing the Selling Agent as their agent to do so, and "Minority Selling Shareholder" means any one of them
"Net Proceeds"	means the proceeds of the Placing receivable by the Company after deducting the costs and expenses of the Placing and Admission
"New Ordinary Shares"	means 2,762,431 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
"Official List"	means the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
"Ordinary Shares"	means the ordinary shares of £0.01 each in the capital of the Company
"Placee"	means a person to whom Placing Shares are issued or sold pursuant to the provisions of the Placing Agreement
"Placing"	means the placing by Liberum on behalf of the Company of the Placing Shares at the Placing Price pursuant to the Placing Agreement
"Placing Agreement"	means the conditional agreement between: (1) the Company, (2) the Directors, (3) Quilvest, (4) Equiniti Financial Services Limited and (5) Liberum dated 30 September 2021, particulars of which are summarised in paragraph 13.1 of Part IV of this document
"Placing Price"	means 181 pence per Placing Share
"Placing Shares"	means the New Ordinary Shares and the Sale Shares
"Principal Selling Shareholders"	means Quilvest, Brandon Stephens, Richard Morris and Andy Naylor
"Prohibited Territories"	means the United States, Australia, Canada, the Republic of South Africa, Japan, New Zealand and any other jurisdiction in which it is a violation of the relevant laws, local laws or regulations of such jurisdiction to release, publish or distribute information concerning the Placing or Admission, directly or indirectly, in, into or from, and by any means
"Prospectus Regulation"	means the EU Prospectus Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Prospectus Directive 2003/71
"Prospectus Regulation Rules"	means the prospectus regulation rules made by the FCA under Part VI of FSMA
"QCA"	means the Quoted Companies Alliance
"QCA Code"	means the QCA Corporate Governance Code, as published by the Quoted Companies Alliance from time to time
"Quilvest"	means QS Direct SI 2 S.à.r.l, (in its capacity as General Partner of QS Direct SI 2 SLP) or QS Direct SI 2 SLP (as the context requires), being an Existing Shareholder

"Registrars"	means Equiniti Limited whose registered office is at Aspect House, Spencer Road, Lancing BN99 6DA, as registrar to the Company
"Relationship Agreement"	means the agreement between: (1) the Company and (2) Quilvest dated 30 September 2021, particulars of which are summarised in paragraph 13.2 of Part IV of this document
"Sale Shares"	means the 12,715,902 Existing Ordinary Shares to be sold by the Selling Shareholders (in aggregate) pursuant to the Placing
"Securities Act"	means the United States Act of 1933, as amended
"Selling Agent"	means Equiniti Financial Services Limited whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
"Selling Shareholders"	means the Minority Selling Shareholders and the Principal Selling Shareholders being those individuals and entities whose details appear in paragraph 14 of Part IV of this document (and "Selling Shareholder" means any one of them as the context requires)
"Senior Facility Agreement"	means the senior facility agreement between: (1) the Company, (2) MGL, (3) Mexican Grill International Franchise Limited and (4) Santander UK plc dated 14 September 2021, particulars of which are summarised in paragraph 13.4 of Part IV of this document
"Senior Management Team"	means the Executive Directors, and where relevant from time to time, the Group's Head of Finance, Head of Human Resources, Property Director, Operations Director, Head of Food, Head of Marketing
"Shareholders"	means the holders of Ordinary Shares
"SSP"	means Select Service Partner UK Limited
"Statutes"	means every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) concerning companies that are incorporated in England and Wales to the extent that it is for the time being in force or (where the context requires) was in force at a particular time, including the Companies Act and the Regulations;
"Subsidiaries"	means any subsidiary as defined in the Act;
"Substantial Shareholder"	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under section 551 of CTA 2010 on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in section 553 of CTA 2010
"Takeover Code"	means the UK City Code on Takeovers and Mergers
"Takeover Panel"	means the Panel on Takeovers and Mergers
"UK Prospectus Regulation"	means the UK version of the Prospectus Regulation as it forms part of EU retained law by virtue of the EUWA
"UK" or "United Kingdom"	means the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	means in relation to an Ordinary Share, recorded on the Company's register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST

"United States" or "US" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

"VAT" means value added tax;

"£" means British pounds sterling

PLACING STATISTICS

Existing share capital

Number of Existing Ordinary Shares 35,901,600

Placing

Placing Price 181 pence

Number of New Ordinary Shares being issued by the Company 2,762,431

Number of Sale Shares to be sold pursuant to the Placing 12,715,902

Total number of Placing Shares 15,478,333

Number of Ordinary Shares in issue following the Placing 38,664,031

Percentage of Enlarged Share Capital represented by Placing Shares 40.0 per cent.

Percentage of immediate dilution of existing Shareholders resulting from the Placing 7.7 per cent.

Estimated gross proceeds of the Placing £28.0 million

Estimated net proceeds of the Placing receivable by the Company¹ £2.6 million

Market capitalisation of the Company at the Placing Price at Admission £69,981,896

ISIN number GB00BNYDGZ21

SEDOL number BNYDGZ2

AIM TIDM MEX

LEI 213800YQDPNTU1EY8U28

1. Net proceeds receivable by the Company are stated after bearing placing commissions (including the maximum amount of any discretionary commissions that the Company and Quilvest may decide to pay), other estimated Placing related fees and expenses and VAT of approximately £2.4 million. The Company will not receive any of the proceeds from any sale of the Sale Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	2021
Publication of this document	30 September
Admission to AIM and commencement of dealings	8.00 a.m. on 8 October
CREST accounts credited (where applicable)	8 October
Despatch of definitive share certificates (where applicable)	By 22 October

Each of the times and dates set out above and mentioned elsewhere in this document may be subject to change at the absolute discretion of the Company or Liberum without further notice. References in this document are references to London time unless otherwise stated.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Emma Woods (<i>Non-executive Chairperson</i>) Richard Morris (<i>Chief Executive Officer</i>) Andy Naylor (<i>Chief Financial Officer</i>) Brandon Stephens (<i>Founder Non-executive Director</i>) Loeiz Lagadec (<i>Non-executive Director</i>) Laurence Keen (<i>Non-executive Director</i>)
	all of whose business address is: 1 st Floor Evelyn House 142 New Cavendish Street London W1W 6YF
Company secretary	Prism Cosec Limited Highdown House Yeoman Way Worthing West Sussex BN99 3HH
Registered office and head office	1 st Floor Evelyn House 142 New Cavendish Street London W1W 6YF
Nominated Adviser and Sole Broker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL
Auditors	Blick Rothenberg Audit LLP 16 Great Queen Street London WC2B 5AH
Solicitors to the Company	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Solicitors to Liberum	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

Registrars

Equiniti Limited

Aspect House
Spencer Road
Lancing
BN99 6DA

Financial PR

Hudson Sandler LLP

25 Charterhouse Square
Barbican
London
EC1M 6AE

PART I. THE COMPANY AND ITS BUSINESS ACTIVITIES

1. INTRODUCTION AND OVERVIEW

Tortilla is the largest and most successful fast-casual Mexican restaurant group in the UK specialising in the sale of freshly made Californian-inspired Mexican cuisine. The Group has 62 sites worldwide, comprising 50 sites in the UK operated by the Group, 2 sites franchised to SSP in the UK, and 10 franchised sites in the Middle East.

The Group was founded in 2007 by Brandon Stephens, originally from California, who upon his arrival in London in 2003, found it difficult to satisfy his desire for quality burritos and tacos. Brandon established Tortilla with a mission of offering customers freshly prepared, customisable, and authentic Californian-inspired Mexican food.

The brand is synonymous with an energetic, vibrant culture, and with providing a great value-for-money proposition. It embraces fast-growing sector trends (including eating out, healthy eating, provenance, ethnic cuisine and delivery) across a variety of locations, through a differentiated product offering which is popular with a broad customer base, and a clearly defined multi-channel marketing strategy. It benefits from flexible site locations and formats, and a scalable central infrastructure.

The Group has established a track record of strong financial performance driven by consistent expansion of the property portfolio and like-for-like growth.

- From FY2014 to FY2019, the Group opened 20 stores (excluding franchised outlets) and generated 18 per cent. and 12 per cent. sales and EBITDA CAGR respectively. Between September 2017 and February 2020 it outperformed the Coffer Peach Business Tracker, commonly seen as the benchmark index for the UK hospitality sector growth, by an average of 4.9 percentage points per month.
- Since March 2020 and the outbreak of the Covid-19 pandemic, the Group has continued to perform strongly, which the Directors believe is attributable to the Group's flexible business model, a proposition which is well-suited to take-away and delivery, and a range of locations benefitting significantly from the increased working-from-home trends. The Group opened 8 stores, and generated 250 per cent. EBITDA growth from FY2019 to LTMJune2021. For the 12 months to June 2021 Tortilla out-performed the Coffer Peach Business Tracker by an average of 46 percentage points.

The Directors believe the Group is strongly positioned to capitalise on further growth opportunities in the post-Covid-19 pandemic landscape. The economic challenges facing the hospitality sector have resulted in a dramatically increased number of vacant units on the market with rent levels rebalancing to more sustainable levels, providing Tortilla with an unprecedented opportunity to accelerate its UK rollout strategy. The Group is targeting circa 45 new sites over the next five years. The Directors are also targeting further franchising and licencing opportunities, taking advantage of the recent trend by pubs, hotels, amusement parks and other venues to bring high-street restaurant brands' food offerings into their venues, and SSP, a franchisee of Tortilla in the UK and a leading food service operator in transport hubs in the UK, looking to partner further with strong brands in travel hub locations.

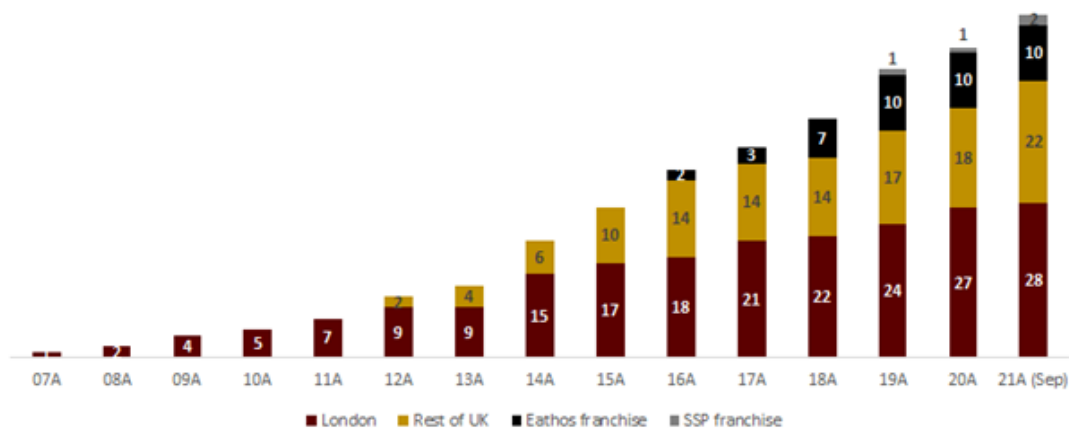
The Directors believe Admission will enable the Group to raise new equity in order to accelerate its growth strategy, increase brand awareness, and position it strongly for the next stage of its development, which will further underpin its expansion plans, as well as assist in the recruitment and retention of its employees and key personnel. Additionally, Admission will allow the Selling Shareholders to realise part of their investment in the Group.

2. HISTORY AND DEVELOPMENT

2007	Brandon Stephens founds Tortilla and opens the first restaurant in Islington, London
2011	Launches bespoke online ordering system
2011	Quilvest invests in Tortilla
2012	Tortilla opens its first store outside of the M25 in Bluewater Shopping Centre
2012	Tortilla secures first debt financing from Santander

- 2014** Richard Morris joins Tortilla as Managing Director
- 2015** Tortilla enters into an exclusive delivery agreement with Deliveroo
- 2015** Tortilla signs a franchise agreement with Eathos for the Middle-East region
- 2016** The Group opens the CPU in Tottenham Hale to support expansion
- 2017** Andy Naylor joins Tortilla as Finance Director
- 2019** Tortilla signs a franchise agreement with SSP and opens in London Euston Station
- 2020** Tortilla opens its first cloud-kitchen in Crouch End
- 2021** Tortilla launches its first self-service kiosks in Canary Wharf
- April 2021** The Group achieves a record £1.0 million of sales in a week – a record subsequently beaten three further times in 2021
- May 2021** Tortilla opens its first theme park store with Merlin in Chessington World of Adventures Resort
- September 2021** Tortilla opens its first airport location, at Gatwick Airport, through SSP.
Emma Woods and Laurence Keen join the Board of Directors.

Number of sites by location (London, rest of UK and franchise):



Source: Company information

3. KEY STRENGTHS

The Directors believe the key strengths of the Group are as follows:

Product offering

Tortilla has developed a reputation in the market for its freshly-prepared, customisable, value-for-money product range of burritos, tacos, and salads which enables the Group to appeal to a wide demographic and helps it maintain its loyal and broad existing customer base. These characteristics of the Group's food proposition also fall within expected consumer preferences for the future, which will help it expand its customer base and maintain its growth strategy.

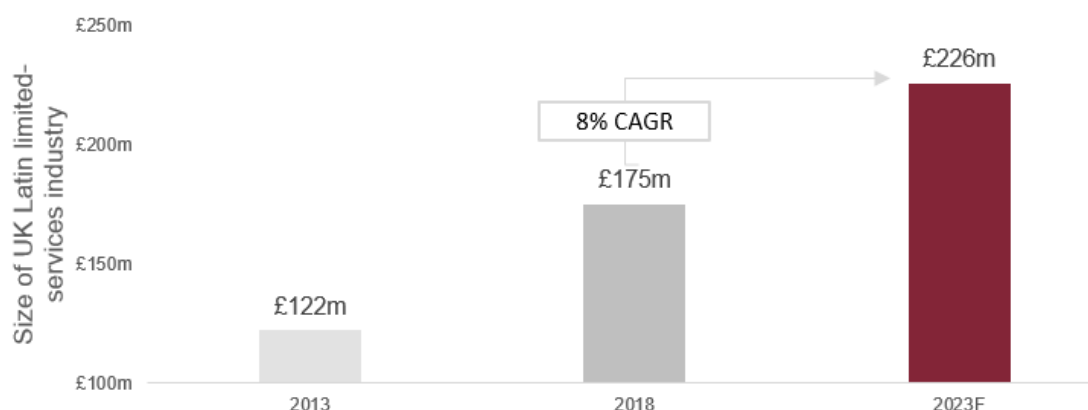
The strong value-for-money proposition is particularly important as it enables the Group to successfully expand operations out of London and to charge a slight premium on delivery to offset a large proportion of delivery commission costs whilst still remaining very competitive on price.

Embraces fast-growing sector trends

The Directors believe that Tortilla powerfully addresses many of the key trends that consumer demand is driving across the fast-casual and wider food industry, including: healthy eating; freshness and high provenance; convenience - including eating out and delivery; customisation; and the continuing growing popularity of ethnic food. Further information on these trends is set out in paragraph 4.2 below.

According to industry and consumer sentiment surveys, as a result of the Covid-19 pandemic, there has been significant pent-up demand in the UK economy for the eating-out sector, with the Mexican cuisine sub-sector specifically forecast to benefit and grow at 8 per cent. CAGR between 2018 and 2023. A number of the anticipated menu and food mega trends and resultant shifts in consumer preferences such as an increased focus on convenience, healthier eating, customisation, value, sustainability and experiential are expected to benefit Tortilla's food offering, and the Directors believe that the Group is strongly positioned to capitalise on these trends.

Size of UK Latin limited services industry (fast-casual) sector



Source: Management information

Flexible site locations and formats

The Group has succeeded with significant geographical spread across the UK, with almost half the estate and four of the Group's top ten selling stores outside of the M25 motorway. In recent months the Group has opened stores in Windsor, Edinburgh, and Exeter.

The Group's operating model works across a variety of site types, such as high streets, shopping centres, residential areas, cloud-kitchens, transport hubs and theme parks. The flexibility of the locations is driven by three key factors: (1) the trading strength of the brand over various sales channels: eat in, takeaway and delivery; (2) the ability of the brand to trade in small units and without extraction; and (3) a value-for-money proposition that resonates with students, office workers, local residents, and office workers.

The Directors believe significant opportunity will arise from the increased availability of former retail units due to the recent changes in the UK planning laws, the increased prevalence of delivery sales and lower rental rates available in the post-Covid-19 pandemic property market.

The Group also has the advantage of operating only a limited number of City of London sites while

operating numerous London residential borough sites which the Directors believe should allow the Group to benefit from any increased working-from-home trends in the longer term.

Scalable central infrastructure

Tortilla operates a 5,500 square foot CPU in Tottenham Hale which provides the Group with a robust central kitchen infrastructure, providing it with cost advantages over its direct competitors, giving it flexibility to increase the size of its estate in parallel with its growth strategy, and ensuring product and quality consistency across all of its sites.

Clearly defined multi-channel marketing strategy

The Group's multi-channel marketing strategy includes new-site launch marketing, seasonal product and recipe campaigns, social media marketing, email marketing, brand collaborations, in-store proposition messaging and an extensive influencer network which drives engagement across the most popular social media platforms. The wide-reaching impact of the marketing strategy has allowed the Group to build and maintain a loyal and diverse customer base with a significant proportion of the customer base being in the younger age demographic of 16 – 34 (74 per cent.).

Strong leadership team and investment in the Group's people

Tortilla's senior management team has demonstrated its ability to deliver strong and sustainable growth. Under the stewardship of an experienced Board of Directors, the Senior Management Team is well placed to execute on the Company's growth strategy and available opportunities. The Directors believe that the Company's success has been underpinned by focussing on hiring the best people at all levels and then immersing these individuals in a culture where values, personal characteristics, and behaviours such as kindness, integrity and ownership are highly regarded and actively encouraged.

4. MARKET AND COMPETITION

4.1 UK fast-casual restaurant market

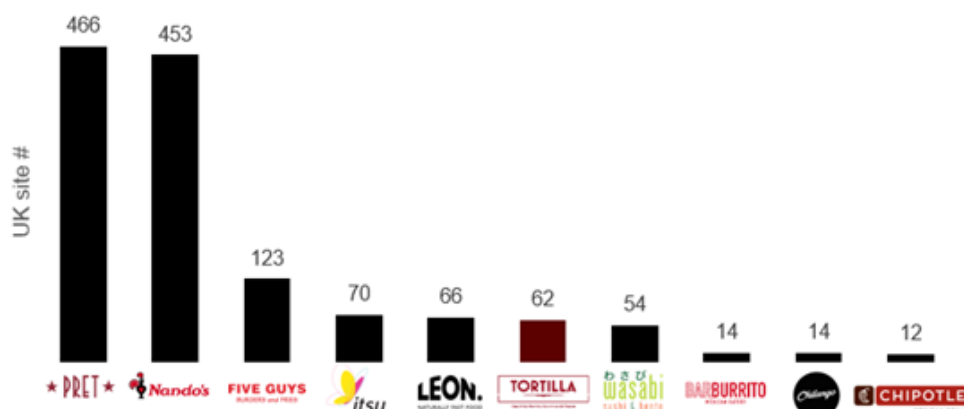
Tortilla operates in the UK hospitality sector, specifically within the fast-casual dining market. Together with the fast-food market, the fast-casual dining market represents a £68 billion segment of the UK hospitality industry, as per a 2019 report on the UK food industry by Euromonitor.

Within this market, the Group operates in the Latin-American sub segment. The size of this subsector was approximately £184 million in 2019 and is anticipated to grow 7.4 per cent. between 2022 and 2023, which is 4.9 per cent. higher than the 2.5 per cent. growth witnessed throughout the wider market.

Key competitors in the UK Latin-American fast-casual dining market include Barburrito (14 units), Chilango (14 units) and Chipotle (12 units), with other examples of Mexican-influenced dining concepts including Taco Bell, Wahaca and Benito's Hat.

The Group also competes against non-Latin-American fast-casual brands such as Pret A Manger, Nando's, Itsu, Leon and Wasabi. The Directors believe that the Group outperforms its peers in a number of key purchasing criteria ranging from quality of food, freshness of food to price and customer service.

Competitors' number of sites in the UK



Source: Applicable company websites as at 31 August 2021

Over the past 20 years there has been a continuing proliferation of fast-casual Mexican dining to satisfy

growing consumer demand and the Directors believe this underpins the expected continuing growth.

4.2 **Macro-economic growth drivers and consumer trends**

The Directors believe the long-term growth of the fast-casual dining market will continue to be fuelled over the mid to long term by powerful consumer trends, including:

- *Convenience, including eating out and delivery* – fast casual restaurants typically provide a variety of channels through which to purchase food including dine-in, takeaway, self-service kiosks, delivery and click-and-collect;
- *Customisation* – customers can choose from a range of different fillings and toppings to customise their chosen product according to tastiness, healthiness, size and food intolerances or sensitivities;
- *Value for money* – fast-casual restaurants offer the affordability of a fast food or 'quick-service' operation, but with higher quality food;
- *Quality, freshness and provenance* – fast casual restaurants are widely considered to offer higher quality, fresher ingredients than fast food, and are increasing transparency of ingredient sourcing as well as committing to sourcing local food that is often organic;
- *Healthy eating* - wholesomeness of ingredients coupled with customisation enables healthy eating options while still allowing for indulgence; and
- *Growth of ethnic food* – according to a 2019 survey by Mintel, "Attitudes towards Home Delivery" in the UK, three in four respondents indicated that they eat ethnic cuisine outside of the home, a growing trend which has supported the growth of restaurants serving various types of ethnic food.

The Directors believe Tortilla powerfully addresses each of the trends above, as explained below.

5. **BUSINESS MODEL**

The core components of the Group's business model are outlined below.

5.1 **Product offering and pricing strategy**

The Group has an established reputation within the fast-casual dining sector for its high quality, fresh, value-for-money food offering of burritos, tacos, and salads that are fully customisable. Tortilla is food-led with burritos being the most popular product on the menu, contributing to over half of the Group's sales, followed by tacos and salads at 26 per cent., drinks and sides at 18 per cent. and evening sharing plates contributing 4 per cent. of sales. A number of the toppings, including guacamole and several salsas, are prepared in-house whilst Tortilla's meat is marinated for circa 24 hours in the CPU, contributing to the high flavour profile of its products and enhancing the Company's efficiency and flexibility. This combination of processes enables the food to maintain its freshness, a key element of the Group's ability to attract repeat customers, while also offering the variety of choices that Tortilla offers, with products such as burritos being highly customisable with a broad range of options.

High provenance products with a focus on sustainability

The Group has a strong consistent history of sustainability, having been one of the early members of the Sustainable Restaurant Association. The Group sources fresh, high-quality ingredients, procures higher welfare meats and avoids frozen food supplies where possible. Tortilla's chicken and pork offering is higher welfare, which ensures that the food is of a high and safe quality that meets animal welfare standards. None of Tortilla's products use artificial flavours, colours or preservatives.

The Group's disposable packaging, including paper carrier bags, napkins, straws and bowls, is made from 100 per cent. recycled materials and is recyclable and domestically compostable. Plastic disposables such as lids are recyclable and made from up to 70 per cent. recycled materials.

The Directors believe sustainability and the environment are important to Tortilla's customers and they continue to seek ways to improve Tortilla's approach to sustainability and further reduce the Group's environmental impact. Please refer to paragraph 5.9 below for further information about the Group's approach to ESG issues.

Customisable

The customisability aspect of the menu also means that the Group offers a wide range of possible food combinations and flavours, allowing potential customers to tailor meals to their specific preferences or dietary needs, and incorporating healthy and vegan options, enabling Tortilla to broaden its appeal to a wider range of customers. The menu is also regularly reviewed and refreshed to include new additions to

the offering that may be popular at the time such as trending fillings (i.e. vegan chilli), popular add-ons (i.e. churros) and seasonal specials, often through brand collaborations such as the Group's 2019 partnership with Brooklyn Brewery to launch the Brooklyn Barbacoa.

Value for money

One of the growing consumer trends in the fast-casual dining sector is the emphasis placed on value-for-money products and Tortilla's alignment with this trend is substantiated by the fact that 'value-for-money' or 'price' is consistently amongst the top 3 reasons for repeat customers purchasing the Group's products. As of 7 May 2021, based on prices for the smallest burrito offered by Tortilla and its direct competitors in the fast-casual Mexican cuisine sector, the Group's cheapest in-store offering was £0.30 lower than its next closest competitor's and its delivery offering was £1.10 cheaper than the next cheapest alternative. The Directors attribute Tortilla's success in managing to achieve this price point despite having equal or better provenance versus its competitors through scale, a heavy focus on supply chain, and efficiencies from its CPU and operating model.

As 74 per cent. of the customer base is in the 16-34 age demographic, and as such may have lower levels of disposable income, the Directors believe that potential cost savings when comparing the products offered by Tortilla in comparison with its competitors increases its overall appeal with the market.

Differentiated value versus competitors



Source: As at 23 August 2021, prices for smallest burrito offered at each business

5.2 Restaurants overview, property portfolio and strategy

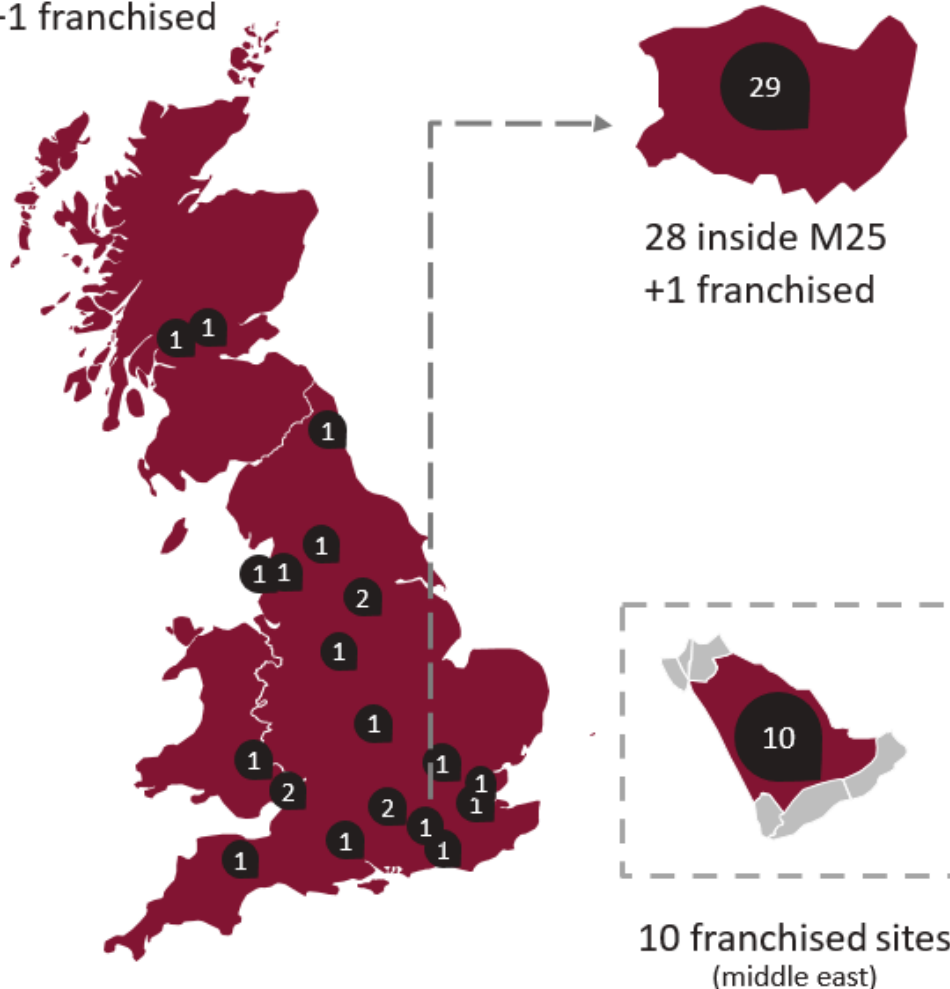
The Group has 62 sites worldwide, comprising 50 sites in the UK operated by the Group, 2 sites franchised to SSP in the UK, and 10 franchised sites in the Middle East. The Group's property portfolio is entirely leasehold.

Within the UK, the Group's portfolio of sites is well diversified with respect to locations, with 28 sites within the M25 area and 22 sites outside of the M25 area. Four of Tortilla's ten top stores are located outside of the M25. Location is considered to be key to Tortilla's success as customers of fast-casual restaurants tend to be impulsive purchasers, with 65 per cent. of its customers visiting one of its branches based on impulse. This indicates that site selection in high footfall locations is a significant component of the Group's ability to attract consumers to the brand and generate sales.

Portfolio - 62 sites (of which 52 UK)

22 outside M25

+1 franchised



Source: Company information

The Group operates within a variety of locales including high streets, retail shopping centres, residential/suburban locations, and transport hubs across the UK, as well as more recently opening smaller Tortilla sites, in addition to cloud-kitchens. The choice of sites aligns strongly with the Group's prerequisite to be situated in high footfall locations in order to appeal to and capitalise on the general impulsive nature of its repeat customer base.

The Group's success is enabled by a well-defined, proven property strategy with flexibility across site locations and formats. The Group generally targets locations ranging from 60 square metres to 200 square metres, with the exception of its cloud-kitchen sites, which operate in smaller footprints, typically 18-35 square metres. The estimated capital expenditure per site (excluding cloud kitchens) ranges from £350,000 to £425,000 depending on the size of the unit, site condition and store front requirements. The Group has a 35 per cent. minimum target investment hurdle for its return on capital employed. The Group's sites are expected to primarily be located in high street areas, residential locations, shopping centres and transport hubs as these are high footfall locations that provide 7-day trade with lunch and dinner availability, making the brand more appealing to a wider group of consumers and trade across numerous day parts.

Example store formats and locations:



High Street
Guildford, 181 sq.m



Shopping Centre
Westfield, 100 sq.m



Baby Tortilla
Putney, 79 sq.m



Cloud Kitchen
Bermondsey, 18 sq.m



Transport Hub
Victoria, 116 sq.m



Theme Park
Chessington, 170 sq.m

SSP partnership

Tortilla first partnered with SSP in 2019 and opened the first franchised transport hub location in London Euston Station in December 2019. A site in Gatwick Airport opened in September 2021 and another at Leeds Skelton Lake motorway services is expected to open in October 2021. The Directors are cautiously optimistic that the partnership can yield a further 8 sites over the next 5 years.

Eathos partnership

Tortilla's Middle East franchise agreement with Eathos Ltd was signed in May 2015 and currently there are 10 sites being operated in the United Arab Emirates and Saudi Arabia.

The majority of these sites are in the countries' retail shopping centres and as such benefit from high footfall.

5.3 ***New site openings***

New sites in the Group's portfolio have been a core driver of Tortilla's development historically and will continue to be so in order for it to maintain its targeted growth trajectory. Management have been and remain uncompromising in site selection and apply a rigorous process as outlined in paragraph 5.2 above. Historically, Tortilla opened 8 sites in 2014, and 5-6 sites per year in 2015, 2016 and 2019. The Group slowed its rollout in 2017 and 2018 as the Senior Management Team's view was that rents in the property market were overheated and did not provide the necessary value at that time.

Tortilla has a specialised property unit that supports the Senior Management Team with the new site process including site selection, assessment, contract negotiation and fit out. The regularity at which the Group opens new sites on a yearly basis means that it has a well-established and reliable infrastructure in place to manage the roll-out as required. The Group also has a dedicated operations team that relocates to new sites to ensure that new staff are adequately trained prior to opening and are supervised appropriately for a suitable period of time before they are given the responsibility of managing the local site without the guidance of the specialised operations team. As the number of sites within the Group's portfolio increases, Tortilla will benefit from having an expanded base of senior employees familiar with the internal operational processes in addition to a larger regional management infrastructure to support new site openings.

5.4 ***Delivery and delivery partners***

Since 2018, the Group's delivery sales have maintained a strong growth trajectory, supported by the suitability of Mexican food for the at-home delivery market, and general growth in the UK delivery channel. Market-led drivers include the introduction of the on-demand economy and increased smart phone penetration, as well as operator-led drivers with businesses such as Tortilla offering delivery and delivery only kitchens. The Directors believe that the Group's core products remain in good condition when ordered through delivery, and consumer perception of the durability of burritos and other Mexican cuisine in a delivery context positions Tortilla favourably to capitalise on increased sales potential through the delivery channel.

During the Covid-19 pandemic, Deliveroo granted a temporary waiver of its exclusivity condition with MGL and Tortilla was able to trade via the Uber Eats and Just Eat platforms. The Group has since terminated its relationships with Uber Eats and Just Eat and is now exclusively using the Deliveroo platform. The Directors believe that this exclusivity will bring certain commercial benefits to the Group such as a lower commission rate and continued roll out via the Deliveroo Editions platform. In the short term, the Directors anticipate that exclusivity may result in a moderate reduction in the Group's delivery sales, but that in the medium term, the Directors believe the exclusive relationship with Deliveroo will be of commercial benefit to the Group.

5.5 ***Supply arrangements***

The Group has a robust supply chain underpinned by strong relationships with nationwide suppliers, long shelf-life of prepared food from the CPU, a robust, UK-wide, chilled food logistics arrangement, and a limited number of ingredients required for the production of the food. The latter, combined with the scale of the business, results in better buying power on the basket of goods, creating favourable consumer pricing as a strong competitive advantage. The ingredients are not specialised in nature and therefore there are many suppliers that can be utilised should a problem with the Group's suppliers arise.

The Group's products are almost all available in the UK and therefore the risks associated with importing ingredients are minimised.

5.6 ***Multi-channel marketing strategy***

Digital advertising and social media

The Group's digital advertising and social media strategy is a key tenet of the drive to improve brand awareness and increase pre-planned visits with paid social, search and display advertising broadening Tortilla's reach. The Group is also strongly positioned to benefit from the increased time spent by consumers online as Tortilla has a substantial social influencer portfolio (with a combined 12 million followers) that helps drive considerable engagement across a number of social media platforms.

Brand partnerships

Brand partnerships and collaborations, whereby Tortilla works with popular brands to develop one-off products based on a specified theme, are also considered an impactful marketing channel for the Group as this helps drive additional visits to its social media pages and increased footfall through these unique

offerings. For example, in 2019, the Group partnered with Brooklyn Brewery to launch 'Brooklyn Barbacoa', featuring Tortilla's signature beef Barbacoa infused with Brooklyn Lager. Brooklyn Brewery provided all of the beer at no cost to drive its own brand awareness, and the Group was able to add a £0.75 surcharge, which helped drive a sales uplift. The Group also utilises a combination of new product development with supplier brands to drive awareness, business or student offers depending on the location to engage with the local younger target demographic and partnerships with aggregator sites such as Time Out by offering promotions to attract first-time consumers who may not have previously been aware of the brand or its products.

CRM system and loyalty programme

Tortilla operates an integrated feedback system that manages regular marketing emails to approximately 105,000 subscribers, which enables the Group to maintain regular engagement with its customer base but also helps monitor general sentiment and feedback. The Group also runs a loyalty programme aimed at driving visitor frequency and retention which provides a database of customer information including names, email addresses and the number of redemptions that each individual has collected. Members of the loyalty programme score a point every time they purchase a main product; 5 points entitles them to free chips and salsa and 10 points entitles them to a free burrito. The Senior Management Team recognises that the Group is well positioned to better leverage its customer data to improve the use and quality of its loyalty programme. Potential additional solutions include streamlining the registration and redemption process to help create tailored offerings based on the preferences of specific members.

Traditional advertising and promotions

The Group's ability to appeal to a broad customer demographic is supported by a clearly defined, multi-channel marketing strategy. Traditional advertising methods such as printed store-front advertising or product give-aways have historically been the main drivers of brand awareness, boosting un-prompted, impulse visits. The Directors acknowledge the importance of increasing the proportion of pre-planned visits and this will continue to be a focus of the Group's marketing strategy.

5.7 Central production infrastructure

The Group has achieved robust scalability through a centralised production infrastructure and experienced head office team. The Group's 5,500 square foot CPU in Tottenham Hale ensures that the production infrastructure exists to support the growth strategy of Tortilla in the medium-term.

The CPU is primarily used to supply menu items sold in the restaurants nationwide with the exception of toppings where flavour profiles benefit from freshness (i.e. guacamole and certain salsas). As a result of this central infrastructure, the Group maintains consistency in its ingredients and provides high-quality products, which registers high in key purchasing criteria for a significant number of its customers. It also enables a longer product shelf life, reducing the frequency of restocking. Tortilla employees manage and operate the CPU on a daily basis, and as the associated costs of the unit are covered by the Group's restaurants, the CPU remains a cost-neutral part of the business.

The location and size of the CPU may also be of increased benefit to the Group, as there may be significant capacity for the estate's size to be expanded due to additional space availability where the CPU is located. In anticipation of the Group's growth strategy continuing as planned, the Group intends to negotiate with the landlord of the CPU to occupy additional available space in the area and expand the size of its current CPU. In conjunction with Tortilla's growth plan, and potential franchising and strategic partnerships in the near-future, the CPU also provides the opportunity to supply proprietary products to partners as an additional business line.

5.8 Corporate staff, values and culture

The Group employs a total of 867 people (as at 28 September 2021), of which:

- 815 employees are based in restaurants;
- 15 employees are based in the CPU; and
- 37 employees are based at head office. The head office team possess a wide variety of skills relevant to the business, in addition to significant industry experience, and the Directors believe that this team is suitably staffed to support the scale up of the Group and execute its long-term growth plan.

Values & Culture

Tortilla's value set and company culture are of great importance to the Group. The Directors believe that the Company's success has been underpinned by focussing on hiring the best people at all levels and

immersing these individuals in a culture where values, personal characteristics, and behaviours such as kindness, integrity and ownership are regarded as highly as education, experience, and business acumen.

Tortilla embraces and encourages diversity through its recruitment process. 60 per cent. of Tortilla's workforce is made up of non-British nationals and over 50 per cent. of management roles at Tortilla are carried out by women. Over 50 per cent. of Tortilla's workforce is made up of under 25s. Giving opportunities to young workers and supporting government initiatives to get young people into work is a key part of the Company's recruitment strategy.

The Directors and the Senior Management Team believe in the philosophy that great people attract great people. Aligned with this philosophy is the 'refer a friend' scheme that is in place for all levels of store teams to earn extra payments from referring like-minded individuals who get hired and successfully pass their training probation.

Hiring

The simplicity of the Tortilla food proposition has many benefits, including the fact that Tortilla doesn't require skilled culinary expertise to produce or serve its offering. The recipes and methods are by design straightforward, allowing the Company to train a manager or team member with limited experience to a high level of competency within a few weeks. With the current shortage of chefs in the UK, the Directors see this as an important benefit.

Tortilla endeavours where possible to hire from within the local communities where the stores are based to help reduce travel time and cost to employees and also to help the team create its vision of becoming 'your friendly local neighbourhood Burrito joint'. All stores are required to strive to get to know their customers on first name terms as part of the 'Raving Fans' initiative and in creating this 'independent' feel to each restaurant, the Directors believe this gives the Group another competitive advantage.

Tortilla keeps spans of control for its Regional Operations Managers low (8 sites on average) to enable role model leaders to have as much face time and influence on store managers and team members as possible. Relevant members of the Senior Management Team and the Executive Directors regularly spend part of their working week visiting stores and speaking with teams and guests.

Engaging with and recognising our people

In-store recognition is firmly part of the Company culture, and often small gestures, and gifts are given to recognise outstanding performance or memorable behaviour. Tortilla captures these moments on camera and posts them on the Company's internal Facebook style platform called 'Workplace'.

Once per year Tortilla hosts a Company-wide conference where the Company's leaders and teams are recognised. Tortilla also holds softball and 5 a side football matches regularly during the summer and our 'Party in the Park' is always a fun day out.

Random acts of kindness are also part and parcel of life at Tortilla. Hampers, flowers, chocolates, cinema tickets, additional time off and closing the stores early on 'Freedom Day', are just some of the things that you can expect when you become part of the Tortilla family.

In addition to this 'high touch' informal approach to running the stores, Tortilla also undertakes a more formal approach, using a third-party provider to assess the engagement of the teams twice per year to help validate what they are personally hearing and feeling at store level and in the head office or 'support centre'. The results of the Group's most recent survey showed that over 90 per cent. of employees are satisfied with their working lives at Tortilla.

Developing careers

Opportunities for people to grow their careers with Tortilla are plentiful. Clear career paths, Manager in Training programmes and accredited, industry specific apprenticeships and online training help are used to form development plans for employees. This enables Tortilla to talent-plan for future growth. The Company aims to fill more than 50 per cent. of management roles with internal promotions.

All new store openings are supported by existing store managers and teams to ensure the new store and team are set up for success.

Tortilla provides an employee assistance programme for employee health and wellbeing. The Company is committed to providing work-life balance for our employees and paying competitive salaries and hourly rates above the national minimum wage.

5.9 ESG

Governance

ESG is high on the agenda for Tortilla and a focus on ESG is embedded in the Company's governance structure. Currently the Audit and Risk committee is responsible for ESG matters, however, shortly following Admission the Company will form a Sustainability Committee which will report directly into the Board on a monthly basis.

Key practices that the Group already applies include the following:

Environmental

Waste

- The amount of food waste is maintained at less than 1.5 per cent. of sales on average and the Group is exploring partnerships with mobile applications to further reduce this amount by redistributing unsold food surplus to customers.
- No waste controlled in-house goes to landfill and residual (unrecyclable) waste is incinerated and converted into renewable green energy.
- Waste cooking oil produced at the CPU is collected and turned into biofuel.

Packaging

- The Group's disposable packaging is either recyclable or bio-degradable, with two of the high-volume lines being domestically compostable. Plastic disposables such as lids are recyclable and made from a minimum of 80 per cent. recycled materials.

Energy

- 39 per cent. of the electric supplies the Group manages comes from green energy sources.

Product

- Provenance and sourcing quality vegetables and higher welfare meats are a priority for the Group.
- Chicken and pork used by the Group is higher welfare and sourced from within the UK. Beef used by the Group is grass-fed and sourced from the British Isles.
- Approximately 70 per cent. of the ingredients on the menu are plant-based and the Group's vegetarian dishes are Vegan and Vegetarian Society approved.
- The Group actively promotes the nutritional content and benefits of its offering online and in-store, as well as collaborates with brands such as SMASH, to encourage better food choice.

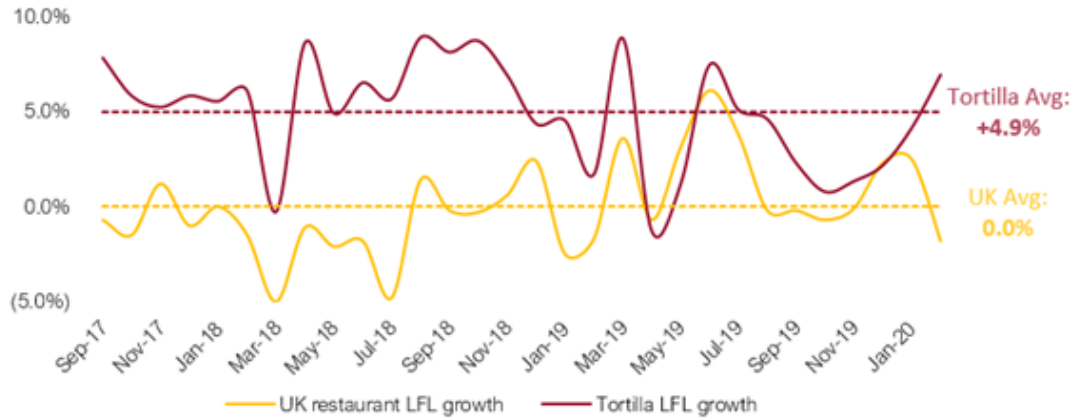
Social

- Tortilla is committed to paying competitive salaries and pays staff hourly rates above the National Minimum Wage.
- Recruitment, training and people practices aim to deter and discourage discrimination against gender, ethnicity, age and other diversities.
- Over half of all management roles are filled by women.
- The Group provides an employee assistance programme for employee health and wellbeing.
- The Group partners with Food Alert for support with all safety and compliance requirements, and partners with hospitality e-learning provider, Flow, to deliver accredited Health and Safety, Food Hygiene and Fire Safety training.

6. PAST PERFORMANCE

6.1 *Pre-Covid-19 pandemic*

From FY2014 to FY2019, the Group opened 20 stores (excluding franchised outlets) and generated 18 per cent. and 12 per cent. sales and EBITDA CAGR respectively. Between September 2017 and February 2020, the Group outperformed the Coffe Peach Business Tracker, commonly seen as the benchmark index for the UK hospitality sector growth, by an average of 4.9 percentage points per month.



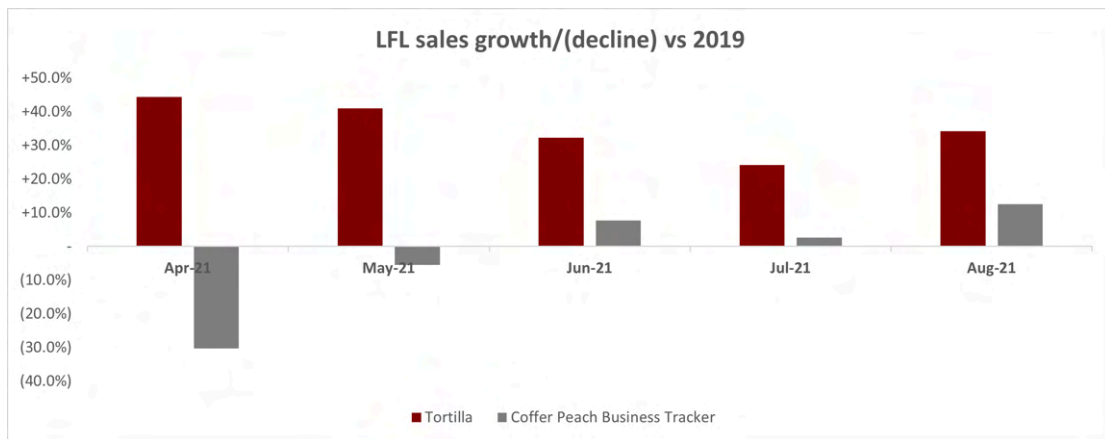
Source: Company information and Coffer Peach Business Tracker

Note: Group like-for-like sales (LFL) are calculated by comparing the performance of all mature sites open in the relevant current period versus the comparable period in the prior year. The Group calculates like-for-like sales based only upon sites that have traded the full prior financial year, as such new sites are only added to the like-for-like cohort each January.

During the Covid-19 pandemic

Since March 2020 and the outbreak of the Covid-19 pandemic, the Group has continued to perform strongly, which the Directors believe is attributable to the Group’s flexible business model, a proposition which is well-suited to delivery, and a range of locations located in residential areas which have benefited significantly from the increased work-from-home trends. The Group opened 8 stores, and generated 250 per cent. EBITDA growth from the financial year ended 29 December 2019 to June 2021. During the 12 months to June 2021, Tortilla out-performed the Coffer Peach Business Tracker by an average of 46 percentage points.

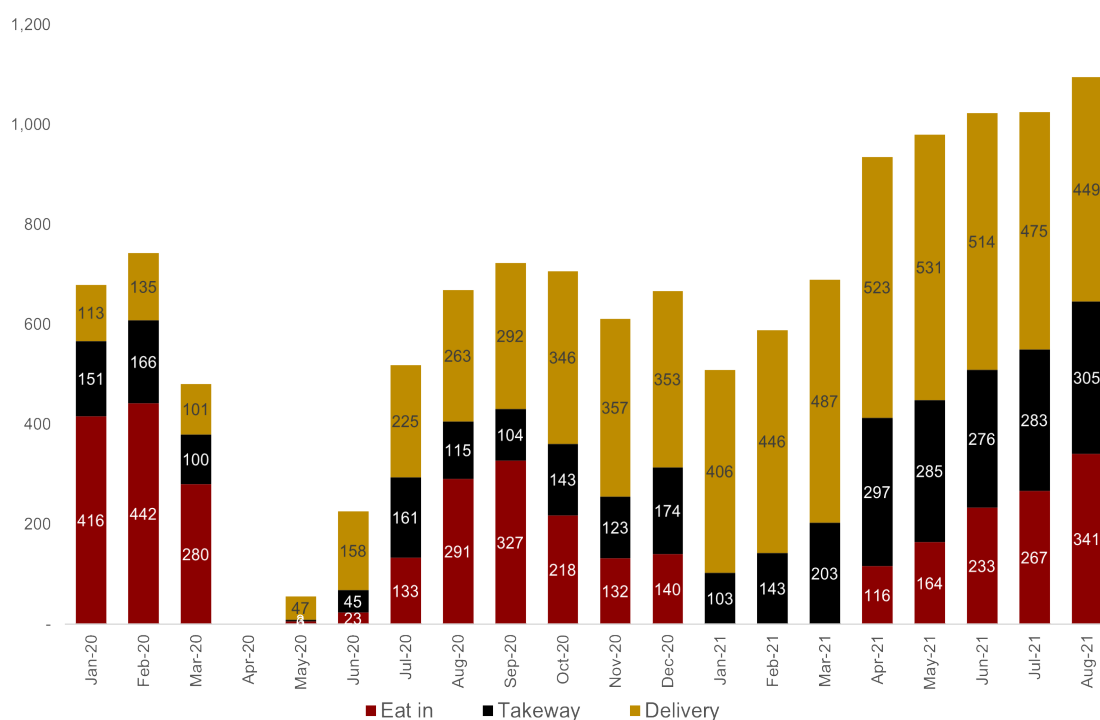
Like for like sales growth or decline versus 2019



Source: Company financial information, Coffer Peach Business Tracker

Note: Group like-for-like sales are not adjusted for differing VAT rates across periods.

Tortilla average weekly sales pre, during and post lockdown



Source: Company financial information

The Group's flexible business model allowed it to remain resilient during the Covid-19 pandemic and withstand the negative impact of the pandemic on the wider hospitality industry. The Senior Management Team was able to adjust the operating model a number of times throughout the three different UK lockdowns in order to maximise sales across the eat-in, takeaway and delivery channels. The adaptability of the operating model also resulted in the Group shutting a minimal number of sites temporarily, and none permanently throughout the pandemic, which contributed to its successful re-opening strategy and evidenced the industry experience of the management team.

The impact of the Covid-19 pandemic on the hospitality industry

Whilst Tortilla's performance has been highly resilient since March 2020, this has been in contrast to the wider hospitality sector, which has been one of the sectors most negatively impacted by the effects of the Covid-19 pandemic and the resultant lockdowns. This is demonstrated by total sales across the industry of £46 billion between April 2020 and March 2021 – a significant decrease of 64 per cent. on the figure of £126.8 billion of sales over the previous 12-month period.

With hospitality venues allowed to re-open from mid-April 2021, initially with outdoor-only trading, the majority of businesses took a cautious approach to the situation by gradually increasing the scale of their operations on the basis of the various stages of the UK Government's Covid-19 lockdown roadmap. However, by the end of May 2021, across the various sectors in the hospitality industry, the casual dining sector was the most advanced in terms of re-opening, with 93.9 per cent. of operators in the sector having fully re-opened.

The Covid-19 pandemic has also fundamentally impacted the way in which consumers behave, and their shifting preferences will need to be taken into consideration for businesses in the industry looking to adapt and pivot to align with the expected trends in a post-pandemic landscape. The most visible near-term effect is the increasing comfortability of consumers with respect to using technology, with 26 per cent. of consumers indicating that they now generally order food on their mobile phones when eating out, which is almost double the amount before the first lockdown.

Tortilla's adaptable business model during the Covid-19 pandemic

The adaptability of Tortilla's business model enabled the Group to remain resilient throughout the pandemic and outperform its peers during the same period. Some of the changes implemented included adjusting the operating model a number of times throughout the various lockdowns to adapt to the constantly evolving restrictions in place, and combined with a successful re-opening strategy, this allowed the Group

to capitalise on the shift to increased levels of demand through delivery and takeaway. Even during the second lockdown in November and December 2020, the Group maintained average weekly sales near its pre-Covid-19 pandemic levels, with the expected increase in delivery and takeaway sales compensating for the reduced sales which would have been generated from eating in. The Senior Management Team also recognised that during the pandemic it was crucial to maintain its public presence, and ensured that the Group regularly engaged with customers through its main social media platforms to take advantage of the increase in time spent online by customers, in addition to reducing the likelihood of the brand losing its appeal or interest with the target market.

At a time when changing restrictions and negative consumer sentiment surrounded the hospitality industry, employees in the sector faced significant uncertainty around the solvency of their employers and the future of their jobs. The Group ensured that its employees were communicated with regularly, and kept notified of any significant updates, and as a result the Group has been able to maintain a high employee retention rate, which has proved crucial in a period where the hospitality industry faces staff shortages due to a combination of Brexit related policies and Covid-19 pandemic related issues.

During the pandemic, a number of the Group's competitors reached a position whereby they restructured their businesses through company voluntary arrangements ("**CVAs**"), 'pre-packs' and other methods, resulting in rent cuts at many of their outlets, and negatively impacting the ability of the property owners to collect full rent. Typically, the Directors believe that hospitality businesses which have gone through CVAs or 'pre-pack' arrangements to reduce their rental obligations suffer reputational damage with landlords, impacting their perceived covenant strength. In contrast, Tortilla instead actively engaged in rent negotiations with its landlords, and by doing so improved its relationship with them on a fair basis and the Directors believe that this will be to the benefit of the Group as the UK economy comes out of the pandemic and the operating environment improves. During the Covid-19 pandemic, to protect the financial position of the Group and to avoid staff redundancies, the Group (as well as the wider hospitality industry) has received support in the form of the Covid-19 Government Support Schemes. These measures are expected to be unwound by the UK Government in the coming months as the economy returns to a more normal trading pattern.

The mitigating actions taken by Tortilla ensured that the Group maintained its operations throughout the pandemic, comfortably outperforming the wider hospitality industry between July and December 2020 and leading to record-breaking weekly and monthly sales in 2021 that have since been maintained even after the lifting of the majority of lockdown related restrictions.

7. GROWTH STRATEGY

The Directors believe that the Group is in a strong position to continue its organic growth strategy through the rollout of new sites in addition to franchising opportunities. Cloud-kitchens are also expected to contribute significantly to the growth strategy for the Group, as they provide opportunities to drive increased sales volumes. The Directors believe that the Group is now also at a stage in its growth profile where it is well capitalised, with the requisite operational infrastructure in place to scale.

7.1 UK roll-out

The primary objective of the Group's growth strategy will be to increase its UK presence, with the Directors targeting circa 45 new sites in the UK in the next 5 years. Prior to the Covid-19 pandemic, an independent whitespace report was prepared on behalf of the Group by an external consultancy which identified at least 121 additional sites in the UK that met the Group's ideal location criteria and would be suitable for its medium and long-term development pipeline.

The Group opened 6 and 4 new sites in FY19 and FY20 respectively. The Group has so far opened 6 new sites in FY21. For FY22, the Group has 7 sites that are in the legal documentation stage and a further 8 sites at the heads of terms stage.

The Directors believe that, due to the Covid-19 pandemic and the consequent negative impact on the wider hospitality industry and commercial property market, an exceptional opportunity exists for the Group to secure favourable rental rates and incentive packages and that the Group is now strategically well positioned to capitalise on this.

While the Group will continue to secure the 'traditional sites' cited in the external consultancy report, the uplift in the delivery channels has made it economically viable to secure smaller sites in slightly more off-pitch locations, which benefit from lower rents and fit-out costs, thereby reducing the sales hurdle rate required to provide the Group's traditional return on capital KPI. The Directors believe this has significantly increased the number of viable potential sites the Group can secure throughout the UK, above the number

of sites identified in the previously mentioned external consultancy report. The Group will also continue its acquisition of cloud-kitchen locations, based on the success to date with that model.

As stated above, if the opportunity arises, the Group will also take over locations of competitors' stores in high footfall areas as the Senior Management Team believes that the relatively low conversion costs of these units make historic competitors sites more economically viable than they would be otherwise.

7.2 Franchising

The Group entered into an agreement with SSP in 2019 to franchise the Tortilla proposition in transport hubs. The first site opened in London Euston Station in December 2019 and additional sites are expected to be rolled-out in due course. With transport hubs becoming an increasingly important channel for operators in the fast-casual industry to access consumers, the Group intends to leverage its easily scalable business model to further expand its franchise model, with the spare capacity in the CPU and established operational infrastructure allowing it to do so within its current growth plans.

7.3 Cloud-kitchens

The suitability of burritos and a number of the Group's other product offerings for cloud-kitchens highlight the significant opportunity that exists to expand the Group's delivery proposition. Cloud-kitchens are acknowledged as the most commercially efficient avenue by which to accelerate this process, and the Group has successfully integrated four cloud-kitchens into its existing property portfolio to date. The Directors believe that continuing to increase the number of cloud-kitchens in residential areas across the UK as part of the Group's expansion plans will allow it to align with, and satisfy the growing demand for delivery products in the UK market.

7.4 Strategic partnerships

Strategic partnerships with amusement parks, contract caterers, supermarkets, hotels, and cloud-kitchen franchisees are also considered by the Group as an attractive opportunity to further expand its presence domestically through multiple avenues. Some of the key strengths of the Group that will drive success in these channels are: (1) being able to operate in small kitchens, without extraction, (2) access to a CPU to produce some of the slow-cooked products which just need regenerating at site and (3) no requirement for high skilled chefs.

7.5 International

Tortilla is already the largest fast-casual Mexican chain in the UK and Europe. With the popularity of burritos and tacos growing worldwide as demonstrated by the presence of successful chains across Europe, Asia, the Middle East and Australia, there is an opportunity for the Group to establish a broader presence internationally. The Group is exploring the opportunity to expand into Europe in the mid-term. A Europe-wide whitespace report identified the potential for 320 units across 26 metropolitan areas and nine countries that would adhere to the Group's new site selection criteria. This would also provide potential for further upside from wider penetration over a longer timeframe. The report cited the prevalence of smaller fast-casual Mexican chains throughout Europe which suggests that consumer adoption of tacos and burritos is already in place.

As at the date of this document, the Group's only international sites are the 10 sites being operated in the Middle East by Eathos, as franchisees.

7.6 New Financing Facility

The Group signed a new financing facility with Santander UK plc on 14 September 2021 to replace the prior facilities. Santander has provided financing to Tortilla since 2012 and has remained a supportive partner throughout this period. The new Senior Facility Agreement allows the Group to access up to £10 million of funds via a Revolving Credit Facility for general working purposes and will provide the Group with the balance sheet flexibility to pursue its growth plans. Following Admission, the Group anticipates being in a net positive cash position by the end of 2021 and therefore the facility provides significant undrawn cash headroom. Further detail regarding Senior Facility Agreement is set out in paragraph 13.4 of Part IV of this document.

8. FINANCIAL INFORMATION

Part III of this Document contains audited historical financial information of MGL and its subsidiary undertakings at that time.

The following financial information has been derived from the financial information on MGL and its subsidiaries contained in Part III of this Document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information and the information relating to the 26 weeks ended 28 June 2020 and the 26 weeks ended 4 July 2021 is not audited.

	52 weeks ended 30 December 2018	52 weeks ended 29 December 2019	52 weeks ended 3 January 2021	26 weeks ended 28 June 2020	26 weeks ended 4 July 2021
	£	£	£	£	£
Revenue	33,572,804	35,373,135	26,832,846	9,517,448	20,751,269
Gross profit	24,818,172	26,295,267	20,777,914	6,979,198	16,724,954
Profit/(loss) from operations	419,481	211,095	(469,274)	(2,526,985)	3,293,152
Adjusted EBITDA	6,201,800	6,310,049	5,737,964	554,842	6,371,084
Profit/(loss) before tax	(736,685)	(939,888)	(1,693,231)	(3,163,387)	2,633,445

Revenue increased by £1.8 million (5.4 per cent.) between the year ended 30 December 2018 and the year ended 29 December 2019, driven mainly by like-for-like sales growth and new store openings. However Covid-19 pandemic related restrictions and the resultant temporary store closures in 2020 contributed to a decrease in revenue of £8.5 million (24.1 per cent.), between the year ended 29 December 2019 and the year ended 3 January 2021. The combined impact of a relaxation of Covid-19 pandemic restrictions, strong like-for-like trading performance, increased delivery sales and resilient in-store trading, enabled the Group to generate revenue of £20.8 million for the 26 week period ended 4 July 2021 representing a significant increase of £11.2 million (118.0 per cent.), in comparison to the 26 week period ended 28 June 2020.

Adjusted EBITDA (calculated as EBITDA excluding pre-opening costs, share based payments and exceptional items) for the year ended 29 December 2019 was £6.3 million, representing an increase of £0.1 million (1.8 per cent.), from adjusted EBITDA of £6.2 million for the year ended 30 December 2018. Adjusted EBITDA decreased by £0.6 million (9.1 per cent.), to £5.7 million from the year ended 29 December 2019 to the year ended 3 January 2021. The Group's adjusted EBITDA of £6.4 million for the 26 week period ended 4 July 2021 represents an increase of £5.8 million (1,048.3 per cent.), in comparison to the 26 week period ended 28 June 2020. This increase was driven by the strong trading and revenue performance as outlined above and further supported by the continued impact of the Covid-19 Government Support Schemes. These measures have supported the Group's financial performance since March 2020 and are expected to be withdrawn by the UK Government in the coming months. The Group's profit before tax of £2.6 million for the 26 week period ended 4 July 2021 (183.3 per cent.) compared to a loss before tax of £3.2 million for the 26 week period ended 28 June 2020.

9. CURRENT TRADING AND PROSPECTS

The financial information for the six month period ended 4 July 2021 is set out in Part III of this document. Since 4 July 2021, trading has remained very strong and the Group has continued to achieve record sales weeks. The relaxation of Covid-19 social distancing restrictions has led to higher in-store sales and the delivery sales have remained strong, suggesting that this revenue stream will remain at a permanently improved level in comparison to levels prior to the Covid-19 pandemic.

Since 4 July 2021, the Group has opened one new site in Windsor, whilst the Group's franchise partner, SSP has also opened one new site, in Gatwick Airport. The licence agreement for a further SSP unit near Leeds, the first motorway services unit for Tortilla, has been signed and the unit is expected to open in October 2021.

During the Covid-19 pandemic, Deliveroo granted a temporary waiver of its exclusivity condition with the Group and Tortilla was able to trade via the Uber Eats and Just Eat platforms. The Group has since terminated its relationships with Uber Eats and Just Eat and is again exclusively using the Deliveroo platform. The Directors believe that this exclusivity will bring certain commercial benefits to the Group such as a lower commission rate and continued roll out via the Deliveroo Editions platform. In the short term, the Directors anticipate that exclusivity may result in a moderate reduction in the Group's delivery sales, but the Directors believe that in the medium term, the exclusive relationship with Deliveroo will be of commercial benefit to the Group.

The Directors continue to implement the Group's trading and expansion strategy as outlined and for FY22, the Group has 7 sites that are in the legal documentation stage and a further 8 sites at the heads of terms stage. The Directors remain confident in the future prospects and growth potential of Tortilla.

10. DIVIDEND POLICY

In the short term, the Directors intend to retain the Group's earnings for re-investment in the rollout of new sites and the Directors do not intend to commence the payment of dividends in the immediate future, considering that it is likely to be more prudent to retain cash generated to fund the expansion of the Group. They will reconsider the Company's dividend policy from time to time. The declaration and payment by the Company of any dividends depends on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution, compliance with the restrictions on issuing dividends contained in the Group's loan facility and other factors deemed to be relevant at the time. It is the Directors' ultimate intention to pursue a progressive dividend policy, subject to the availability of sufficient distributable profits, compliance with the terms of the Group's loan facility restricting the ability to pay dividends and the need to retain sufficient earnings for the future growth of the Group.

11. DIRECTORS

The Board on Admission will comprise Emma Woods as non-executive chairperson, Richard Morris as Chief Executive Officer, Andy Naylor as Chief Financial Officer, and Brandon Stephens, Loeiz Lagadec and Laurence Keen as non-executive directors.

Directors

Emma Woods (Non-executive Chairperson, aged 53)

Emma has extensive experience at Board level in multi-site leisure businesses. She is currently a non-executive director (Senior Independent Director and the Chair of the Remuneration Committee) for The Gym Group plc and has been on the company's Board since its IPO in 2016. 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 which 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.

Emma attended the University of Oxford where she read Experimental Psychology.

Richard Morris (Chief Executive Officer, aged 56)

Richard became CEO of Tortilla in 2014, bringing with him over 30 years' experience in the food sector.

After starting his career in the US, Richard's first insight into the UK restaurant industry was with TGI Fridays, where he ran its Covent Garden restaurant before becoming Regional Manager, and then Operations Director. He then moved on to Rainforest Café where he opened locations in London, Manchester and Disneyland Paris. Richard then left to become part of Loch Fyne Restaurants' original management team as Operations Director in 1999, before which he became Managing Director in 2005. At Loch Fyne, Richard oversaw the company's sale to Greene King.

Richard joined Tortilla from Daylesford Organic, which he had joined in 2011. At Daylesford, Richard oversaw the Company's London operations, including opening their first full service restaurant in 2013 and opening restaurants in Selfridges and in Esher.

Andy Naylor (Chief Financial Officer, aged 37)

Andy joined Tortilla in July 2017 as CFO, bringing with him 15 years' experience. 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.

Alongside his role as CFO, Andy was also appointed as Tortilla's Commercial Director in January 2021. The role focuses on business development, working alongside franchise partners and reviewing Tortilla's many alternative revenue-driving opportunities.

Brandon Stephens (Founder Non-executive Director, aged 48)

Brandon founded Tortilla in 2007 and led Tortilla as CEO until 2014. Since then, Brandon has continued to be a Non-Executive Director of Tortilla.

Brandon has also been Founder/CEO of REVL (the UK's largest events marketplace), Chairman of Red's True Barbecue (the largest BBQ chain in the UK), and Interim Director of e-commerce for Arcadia Group. Brandon currently advises TriSpan's Rising Stars fund, a dedicated restaurant private equity program, whilst also acting as a NED for Thunderbird Fried Chicken Ltd and Mamma Roma Group.

Brandon started his career in Silicon Valley where he worked in a range of senior positions at several

high-profile technology start-ups, including Webvan and PointCast. He 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.

Loeiz Lagadec (Non-executive Director, aged 40)

Loeiz represents the interests of Quilvest Capital Partners, a global alternative investments player with circa. USD6 billion of assets under management, which has been the largest shareholder in Tortilla since 2011. Loeiz is a Partner in Quilvest's direct private equity investment team. He works on the due diligence and monitoring of direct private equity investments in the UK and Europe. Since joining Quilvest in 2006, Loeiz has served on the board of directors of a number of portfolio companies including Sogetrel, EDH, BT Blue, Minafin, and Tortilla. Before joining Quilvest in 2006, Loeiz spent 2 years with the Boston Consulting Group in Paris and Barcelona. Loeiz is a graduate of HEC in Paris (Ecole des Hautes Etudes Commerciales), and was awarded an MBA from Harvard Business School. He also holds a masters in French corporate law.

Laurence Keen (Non-executive Director, aged 45)

Laurence is currently CFO of Hollywood Bowl Group plc which he joined in 2014 as Finance Director. Previous to this, Laurence was UK development director for Paddy Power from 2012, before which he held senior retail and finance roles for Debenhams PLC, Pizza Hut (UK) Limited and Tesco PLC.

Laurence has a first-class degree in business, mathematics and statistics from the London School of Economics.

12. LTIP

The Directors believe that the commitment of employees to the continued success of the Group will be enhanced by increased employee share ownership, thereby enabling staff at all levels to participate further in the Company's future growth. An employee share plan to incentivise employees (including the Executive Directors), details of which are set out in Part IV of this document, has been adopted. On Admission, the Executive Directors will be granted market value options over Ordinary Shares representing 3.2 per cent. of the issued share capital of the Company following Admission. On Admission, the Directors also intend to grant market value options to employees under the employee share plan over up to a further 1.6 per cent. of the Enlarged Share Capital.

13. DETAILS OF THE PLACING

- 13.1 The Placing comprises the issue of 2,762,431 New Ordinary Shares by the Company at the Placing Price and the sale by the Selling Shareholders of 12,715,902 Sale Shares.
- 13.2 Liberum has entered into the Placing Agreement with the Company, the Directors, Quilvest and the Selling Agent (as agent for the Selling Shareholders other than the Principal Selling Shareholders). Under the Placing Agreement, Liberum has conditionally agreed to use reasonable endeavours to procure, as agent of the Company, subscribers for the New Ordinary Shares and, as agent of the Selling Shareholders, purchasers for the Sale Shares, in each case at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing is not being underwritten.
- 13.3 The New Ordinary Shares will represent approximately 7.1 per cent. of the Enlarged Share Capital and the Sale Shares will represent approximately 32.9 per cent. of the Enlarged Share Capital. The New Ordinary Shares will have the effect of diluting the Existing Ordinary Shares by approximately 7.7 per cent.. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £69,981,896.
- 13.4 The Placing is conditional, amongst other things, on Admission taking place on or before 8.00 a.m. on 8 October 2021 (or such later date as the Company and Liberum may agree, but in any event not later than 5.00 p.m. on 31 October 2021) and on the Placing Agreement becoming unconditional and not being terminated prior to Admission.
- 13.5 The New Ordinary Shares will be issued credited as fully paid and will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid on the Ordinary Share capital after Admission.
- 13.6 After deduction of fees, commissions and expenses payable by the Company, the net proceeds of the Placing receivable by the Company are expected to be approximately £2.6 million. A commentary on the proposed use of the net proceeds of the Placing are set out in paragraph 14.1

of this Part I.

13.7 Under the Placing Agreement, the Company has agreed that, subject to certain exceptions, during the period of 6 months from the date of Admission, it will not, without the prior written consent of Liberum, issue, offer, sell, contract to sell or issue, grant any option, right or warrant to subscribe or purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof), enter into any transaction with the same economic effect as any of the foregoing or publicly announce any intention to any of such things.

13.8 Further details of the Placing Agreement are set out in paragraph 13.1 of Part IV of this document.

14. **REASONS FOR THE PLACING AND ADMISSION**

14.1 The issue of the New Ordinary Shares pursuant to the Placing will raise approximately £2.6 million for the Company net of expenses. The net proceeds of the Placing received by the Company will initially be used for working capital purposes and, combined with the new Senior Facility Agreement, will fund the Company's growth strategy. Following Admission the Group will be able to accelerate its growth plans and execute on strategic growth opportunities including accelerating the UK rollout, developing and executing on scalable franchise opportunities, expanding its cloud-kitchen portfolio and other strategic initiatives. It will also provide access to capital should additional financing be required in the future to further expand the business.

14.2 The Directors believe that the profile of the Group will be significantly enhanced by its position as a company whose shares are traded on AIM and that Admission will be an important step in the Group's development. It will also act as a further incentive to management and employees through the increased shareholding opportunity and the provision of a market for their shares.

14.3 The Existing Shareholders will have the opportunity to realise some of their long-term investment in the Group through their participation in the Placing. It is expected that the Placing will result in a more diverse shareholder base for the Group with the capability to support its growth.

15. **LOCK-IN AND ORDERLY MARKET ARRANGEMENTS**

15.1 The Directors' interests following Admission are set out in paragraph 5 of Part IV of this document. In aggregate, the Directors will be interested in 4,737,324 Ordinary Shares following Admission, representing approximately 12.3 per cent. of the Company's Enlarged Share Capital.

15.2 The Executive Directors have undertaken not to sell any Ordinary Shares without the prior consent of Liberum for 12 months from the date of Admission and for a further period of 12 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances considered customary for an agreement of this nature.

15.3 Brandon Stephens and Quilvest have each undertaken not to sell any Ordinary Shares without the prior consent of Liberum for 6 months from the date of Admission and for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances considered customary for an agreement of this nature.

15.4 Those of the Minority Selling Shareholders who are current employees of the Group, who on Admission will be the holders of 140,395 Ordinary Shares in aggregate, representing approximately 0.4 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum not to dispose of any interest in any Ordinary Shares owned by them prior to the date which is 6 months from the date of Admission without the prior written consent of Liberum and, for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances considered customary for an agreement of this nature.

15.5 In addition, those of the Minority Selling Shareholders who hold 3 per cent. or more of the Existing Share Capital, who on Admission will be the holders of 4,805,775 Ordinary Shares in aggregate, representing approximately 12.4 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum not to dispose of any interest in any Ordinary Shares owned by them prior

- to the date which is 6 months from the date of Admission without the prior written consent of Liberum and, for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances considered customary for an agreement of this nature.
- 15.6 In addition, a further four of the Minority Selling Shareholders, who between them on Admission will be the holders of 1,026,000 Ordinary Shares in aggregate, representing approximately 2.7 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), prior to the date which is 6 months from the date of Admission, except in limited circumstances considered customary for agreements of this nature.
- 15.7 Accordingly, on Admission, a total of 5,972,170 Ordinary Shares will be subject to the lock-in and orderly market arrangements described above representing approximately 15.4 per cent. of the Enlarged Share Capital.
- 15.8 Further details of the lock-in and orderly market undertakings are set out in paragraph 13.3 of Part IV of this document.
16. **CORPORATE GOVERNANCE**
- 16.1 The Directors acknowledge the importance of high standards of corporate governance and, given the Company's size and the constitution of the Board, have formally adopted and intend to comply fully with the QCA Code. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly AIM companies.
- 16.2 Following Admission, the Board will comprise 6 directors, 2 of whom shall be executive directors and 4 of whom shall be non-executive directors, reflecting a blend of different experience and backgrounds. Emma Woods and Laurence Keen will be considered independent from Admission.
- 16.3 The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions.
- 16.4 The Board intends to meet regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of Board meetings. All Directors will have access to the advice and services of the Company Secretary, who will be responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.
- Board Committees**
- 16.5 The Company will, upon Admission, have established Audit, Nomination and Remuneration Committees.
- 16.6 The Audit Committee will have Laurence Keen as chairman, and will have primary responsibility for monitoring the effectiveness of the internal controls and risk management systems, ensuring that the financial performance of the Group is properly measured and reported on and reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee will also oversee the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). The Audit Committee will meet at least twice a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit Committee will also meet regularly with the Company's external auditors. Emma Woods and Brandon Stephens will be the other members of the Audit Committee.
- 16.7 The Nomination Committee will have Emma Woods as chairperson, and will be 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 identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise. The Nomination Committee will meet as required. Laurence Keen and Brandon Stephens will be the other members of the Nomination Committee.

- 16.8 The Remuneration Committee will have Laurence Keen as chairman, and will review the performance of the executive directors and other designated senior executives and, within the terms of the agreed framework, determine their terms and conditions of service, including their remuneration packages, including where appropriate, bonuses, incentive payments and the grant of share options or other share awards, having due regard to the interests of Shareholders. The Remuneration Committee will meet at least once a year and otherwise as required. Emma Woods and Brandon Stephens will be the other members of the Remuneration Committee. In exercising this role, the members of the Audit Committee shall have regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance.

17. **RELATIONSHIP AGREEMENT**

- 17.1 The Company has entered into a relationship agreement dated 30 September 2021 with Quilvest pursuant to which the Company and Quilvest agree to regulate aspects of the continuing relationship between them. In particular, Quilvest has agreed to ensure that the Company is capable at all times of carrying on its business independently of Quilvest (together with any associates and/or persons with whom it is acting in concert) and that transactions between the parties are on arms' length terms and on a normal commercial basis. In addition, for so long as Quilvest continues to hold Ordinary Shares representing in excess of 10 per cent. of the issued share capital of the Company, Quilvest has the right to nominate and appoint a director of the Board. Further information on the Relationship Agreement can be found in paragraph 13.2 of Part IV of this document.

18. **SHARE DEALING CODE**

- 18.1 The Company has adopted, with effect from Admission, a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules for Companies relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules for Companies). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.
- 18.2 The Company will take all reasonable steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules for Companies (including Rule 21).

19. **ADMISSION TO TRADING, SETTLEMENT AND DEALING ARRANGEMENTS**

- 19.1 Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 8 October 2021.
- 19.2 The Ordinary Shares will be in registered form and will be eligible for settlement through CREST.
- 19.3 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.
- 19.4 In the case of Placees who have requested to receive Placing Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 8 October 2021. In the case of Placees who have requested to receive New Ordinary Shares in certificated form, it is expected

that share certificates will be despatched by post within a week of Admission.

- 19.5 No temporary documents of title will be issued. All documents sent by or to a Placee who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

20. TAKEOVER CODE

- 20.1 The Takeover Code is issued and administered by the Takeover Panel. The Company is a public company incorporated in the UK and has its place of central management and control in the UK. Accordingly, the Takeover Code applies to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the Takeover Code.
- 20.2 Further information concerning the Takeover Code is set in paragraph 10 of Part IV of this document.

21. THE CONCERT PARTY

- 21.1 Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests in, shares carrying 30 per cent. or more of the voting rights of the company.
- 21.2 The Company has agreed with the Panel that Richard Morris, Andy Naylor, Brandon Stephens, Navin Patel, Neil Patel and Laura Salerno are to be regarded as acting in concert for the purposes of the Takeover Code.
- 21.3 On Admission, the Concert Party will hold 7,376,275 Ordinary Shares in aggregate, representing approximately 19.1 per cent. of the Enlarged Share Capital. In addition, Richard Morris and Andy Naylor are participants in the LTIP, pursuant to which certain employees will be granted awards to acquire Ordinary Shares. Participants will be entitled to a maximum of 1,853,591 Ordinary Shares pursuant to awards granted to them under the LTIP on Admission. If the maximum numbers of Ordinary Shares are issued to Richard Morris and Andy Naylor respectively, and assuming no other Ordinary Shares are issued, the members of the Concert Party will be interested in 8,580,696 Ordinary Shares in aggregate, representing approximately 21.5 per cent. of the Enlarged Issue Capital, as enlarged by such exercise.

22. TAXATION INFORMATION FOR INVESTORS

The attention of prospective investors is drawn to the information regarding taxation set out in paragraph 9 of Part IV of this document. This information is intended only as a general guide to the current tax position under UK taxation law for certain types of investor. Prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

23. BRIBERY ACT

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has implemented an anti-bribery and anti-corruption policy that has been adopted by the Board.

24. RISK FACTORS

Your attention is drawn to the risk factors set out in Part II of this document and to the section entitled "Forward Looking Statements" in the "Important Information" section of this document. In addition to all other information set out in this document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

25. ADDITIONAL INFORMATION

You should read the whole of this document and not just rely on the information contained in this Part I.

Your attention is drawn to the information set out in Parts II to IV (inclusive) of this document which contains further information on the Group.

PART II. RISK FACTORS

An investment in Ordinary Shares may be subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to such an investment, including in particular the risks described below, before making any investment decision in relation to Ordinary Shares.

The information below does not purport to be an exhaustive list of relevant risks, since the Group's performance might be affected by other factors including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their individual circumstances. An investment in Ordinary Shares should only be made by those with the necessary expertise to evaluate fully that investment.

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumption and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, among other things, the risk factors described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her, their or its investment.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in Ordinary Shares and should be used as guidance only. In addition to the usual risks associated with an investment in a company, the risks referred to below are those risks which the Company and the Directors consider to be the material risks relating to the Company. The risks are not presented in any order of materiality or otherwise. There may be additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, which may, individually or cumulatively, adversely affect the Company's business, financial condition, results of operations or prospects.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group's and its current operating results are not an indication of future performance

The Company cannot guarantee that the Group will be able to sustain revenue growth and profitability in the future and a failure to do so could materially harm the business. The Group's operating results may fluctuate as a result of a number of factors, many of which are beyond its control. Factors that may affect the Group's operating results include, without limitation, the potential for further UK Government imposed lockdowns on the UK population (both at a local and national level) due to the spread of Covid-19 or any new variants of Covid-19, changes in UK Government and scientific advice as to best practice for dealing with Covid-19 or any new variants of Covid-19, including changes to social distancing rules and regulations which may impact, the number of, the confidence and the ability for, customers to consume food and beverages away from the home, increased competition in the UK hospitality sector or a negative change in the macro-economic environment impacting consumer confidence and discretionary spend.

There can be no assurance that a material deterioration in the Group's operating results would not lead to violations of the Group's debt facility agreements, or the ability of the Group to pay its creditors and suppliers as they fall due, all of which could have a material adverse effect on the financial position and prospects of the Group. If the Group's operating results fall below the expectations of financial analysts or investors in the future, the trading price of the Ordinary Shares may decline significantly. Furthermore, if the Company does not realise sufficient revenue levels to sustain profitability, it may require additional working capital and financing in the medium term, which may not be available on attractive terms, or at all. The

foregoing risks do not seek to qualify or contradict the statement regarding working capital in paragraph 11 of Part IV of this document.

The Group's future success will be dependent on its ability to implement its expansion strategy and sustain further revenue growth and profitability

The Group's core strategy is to open further sites in the UK under the Tortilla brand. Whilst the Directors believe there are more than sufficient sites for the further roll out of the Tortilla brand, nevertheless the Directors cannot guarantee that the Group will be able to locate or secure a sufficient number of appropriate sites, either at all or on terms which the Directors consider acceptable to meet its growth and financial targets. Further, new openings may take time to reach profitable operating levels or to match historical financial returns. In addition, the success of any new openings undertaken by the Group will depend on a number of factors, many of which are beyond the Group's control, including the following:

- the ability to identify and secure available and suitable sites on an economic basis;
- obtaining the required planning consents;
- the ability to secure all necessary operating approvals and licences in a timely manner and in a satisfactory form;
- the extent of the competition for sites;
- the ability to conclude a lease on acceptable terms;
- the ability to fit out new sites at an economic cost;
- delays in the timely development of sites;
- the willingness of landlords to offer concessions such as capital contributions or rent-free periods;
- the ability to hire staff that are of a similar standard to those at the rest of the estate; and
- general economic conditions.

In addition, the Group has made significant investment into areas of its business such as product development, location expansion, online delivery, infrastructure, technology and personnel which have contributed to the Group's growth.

However, the Group will face future challenges as it seeks to continue to implement its growth strategy, including placing demands on its management team, IT systems, internal controls and systems and on its supply chain. To continue its expansion, the Group may require further investment in, amongst others, its infrastructure, personnel, IT systems and supply chains.

To ensure that the Group maintains the high quality standards of its product offering, the Group may have to slow down growth or might be unable to enter new markets. In addition, as the Group continues to scale its business, there is a risk that suppliers may not be able to increase supplies at a similar pace. The expansion into new markets may place the Group in unfamiliar competitive environments or may require the investment of significant resources and there is no assurance that returns on such investments will be achieved. The Group may also grow more slowly than expected, if its product offerings fail to keep up with consumer tastes and demands.

In addition, further expansion of the Group's business into new areas, types of offering or overseas may subject the Group or the marketing and sale of its products to different laws and regulations or other applicable standards which may limit the Group's ability to establish its operations in those new markets. Other complications may arise with such expansion, including complications in managing overseas operations (if the Group opens any further overseas operations), fluctuation in currency exchange rates, potential political and economic instability, supply chains and variations in consumer behaviour. In addition, the Group is unable fully to control the operations of its franchisees. For example a franchisee could become insolvent and cease trading, or the Group's franchise arrangements may not be renewed when such arrangements contractually expire and there is no guarantee that a franchise partner will perform its obligations strictly in accordance with its obligations in any franchise agreement, despite its best efforts.

There can be no assurance that the Group will be successful in addressing these or any other challenges that arise in connection with the implementation of its growth strategy and investors should not rely on comparisons with the Group's results to date as an indication of future performance. Further, if franchisees fail to perform their obligations strictly in accordance with their obligations under their respective franchise agreement, such failure could damage the Group's brand or image in the relevant territory or jurisdiction. If

the Group fails to implement its growth strategy successfully and if its franchise partners fail to perform their respective obligations under their arrangements with the Group, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's UK roll out in part relies on its ability to secure available and suitable new sites on an economic basis

The Group's operating performance depends in part on its ability to secure leases in desired locations at rents the Directors believe to be reasonable. Whilst the Group has identified a number of possible sites as part of its expansion strategy, there is no guarantee that identified sites will prove to be appropriate options for the Group, or that the Group will be able to agree favourable and economic terms on which to occupy potential new sites. Whilst every effort is made to negotiate such leases on turnover based rental payments, nevertheless, a majority of the leases for the Group's sites generally require that their annual rent be reviewed on an "upwards-only" basis every five years. If agreement on "open market" rent cannot be reached between the two parties, the matter is referred to an independent surveyor, who determines the premises' open market rent. The annual rent for the premises then becomes the greater of such open market rental value and the previous contractually agreed rent. As a result, the Group is unable to predict or control the amount of any future increases in its rental costs arising from the review of rents it pays for its sites and given the upwards only basis of the review, is unable to benefit from any decline in the open market rental value of its sites. There can be no assurance that any increase in rent would be offset by an increase in the Group's revenues and accordingly any substantial increase in the rent paid by the Group on its sites could adversely affect the Group's business, financial and other conditions, profitability and results of operations.

Each lease also typically provides that the landlord may terminate the lease by exercising the usual landlord right to forfeiture in the event of non-payment of rent, tenant insolvency or breach of the tenant covenants in the lease. Termination of any of the Group's leases could harm the results of the Group's operations. Although leases are for fixed terms, the Directors believe that they should be able to renew the Group's existing leases where they believe it is commercially desirable to do so, but they can offer no assurances that the Group will succeed in obtaining extensions to lease terms, or that any such extensions will be on reasonable terms. In addition, lengthy lease terms, restrictive alienation clauses and potential liability for dilapidation costs at the end of a lease may hinder the Group's operational flexibility and have a negative effect on its business.

24 of the Group's leases benefit from security of tenure under the Landlord and Tenant Act 1954 which means that, subject to certain exceptions such as the landlord wanting to carry out a redevelopment, the relevant member of the Group will be able to apply to court for a renewal of the lease after the expiry of the contractual period. Any lease renewal will be on the same terms as the existing lease subject to updates to cater for reasonable modernisation and the current market rent. Where a lease is excluded from these security of tenure provisions, the Group does not have the benefit of this protection and would need to renegotiate with the landlord. Where a lease does not benefit from security under the Landlord and Tenant Act 1954, the Group cannot invoke such protections to secure a renewal of the lease, meaning that if it is unable to negotiate such, it may lose the benefit of the lease and hence the site. Where the site is a profitable site for the Group, an inability to secure a renewal (or several renewals) could adversely affect the Group's business, financial and other conditions, profitability and results of operations.

The Group has been able to negotiate rental concessions from landlords due to the impact of the Covid-19 pandemic. These were typically straight rent reductions, as opposed to deferrals. Many of those concessions are now no longer in place as the Group's restaurants are all trading once more. If new variants emerged that meant that similar Government enforced lock downs were imposed on the hospitality sector, there is no guarantee that the Group's landlords would be similarly as supportive and agree rental concessions on the same basis or if so, on a less generous basis. Failure to secure such concessions could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is subject to risks associated with the arrangements by which it occupies its cloud-kitchens

The Group currently operates some of its food delivery capability out of four cloud-kitchens, three of which are with Deliveroo and the fourth with Growth Kitchens. The Group occupies space within these cloud-kitchens on a licence to occupy basis as opposed to leases. Typically, the cloud-kitchen industry does not grant leasehold interests to their restaurant users and therefore the Group has no longer term right to occupy or remain at their respective cloud-kitchens. The licences to occupy can be terminated on short

notice, and the Group's continued occupancy of these spaces is subject to performance based (turnover) conditions and can be terminated if performance falls below stipulated financial thresholds. If the Group's occupation of any one or more of the cloud-kitchens were to be terminated, it could impact the Group's ability to deliver products in the surrounding areas which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is reliant on one delivery services provider and may be subject to disruption in service

The Company has chosen to centralise its supply and delivery needs by contracting with one company, Fresh Direct (UK) Limited (“**Fresh Direct**”), which supplies the CPU with all the necessary supplies to enable the CPU to prepare all necessary menu items needed by the Group's restaurants. These supplies are then collected by Fresh Direct and then distributed to each of the restaurants by Fresh Direct's supply chain. These services are provided under the terms of an agreement between the Company and Fresh Direct. Whilst the Directors believe that centralising the Group's supply chain brings efficiencies, there is a risk that the Group could become over-dependent upon Fresh Direct and that, if Fresh Direct, as a key partner to the Group, was not able to continue to provide such services or there was a break in its ability to service, the Group may be unable to service its restaurants which may have a material adverse effect on the Group's business, prospects, financial condition and results of operations. The Directors do not believe this is a material risk however and believe that in the unlikely event that Fresh Direct was unable to continue its services without notice, the Group would be able to put in place procedures and alternatives to ensure that there would be no noticeable effect to the Group's trading.

The UK food retail market meal delivery and food retail market is highly competitive and the Group may not continue to compete effectively

Businesses in the UK food retail market compete on the price, quality, variety, availability and suitability of their product offerings, standard of customer service and on brand recognition and loyalty. The Group has a number of competitors in this market, some of whom have been operating for longer than the Group. Tortilla also faces competition from other restaurant brands using the same online food delivery service providers. The highly competitive nature of the market means that the Group must continually innovate its products, provide high quality products, maintain high standards of customer service and successfully market its offering. To date, the Group has been successful in expanding its business. There can be no assurance that the Group will continue to be so. Existing competitors of the Group (or indeed new market entrants) may offer more attractive product ranges and better standards of customer service and may be more effective in their marketing activities. If the Group fails to respond successfully to such competition, then it may fail to continue to expand its business (or indeed may suffer a loss of business), may lose (or fail to increase) market share and/or the Group's operating margins may erode, any of which may have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's key markets may not grow at the same pace they have historically or as fast as the forecasts indicate

The Group's strategy is based on certain key trends and the projected growth of its business in key markets. However, historical trends may not be indicative of future trends and forecast or estimated growth rates may not be accurate, in whole or part, or ever materialise. Further, underlying markets could decline and overall growth rates in the hospitality industry and direct to consumer e-commerce could be slower than anticipated. If any of the assumptions underlying the Group's strategy are inaccurate or fail to materialise that could have an adverse impact on the Group's business, results of operations and financial condition.

The Group's brand could become subject to reputational damage

The Group has invested significantly in the development and marketing of its brand, which the Directors regard as a significant asset. In the event that the Group fails to address properly any claim relating to its products (irrespective of its merits) or any actual or perceived issues with its products (including availability, quality, sustainability, variety and value-for-money), its customer services or the effectiveness of its outsourced delivery (through Deliveroo), then its brand could become subject to reputational damage (such as adverse publicity, negative rating and reviews or adverse social media commentary). If the Group fails to manage risks relating to its brand it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group requires licences, permits and approvals to operate

The Group's sites are subject to laws and regulations that affect their operations, including in relation

to employment, minimum wages, premises licences, alcoholic drinks control, health & safety, fire safety, sanitation and data protection. These laws and regulations impose a significant administrative burden on the Group, as managers have to devote significant time to ensure compliance with these requirements and therefore have less time to dedicate to the business. Delays and failures to obtain or renew the required licences or permits could adversely affect the operations of the Group. Difficulties or failures in obtaining or maintaining or renewing required licences or approvals could delay or prohibit the operation of the Group's sites. In addition, the Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Group believes it has appropriate policies and procedures in place to address such regulatory requirements, these may need to adapt which may require additional expenditure. Furthermore, in order to ensure that the Group's sites remain fully compliant with legislative requirements there will always be the need to maintain the Group's premises, not only generally but also as ad hoc issues arise, which again will require capital expenditure. Failure by the Group to comply with the relevant legislative requirements may result in fines, penalties, closure of sites and/or litigation and if any of the Group's site have their licences withdrawn or amended, the ability of the Group's sites to sell alcoholic drinks and other products or services, to its customers may be reduced. All of these factors could adversely affect the Group's operating results (as a result of increased costs or lower revenues) and, in turn, adversely affect the Group's financial condition and prospects.

The food and beverage industry in the UK is regulated at both national and local levels, and each of the Group's sites requires licences, permits and approvals to permit, among other things, the sale of alcoholic drinks. All of these factors could adversely affect the Group's reputation and business, results of operations, financial condition or prospects.

The Group's success depends in part on attracting suitable employees and the retention of key personnel

The Group's success depends on its retention of key personnel and its ability to recruit, retain and develop suitable personnel for its business, including site managers and staff which serve customers. The Directors also acknowledge that any future shortages of qualified personnel or the Group's inability to recruit and retain such personnel could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group's future development and prospects are partially dependent on the continuing services and performance of the Executive Directors and the Group's Senior Management Team, and its ability to continue to attract and retain highly skilled and qualified site, and in time, area managers, operation managers as well as staff to operate the CPU. The Directors cannot give assurances that they or members of the Senior Management Team will remain with the Group, although the Directors believe the Group's culture, the continued involvement of the Group's founder, Brandon Stephens, as a non-executive director, and remuneration packages are attractive. If members of the Group's Senior Management Team depart, the Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted or damaged. The loss of the services of any of the Executive Directors or a number of site managers, chefs and other key employees could damage the Group's business.

The Group is subject to privacy or data protection risks and fraudulent activity

The Group is subject to regulation regarding its use of personal customer data. These regulations include but are not limited to the UK's Data Protection Act 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) as it forms part of retained direct EU legislation as defined in the EUWA, as amended ("**UK GDPR**"), the Privacy and Electronic Communications (EC Directive) Regulations 2003 ("**PECR**") and other applicable legislation. Since Brexit the Group is also subject to any measure that eventually succeeds the UK GDPR in the UK. The Group processes customer data as part of its business, some of which may be personal data and collects, uses and transfers personal data relating to employees. The Group therefore must comply with the applicable data protection and privacy laws and regulations. These laws restrict the Group's ability to collect and use personal information relating to employees, customers and potential customers including the use of that information for marketing purposes. The Group relies on third-party service providers and its own employees to collect and process personal data. Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws, including the UK GDPR. Breach of such privacy or data protection laws could result in large fines or penalties being imposed upon the Group which could have a material adverse effect on the Group's financial condition.

Any of the events referred to above could also result in the loss of the goodwill of its customers, damage to reputation and deter new customers which could have a material adverse effect on the Group's business,

financial condition, results of operation and prospects.

The Group's brand could be infringed or misused by a third party

A key part of the Group's value is in the development of the Tortilla brand and its intellectual property including its trademarks. Any damage to the brand or inability to protect the Group's intellectual property could have a material adverse effect on the business of the Group.

The Company has transitioned from a private to a public company

The Group created Tortilla as a private business and many of its existing shareholders have been involved in the business. The Company's transition to a public company involves changes in its ownership and to the Board structure. The Directors expect certain existing shareholders to continue to be closely involved in the business, particularly Brandon Stephens. There can, however, be no assurance that, in the more public environment of a quoted public company, the Group will be able to manage its operations and strategic direction as successfully as it has as a private business, which may adversely affect the Group's operations and business.

In addition, much of the Group's success can be attributed to its existing culture, which includes a commitment to training, compliance and staff welfare. There can be no assurance that continued growth resulting from the Company's transition to a public company from a private business will not have an adverse impact on such culture, which may negatively impact the Group's business.

The Group could be susceptible to disruptions to card payment services and its IT systems

The Group depends on card payment providers as a proportion of the Group's in store revenues are generated from customer card payments. 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.

In addition, if any of the Group's operational, financial, human resources, communication or other systems were to be disabled or did not operate properly (including as a result of computer viruses, problems with the internet, sabotage or cyber attack) notwithstanding the controls put in place by the Group to prevent such disablement or failure to operate, the Group could suffer disruption to its business, loss of revenues, loss of data, regulatory intervention or reputational damage. This could have an adverse impact on the Group's operating results, financial condition and prospects.

Changes in accounting standards may impact the Group's financial position

Changes in accounting standards, rules and regulations may have a significant impact on the reported financial results of the Group, and it is impossible to specify or ascertain the effect of such changes or new standards, which is dependent on the financial position of the Group at the time. Moreover, in connection with financial reporting under new or amended accounting standards, the Group will make its own accounting judgements and elections in the future, which cannot be determined at this time.

The Group is subject to changes in taxation, statutory charges and compliance costs

As a licensed retailer and employer of a large number of employees, the Group is subject to a number of tax and duties levied by the government. The Group's operating and other expenses could increase, without a corresponding rise in revenues, as a result of increases in taxation arising from changes in taxation policies and/or other statutory charges (including, without limitation, increases in business rates across the Group's sites or reductions in capital allowance rates). The Group's financial results may also be adversely affected by other changes in laws, regulations or government policies that lead to increased costs of compliance.

The Group may not be able to obtain adequate insurance cover for all potential risks

The Group's portfolio of sites could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose its capital invested in the affected site as well as anticipated future revenue from that property. Material uninsured losses could have a material adverse effect on the Group's results from operations, financial condition and/or business prospects.

RISKS RELATING TO THE HOSPITALITY INDUSTRY

Economic conditions might impact the Group's performance

The Group derives most of its profits from the UK and is therefore sensitive to fluctuations in the UK economy. The Group's performance depends to a certain extent on a number of factors outside of the control of the Group which impact on consumer sentiment and the cost of supply in the UK, including political and economic conditions. Changes in economic conditions in the United Kingdom and elsewhere, including, for example, the ongoing impact of the Covid-19 pandemic, Government imposed lockdowns (at both a national and local level) that prohibit the UK population from gathering together and/or consuming food and beverages away from the home, changes in working practices such as home working, associated lower economic growth, interest rates, rates of inflation, industry conditions, political and diplomatic events and trends, tax laws, gross domestic product levels, credit conditions, rising levels of consumer debt, a deterioration in the pound sterling's foreign exchange position, levels of employment, and other factors could have an adverse effect on the financial performance and prospects of the Group.

Food and beverages supply

The Group's operations depend on timely deliveries and the quality of fresh ingredients, including fresh produce, meat and dairy products, as well as other items, including prepared beverages and non-perishable food and drink items. The Group depends on third party distributors and suppliers for such deliveries. The Group has enjoyed high service standards from its suppliers historically, however, delivery delays and/or a reduction in the quality or volume of produce received and/or a failure or closure of the Group's suppliers could adversely impact the Group's business and ability to service its customers to the required standard. Shortages of staff at food suppliers and in the food supply chain and a shortage of drivers in the logistics sector in particular may limit the Group's ability to acquire and receive the ingredients it requires, particularly in the quantities and time frames required.

The Group may also be subject to logistical disruptions or failures in the distribution and delivery of supplies. In the event of a major disruption to the timely supply of quality, fresh ingredients, alternative suppliers of goods and/or distribution services (as the case may be) may not be available or may be available only on unacceptable commercial terms.

Changing Consumer habits or consumer sentiment

The Group's financial results may be materially impacted by any material change in consumer habits within the United Kingdom. While the Group is responsive to changing trends in consumer tastes by regularly updating its menu and product offering, unpredictable and unanticipated changes in demand for gluten free, allergen free, alcohol-free and other specialist foods and beverages, the impact of any 'sugar tax' and demographic trends may also affect the appeal of the Group's offering to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its offering adequately and sufficiently promptly, which could hinder the ability of the Tortilla brand to remain relevant in the market and have a negative impact on the Group's financial performance.

The Covid-19 pandemic may continue to impact the Group's business

On 23 March 2020 the United Kingdom executed a "stay at home" order (known as the 'lockdown') in response to the Covid-19 pandemic. This order banned all non-essential travel and contact with people outside of one's own household. The order also led to closing of most schools, businesses, offices and other facilities including gyms. Restaurants, bars and hotels had been specifically closed on 20 March 2020. These restrictions remained in place until June 2020 when the restrictions began to be eased. Restaurants were allowed to reopen on 4 July 2020. Subsequent national lockdowns occurred again in November 2020 and between January and April 2021. While social distancing rules and regulations have gradually lifted during 2021, some restrictions remain in place and consumer habits have not fully returned to pre-pandemic levels.

A high degree of uncertainty exists around the impact of the Covid-19 pandemic on the economy; the Group and the Group's trading. Given a significant number of Government schemes designed to support the economy through the pandemic are still in place, the full economic impact of the Covid-19 pandemic is unknown. It has been suggested that the economic fall-out from the Covid-19 pandemic could trigger a deep, long lasting recession which could significantly impact disposable income across the UK and accordingly impact the Group's trading. In addition, as a consequence of Covid-19 there have been changes to working patterns with a significant number of office workers, particularly in cities, now choosing to work from home. Whilst this may be an advantage to the Group's out of town locations, this change

in behaviour is significantly impacting footfall at city centre sites. Although the lifting of social distancing restrictions has increased footfall at such sites, levels remain significantly below their pre-pandemic levels. It is unknown the extent to which these changes will be temporary or whether they will become more permanent, but if there is not significant increase in footfall at the city based sites of the Group, this could have a material effect on the Group's trading in these areas. Furthermore, despite the apparent success of the UK's vaccination campaign, it is unknown if further lockdowns (at a local or national level) will be implemented in the future or whether stricter social distancing rules will be imposed.

As a result of more members of the public either having to, or choosing to work from home, it is not clear to what extent that may have a long lasting effect on how the Group's customers engage with the business. Whilst the working from home phenomenon has led to a growth in opportunity for the Group's delivery business, if the trend continues, it may have an impact on the sales in and prospects of the Group's restaurants. It is not known at this stage whether there has been any permanent change in customer behaviours or whether this is merely temporary. Finally, there may also be changes as a consequence of the Covid-19 pandemic that impact the Group and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have the potential to significantly affect the viability of the Group's business model and its ability to be able to trade.

The Group is at risk from food related health concerns and liability

The food and beverage industries can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health concerns or other issues stemming from one product or a number of products including products provided by the Group.

The Group cannot guarantee that its internal controls and training will be fully effective in preventing all food borne illnesses. Furthermore, some food borne illness incidents could be caused by third party food suppliers and transporters outside of the Group's control. One or more instances of food borne illness at one of the Group's sites could result in increased costs and/or reduced turnover, and negatively affect the Group's profitability and prospects. Furthermore, if any person becomes ill, or alleges becoming ill, as a result of food at one of the Group's sites, the Group may be liable for damages, or be subject to regulatory action or adverse publicity. Such litigation, concerns and complaints and any adverse publicity surrounding such issues may have a material adverse effect on the Group or on the leisure sector generally and therefore on the Group.

The Group is susceptible to local, national or international food or beverage contamination, allergy incident or other health and safety issues affecting the type of food and beverages sold in, and attendance levels at, the Group's sites. Such incidents could affect consumer confidence and preferences, resulting in reduced attendance or expenditure at the Group's sites, or could lead to increased costs for the Group (including in relation to sourcing alternative suppliers or products). In addition, a serious contamination, allergy related incident or related scare at one of the Group's sites could negatively affect the reputation of that site, as well as of the Group as a whole. Negative publicity relating to one of the Group's sites, food quality, food contamination, health inspection scores, accommodation quality or employee relationships may have a negative impact on the trading performance of the relevant site and potentially the Group's other sites, regardless of whether the allegations are valid or whether the Group is at fault. Furthermore, the Group's operations and financial conditions are subject to legislative risk as compliance with new regulations affecting the industry, including but not limited to displaying the nutritional value and calorie content of foods, may result in increased costs for the Group, which may have an adverse impact on its operations, prospects and financial conditions.

There may be a material adverse effect on the Group's business and financial condition if the UK Government's stimulus and fiscal policy measures in response to the Covid-19 pandemic do not continue to be made available to the Group, the scope of these measures is changed or the introduction of future measures is uncertain

To mitigate the impact on the UK economy of mandatory measures to contain the spread of Covid-19, including travel restrictions, social distancing, closures of entertainment, hospitality, non-essential shops and indoor premises, restrictions on trading hours and increased testing, the UK Government and the Bank of England introduced a range of economic stimulus and fiscal measures aimed at speeding up economic recovery. The Group has been able to benefit from a number of these support measures, such as the Coronavirus Job Retention Scheme and the temporary reduction of the rate of VAT. However, support measures will be removed in time and there can be no certainty that these or any other similar support initiatives will be available to the Group in the future. The lack of replacement initiatives as current measures are withdrawn may have a material adverse effect on the economy, consumers and the Group's

business, financial condition and operations. Furthermore, while the Group benefits from these measures in the short-term, certain benefits may need to be repaid in due course and amounts paid under the Covid-19 Government Support Schemes may be subject to challenge.

The Group is susceptible to changes in the cost of labour and employment risk

An increase in labour and employee benefit costs may adversely affect the Group's operating costs. Any shortage in the labour pool or other general inflationary pressures or changes will increase the Group's labour costs. This may be of particular relevance during the Covid-19 pandemic where the hospitality industry is facing labour shortages of workers, partly as a result of the UK having left the EU (whereby hospitality workers from EU Member States (on which the industry was reliant) have left the UK and returned home) and the fact that many workers are still on furlough or have left the industry to find alternative employment. Any increases in labour costs could have a material adverse effect on the Group's prospects, results of operations and financial condition. Furthermore, as a result of recent case law and government consultation surrounding whether certain types of overtime, tips, bonus, commission payments and other variable remuneration should be included in holiday pay, there may be potential future liabilities or increases in labour costs as the Group may have to make additional payments to its employees in the future. Increases in the National Minimum Wage and availability of minimum wage workers in certain areas may impact the business, results of operations and financial condition of the Group. The National Minimum Wage is a prescribed minimum hourly rate of pay which employers must legally pay to most of their workers dependent on the employee's age. From 1 April 2021 the minimum rates of pay (across all age groups) have increased. The minimum hourly rates applicable to workers aged 23 or over (i.e. the "**National Living Wage**") increased by approximately 2.2 per cent. and the size of any future increases are unknown. A significant proportion of the Group's employees are paid at least the National Minimum Wage and, therefore, an increase in the National Living Wage will increase the Group's labour costs. As labour costs are a large proportion of the Group's overall costs, it is possible that future increases could have a material adverse effect on the Group's business, profitability and results of operations. The complex nature of legislation and regulations governing the National Minimum Wage and the National Living Wage may lead to increased compliance costs and/or unintentional breaches of such legislation and/or regulations, and there is no guarantee that the Group would be able to rectify such non-compliance without incurring costs in the form of fines, or suffering from negative publicity.

Potential unionisation of employees or workers

While the Directors are not aware that any of the Group's workforce is currently a member of a labour union, there is no guarantee that the Group's workforce will not unionise in the future given the growth of unions in the hospitality sector. Unionisation of the workforce in the future may decrease the Group's bargaining power in negotiating employment terms and conditions, which would lead to higher costs of labour through increased wages and other employment benefits. A unionised workforce may hinder operational flexibility by inhibiting the Group's ability to hire and terminate employees and workers. Maintaining a positive dialogue with a unionised workforce may lead to increased operational and compliance costs. The failure to maintain such positive relations may lead to labour action, which would adversely affect the Group's business, operations prospects, and lead to negative publicity for the Group.

RISKS RELATING TO LAWS AND TAXATION

Changes in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders

The attention of prospective investors is drawn to paragraph 9 in Part IV of this document headed "Taxation". Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to the holder(s) of Ordinary Shares or alter post tax returns to the holder(s) of Ordinary Shares. Statements in this document concerning the taxation of holders of Ordinary Shares are based on current UK tax law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of prospective investors.

Local laws or regulations may mean that the status of the Group or of the Ordinary Shares is uncertain or subject to change, which could adversely affect investors' ability to hold Ordinary Shares

For regulatory, tax and other purposes, the Group and/or the Ordinary Shares may be treated differently in different jurisdictions. Furthermore, in certain jurisdictions, the status of the Group and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain

information or as a result of disclosures made by the Group. Changes in the status or treatment of the Group and/or the Ordinary Shares may have unforeseen effects on the ability of investors to hold Ordinary Shares or the consequences to investors of doing so.

The ability of overseas shareholders to bring actions or enforce judgements against the Company and the Directors may be limited

The ability of an overseas shareholder to bring an action against the Company may be limited under law. The Company is an English incorporated company limited by shares. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in public United States corporations and some other non-UK corporations. An overseas shareholder may not be able to enforce a judgment against all or some of the Directors and the Company. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Company and Directors within the overseas shareholder's country of residence or to enforce against the Company and the Directors judgments of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an overseas shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Company and Directors or countries other than those in which judgment is made. In addition, English courts may not impose civil liability on the Company and Directors in any original action based on solely on foreign securities laws brought against them in a court of competent jurisdiction in England or other countries.

The Group will incur costs associated with compliance with AIM corporate governance and accounting requirements

As a public company with shares admitted to trading on AIM, the Group will be subject to requirements in relation to disclosure controls and procedures and internal control over financial reporting. The Group may incur significant costs associated with its public company reporting requirements, including costs associated with applicable AIM corporate governance requirements. The Group expects to incur significant legal and financial compliance costs as a result of these rules and regulations and, if the Group does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE ORDINARY SHARES AND AIM

The market price for the Ordinary Shares may fluctuate significantly and potential investors could lose all or part of their investment

The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. As the Ordinary Shares have not previously traded, their market value is uncertain and may be subject to wide fluctuations in response to many factors, including those referred to in this Part II, as well as stock market fluctuations, changes in financial estimates by industry participants or securities analysts and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that such sales may occur, as, for example, in the period leading up to the expiration of the various lock-in agreements to which certain holder(s) of Ordinary Shares are subject), legislative changes and market, economic, political or regulatory conditions. The combination of one or more of these factors could mean that investors are unable to recover their original investment in the Ordinary Shares.

There is no prior trading market for the Ordinary Shares and there is no guarantee that a liquid market for them will develop

Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

Ordinary Shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List

The Ordinary Shares will be admitted to trading on AIM and will not be admitted to the Official List of the FCA or to any other stock exchange. The rules of AIM are less rigorous than those of the Official List and

an investment in Ordinary Shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's main market for listed securities. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's main market for listed securities and may not reflect the underlying value of the net assets of the Group. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

Dividends

There can be no assurance that the Company will declare dividends in the future or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the directors of the Company (and, in the case of any final dividend, the discretion of the holder(s) of Ordinary Shares) at the relevant time and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of distributable profits, restrictions in the Group's loan facility on the ability to pay dividends as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Substantial sales of Ordinary Shares may adversely affect the ability of a holder of Ordinary Shares to sell their Ordinary Shares or realise the price paid for them

There can be no assurance that Shareholders subject to lock-in arrangements will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 13.3 of Part IV of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

There is no guarantee that the Group will maintain its quotation on AIM

The Group cannot assure investors that the Group will always retain a quotation on AIM. If it fails to retain such a quotation, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Group decides to obtain a quotation on another exchange in addition to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

PART III. HISTORICAL FINANCIAL INFORMATION

The Directors
Tortilla Mexican Grill plc
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W1W 6YF



The Directors
Liberum Capital Limited ("**Liberum**")
Ropemaker Place
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EC2V 9LY

30 September 2021

Dear Sirs

Tortilla Mexican Grill plc

We report on the financial information which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial information, including significant accounting policies, for the two 52 week and one 53 week periods ended 3 January 2021 of Mexican Grill Limited (the "**Audited Financial Information**"). The Audited Financial Information has been prepared for inclusion in the AIM admission document of Tortilla Mexican Grill plc dated 30 September 2021 (the "**Admission Document**") relating to the proposed admission to AIM of Tortilla Mexican Grill plc on the basis of the accounting policies set out in note 2. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

We have not audited the financial information for the 26 weeks ended 28 June 2020 or for the 26 weeks ended 4 July 2021, and accordingly do not express an opinion thereon.

Opinion on Audited Financial Information

In our opinion, the Audited Financial Information gives, for the purposes of the Admission Document, a true and fair view of the consolidated state of affairs of Mexican Grill Limited as at 30 December 2018, 29 December 2019 and 3 January 2021 and of the consolidated profits, cash flows and changes in equity for the periods then ended in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as adopted by the European Union.

Responsibilities

The Directors of Tortilla Mexican Grill plc are responsible for preparing the financial information in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Audited Financial Information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of Preparation

The Audited Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the Audited Financial Information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying

with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council (the "FRC") in the United Kingdom. We are independent of the Tortilla Mexican Grill plc and Mexican Grill Limited in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Audited Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Audited Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Audited Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Declaration

For the purposes of paragraph a of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Blick Rothenberg Audit LLP Chartered Accountants

Consolidated statement of comprehensive income

	Note	Audited			Unaudited	
		52 weeks ended 30 Dec 2018 £	52 weeks ended 29 Dec 2019 £	53 weeks ended 3 Jan 2021 £	26 weeks ended 28 Jun 2020 £	26 weeks ended 4 Jul 2021 £
Revenue		33,572,804	35,373,135	26,832,846	9,517,448	20,751,269
Cost of sales		(8,754,632)	(9,077,868)	(6,054,932)	(2,538,250)	(4,026,315)
Gross profit		24,818,172	26,295,267	20,777,914	6,979,198	16,724,954
Other operating income	5	-	-	3,489,162	2,085,773	1,876,212
Administrative expenses		(24,398,691)	(26,084,171)	(24,736,351)	(11,591,957)	(15,308,013)
Profit/(loss) from operations	6	419,481	211,096	(469,275)	(2,526,986)	3,293,153
Adjusted EBITDA *		6,201,800	6,310,049	5,737,963	554,840	6,371,084
Pre-opening costs	10	(29,435)	(288,151)	(78,778)	(9,496)	(45,044)
Depreciation and amortisation		(5,590,305)	(5,572,700)	(5,796,178)	(2,885,849)	(2,879,112)
Exceptional items		(94,102)	(168,586)	(272,182)	(153,845)	(106,464)
Non-trading costs		(68,477)	(69,516)	(60,100)	(32,636)	(47,311)
		419,481	211,096	(469,275)	(2,526,986)	3,293,153
Finance expense	8	(1,156,166)	(1,150,983)	(1,223,957)	(636,402)	(659,706)
Profit/(loss) before tax		(736,685)	(939,887)	(1,693,232)	(3,163,388)	2,633,447
Tax charge	9	(13,807)	-	-	-	(340,318)
Profit/(loss) for the period and comprehensive income attributable to equity holders of the parent company		(750,492)	(939,887)	(1,693,232)	(3,163,388)	2,293,129
Earnings per share for profit attributable to the owners of the parent during the year						
Basic and diluted (pence)	11	(209.0)	(261.8)	(471.6)	(881.1)	638.7

* Adjusted EBITDA is earnings before depreciation and amortisation, pre-opening, exceptional and non-trading costs

Consolidated statement of financial position

	Note	Audited			Unaudited	
		As at	As at	As at	As at	As at
		30 December	29 December	3 January	28 June	4 July
		2018	2019	2021	2020	2021
		£	£	£	£	£
Non-current assets						
Right-of-use assets	17	24,619,444	27,845,165	25,324,841	26,588,447	25,004,186
Property, plant and equipment	12	8,814,920	10,075,088	9,112,143	9,354,308	9,417,826
Total non-current assets		33,434,364	37,920,253	34,436,984	35,942,755	34,422,012
Current assets						
Inventories	14	219,851	236,043	239,782	220,179	266,335
Trade and other receivables	15	1,371,612	1,954,359	1,898,295	1,476,927	1,890,278
Cash and cash equivalents		3,944,613	5,600,295	10,086,759	5,787,488	12,871,432
Total current assets		5,536,076	7,790,697	12,224,836	7,484,594	15,028,045
Total assets		38,970,440	45,710,950	46,661,820	43,427,349	49,450,057
Current liabilities						
Trade and other payables	16	4,649,819	6,106,717	4,909,704	5,114,461	5,841,187
Lease liabilities	17	3,799,338	4,343,971	7,176,104	6,155,312	5,801,684
Loans and borrowings	18	-	-	1,000,000	3,300,000	1,250,000
Corporation tax liability		13,807	-	-	-	340,318
Total current liabilities		8,462,964	10,450,688	13,085,808	14,569,773	13,233,189
Non-current liabilities						
Lease liabilities	17	22,636,823	25,778,756	24,195,555	24,832,677	25,269,599
Loans and borrowings	18	7,283,492	9,834,052	11,426,235	7,540,833	10,699,918
Deferred tax liability	9	-	-	-	-	-
Total non-current liabilities		29,920,315	35,612,808	35,621,790	32,373,510	35,969,517
Total liabilities		38,383,279	46,063,496	48,707,598	46,943,283	49,202,706
Net assets / (liabilities)		587,161	(352,546)	(2,045,778)	(3,515,934)	247,351
Equity attributable to equity holders of the company						
Called up share capital	19	3,590	3,590	3,590	3,590	3,590
Share premium account		5,148,416	5,148,596	5,148,596	5,148,596	5,148,596
Retained earnings		(4,564,845)	(5,504,732)	(7,197,964)	(8,668,120)	(4,904,835)
Invested capital		-	-	-	-	-
Total equity		587,161	(352,546)	(2,045,778)	(3,515,934)	247,351

Consolidated statement of changes in equity

Audited	Share capital	Share premium	Foreign exchange reserve	Retained earnings	Invested capital	Total
	£	£	£	£	£	£
Equity as at 1 January 2018	3,585	5,140,821	-	(3,814,353)	-	1,330,053
Loss for the period	-	-	-	(750,492)	-	(750,492)
Shares issued in the period	5	7,595	-	-	-	7,600
Other comprehensive income	-	-	-	-	-	-
Equity as at 30 December 2018	3,590	5,148,416	-	(4,564,845)	-	587,161
Loss for the period	-	-	-	(939,887)	-	(939,887)
Shares issued in the period	-	180	-	-	-	180
Other comprehensive income	-	-	-	-	-	-
Equity as at 29 December 2019	3,590	5,148,596	-	(5,504,732)	-	(352,546)
Loss for the period	-	-	-	(1,693,232)	-	(1,693,232)
Shares issued in the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Equity as at 3 January 2021	3,590	5,148,596	-	(7,197,964)	-	(2,045,778)
Unaudited	Share capital	Share premium	Foreign exchange reserve	Retained earnings	Invested capital	Total
Equity as at 29 December 2019	3,590	5,148,596	-	(5,504,732)	-	(352,546)
Loss for the 26 week period	-	-	-	(3,163,388)	-	(3,163,388)
Other comprehensive income	-	-	-	-	-	-
Equity as at 28 June 2020	3,590	5,148,596	-	(8,668,120)	-	(3,515,934)
Equity as at 3 January 2021	3,590	5,148,596	-	(7,197,964)	-	(2,045,778)
Profit for the 26 week period	-	-	-	2,293,129	-	2,293,129
Other comprehensive income	-	-	-	-	-	-
Equity as at 4 July 2021	3,590	5,148,596	-	(4,904,835)	-	247,351

Consolidated statement of cash flows

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018 £	52 weeks ended 29 Dec 2019 £	53 weeks ended 3 Jan 2021 £	26 weeks ended 28 Jun 2020 £	26 weeks ended 4 Jul 2021 £
Operating activities					
Profit/(loss) after tax	(750,492)	(939,887)	(1,693,232)	(3,163,388)	2,293,129
Adjustments for:					
Corporation tax charge	13,807	-	-	-	340,318
Interest paid	226,732	194,990	339,959	132,140	168,179
Interest received	(1,551)	(2,297)	(111,791)	(1,591)	(563)
Depreciation of property, plant and equipment	2,119,768	2,139,637	2,033,690	1,104,533	1,229,076
Impairment of property, plant and equipment	-	-	333,371	-	-
Loss on disposal of property, plant and equipment	-	20,691	-	-	-
Finance cost on lease liabilities	930,985	958,290	995,789	505,853	492,090
Depreciation of right to use assets	3,091,893	3,371,508	3,495,701	1,781,317	1,550,168
Impairment of right to use assets	378,644	40,865	(66,584)	-	99,868
(Increase)/Decrease in trade and other receivables	(264,132)	(582,566)	56,064	477,432	8,017
(Increase)/Decrease in inventories	(31,107)	(16,192)	(3,739)	15,864	(26,553)
Increase/(Decrease) in trade and other payables	818,727	1,456,897	(1,197,011)	(986,719)	879,349
Corporation tax paid	-	(13,807)	-	-	-
Cash generated from operations	6,533,274	6,628,129	4,182,217	(134,559)	7,033,078
Investing activities					
Purchase of property, plant and equipment	(1,354,794)	(3,420,496)	(1,404,116)	(383,753)	(1,534,759)
Interest received	1,551	2,297	1,964	1,591	563
Net cash used by investing activities	(1,353,243)	(3,418,199)	(1,402,152)	(382,162)	(1,534,196)
Financing activities					
New loans secured	-	2,537,000	3,846,600	1,000,000	-
Repayment of loans	-	-	(1,200,000)	-	(500,000)
Interest paid	(213,171)	(181,430)	(284,549)	(130,894)	(92,364)
Payments made in respect of lease liabilities	(3,591,600)	(3,909,818)	(655,652)	(165,192)	(2,121,846)
Net cash from financing activities	(3,804,771)	(1,554,248)	1,706,399	703,914	(2,714,210)
Net increase/(decrease) in cash and cash equivalents	1,375,260	1,655,682	4,486,464	187,193	2,784,672
Cash and cash equivalents at beginning of period	2,569,353	3,944,613	5,600,295	5,600,295	10,086,759
Cash and cash equivalents at the end of period	3,944,613	5,600,295	10,086,759	5,787,488	12,871,431

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. General Information

The Historic Financial Information relates to the group formed by Mexican Grill Ltd and its subsidiary undertakings ("the Historic Group"). Tortilla Mexican Grill plc was installed as a new holding company subsequent to the date of this Historic Financial Information. The Historic Group operates and manages restaurants trading under the Tortilla brand. Mexican Grill Ltd is a private limited company, limited by shares, incorporated in the United Kingdom.

The registered address of Mexican Grill Ltd and all subsidiaries is 142-144 New Cavendish Street, London, W1W 6YF.

2. Accounting policies

Accounting convention

The Historical Financial Information for the two 52 and one 53-week periods ended 3 January 2021 and the 26 weeks ended 28 June 2020 and 4 July 2021 (HFI) has been prepared specifically for the purposes of this document and in accordance with the UK Prospectus Regulation, the Listing Rules and in accordance with this basis of preparation.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

The HFI has been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies. These policies have been consistently applied to all periods presented, unless otherwise stated.

The basis of preparation describes how the financial information has been prepared in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards and IFRS Interpretations Committee (IFRS IC) and Standing Interpretations Committee interpretations as adopted by the European Union ("IFRS").

Basis of preparation

The consolidated financial information contained in this document includes the statements of total comprehensive income, cash flow statements, statements of financial position and related notes for the companies which comprise the Historic Group.

Composition of the Historic Group

A list of the subsidiary undertakings which, in the opinion of the Directors, principally affected the amounts of profit or net assets of the Historic Group is given in note 13 of the financial information.

Going concern

The Directors have reviewed the cash projections and funding requirements of the Historic Group for a period of not less than 12 months from the date of approval of this historical financial information and believe that the Historic Group can meet their day-to-day cash flow requirements and operate within all the terms of their banking facilities. Accordingly, this consolidated historical financial information has been prepared on a going concern basis.

Composition of the financial information

The financial information is drawn up in Sterling, the functional currency of the Historic Group and in accordance with IFRS accounting presentation, other than as noted under basis of preparation above. The level of rounding for the financial information is the nearest pound. The financial information comprises:

- Consolidated statement of total comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the financial information

Basis of consolidation

Where the Historic 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 consolidated financial information incorporates the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

The statement of financial position as at 4 July 2021 incorporates the results of Mexican Grill Ltd and its subsidiaries for all periods, as set out in the basis of preparation.

Alternative Performance Measures ("APM's")

The Historic Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APM's are not defined or specified under the requirements of IFRS. The Historic Group believes that these APM's, 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 Historic Group and are consistent with how business performance is measured internally.

The Historic Group's APM's are: Adjusted EBITDA and Adjusted EBITDA % of revenue.

The directors use Adjusted EBITDA as a primary KPI in managing the business. This measure excludes exceptional items and site pre-opening costs. The directors believe this measure gives a more relevant indication of the underlying trading performance of the Historic Group and is also the measure used by the banks for the purposes of assessing covenant compliance.

Revenue Recognition

The Historic 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 Historic 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 when payment is received and therefore no contract assets or contract liabilities are created. 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 Historic Group's activities. Revenue is shown net of sales/value added tax, returns and discounts.
- Franchise fees from the Historic Group's role as franchisor in the UK 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.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability relating to a past event and where the amount of the obligation can be reliably estimated.

Pensions

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

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 provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

Short term leasehold property - over the lease term

Plant and machinery - over 5 years

Fixtures and fittings - over 3 years

Office equipment - over 3 years

Computer equipment - over 3 years

Impairment

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicated that it might be impaired. Goodwill is not allocated to individual CGUs but to a group of CGUs. As the business has a single operating segment as disclosed in note 4, and goodwill is not disaggregated for internal management purposes, goodwill impairment testing is performed for the business as a whole, in accordance with IAS 36. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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).

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.

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.

The Historic Group's credit risk primarily arises from cash balances. The Historic Group has a very low operational credit risk due to the transactions being principally of a high volume, low value and short maturity. The Historic Group has no significant concentration of operational credit risk. The credit risk on liquid funds held with Santander is considered to be low. The long-term credit rating for Santander is A1/A per Moody's/Standard & Poor's.

Financial instruments

The Historic Group 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 third 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 or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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. If objective evidence of impairment 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 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.

Share Capital

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

Leased Assets

At the commencement date of the lease, the Historic Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include lease payments less any lease incentives receivable. In calculating the present value of lease payments, the Historic Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease

liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, for example a rent review or a change in the lease term.

Deferred taxation

Deferred tax assets and liabilities 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 Historic 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 Historic 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.

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.

Government Grants

Grants are recognised under the accruals model with any deferred element included in creditors as deferred income. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

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

3. Critical accounting estimates and judgements

The Historic Group makes certain 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. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property plant and equipment

Annually, the Historic Group considers whether tangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash

flows. Individual sites are viewed as separate CGUs in respect of the impairment of property, plant and equipment.

4. Segment reporting

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

The Historic Group has three segments:

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

There are similar economic characteristics between these businesses with each following a similar sales trajectory, although differences also exist. These have been reviewed by the Directors along with the non-financial criteria of IFRS 8. It is the Directors' judgement that the historical period sales from the two franchise segments were not considered to be material to the overall financial performance of the Historic Group and consequently, no Segmental Analysis is provided.

5. Other operating income

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Government grants receivable	-	-	3,489,162	2,085,773	1,876,212
	-	-	3,489,162	2,085,773	1,876,212

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Depreciation & amortisation of fixed assets	5,590,305	5,572,700	5,462,807	2,885,849	2,879,112
Impairment of fixed assets	-	-	638,668	-	-
Reversal of impairment of fixed assets	-	-	(305,297)	-	-
Inventories - amounts charged as an expense	8,754,632	9,077,868	6,054,932	2,538,250	4,026,315
Staff costs	10,826,951	11,491,523	11,268,458	5,446,110	6,303,247
Pre-opening costs	29,435	288,151	78,778	9,496	45,044
Exceptional items	94,102	168,586	272,182	153,845	106,464
Non-trading costs	68,477	69,516	60,100	32,636	47,311
Auditors' remuneration:					
Audit fees	30,000	32,000	36,000	18,000	18,000
Other taxation services	24,400	24,300	35,000	17,500	17,500

7. Staff costs

Staff costs, including directors' remuneration, were as follows:

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018 £	52 weeks ended 29 Dec 2019 £	53 weeks ended 3 Jan 2021 £	26 weeks ended 28 Jun 2020 £	26 weeks ended 4 Jul 2021 £
Wages and salaries	10,188,806	10,760,836	10,527,999	5,111,757	5,875,533
Social security costs	568,453	614,640	611,249	282,862	357,483
Other pension costs	69,692	116,047	129,210	51,491	70,231
	10,826,951	11,491,523	11,268,458	5,446,110	6,303,247

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

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
Operations staff	624	661	644	685	627
Head office staff	30	33	31	31	33
	654	694	675	716	660

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

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018 £	52 weeks ended 29 Dec 2019 £	53 weeks ended 3 Jan 2021 £	26 weeks ended 28 Jun 2020 £	26 weeks ended 4 Jul 2021 £
Salaries	265,203	321,108	362,995	167,193	177,410
Pension contributions	1,440	2,378	2,679	1,214	1,317
	266,643	323,486	365,674	168,407	178,727

The highest paid director received remuneration of £182,512 in the 53 weeks ended 3 Jan 2021 (2019: £171,136, 2018: £149,874, 26 weeks ended 28 Jun 2020: £83,435, 26 weeks ended 4 Jul 2021: £83,803).

The number of directors receiving pension contributions was 4 in the 53 weeks ended 3 Jan 2021 (2019: 4, 2018: 4, 26 weeks ended 28 Jun 2020: 4, 26 weeks ended 4 Jul 2021: 4).

There are no Key Management Personnel other than the directors.

8. Finance income and expenses

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Finance income					
Bank interest income	1,551	2,297	111,791	1,591	563
Finance expense					
Bank loan interest expense	(226,732)	(194,990)	(339,959)	(132,140)	(168,179)
Finance cost on lease liabilities	(930,985)	(958,290)	(995,789)	(505,853)	(492,090)
	(1,156,166)	(1,150,983)	(1,223,957)	(636,402)	(659,706)

On 14th September 2020, the Historic Group obtained a Coronavirus Business Interruption Loan Scheme ("CBILS") which carries zero interest costs for the first twelve months. The loan has been recognised at the present value of the future payments with the discount being recognised as finance income (value: £109,827) in the 53 weeks ended 3 January 2021.

9. Taxation

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Current tax expense					
Current tax on profits for the period	13,807	-	-	-	340,318
Adjustment for under provision in prior periods	-	-	-	-	-
	13,807	-	-	-	340,318

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year as follows:

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Profit for the period	(736,685)	(939,887)	(1,693,232)	(3,163,388)	2,633,447
Expected tax charge based on corporation tax rate of 19% in 2021, (19% in 2020, 19% in 2019)	(139,970)	(178,579)	(321,714)	(601,044)	500,355
Effects of:					
Expenses not deductible for tax purposes	8,316	18,999	96,217	52,250	11,888
Depreciation in excess of capital allowances	120,777	(36,583)	54,735	(75,160)	12,135
Movement in tax losses	(125,145)	130,078	(5,022)	599,475	(187,957)
Other timing differences, primarily arising from operating lease accounting	149,829	66,085	175,784	24,479	3,897
Other adjustments	-	-	-	-	-
Deferred tax	-	-	-	-	-
Total tax charge for the period	13,807	-	-	-	340,318

The Historic Group has had unprovided deferred tax assets as shown below:

Unprovided deferred tax asset

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Unprovided deferred tax asset	(251,216)	(325,765)	(415,628)	(350,244)	(349,217)

The deferred tax assets arise from tax losses, timing differences on fixed assets and timing differences arising from the differences in the deductions available under UK GAAP and IFRS in relation to leases. No asset has been recorded in the financial statements for these amounts on the grounds that the timing and extent of any recovery is subject to a number of uncertainties.

10. Pre-opening costs

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Standard site openings	29,435	252,410	6,918	9,496	45,044
Exceptional site openings	-	35,741	71,860	-	-
Pre-opening costs	29,435	288,151	78,778	9,496	45,044
Number of site openings in period	1	5	4	1	3

The Historic Group reports costs incurred prior to the opening of a site as a separate expense, not included within Adjusted EBITDA. This approach is in line with the standard industry practice and the methodology used by the Historic Group's bank for the purposes of assessing covenant compliance.

The exceptional site openings (2019: 1, 2020: 1) carried much higher costs than normal due to the Historic Group signing the leases (and consequently incurring costs) significantly ahead of opening the stores.

11. Earnings per share

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

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£		
Profit					
Profit used in calculating basic and diluted profit	(750,492)	(939,887)	(1,693,232)	(3,163,388)	2,293,129
Number of shares					
Weighted average number of shares for the purpose of basic earnings per share	359,010	359,010	359,016	359,016	359,016
Weighted average number of shares for the purpose of diluted earnings per share	359,010	359,010	359,016	359,016	359,016
Basic and diluted earnings/(losses) per share (p)	(209.0)	(261.8)	(471.6)	(881.1)	638.7

The Historic Group has no share options nor other plans and therefore there is no dilutive equity.

12. Property, plant and equipment

Audited	Leasehold improvements	Plant and machinery	Furniture, fittings and equipment	Total
	£	£	£	£
COST				
At 31 December 2017	11,164,228	3,304,869	3,242,047	17,711,144
Additions	309,729	702,768	342,297	1,354,794
Disposals	(12,147)	(496,167)	(296,742)	(805,056)
At 30 December 2018	11,461,810	3,511,470	3,287,602	18,260,882
Additions	2,112,691	799,930	507,875	3,420,496
Disposals	(567,286)	(81,455)	(59,022)	(707,763)
At 29 December 2019	13,007,215	4,229,945	3,736,455	20,973,615
Additions	400,434	275,695	727,987	1,404,116
Disposals	2,303	(785,404)	(1,384,479)	(2,167,580)
At 3 January 2021	13,409,952	3,720,236	3,079,963	20,210,151
DEPRECIATION				
At 31 December 2017	(3,906,260)	(2,018,932)	(2,206,058)	(8,131,250)
Charge for year	(882,764)	(584,077)	(652,927)	(2,119,768)
On disposals	12,147	496,167	296,742	805,056
At 30 December 2018	(4,776,877)	(2,106,842)	(2,562,243)	(9,445,962)
Charge for year	(900,723)	(713,858)	(525,056)	(2,139,637)
On disposals	566,441	64,760	55,871	687,072
At 29 December 2019	(5,111,159)	(2,755,940)	(3,031,428)	(10,898,527)
Charge for period	(859,053)	(720,817)	(453,820)	(2,033,690)
On disposals	(2,303)	785,404	1,384,479	2,167,580
Impairment charge	(638,668)	-	-	(638,668)
Impairment losses written back	305,297	-	-	305,297
At 3 January 2021	(6,305,886)	(2,691,353)	(2,100,769)	(11,098,008)
NET BOOK VALUE				
At 30 December 2018	6,684,933	1,404,628	725,359	8,814,920
At 29 December 2019	7,896,056	1,474,005	705,027	10,075,088
At 3 January 2021	7,104,066	1,028,883	979,194	9,112,143

Unaudited	Leasehold improvements	Plant and machinery	Furniture, fittings and equipment	Total
	£	£	£	£
COST				
At 29 December 2019	13,007,215	4,229,945	3,736,455	20,973,615
Additions	203,747	103,273	76,733	383,753
Disposals	-	-	-	-
At 28 June 2020	13,210,962	4,333,218	3,813,188	21,357,368
DEPRECIATION				
At 29 December 2019	(5,111,159)	(2,755,940)	(3,031,428)	(10,898,527)
Charge for year	(504,808)	(366,929)	(232,796)	(1,104,533)
On disposals	-	-	-	-
At 28 June 2020	(5,615,967)	(3,122,869)	(3,264,224)	(12,003,060)
NET BOOK VALUE				
At 28 June 2020	7,594,995	1,210,349	548,964	9,354,308
COST				
At 3 January 2021	13,409,952	3,720,236	3,079,963	20,210,151
Additions	591,470	201,429	741,860	1,534,759
Disposals	-	-	-	-
At 4 July 2021	14,001,422	3,921,665	3,821,823	21,744,910
DEPRECIATION				
At 3 January 2021	(6,305,886)	(2,691,353)	(2,100,769)	(11,098,008)
Charge for year	(585,160)	(335,262)	(308,654)	(1,229,076)
On disposals	-	-	-	-
At 4 July 2021	(6,891,046)	(3,026,615)	(2,409,423)	(12,327,084)
NET BOOK VALUE				
At 4 July 2021	7,110,376	895,050	1,412,400	9,417,826

13. Subsidiaries

The principal subsidiaries of the Mexican Grill Ltd, all of which have been included in the consolidated financial information, are as follows:

Mexican Grill International Franchise Ltd	Ordinary 100%	International franchising
California Grill Ltd	Ordinary 100%	Holding leases

14. Inventories

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Food and beverages for resale	219,851	236,043	239,782	220,179	266,335
	219,851	236,043	239,782	220,179	266,335

There is no material difference between the replacement cost of inventories and the amounts stated above. Inventories are charged to cost of sales in the consolidated statement of comprehensive income.

15. Trade and other receivables

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Trade debtors	397,602	713,669	332,155	209,968	426,347
Other debtors	613,077	801,011	761,377	930,727	792,066
Prepayments and accrued income	360,933	439,679	804,763	336,232	671,865
	1,371,612	1,954,359	1,898,295	1,476,927	1,890,278

The Historic 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.

16. Trade and other payables

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Trade payables	1,809,840	2,877,928	2,346,463	1,826,000	2,439,107
Other taxation and social security	1,141,342	1,411,442	606,152	1,431,281	216,271
Other payables	174,425	203,705	343,327	181,336	454,502
Accruals and deferred income	1,524,212	1,613,642	1,613,762	1,675,843	2,731,307
	4,649,819	6,106,717	4,909,704	5,114,460	5,841,187

Trade payables comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing. The Directors consider that the carrying amount of trade payables approximate to their fair value.

17. Leases

The Historic Group leases all properties with typical lease lengths of 10-15 years. All leases are non-cancellable with various terms: payments of a fixed/variable nature, rent reviews and differing renewal terms.

Under UK GAAP, leases were classified as either finance leases or operating leases. Upon translating numbers to IFRS, leases are instead recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Historic Group. For adjustments recognised as a consequence to adoption of IFRS, please refer to note 22.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Historic Group, the lessee's incremental borrowing rate is used, being the rate that the Historic Group 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.

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, 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 Historic Group and historic bond rates together with an analysis of the lease terms as part of the IFRS conversion exercise. They concluded that the use of a single discount rate applied to all leases signed prior to 4 July 2021 is a reasonable approach. Based on this analysis of a discount rate of 3.4% has been applied.

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
Right-of-use assets					
Leaseholds	£	£	£	£	£
At 31 December	26,927,593	24,619,444	27,845,165	27,845,165	25,324,841
Additions	1,166,222	6,747,812	1,863,541	576,881	2,232,758
Amortisation	(3,091,893)	(3,371,508)	(3,495,701)	(1,781,317)	(1,550,168)
Impairment	(378,646)	(40,865)	66,584	-	(99,868)
Disposals	(3,832)	(109,718)	(954,748)	(52,282)	(903,377)
At 31 December	24,619,444	27,845,165	25,324,841	26,588,447	25,004,186

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
Lease liabilities					
At 31 December	(27,934,387)	(26,436,161)	(30,122,727)	(30,122,727)	(31,371,659)
Additions	(1,162,389)	(6,638,094)	(908,795)	(524,600)	(1,329,380)
Interest expense	(930,985)	(958,290)	(995,789)	(505,854)	(492,090)
Lease payments	3,591,600	3,909,818	655,652	165,192	2,121,846
At 31 December	(26,436,161)	(30,122,727)	(31,371,659)	(30,987,989)	(31,071,283)

Carrying amount by maturity of the Groups lease liabilities

	Within 3 months	3 months to 1 Year	1 to 2 years	2 to 5 years	Over 5 years	Total
4 Jul 2021	2,664,009	3,137,675	3,936,438	9,539,922	11,793,239	31,071,283
28 Jun 2020	3,053,607	3,101,705	3,744,470	8,860,986	12,227,221	30,987,989
3 Jan 2021	4,106,515	3,069,589	3,864,422	9,140,207	11,190,926	31,371,659
29 Dec 2019	1,141,110	3,202,861	3,765,826	9,178,027	12,834,903	30,122,727
30 Dec 2018	1,121,241	2,678,097	3,440,546	7,983,335	11,212,942	26,436,161

18. Borrowings

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Bank loans - falling due within one year	-	-	1,000,000	3,300,000	1,250,000
Bank loans - falling due after more than one year	7,335,482	9,872,482	11,596,054	7,572,483	10,846,054
Amortised issue costs	(51,990)	(38,430)	(169,819)	(31,650)	(146,136)
	-	-	-	-	-
	7,283,492	9,834,052	12,426,235	10,840,833	11,949,918

Bank loans are secured by a fixed and floating charge over the Historic Group's assets and are presented net of capitalised amortised issue costs.

Prior to 11th September 2020, the Historic Group held the following facilities with Santander plc:

- Term loan: repayable in full on 14 November 2022. The balance on this loan at 30 December 2018 and 29 December 2019 was £2,135,000.
- CAPEX loan: repayable in tranches commencing March 2020, with £400,000 repayable in 2020, £4,000,000 repayable in 2021 and the balance repayable on 14 November 2022. This loan facility allowed the Historic Group to access additional funds to assist in the financing of new investments and as such the balance increased from £5,200,482 at 30 December 2018 to £7,737,482 at 29 December 2019. The total quantum available under this CAPEX loan was £8,000,000 and therefore the undrawn amounts at 30 December 2018 and 29 December 2019 were £2,799,518 and £262,518 respectively.
- Revolving credit facility: the Historic Group had access to a £1m facility but it was not drawn at neither 30 December 2018 nor 29 December 2019.

The facilities attracted an interest rate of 1.75% - 2.25% plus LIBOR. These loans were all secured by fixed and floating charges over the assets of the Historic Group.

In March 2020, shortly prior to the onset of the pandemic, the Historic Group utilised the revolving credit facility in full and then subsequently entered into discussions with Santander plc regarding accessing a CBILS loan. Subsequently, the Historic Group signed a new financing arrangement with the bank on 11th September 2020, with the following facilities available:

- Term loan: repayable in full on 14 November 2025. This loan was a combination of the previous balances on the term loan and CAPEX loan. The balance on this loan at 3 January 2021 was £9,672,483.
- CBILS loan: repayable in full on 14 November 2025. The total size of this facility was £4,000,000 with a drawn balance on this loan at 3 January 2021 of £3,000,000. The additional £1,000,000 of undrawn funds were not utilised as the financial position of the business was strong enough to not require the additional support.
- CBILS overdraft: this facility was not utilised by the Historic Group. The total quantum of undrawn funds was £1,000,000.

The Term Loan accrues interest at rates of 3.25% - 4.50% plus base rate and the CBILS loan attracts interest at a rate of 3.8% plus base rate, although is subject to an initial one-year interest holiday and hence is recognised at the present value of the future cash flows. These loans were all secured by fixed and floating charges over the assets of the Historic Group.

	Audited			Unaudited	
	52 weeks ended	52 weeks ended	53 weeks ended	26 weeks ended	26 weeks ended
	30 Dec 2018	29 Dec 2019	3 Jan 2021	28 Jun 2020	4 Jul 2021
	£	£	£	£	£
Term loan	2,135,000	2,135,000	9,672,482	2,135,000	9,172,482
Capex loan	5,200,482	7,737,482	-	7,737,483	-
Revolving credit facility	-	-	-	1,000,000	-
CBILS loan	-	-	3,000,000	-	3,000,000
	7,335,482	9,872,482	12,672,482	10,872,483	12,172,482

19. Share capital

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
Ordinary shares of £0.01 each	64,620	64,626	64,626	64,626	64,626
Ordinary A shares of £0.01 each	21,960	21,960	21,960	21,960	21,960
Preference A shares of £0.01 each	107,994	107,994	107,994	107,994	107,994
Preference B shares of £0.01 each	164,436	164,436	164,436	164,436	164,436
	359,010	359,016	359,016	359,016	359,016

Ordinary shares have one vote each with no preference rights.

Ordinary A shares are entitled to one vote in any circumstances.

Preference A shares are entitled to one vote per share and have preference rights over Ordinary shares.

Preference B shares are entitled to one vote per share, have preference rights over Ordinary shares, various consent rights, and the right to appoint two Board members.

20. Analysis of changes in net debt

The movements in net debt are presented below along with a reconciliation to the financing activities in the Consolidated cash flow statement.

Audited	Bank loans	Lease liabilities	Total financing liabilities	Cash and cash equivalents	Net debt
	£	£	£	£	£
Opening balance	7,269,931	27,934,387	35,204,318	(2,569,353)	32,634,965
Cash flow	(213,171)	(3,591,600)	(3,804,771)	(1,375,260)	(5,180,031)
Additions to lease liabilities	-	1,162,389	1,162,389	-	1,162,389
Interest charges	226,732	930,985	1,157,717	-	1,157,717
At 30 December 2018	7,283,492	26,436,161	33,719,653	(3,944,613)	29,775,040
Cash flow	2,355,570	(3,909,818)	(1,554,248)	(1,655,682)	(3,209,930)
Additions to lease liabilities	-	6,638,094	6,638,094	-	6,638,094
Interest charges	194,990	958,290	1,153,280	-	1,153,280
At 29 December 2019	9,834,052	30,122,727	39,956,779	(5,600,295)	34,356,484
Cash flow	2,362,051	(655,652)	1,706,399	(4,486,464)	(2,780,065)
Additions to lease liabilities	-	908,795	908,795	-	908,795
Interest charges	230,132	995,789	1,225,921	-	1,225,921
At 3 January 2021	12,426,235	31,371,659	43,797,894	(10,086,759)	33,711,135
Unaudited	Bank loans	Lease liabilities	Total financing liabilities	Cash and cash equivalents	Net debt
	£	£	£	£	£
At 29 December 2019	9,834,052	30,122,727	39,956,779	(5,600,295)	34,356,484
Cash Flow	869,106	(165,192)	703,914	(187,193)	516,721
Additions to Lease liabilities		524,600	524,600		524,600
Interest charges	137,675	505,854	643,529		643,529
At 28 June 2020	10,840,833	30,987,989	41,828,822	(5,787,488)	36,041,334
At 3 January 2021	12,426,235	31,371,659	43,797,894	(10,086,759)	33,711,135
Cash Flow	(592,364)	(2,121,846)	(2,714,210)	(2,784,672)	(5,498,882)
Additions to Lease liabilities		1,329,380	1,329,380		1,329,380
Interest charges	116,046	492,090	608,136		608,136
At 4 July 2021	11,949,917	31,071,283	43,021,200	(12,871,431)	30,149,769

21. **Related party transactions**

	Audited			Unaudited	
	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	53 weeks ended 3 Jan 2021	26 weeks ended 28 Jun 2020	26 weeks ended 4 Jul 2021
	£	£	£	£	£
Richard Morris	68,400	68,400	68,400	68,400	71,440
Andy Naylor	28,500	28,500	28,500	28,500	31,540
	96,900	96,900	96,900	96,900	102,980

At the year end Mexican Grill Limited was owed loans by Richard Morris and Andy Naylor, directors. No interest was charged on this loan during the year.

Mexican Grill Limited was charged monitoring fees of £6,250 for the 53 weeks ended 3 Jan 2021 (2019: £25,000, 2018: £25,000, 26 weeks ended 28 Jun 2020: £12,500, 26 weeks ended 4 Jul 2021: £nil). by QS Direct SI 2 S.à.r.l., a Quilvest entity.

22. Impact of adoption of IFRS

The Historic Group applied IFRS for the first time. The Historic Group applied IFRS 16 using the modified retrospective approach, with the date of initial application of 1 January 2018 and has restated its results for comparative periods as if the Historic Group had always applied the new standard.

	Reported 52 weeks ended 29 Dec 2019	IFRS 16 Transition	Restated 52 weeks ended 29 Dec 2019	Reported 52 weeks ended 3 Jan 2021	IFRS 16 Transition	Restated 52 weeks ended 3 Jan 2021	Reported 26 weeks ended 28 Jun 2020	IFRS 16 Transition	Restated 26 weeks ended 28 Jun 2020	Reported 26 weeks ended 4 Jul 2021	IFRS 16 Transition	Restated 26 weeks ended 4 Jul 2021
	£	£	£	£	£	£	£	£	£	£	£	£
Revenue	35,373,135	-	35,373,135	26,832,846	-	26,832,846	9,517,448	-	9,517,448	20,751,269	-	20,751,269
Cost of sales	(9,077,868)	-	(9,077,868)	(6,054,932)	-	(6,054,932)	(2,538,250)	-	(2,538,250)	(4,026,315)	-	(4,026,315)
Gross profit	26,295,267	-	26,295,267	20,777,914	-	20,777,914	6,979,198	-	6,979,198	16,724,954	-	16,724,954
Other Operating Income	-	-	-	3,489,162	-	3,489,162	2,085,773	-	2,085,773	1,876,212	-	1,876,212
Administrative expenses	(26,694,644)	610,473	(26,084,171)	(24,806,958)	70,607	(24,736,351)	(11,968,974)	377,017	(11,591,957)	(15,160,395)	(147,618)	(15,308,013)
Profit/(loss) from operations	(399,377)	610,473	211,096	(539,882)	70,607	(469,275)	(2,904,003)	377,017	(2,526,986)	3,440,771	(147,618)	3,293,153
Adjusted EBITDA *	2,529,199	3,780,850	6,310,049	2,361,333	3,376,630	5,737,963	(1,550,319)	2,105,160	554,840	4,933,510	1,437,574	6,371,084
Pre-opening costs	(492,259)	204,108	(288,151)	(171,063)	92,285	(78,778)	(46,946)	37,450	(9,496)	(81,774)	36,730	(45,044)
Depreciation and amortisation	(2,198,215)	(3,374,485)	(5,572,700)	(2,397,870)	(3,398,308)	(5,796,178)	(1,120,257)	(1,765,593)	(2,885,849)	(1,257,190)	(1,621,922)	(2,879,112)
Exceptional items	(168,586)	-	(168,586)	(272,182)	-	(272,182)	(153,845)	-	(153,845)	(106,464)	-	(106,464)
Non-trading costs	(69,516)	-	(69,516)	(60,100)	-	(60,100)	(32,636)	-	(32,636)	(47,311)	-	(47,311)
	(399,377)	610,473	211,096	(539,882)	70,607	(469,275)	(2,904,003)	377,017	(2,526,986)	3,440,771	(147,618)	3,293,153
Finance expense	(192,693)	(958,290)	(1,150,983)	(228,168)	(995,789)	(1,223,957)	(130,549)	(505,853)	(636,402)	(167,616)	(492,090)	(659,706)
Profit/(loss) before tax	(592,070)	(347,817)	(939,887)	(768,050)	(925,182)	(1,693,232)	(3,034,552)	(128,836)	(3,163,388)	3,273,155	(639,708)	2,633,447
Tax charge	-	-	-	-	-	-	-	-	-	(340,318)	-	(340,318)
Profit/(loss) for the period and comprehensive income attributable to equity holders of the parent company	(592,070)	(347,817)	(939,887)	(768,050)	(925,182)	(1,693,232)	(3,034,552)	(128,836)	(3,163,388)	2,932,837	(639,708)	2,293,129
Non-current assets												
Right-of-use assets	-	27,845,165	27,845,165	-	25,324,841	25,324,841	-	26,588,447	26,588,447	-	25,004,186	25,004,186
Property, plant and equipment	10,238,671	(163,583)	10,075,088	9,189,916	(77,773)	9,112,143	9,502,166	(147,858)	9,354,308	9,367,485	50,341	9,417,826
Total non-current assets	10,238,671	27,681,582	37,920,253	9,189,916	25,247,068	34,436,984	9,502,166	26,440,589	35,942,755	9,367,485	25,054,527	34,422,012
Current assets												
Inventories	236,043	-	236,043	239,782	-	239,782	220,179	-	220,179	266,335	-	266,335
Trade and other receivables	2,806,890	(852,531)	1,954,359	2,496,137	(597,842)	1,898,295	2,092,824	(615,897)	1,476,927	2,544,954	(654,676)	1,890,278
Cash and cash equivalents	5,600,295	-	5,600,295	10,086,759	-	10,086,759	5,787,488	-	5,787,488	12,871,432	-	12,871,432
Total current assets	8,643,228	(852,531)	7,790,697	12,822,678	(597,842)	12,224,836	8,100,491	(615,897)	7,484,594	15,682,721	(654,676)	15,028,045
Total assets	18,881,899	26,829,051	45,710,950	22,012,594	24,649,226	46,661,820	17,602,657	25,824,692	43,427,349	25,050,206	24,399,851	49,450,057
Current liabilities												
Trade and other payables	7,274,236	(1,167,519)	6,106,717	8,580,798	(3,671,094)	4,909,704	8,022,764	(2,908,303)	5,114,461	8,821,572	(2,980,385)	5,841,187
Lease liabilities	-	4,343,971	4,343,971	-	7,176,104	7,176,104	-	6,155,312	6,155,312	-	5,801,684	5,801,684
Loans and borrowings	-	-	-	1,000,000	-	1,000,000	3,300,000	-	3,300,000	1,250,000	-	1,250,000
Corporation tax liability	-	-	-	-	-	-	-	-	-	340,318	-	340,318
Total current liabilities	7,274,236	3,176,452	10,450,688	9,580,798	3,505,010	13,085,808	11,322,764	3,247,009	14,569,773	10,411,890	2,821,299	13,233,189
Non-current liabilities												
Lease liabilities	-	25,778,756	25,778,756	-	24,195,555	24,195,555	-	24,832,677	24,832,677	-	25,269,599	25,269,599
Loans and borrowings	9,834,052	-	9,834,052	11,426,235	-	11,426,235	7,540,833	-	7,540,833	10,699,918	-	10,699,918
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	9,834,052	25,778,756	35,612,808	11,426,235	24,195,555	35,621,790	7,540,833	24,832,677	32,373,510	10,699,918	25,269,599	35,969,517
Total liabilities	17,108,288	28,955,208	46,063,496	21,007,033	27,700,565	48,707,598	18,863,597	28,079,686	46,943,283	21,111,808	28,090,898	49,202,706
Net assets / (liabilities)	1,773,611	(2,126,157)	(352,546)	1,005,561	(3,051,339)	(2,045,778)	(1,260,940)	(2,254,994)	(3,515,934)	3,938,398	(3,691,047)	247,351
Equity attributable to equity holders of the company												
Called up share capital	3,590	-	3,590	3,590	-	3,590	3,590	-	3,590	3,590	-	3,590
Share premium account	5,148,596	-	5,148,596	5,148,596	-	5,148,596	5,148,596	-	5,148,596	5,148,596	-	5,148,596
Retained earnings	(3,378,575)	(2,126,157)	(5,504,732)	(4,146,625)	(3,051,339)	(7,197,964)	(6,413,126)	(2,254,994)	(8,668,120)	(1,213,788)	(3,691,047)	(4,904,835)
Invested capital	-	-	-	-	-	-	-	-	-	-	-	-
Total equity	1,773,611	(2,126,157)	(352,546)	1,005,561	(3,051,339)	(2,045,778)	(1,260,940)	(2,254,994)	(3,515,934)	3,938,398	(3,691,047)	247,351

PART IV. ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names are set out on page 13 of this document, accept responsibility, both individually and collectively, for the information contained in this document including, in respect of the Directors, individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY AND ITS SUBSIDIARIES

- 2.1 The Company was incorporated and registered in England and Wales under the Act with registered number 13511888 on 15 July 2021 as a private company limited by shares with the name of Tortilla Mexican Grill Limited. On 17 September 2021 the Company re-registered as a public company and changed its name to Tortilla Mexican Grill plc. The Company is domiciled in the UK.
- 2.2 The Company operates under the Act. The Company is a public limited company and accordingly, the liability of its members is limited to the amount paid up on their Shares.
- 2.3 The Company's registered office and principal place of business is 1st Floor Evelyn House, 142 New Cavendish Street, London W1W 6YF and will continue to be after Admission. The telephone number of its registered office is + 44 (0)20 7637 4015. The Group's website is www.tortillagroup.co.uk and this will be the website which discloses the information required by AIM Rule 26 of the AIM Rules for Companies.
- 2.4 The Group comprises the Company and its Subsidiaries set out in paragraph 2.5 of this Part IV. The principal activity of the Group, of which MGL is the main operating and trading entity, is the sale of freshly made Californian inspired Mexican cuisine.
- 2.5 As at the date of this document, the Company has, and will on Admission have, the following Subsidiaries, all of which are directly or indirectly wholly-owned and all of which are incorporated in England and Wales:

Name	Field of Activity	Percentage held
Mexican Grill Limited	Main operating subsidiary of the Group in the UK	100 per cent.
Mexican Grill International Franchise Ltd	International franchising	100 per cent. owned by MGL
California Grill Ltd	Holding Leases	100 per cent. owned by MGL

- 2.6 The Company's accounting reference date is on or around 31 December.

3. SHARE CAPITAL

- 3.1 The Company is not required to have an authorised share capital. The issued capital of the Company on incorporation was one ordinary share of £0.01 (the "**Subscriber Share**").
- 3.2 There have been the following changes in the Company share capital since incorporation:
- 3.2.1 on 10 September 2021: (i) 6,462,600 ordinary shares of nominal value £0.01 each, (ii) 2,196,000 A ordinary shares of nominal value £0.01 each, (iii) 10,799,400 A preference shares of nominal value £0.01 each and (iv) 16,443,600 B preference shares of nominal value of £0.01 each were issued and allotted;
- 3.2.2 also on 10 September 2021 simultaneously with the allotment of the shares referred to in paragraph 3.2.1 above, the Subscriber Share was cancelled. Immediately following this, the total statement of capital of the Company was 6,462,600 ordinary shares, 2,196,000 A ordinary shares, 10,799,400 A preference shares and 16,443,600 B preference shares with an aggregate nominal value of £359,016; and
- 3.2.3 on 29 September 2021 the 2,196,000 A ordinary shares, 10,799,400 A preference shares and the 16,443,600 B preference shares were re-designated as 29,439,000 Ordinary Shares of nominal value £0.01 each, with the resulting total share capital being 35,901,600 Ordinary Shares with an aggregate nominal value of £359,016.

3.3 As at the date of this document the Company's issued share capital is as follows:

Class of share	Number of shares	Aggregate nominal value (£)
Ordinary Shares	35,901,600	359,016

3.4 Immediately following Admission, the Enlarged Share Capital will be:

	Number of Ordinary Shares	Aggregate nominal value of Ordinary Shares (£)
Number of shares issued and fully paid up	38,664,031	386,640.31

3.5 Pursuant to a general meeting of the Company held on short notice on 29 September 2021, conditional on Admission:

(i) in substitution for all subsisting but unused authorities for purposes of section 551 of the Companies Act, the directors were generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £285,384.52 comprising:

- (1) an aggregate nominal amount of £156,504.41 (whether in connection with the same offer or issue as under (b) below or otherwise), of which £27,624.31 will be used to issue and allot the New ordinary Shares and £128,880.10 will remain unused; and
- (2) an aggregate nominal amount of £128,880.10 in the form of equity securities (as defined in section 560 of the Companies Act) in connection with an offer by way of a rights issue, open for acceptance for a period fixed by the directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority expires (unless previously varied as to duration, revoked or renewed by the Company in general meeting) 15 months from the date of Admission or, if earlier, at the conclusion of the next Annual General Meeting of the Company, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by this authority had not expired; and

(ii) the directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of that Companies Act) for cash pursuant to the general authority conferred on them by paragraph (i) above and/or to sell equity securities held by the Company as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power is limited to:

- (1) any such allotment and/or sale of equity securities in connection with an offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- (2) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (ii)(1) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not

exceeding the sum of £66,288.34, of which £27,624.31 will be used to issue and allot the New ordinary Shares and £38,664.03 will remain unused.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by paragraph (i) above expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this authority had not expired.

- 3.6 Save in connection with the Placing and as disclosed in paragraphs 5.2 and 8 below, no share or loan capital of any member of the Group is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.
- 3.7 The Ordinary Shares are in registered form. They are capable of being held in certificated form or, following Admission, in uncertificated form and traded on CREST. The records in respect of shares held in uncertificated form will be maintained by Euroclear and the Registrars.
- 3.8 Save as set out in paragraph 8 of this Part IV as at the date of this document, the Company has not issued or granted, or agreed to issue or grant, any options, warrants, exchangeable securities, securities with warrants or any convertible securities of the Company.
- 3.9 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility nor has any application for such admission been made and it is not intended to make such arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.
- 3.10 The Company does not have in issue any securities not representing share capital.

4. ARTICLES OF ASSOCIATION

4.1 The Articles

The Articles, which were adopted to take effect immediately prior to Admission pursuant to a resolution of the members of the Company passed on 29 September 2021, contain, among other things, provisions to the following effect:

4.2 Objects

The Articles do not provide for: (i) any objects of the Company and accordingly the Company's objects are unrestricted; or (ii) any purposes for which the Company was established.

4.3 Voting rights of members

- 4.3.1 In general, all members who have properly registered their shares in time may participate in general meetings. If the notice of the meeting has specified a time (which is not more than 48 hours - ignoring any part of a day that is not a working day - before the time fixed for the meeting) by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting, no person registered after that time shall be eligible to attend and vote at the meeting by right of that registration, even if present at the meeting.
- 4.3.2 Subject to any special terms as to voting for the time being attached to any shares in the Company, on a show of hands every member present in person or by duly appointed proxy at a general meeting and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held by him. In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.
- 4.3.3 No holder of an Ordinary Share shall, unless the Board otherwise determines, be entitled (except as a proxy for another member) to be present or vote at a general meeting either personally or by proxy if any call or other sum presently payable by him to the Company in respect of that Ordinary Share remains unpaid; or if he or any other person who appears to be interested in the Ordinary Share has been duly served pursuant to the Act with a disclosure notice (see paragraph 4.11 below).

4.3.4 A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised to do so on his behalf as long as evidence satisfactory to the Board of that person's authority is provided in accordance with the Articles.

4.4 **Dividends**

4.4.1 Subject to the Statutes, the Company may declare dividends by ordinary resolution, and interim dividends can be paid by the Board. No dividend may be paid in contravention of the special rights attaching to any share, and no dividend declared in general meeting shall be payable in excess of the amount recommended by the Board. Unless otherwise resolved, all dividends are apportioned and paid proportionately to the amounts paid up on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid. A dividend may, upon the recommendation of the Board and on being approved by ordinary resolution, be wholly or partly satisfied by the distribution of assets and, in particular, of paid up shares or debentures of any other company. No dividend shall bear interest against the Company unless otherwise provided by the rights attached to the share. Any dividend, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend, interest or other sums unclaimed for a period of 12 years from the date of such dividend having been declared, or such interest or other sums becoming payable, shall be forfeited and shall revert to the Company.

4.4.2 The Board may, if authorised by ordinary resolution, offer Shareholders, in respect of any dividend, the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash. The Board may withhold payment of all or any part of any dividends or other monies payable in respect of any Ordinary Shares that represents at least 0.25 per cent. of the Ordinary Shares in issue (excluding any Ordinary Shares held as treasury shares) if a person who has, or appears to the Company to have, an interest in those Ordinary Shares has failed to comply with a disclosure notice (see paragraph 4.11 below).

4.5 **Return of capital**

Under the Statutes, as there is nothing to the contrary in the Articles, on a voluntary winding-up of the Company, the liquidator may divide among the members the whole or any part of the assets of the Company. For such purpose, the liquidator may set the value and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members.

4.6 **Redeemable shares**

Subject to the Statutes and to the rights attached to existing shares, shares may be issued which are to be redeemed or which are liable to be redeemed at the option of the Company or of the holder, and the Board may determine the terms, conditions and manner of redemption of any such shares.

4.7 **Form of holding of shares**

The Ordinary Shares are in registered form and a register of members is maintained by the Registrars. Ordinary Shares may be held in either certificated or (subject to the Articles) uncertificated form. The transferor of an Ordinary Share is deemed to remain the holder until the transferee's name is entered in the register.

4.8 **Transfer of shares**

4.8.1 Ordinary Shares may be transferred, if in certificated form, by an instrument of transfer in writing in any usual form, or in such other form as the Board may approve or, if held in uncertificated form, in accordance with the CREST Regulations and the CREST rules or otherwise in such manner as the Board in its absolute discretion shall determine. Any instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. Subject to the Statutes, the Board may refuse to register any transfer of a share:

- (a) if it is in certificated form, if the share is not fully paid or if the Company has a lien on it (except that such the Board's discretion to refuse the transfer may not be exercised so as to prevent dealings in shares of the relevant class from taking place on an open and

proper basis);

- (b) if it is in certificated form, unless it is lodged, duly stamped (if required), at the registered office of the Company and accompanied by the certificate for the shares to which it relates and/or evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (c) if the transfer is not in respect of one class of share only;
- (d) if the transfer is not in favour of four or fewer transferees;
- (e) if the transfer is in favour of a minor, bankrupt or person of mental ill-health;
- (f) if it is held in uncertificated form, in any other circumstances permitted by the CREST Regulations and/or the CREST rules; or
- (g) where the Board is obliged or entitled to refuse to do so where a person has failed to comply with a disclosure notice (see paragraph 4.11 below).

4.9 Pre-emption rights

4.9.1 Subject to the Statutes and any resolution passed by the Company, shares may be issued with such rights and restrictions as the Company may by ordinary resolution determine, or (if there is no determination) as the Board may determine. Subject to the Statutes, the Articles and any resolution passed by the Company, unissued shares are at the disposal of the Board.

4.9.2 Under the Statutes, if the Company issues shares or certain other securities, current Shareholders will generally have pre-emption rights to those shares or securities on a pro-rata basis. The Shareholders may, by special resolution, grant authority to the Board to allot shares as if the pre-emption rights did not apply. This authority may be either specific or general and may not exceed a period of five years.

4.10 Variation of rights

Under the Statutes, as the Articles do not provide otherwise the rights attached to any class of shares may be altered or abrogated with the written consent of the holders of not less than three fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of that class.

4.11 Lien and forfeiture

The Company has a lien on every partly paid up share for all monies called or payable in respect of that share. The Company may serve notice on the members in respect of any amounts unpaid on their shares. The member shall be given not less than 14 clear days' notice to pay the unpaid amount, together with any interest and all costs, charges and expenses incurred by the Company. In the event of non-compliance, a share in respect of which the notice is given may be forfeited by resolution of the Board.

4.12 Disclosure of interests in shares and restrictions for failure to provide information

4.12.1 If a person appearing to have an interest in the issued share capital of the Company of a class carrying rights to vote in all circumstances at general meetings has failed to give the Company within 14 days information required by a notice requiring that information (a disclosure notice), the Board may, at its discretion, impose restrictions upon the relevant shares.

4.12.2 The restrictions available are the suspension of voting or other rights in relation to meetings of the Company in respect of the relevant shares and, additionally, in the case of Shareholders representing at least 0.25 per cent. of that class of shares (excluding any shares of that class held as treasury shares), the withholding of payment on dividends on, and in certain cases the restriction of transfers of, the relevant shares. The restrictions shall cease to apply seven days after the earlier of receipt by the Company of notice of an excepted transfer (but only in relation to the shares transferred) and due compliance, subject to the satisfaction of the Board, with the disclosure notice. For these purposes, an excepted transfer means a transfer pursuant to acceptance of a takeover bid, or a sale of the whole beneficial interest in the shares on a recognised investment exchange or a stock exchange outside the United Kingdom on which the shares are normally traded, or a sale of the whole beneficial interest in the shares otherwise than on a stock exchange to a person whom the Board is satisfied is not connected with the

transferor or with any person appearing to be interested in the shares.

- 4.12.3 The Disclosure and Transparency Rules require Shareholders (subject to certain exceptions) to notify the Company if the voting rights directly or indirectly held (within the meaning of those rules) by such Shareholder reaches, exceeds or falls below three per cent. and each one per cent. threshold above that.

4.13 **General meetings**

- 4.13.1 The Act requires annual general meetings to be held on a regular basis in addition to any other general meetings. The Board may call other general meetings whenever it thinks fit. The Board must also convene a meeting upon the valid request of members holding not less than 5 per cent. of the Company's paid up capital carrying voting rights at general meetings. If the Board fails to give notice of such meeting to members when required to do so, the members that requested the general meeting, or any of them representing more than one half of the total voting rights of all members that requested the meeting, may themselves convene a meeting.

- 4.13.2 An annual general meeting shall be convened by at least 21 clear days' notice and (subject to the Statutes) all other general meetings shall be convened by at least 14 clear days' notice. Every notice calling a general meeting shall specify the place (including any electronic facility if applicable), the day and the time of the meeting and the general nature of the business to be transacted. The Board may resolve to permit persons to attend a general meeting simultaneously at a satellite meeting place or places and/or by means of an electronic facility.

- 4.13.3 Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. If a quorum is not present within fifteen minutes of the commencement time of the meeting (or such longer time not exceeding one hour as the chair of the meeting may decide to wait), the meeting, if requisitioned by members, shall be dissolved or, in any other case, adjourned to such time (not being less than ten nor more than 28 days later) and place as the chair of the meeting shall decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) and entitled to vote shall be a quorum.

- 4.13.4 Members may attend and vote in person or by duly appointed proxy. A member may appoint more than one proxy in relation to a general meeting, provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the member. The Articles contain provisions for the appointment of proxies, including time limits for making such appointments ahead of the meeting and provisions for appointment by means of electronic communication.

- 4.13.5 A simple majority of members entitled to vote and who are present in person or by duly appointed proxy may pass an ordinary resolution. To pass a special resolution, a majority of not less than three fourths of the members entitled to vote and who are present in person or by duly appointed proxy at the meeting is required.

- 4.13.6 The Board may direct that persons entitled to attend any general meeting should submit to searches or other security arrangements or restrictions, and may refuse entry to a general meeting to any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions, whether participating at a satellite meeting place and/or by means of an electronic facility. If any person has gained entry to a general meeting and refuses to comply with any such security arrangements or restrictions or disrupts the proper and orderly conduct of the general meeting, the chair of the meeting may at any time, without the consent of the general meeting, require the person to leave or be removed from the meeting.

- 4.13.7 Where the Board has resolved to enable persons to attend any general meeting by simultaneous attendance and/or by participation through an electronic facility, the Board or chair may make arrangements or impose restrictions to ensure the identity of those participating by means of an electronic facility and the security of the electronic communications. Any such arrangement must be proportionate to achieving their aims.

4.14 **Notices to overseas shareholders**

Shareholders with registered addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which notices may be served. Such address may, if the Board agrees, be an address for the purposes of electronic communications.

4.15 The Board

Subject to the Statutes and the Articles, the business of the Company is managed by the Board, which may exercise all the powers of the Company, subject to any directions given by the Company in general meeting by special resolution. No alteration of the Articles, and no such directions by special resolution, shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons as it thinks fit (whether a member or members of its body or not), provided that the majority of the members of the committee are directors. Subject to any restriction on sub-delegation imposed by the Board, any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

4.16 Directors

4.16.1 Appointment and retirement of Directors

The directors (excluding alternate directors) shall not, unless otherwise determined by ordinary resolution, be fewer than two but shall not be subject to any maximum number. A director need not be a member of the Company.

Directors may be appointed by the Company by ordinary resolution or by the Board. A director appointed by the Board holds office only until the end of the annual general meeting of the Company following their appointment unless they are reappointed during the meeting.

At every annual general meeting one-third of the directors (or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third) must retire from office, as well as any director not appointed or re-appointed a director at either of the last two general meetings before that meeting. The Company may fill any vacated office by re-electing the retiring director or some other person eligible for appointment.

No director may vote or be counted in the quorum on any resolution of the Board concerning their own appointment (including the settlement or variation of the terms, or the termination, of the appointment) as the holder of any office or place of profit within the Company or any other company in which the Company is interested.

4.16.2 Remuneration of Directors

The Directors shall be entitled to receive fees for their services at a rate which shall not exceed an aggregate sum of £400,000 per annum or such higher amount as the Company, by ordinary resolution, may determine from time to time.

Any Director who holds any executive office, or who serves on any committee or devotes special attention to the business of the Company, shall receive such remuneration or extra remuneration by way of salary, commission, participation in profits or otherwise as the Board, or any committee authorised by the Board, may determine.

The Company may pay the directors' expenses properly incurred by them in connection with the business of the Company, including their expenses of travelling to and from meetings of the Board, committee meetings or general meetings.

4.16.3 Directors' interests

Subject to the Statutes, provided the director has disclosed to the Board the nature and extent of any material interest of theirs, a Director notwithstanding their office:

- (a) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director and may act by themselves or through their firm in a professional capacity for the Company;
- (b) may be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested;

- (c) may be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or in relation to which the Company has power of appointment; and
- (d) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which they derive from any such office or employment or from any such contract or from any interest in such body corporation nor shall the receipt of such remuneration or benefit constitute a breach of the duty under the Companies Act not to accept benefits from third parties.

4.16.4 Restrictions on Directors voting

A director is not permitted to vote or be counted in the quorum on any resolution of the Board or of a committee of the Board concerning any matter in which they have, to their knowledge, directly or indirectly, an interest or duty that is material. This prohibition does not apply to any of the following matters:

- (a) the giving to them of any guarantee, security or indemnity in respect of money lent or obligations incurred by them or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (b) the giving by the Company of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director themselves has assumed responsibility in whole or in part (whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) the director subscribing or agreeing to subscribe for, or purchasing or agreeing to purchase, any shares, debentures or other securities of the Company or any of its subsidiary undertakings;
- (d) any contract concerning any company (not being a company in which the director owns 1 per cent. or more) in which they are interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;
- (e) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which they benefit in a similar manner as the employees;
- (f) any contract concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors or for persons who include directors; or
- (g) any indemnity permitted by the Articles (whether in favour of the director or others as well) against any costs, charges, expenses, losses and liabilities sustained or incurred by them as a director of the Company or of any of its subsidiary undertakings, or any proposal to provide the director with any advance towards the costs of defending themselves in relation to any civil or criminal proceedings or any investigation or other action by a regulator taken against them as a director.

4.16.5 Conflicts of interest requiring Board authorisation

The Board may, provided the quorum and voting requirements are satisfied, authorise any matter that would otherwise involve a director breaching their duty under the Act to avoid conflicts of interest. Any director may propose that the director concerned be authorised in relation to any matter which is the subject of such a conflict and such proposal shall be resolved upon by the Board in the same manner as any other matter, except that the director who is the subject of the conflict (or any other director with a similar interest) shall not count towards the quorum or vote on the resolution authorising the conflict.

Any such authority may provide:

- (a) for the exclusion of such a director from the receipt of information or participation in decision-making or discussion (whether at Board meetings or otherwise) related to the conflict;
- (b) that such a director will be obliged to conduct themselves in accordance with any terms imposed by the Board from time to time in relation to the conflict but will not be in breach of their duties by reason of them doing so;
- (c) that, where such a director obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) that such a director shall not be accountable to the Company for any benefit that they receive as a result of the conflict;

- (e) that the receipt by such a director of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;
- (f) that the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) that the Board may withdraw the authority at any time.

4.17 Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to mortgage or charge all or part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board restricts the borrowing of the Company and exercises all its voting and other rights and powers of control exercisable by the Company in relation to the Group to ensure that the aggregate borrowings of the Group (excluding borrowings owed by one Group member to another) does not, without the previous sanction of an ordinary resolution, exceed an amount equal to three times the adjusted capital and reserves.

4.18 Indemnity of officers

Subject to the Statutes, any person who is or was at any time a director, secretary or other officer (unless the office is or was as auditor) of the Company or of any of its subsidiary undertakings may be indemnified out of the assets of the Company to whatever extent the Board may determine against losses incurred in the actual or purported execution of his duties or office, whether or not sustained or incurred in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or the relevant subsidiary undertaking.

The Board also has power to provide funds to meet any expenditure incurred or to be incurred by any such person in defending any criminal or civil proceeding in which they are involved by reason of their office, or in connection with any application under the Act, or in defending themselves in an investigation, or action proposed to be taken, by a regulatory authority in connection with their office, or in order to enable them to avoid incurring such expenditure.

4.19 Power to insure

The Board may purchase and maintain insurance at the expense of the Company for the benefit of any person in their capacity of a director, officer, employee or trustee of the Company or any member of the Group, or any entity or trust in which the Company or any other member of the Group has an interest.

4.20 Untraceable shareholders

The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (a) during a period of 12 years prior to the date of advertising its intention to sell such shares at least three cash dividends in respect of such shares have become payable but no dividend has been claimed;
- (b) after the expiry of that period, the Company has published a notice stating it intends to sell the shares in a leading national daily newspaper in the United Kingdom and in a newspaper circulating in the area of the last known address of the member or the person entitled by transmission; and
- (c) during that period or three months following the publication of the advertisements and prior to the exercise of the power of sale, the Company has not heard from the member or the person entitled to the shares by transmission.

The net proceeds of such sale shall belong to the Company, which shall be obliged to account to the former member or other person who would have been entitled to the shares for an amount equal to the proceeds as a creditor of the Company.

4.21 Mandatory takeover bids, squeeze-out and sell-out rules

Except as provided by the Act and the Takeover Code, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

5. DIRECTORS' AND OTHER INTERESTS

5.1 The interests of the Directors and any person connected with a Director (within the meaning of section 252 to 254 of the Act) (all of which are beneficial unless otherwise stated), in the issued share capital of the Company, were as at the date of this document and are expected to be immediately following Admission, to the extent that their existence is known to, or could with reasonable diligence be ascertained by, a Director, as follows:

Director	As at the date of this document		Immediately following Admission	
	No. of Ordinary Shares	Percentage of issued ordinary share capital	No. of Ordinary Shares	Percentage of issued ordinary share capital
Richard Morris	1,833,000	5.1%	1,374,750	3.6%
Andy Naylor	170,000	0.5%	136,000	0.4%
Brandon Stephens	4,280,000	11.9%	3,210,000	8.3%
Emma Woods	0	0	16,574	0.0%

5.2 On Admission, the following options over Ordinary Shares will be granted to the Executive Directors pursuant to the LTIP and the CSOP Sub-Plan to the LTIP:

Director	Type of Initial Option	No. of Ordinary Shares subject to options	Earliest date for exercise of options	Exercise Price (pence)
Richard Morris	CSOP option	16,574	50 per cent. of the aggregate Ordinary Shares subject to the Initial Options on the third anniversary of the date of grant, and as to the remainder of the aggregate Ordinary Shares subject to the Initial Options, on the fourth anniversary of the date of grant	181
	LTIP option	756,907		
Andy Naylor	CSOP option	16,574	50 per cent. of the aggregate Ordinary Shares subject to the Initial Options on the third anniversary of the date of grant, and as to the remainder of the aggregate Ordinary Shares subject to the Initial Options, on the fourth anniversary of the date of grant	181
	LTIP option	447,514		

5.3 Save as set out in paragraphs 5.1 and 5.2 above, as at the date of this document and immediately following Admission, no Director will, and no person so connected with a Director has, or is expected to have, any interest in the share capital of the Company or any of its subsidiaries or any options over the Company's shares.

5.4 As at the date of this document insofar as is known to the Company, no person or persons, other than as set out below, are or will, immediately following Admission, have an interest, directly or indirectly, in three per cent. or more of the share capital or voting rights of the Company, so far as is notifiable under English law.

Name	As at the date of this document		Immediately following Admission	
	No. of Ordinary Shares	Percentage of issued ordinary share capital	No. of Ordinary Shares	Percentage of issued ordinary share capital
Quantum Partners LP	0	0.0%	4,477,570	11.6%
Canaccord *	2,822,000	7.9%	5,693,371	14.7%
Schroder Investment Management Limited	0	0.0%	1,705,740	4.4%
Brandon Stephens	4,280,000	11.9%	3,210,000	8.3%
Nadine Benchaffai	2,054,000	5.7%	1,540,500	4.0%
Navin Patel	3,026,000	8.4%	2,269,500	5.9%
Quilvest	16,443,600	45.8%	7,892,928	20.4%
Richard Morris	1,833,000	5.1%	1,374,750	3.6%
Gresham House Asset Management Limited	0	0%	2,132,175	5.5%

*Aggregate number of Ordinary Shares held across Canaccord group entities

- 5.5 The Company's major shareholders set out in paragraph 5.4 do not have different voting rights.
- 5.6 As at the date of this document save as disclosed in this paragraph 5, the Company is not aware of any person or persons who, directly or indirectly, owns or controls the Company.
- 5.7 No Director or member of a Director's family has any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.
- 5.8 The Group proposes to pay certain members of its management team bonuses in recognition of the additional work undertaken on behalf of the Group in connection with Admission. The aggregate value of the bonuses is £305,000. In addition, the Group proposes to pay Quilvest accrued but unpaid fees in the amount of £101,250 for the period between 2011 and 2021 in connection with Admission. Further, the Group proposes to pay Spayne Lindsey & Co certain corporate advisory fees, subject to Admission.

6. ADDITIONAL INFORMATION ON THE DIRECTORS

- 6.1 Other than their directorships of Group companies, directorships and partnerships currently held by the Directors and held over the five years preceding the date of this document are as follows:

Director	Current directorships	Past directorships
Emma Woods	The Gym Group PLC	Mabel Mezzco Limited Wagamama Finance Limited Mabel Bidco Limited Wagamama Limited Mabel Topco Limited Ramen USA Limited Wagamama CPU Limited Wagamama Group Limited Wagamama Newco Limited Mabel Midco Limited Wagamama International (Franchising) Limited Wagamama USA 2015 LLC Wagamama NYC 210 5th LLC Wagamama USA Holdings Inc Wagamama Inc Wagamama NY 55 3rd LLC Wagamama NY 1011 3rd LLC
Richard Morris	-	-
Andy Naylor	-	-
Loeiz Lagadec	Finakem SA Minafin Srl Adrénaline Holding SAS Vendôme Education SAS Concorde Education SAS	Altaïr Holding JDI Fashion SAS
Brandon Stephens	Thunderbird Fried Chicken Ltd Anthem Holdings Limited Mamma Roma Group TriSpan Rising Stars LP	Red's Smoque Holdings Ltd (renamed Ohio 123 Ltd) Mission St. Ventures Limited REVL Ltd Feeding Hope & Heroes Ltd Feed our Frontline Ltd Red's Smoque (Holdings) Limited
Laurence Keen	Original Bowling Company (NI) Limited Hollywood Bowl EBT Limited Hollywood Bowl Group PLC Bowplex European Leisure Limited Wessex Superbowl (Germany) Limited Bowplex Limited Wessex Support Services Limited Bowplex Properties Limited AMF Bowling (Eastleigh) Limited Mable Entertainment Limited The Original Bowling Company Limited Milton Keynes Entertainment Company Limited Kanyeco Limited KendallCo Limited	Blu Bidco Limited Kourtneyco Limited Bowling Acquisitions Holdings Limited Khloeco Limited

- 6.2 Save as disclosed in paragraph 6.3 below, none of the Directors have:
- 6.2.1 any unspent convictions in relation to indictable offences;
 - 6.2.2 had a bankruptcy order made against him or made an individual voluntary arrangement;
 - 6.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary arrangement or made any composition or arrangement with its creditors generally or of any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;
 - 6.2.4 been a partner in a partnership which has been placed in compulsory liquidation, administration or made a partnership voluntary arrangement whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
 - 6.2.5 had any asset placed in receivership or any asset of a partnership in which he was a partner placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership; or
 - 6.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.3 Between 2007 and 2012, Loeiz Lagadec was a director of JDI Fashion SAS, an majority-owned Quilvest company. In March 2012, JDI Fashion SAS filed for procedure de redressement judiciaire at which time Loeiz Lagadec was a director of the company. It was liquidated ("procédure de liquidation judiciaire") in July 2012. No other creditor information is available at this time.

Brandon Stephens was a director of Red's Smoque Limited until 6 December 2018 (which subsequently had its name changed to Ohio 123 Ltd on 24 November 2020). On 16 July 2019 administrators were appointed in respect of the Company and following its liquidation, the Company was dissolved on 17 March 2021. Upon the final liquidation of the company on 17 March 2021, the deficiency to creditors was approximately £4.2 million.

Brandon Stephens was also a director of Red's Smoque (Holdings) Limited until 6 December 2018. On 30 July 2019, application was made for the compulsory strike-off of the Company. The company was subsequently dissolved via a compulsory strike-off on 17 March 2020.

7. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

- 7.1 The Directors have entered into service or consultancy agreements with the Company as follows:
- 7.1.1 Emma Woods is engaged by the Company as non-executive chairperson on the terms of a letter of appointment dated 20 September 2021 for an initial term of 3 years, terminable thereafter on not less than 3 months' prior written notice. In the event that Admission does not become effective by 31 December 2021, Emma Wood's directorship shall automatically terminate. Emma Woods will receive a fee of £75,000 per annum.
 - 7.1.2 On 20 September 2021 the Company entered into a service agreement with Richard Morris. The contract provides for Richard Morris to act as Chief Executive Officer of the Company at a salary of £210,000 per annum. The service agreement is terminable by either party giving not less than 6 months' notice in writing. Under the service agreement, Richard Morris is entitled to participate in a discretionary bonus scheme, participate in the Group's pension scheme, and to participate in any benefit schemes provided by the Company, including medical and employee life insurance. Richard Morris is subject to non-competition and non-solicitation covenants following termination of his employment with the Company.
 - 7.1.3 On 20 September 2021 the Company entered into a service agreement with Andy Naylor. The contract provides for Andy Naylor to act as Chief Financial Officer of the Company at a salary of £150,000 per annum. The service agreement is terminable by either party giving not less than 6 months' notice in writing. Under the service agreement, Andy Naylor is entitled to participate in the Group's pension scheme, and to participate in any benefit schemes provided by the Company, including medical and employee life insurance. Andy Naylor is subject to non-competition and non-solicitation covenants following termination of his employment with the Company.

- 7.1.4 Brandon Stephens is engaged by the Company as a non-executive director on the terms of a letter of appointment dated 27 September 2021 for an initial term of 3 years, terminable thereafter on not less than 3 months' prior written notice. Brandon Stephens will receive a fee of £30,000 per annum.
- 7.1.5 Loeiz Lagadec is engaged by the Company as a non-executive director on the terms of a letter of appointment dated 27 September 2021 for an initial term of 3 years, terminable thereafter on not less than 3 months' prior written notice. His appointment is made pursuant to the Relationship Agreement and he is the first director appointed by Quilvest under that agreement. Further details of the Relationship Agreement are set out in paragraph 13.2 of this Part IV.
- 7.1.6 Laurence Keen is engaged by the Company as a non-executive director on the terms of a letter of appointment dated 8 September 2021 for an initial term of 3 years, terminable thereafter on not less than 3 months' prior written notice. In the event that Admission does not become effective by 31 December 2021, Laurence Keen's directorship shall automatically terminate. Laurence Keen will receive a fee of £40,000 per annum.
- 7.2 Save as set out in paragraph 7.1 above, there are no existing or proposed service agreements between any of the Directors and any member of the Group.
- 7.3 Other than payment of salary and benefits in lieu of notice the Directors' service contracts and letters of appointment do not provide for benefits upon termination of employment.
- 7.4 The remuneration of the directors of MGL for the year ended 3 January 2021 was £365,674.

8. LONG TERM INCENTIVE PLAN 2021

8.1 Background

The Company has implemented a new long term incentive plan ("**LTIP**") to incentivise employees (including the Executive Directors) following Admission. The principal terms of the LTIP are as follows.

8.2 General

The remuneration committee, being a duly appointed committee of the board of directors of the Company (the "**Remuneration Committee**") is responsible for administering the LTIP. The Remuneration Committee has the power to make or vary regulations for the administration and operation of the LTIP as long as these are consistent with the rules of the LTIP. The decision of the Remuneration Committee as to any matter, question or dispute arising from the LTIP shall be final and conclusive and binding on the Company and participants.

The LTIP includes a schedule (the "**CSOP Sub-Plan**") designed to be registered with HMRC as a Schedule 4 CSOP Scheme (as defined in Schedule 4 to ITEPA 2003).

8.3 Eligibility

All employees (including the Executive Directors) of the Company and its Subsidiaries may be granted awards under the LTIP ("**Awards**") provided that, in the case of the CSOP Sub-Plan, they are not prohibited under the legislation governing Schedule 4 CSOP Schemes from being granted an option by virtue of having, or having had, a material interest in the Company.

8.4 Period for grant of Awards

The Remuneration Committee may grant Awards at any time within the period of 42 days beginning on: (a) the date on which the LTIP is adopted by the Company, or (b) the announcement of the Company's interim or final results for any financial year. In exceptional circumstances, the Remuneration Committee may grant Awards at other times.

8.5 Structure of Awards

The Remuneration Committee will determine the structure of an Award at the time of grant. Awards may be structured as:

- "**Options**" i.e. rights to acquire Ordinary Shares with an exercise price equal to nil or nominal value or the market value of an Ordinary Share (as determined at the time of grant); or

- **“Contingent Awards”** i.e. contingent rights to acquire Ordinary Shares automatically on vesting for nil or nominal consideration.

On Admission, the Remuneration Committee proposes to grant market value Options (**“Initial Options”**) to the Executive Directors and certain senior managers who are considered critical to the Group’s future. It is intended that part of these Initial Options will be granted as tax-advantaged options under the CSOP Sub-Plan (**“CSOP Options”**). The Initial Options will have an exercise price equal to the Placing price.

It is intended that the Initial Options made on Admission will be over circa. 4.8 per cent. of the Ordinary Shares in issue after Admission, with a market value as at the date of Admission of up to £3.4 million. No further Awards are intended to be granted to the Executive Directors for two years following Admission.

8.6 **Plan limits**

The number of Ordinary Shares that may be issued or be capable of being issued pursuant to Awards granted after Admission (i.e., not including the Initial Options to be granted on Admission referred to above), when aggregated with the number of Ordinary Shares issued or issuable pursuant to rights granted after Admission and in the preceding ten years under any other employees’ share scheme adopted by the Company, will not exceed 10 per cent. of the Company’s issued ordinary share capital from time to time.

In addition, and in line with the statutory limits relating to CSOP Options, the total fair market value of unexercised CSOP Options that an individual participant may hold at any one time cannot exceed £30,000.

8.7 **Vesting & Performance Targets**

Awards will be subject to both vesting conditions (as to continued service) and performance targets (relating to the financial performance of the Group). The Remuneration Committee will have discretion at the time of grant of an Award to determine the vesting conditions and the performance targets applying to an Award.

It is proposed that the Initial Options will vest:

- as to 50 per cent. of the Ordinary Shares subject to an Initial Option on the third anniversary of the date of grant; and
- as to the remainder of the Ordinary Shares subject to an Initial Option on the fourth anniversary of the date of grant,

in each case, subject to satisfaction of an earnings-related performance target.

8.8 **Exercise and lapse of Awards**

An Award (or part of an Award) will normally become exercisable (or, in the case of Contingent Awards, capable of being released) at the end of the applicable vesting period, subject to satisfaction of the performance targets.

In the case of Initial Options, the Options will become exercisable as to 50 per cent. at the end of the third anniversary of the date of grant and as to the remainder on the fourth anniversary of the date of grant, in each case subject to satisfaction of an earnings-related performance target.

An Award will lapse immediately on a participant ceasing to be employed (or on any earlier date on which notice to terminate the participant’s employment is given) where such cessation is by reason of dismissal for gross misconduct.

An Award will lapse on a participant ceasing to be employed (or on any earlier date on which notice to terminate the participant’s employment is given) otherwise than as a result of death or as a “good leaver”.

Where a participant ceases to be employed within the Group (other than by reason of death) and the Remuneration Committee determines such participant to be a good leaver, any Award held by such participant will not lapse and will vest at the end of the usual vesting period to the extent to which the applicable performance targets are met and, unless the Remuneration Committee determines otherwise, will be scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of cessation. The Remuneration Committee may in its discretion accelerate vesting to the date of cessation (applying the performance target on such modified basis as it considers appropriate). In either case, Options may be exercised within six months following the date of vesting and, to the extent unexercised at the end of such period, they will lapse.

Where a participant ceases to be employed within the Group by reason of death, any Award held by such participant will not lapse and will vest immediately following the participant’s death subject

to satisfaction of the applicable performance targets (to be tested as soon as reasonably practicable following the participant's death and on such modified basis as the Remuneration Committee considers appropriate) and, unless the Remuneration Committee determines otherwise, will be scaled back to reflect the proportion of vesting period that has elapsed prior to the date of death. Options may be exercised within 12 months following the date of the participant's death and, to the extent unexercised at the end of such period, they will lapse.

A participant is a good leaver if they cease to be employed within the Group by reason of illness, disability (in each case, such determination to be made by the Remuneration Committee), redundancy or transfer of the participant's business or employing subsidiary out of the Group, or for any other reason if so decided by the Remuneration Committee in its absolute discretion.

In respect of the Initial Options to be granted to Richard Morris, the Company intends to provide a non-binding side letter to Richard Morris indicating that, if he ceases to be employed by the Company after the third anniversary of the date of grant of the Initial Options and is treated as a "good leaver" under the LTIP, the remuneration committee will, subject to Richard Morris' good performance and satisfactory departure terms, dis-apply the scaling back of his Initial Options to reflect his cessation of employment prior to the fourth anniversary of their date of grant.

8.9 Takeover

In the event of a takeover, scheme of arrangement or a winding-up of the Company then, unless the Remuneration Committee determines otherwise, Awards will generally vest and become exercisable (or be released, as the case may be) to the extent to which the performance targets have been met (as assessed on such modified basis by reference to the performance of the Group between the date of grant and the date of the takeover, scheme of arrangement or winding up as the Remuneration Committee determines appropriate), and scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of the takeover, scheme of arrangement or winding-up.

The Initial Options will vest in full in the event of a takeover, scheme of arrangement or a winding-up of the Company and will become exercisable regardless of the extent to which the performance targets have been met and will not be scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of the relevant event.

8.10 Satisfaction of Awards

Awards may be satisfied by the issue of new Ordinary Shares or the transfer of Ordinary Shares held in treasury; alternatively, Awards may be satisfied by the Company procuring the transfer of Ordinary Shares already in issue.

8.11 Clawback and Malus

'Clawback' provisions may apply where it is discovered, within three years of the grant or vesting of an Award, that there has been a material misstatement in the financial results of the Group and/or a miscalculation (including relating to any performance targets) and such misstatement or miscalculation has resulted in an Award being granted or vesting to a greater extent than it should otherwise have done. The provisions may also apply where there has been an act of gross misconduct on the part of the participant that takes place prior to the exercise of an Option (or in the case of a Contingent Award, prior to the release of the Contingent Award) but which only comes to light after the Option has been exercised (or in the case of a Contingent Award, after the Contingent Award has been released). In those circumstances, the Remuneration Committee has the right to recover from the relevant participant all or such part of the value of the Award that has been received by the participant as the Remuneration Committee considers fair and reasonable. There are also provisions (known as 'malus' provisions) allowing the Remuneration Committee to adjust downwards the extent of vesting of any Award if such circumstances as outlined above occur prior to the vesting of the Award.

8.12 Variation of share capital

On certain variations of the share capital of the Company, the Remuneration Committee may adjust the exercise price (if applicable) and the number and description of shares subject to existing Awards, with a view to preserving the value of such Awards. In the case of CSOP Options, such adjustments must provide that the total market value of the Ordinary Shares subject to a CSOP Option is substantially the same immediately after the adjustment as it was immediately before the variation and the total acquisition price payable on full exercise of the CSOP Option immediately after the adjustment is substantially the same as it was immediately before.

8.13 **Amendments**

The Remuneration Committee may make any amendment to the LTIP that it thinks fit (without obtaining Shareholder approval).

8.14 **Termination**

The LTIP will terminate ten years after the date of adoption of its or earlier if the Remuneration Committee so determines.

8.15 **Other terms**

Awards under the LTIP are non-transferable (except on death) and no amount is payable by a participant in respect of the grant of an Award. Benefits derived under the LTIP are not pensionable.

9. **TAXATION**

9.1 **Taxation of dividends**

Under current United Kingdom legislation, no tax will be withheld at source from a dividend payment made by the Company.

9.1.1 *UK tax resident individual Shareholders*

A UK tax resident individual Shareholder who receives a dividend paid by the Company will be entitled to a dividend allowance of £2,000 (to the extent not already used in respect of other dividends received by the Shareholder). Even if the allowance is applied, the full dividend will be regarded as the top slice of the individual's taxable income and included in determining how much of the basic rate band or higher rate band has been used. The balance of any dividend not covered by the allowance will be taxable at the rates of 7.5 per cent., 32.5 per cent. or 38.1 per cent. to the extent that amount falls within that individual's basic rate band, the higher rate band or the additional rate band respectively. The Government has recently announced that from April 2022 tax on dividend income will increase by 1.25 per cent..

9.1.2 *UK discretionary trustees*

Shareholders who are UK resident trustees of a discretionary trust are not entitled to the annual allowance, and are taxable at the rate of 38.1 per cent.. The Government has recently announced that from April 2022 tax on dividend income will increase by 1.25 per cent..

9.1.3 *UK tax resident corporate Shareholders*

Subject to limited exceptions, a Shareholder which is a UK tax resident company and which receives a dividend paid by the Company will not be taxed on it on the basis that it should fall within one of the exempt classes set out in Part 9A Corporation Tax Act 2009. Shareholders should seek independent advice to confirm their position. Where a dividend is subject to tax, the Shareholder will be subject to UK corporation tax at the current rate of 19 per cent. (set to rise to 25 per cent. from 1 April 2023).

9.2 **Taxation of chargeable gains**

For the purpose of UK tax on chargeable gains, the purchase of Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Shares allotted to them, the Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Shares will generally constitute the tax base cost of a Shareholder's holding.

A disposal of all or any of the Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant Shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

9.2.1 *UK tax resident individual Shareholders*

Where a UK tax resident individual Shareholder disposes of Shares at a gain, capital gains tax (“**CGT**”) will be levied to the extent that the gain exceeds the annual exemption (which is £12,300 for the tax year ending 5 April 2022), and after taking account of any other available reliefs, such as capital losses.

For such individuals, CGT will be charged at 10 per cent.. where the individual’s taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, when aggregated with income arising in a tax year, exceed the income tax basic rate band, CGT will be charged at 20 per cent..

For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent..

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

9.2.2 *UK resident corporate Shareholders*

Where a Shareholder is within the charge to UK corporation tax, a disposal of Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

The corporation tax rate applicable to a UK resident corporate Shareholder on such taxable gains is currently 19 per cent. (and is set to rise to 25 per cent. from 1 April 2023).

9.2.3 *Transactions in Securities*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

9.3 **Inheritance tax**

9.3.1 The Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees or settlements who hold Shares, bringing them within the charge to inheritance tax. Holders of Shares should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Shares through such a company or trust arrangement, or in a situation where there is potential for a charge both to UK inheritance tax and to a similar tax in another jurisdiction, or if they are in any doubt about their UK inheritance tax position.

9.3.2 A relief from inheritance tax, known as business property relief, may apply to shares in trading companies once these have been held for two years. Where applicable, this relief applies notwithstanding that the Company’s shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). Business property relief operates by reducing the value of shares by up to 100 per cent.. for inheritance tax purposes.

9.3.3 Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax in the jurisdiction in which they are resident.

9.4 **Stamp duty and stamp duty reserve tax**

9.4.1 No liability to stamp duty or stamp duty reserve tax (“**SDRT**”) will arise on the issue and allotment of Shares by the Company pursuant to the Placing.

- 9.4.2 There is an exemption from stamp duty and SDRT in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Investment Exchange.
- 9.4.3 The Company anticipates that this exemption will apply to dealings in the Shares such that, from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of Shares. Absent an exemption from stamp duty and SDRT, any dealings in Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent.. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to de a minimis limit and relevant anti-avoidance provisions.
- 9.4.4 For completeness the Selling Shareholders have agreed to bear any stamp duty or SDRT liability payable by Liberum on the transfer of Shares by the Selling Shareholders pursuant to the Placing (but not of any subsequent purchases of Shares or of any rights to Shares).
- 9.4.5 The above comments are intended as a guide to the general stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

The above summary is intended as a general guide. It is based on law and practice currently in force in the United Kingdom and is subject to any changes in the relevant legislation, its application and its practice. It applies to Shareholders who are resident (and in the case of individuals, resident and domiciled) for tax purposes in the United Kingdom, and who hold their shares as an investment. (other than under an individual savings account) and who are the absolute beneficial owners of both the Shares and any dividends paid on them. It may not apply to certain categories of Shareholder, or those to which special rules apply, such as (without limitation) dealers in securities, traders, brokers, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, or persons who acquire their Shares in connection with their office or employment. Any person who is in any doubt as to their taxation position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult their professional advisers immediately.

10. TAKEOVER CODE, MANDATORY BIDS, SQUEEZE OUT AND SELL-OUT RULES

10.1 Mandatory bids

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to cause the acquirer and/or persons acting in concert with it to be interested in shares carrying, in aggregate 30 per cent. or more of the voting rights in the Company, the acquirer and/or (depending on the circumstances) persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make a cash offer for all of the equity share capital of the Company not already owned by the acquirer and persons acting in concert with it at a price not less than the highest price paid for an interest in shares by the acquirer or persons acting in concert with it during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of interests in shares by a person who, alone or together with persons acting in concert with it is interested in shares carrying at least 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights in the Company if the effect of such acquisition was to increase the percentage of shares carrying voting rights in which the acquirer and the persons acting in concert with it are interested.

10.1.1 Concert Party

The Takeover Code defines persons "acting in concert" to comprise "persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company". The Takeover Code defines "control" to mean "an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control."

In particular, people will be treated as having an interest in shares if:

- (a) they own them;

- (b) they have the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or have general control of them;
- (c) by virtue of any agreement to purchase an option or derivative they:
 - (i) have the right or option to acquire them or call for their delivery; or
 - (ii) are under an obligation to take delivery of them,
 whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
- (d) they are party to any derivative:
 - (i) whose value is determined by reference to its price; and
 - (ii) which results, or may result, in their having a long position in it.

When a company undertakes an initial public offering, all of its existing shareholders will be presumed to be acting in concert with each other for the purposes of the Takeover Code unless such presumption is rebutted. The Company has discussed these issues with the Takeover Panel and the Takeover Panel and the Company have agreed that the presumption that all of the shareholders are acting in concert may be rebutted, save for the Concert Party.

The following table sets out the holdings and interests of the Concert Party and their members (including connected persons) as at the date of this Document and upon Admission:

Concert Party member	As at the date of this Document		Immediately following Admission		Maximum percentage following exercise of LTIP shares*
	No. of Ordinary Shares	Percentage of issued ordinary share capital	No. of Ordinary Shares	Percentage of issued ordinary share capital	
Richard Morris	1,833,000	5.1%	1,374,750	3.6%	5.3%
Andy Naylor	170,000	0.5%	136,000	0.4%	1.4%
Brandon Stephens	4,280,000	11.9%	3,210,000	8.3%	7.9%
Navin Patel	3,026,000	8.4%	2,269,500	5.9%	5.6%
Neil Patel	338,700	0.9%	254,025	0.7%	0.6%
Laura Salerno	165,000	0.5%	132,000	0.3%	0.3%

* Assuming that the LTIP is awarded in full and there being no other changes to the Company's issued share capital. The members of the Concert Party that are participants in the LTIP are Richard Morris and Andy Naylor.

10.2 Squeeze-out rules

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the "offeror") were to acquire, or contract to acquire, 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, the offeror could then compulsorily acquire the remaining ten per cent.. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Ordinary Shares and then, six weeks later, executing a transfer of the outstanding Ordinary Shares in the offeror's favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the general offer.

10.3 Sell-out rules

The Companies Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in the above paragraph. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Ordinary Shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

11. **WORKING CAPITAL**

- 11.1 The Directors are of the opinion, having made due and careful enquiry and having regard to available facilities and the net proceeds of the Placing, that the working capital available to the Group will, from Admission, be sufficient for their present requirements, that is for at least 12 months from the date of Admission.

12. **LITIGATION**

- 12.1 There are no governmental, legal or arbitration proceedings which may have or have had in the recent past a significant effect on the Company's or the Group's financial position or profitability (and the Company is not aware of any such proceedings which are pending or threatened).

13. **MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the period of two years preceding the date of this document which are or may be material:

13.1 **Placing Agreement**

The Company, the Directors, Quilvest, Liberum and the Selling Agent (as agent for the Minority Selling Shareholders) entered into a placing agreement on 30 September 2021. Pursuant to the Placing Agreement, Liberum has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure placees to subscribe for the New Ordinary Shares at the Placing Price and to arrange for placees to purchase the Sale Shares at the Placing Price.

The Placing Agreement is conditional upon, inter alia, Admission occurring on or before 8.00 a.m. on 8 October 2021 (or such later date as the Company and Liberum may agree, being not later than 5.00 p.m. on 31 October 2021). The Placing Agreement contains warranties from the Company, the Principal Selling Shareholders, the Selling Agent and the Directors in favour of Liberum in relation to, inter alia, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company and the Selling Agent have agreed to indemnify Liberum in respect of certain liabilities it may incur in respect of the Placing and Admission. Liberum has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event.

The Placing Agreement is governed by English law.

13.2 **Relationship Agreement**

The Company and Quilvest entered into a relationship agreement on 30 September 2021, to regulate the relationship between the Company and Quilvest after Admission. The Relationship Agreement is conditional on Admission occurring and will be binding on Quilvest until it ceases, directly or indirectly, to exercise control over at least 10 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Relationship Agreement, Quilvest undertakes, amongst other things, that it will (and, in relation to its affiliates, will procure, insofar as is within its power or control to procure, that each of its affiliates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) not take any action that would have the effect of preventing the Company from carrying on business independently of Quilvest and its affiliates; (iii) not propose or procure the proposal of a resolution of the shareholders of the Company which is intended or appears to be intended to circumvent the proper application of the AIM Rules; (iv) not exercise its voting rights in respect of any resolution relating to a transaction, agreement or arrangement with or relating to Quilvest or its affiliates or exercise its voting rights to procure or seek to procure any amendment to the Articles that would be inconsistent with the provisions of the Relationship Agreement.

The Relationship Agreement also provides that, in circumstances where Quilvest and/or any of its affiliates hold in aggregate 10 per cent. or more of the voting rights in respect of the entire issued share capital of the Company, it has the right to appoint a Director (from Admission to be Loeiz Lagadec) to the board of the Company, provided such appointed Director is not objected to by the Company's then nominated adviser under the AIM Rules for Nominated Advisers. Quilvest is entitled to be paid a fee in respect of the service of any director appointed by it equal to that which is paid to the other non-executive directors of the Company (other than the chair of the Board) which as at Admission shall be £30,000 per annum.

The Relationship Agreement is governed by English law.

13.3 Lock-in and Orderly Market Arrangements

- 13.3.1 Pursuant to Lock-In Agreements entered into with the Company and Liberum dated 30 September 2021, the Executive Directors have undertaken not to sell any Ordinary Shares without the prior consent of Liberum for 12 months from the date of Admission and for a further period of 12 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances, including the making of a takeover offer for the Company, considered customary for an agreement of this nature.
- 13.3.2 Pursuant to Lock-In Agreements entered into with the Company and Liberum dated 30 September 2021, Brandon Stephens and Quilvest have each undertaken not to sell any Ordinary Shares without the prior consent of Liberum for 6 months from the date of Admission and for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances, including the making of a takeover offer for the Company, considered customary for an agreement of this nature.
- 13.3.3 By virtue of the selling shareholder deeds of election entered into between 14 September 2021 and 21 September 2021 in favour of the Company and the Selling Agent under which they agreed to sell certain of their Existing Ordinary Shares in the Placing, those of the Minority Selling Shareholders who are current employees of the Group, who on Admission will be the holders of 140,395 Ordinary Shares in aggregate, representing approximately 0.4 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum not to dispose of any interest in any Ordinary Shares owned by them prior to the date which is 6 months from the date of Admission without the prior written consent of Liberum and, for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances, including the making of a takeover offer for the Company, considered customary for an agreement of this nature.
- 13.3.4 By virtue of the selling shareholder deeds of election entered into between 14 September 2021 and 21 September 2021 in favour of the Company and the Selling Agent under which they agreed to sell certain of their Existing Ordinary Shares in the Placing, those of the Minority Selling Shareholders who hold 3 per cent. or more of the Existing Share Capital, who on Admission will be the holders of 4,805,775 Ordinary Shares in aggregate, representing approximately 12.4 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum not to dispose of any interest in any Ordinary Shares owned by them prior to the date which is 6 months from the date of Admission without the prior written consent of Liberum and, for a further period of 6 months following the expiry of such lock-in period, only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), in such a way as to maintain an orderly market in the Ordinary Shares, in each case except in limited circumstances, including the making of a takeover offer for the Company, considered customary for an agreement of this nature.
- 13.3.5 By virtue of the selling shareholder deeds of election entered into between 14 September 2021 and 21 September 2021 in favour of the Company and the Selling Agent under which they agreed to sell certain of their Existing Ordinary Shares in the Placing, and orderly market agreements, a further four of the Minority Selling Shareholders, who between them on Admission will be the holders of 1,026,000 Ordinary Shares in aggregate, representing approximately 2.7 per cent. of the Enlarged Share Capital, have undertaken to the Company and Liberum only to dispose of their Ordinary Shares through Liberum (or such broker as may be the broker of the Company for the time being), prior to the date which is 6 months from the date of Admission, except in limited circumstances, including the making of a takeover offer for the Company, considered customary for agreements of this nature.
- 13.3.6 All of the above lock-in and orderly market undertakings are conditional on Admission occurring before 31 October 2021 and are governed by English law.

13.4 Senior Facility Agreement

On 14 September 2021, the Company (as borrower) and Santander UK Plc (as Lender) entered into the Senior Facility Agreement pursuant to which the lenders agreed to make available to the Company a £10 million revolving loan facility for a term of 5 years. Additionally, the Company and the Lender will enter into an overdraft agreement on or before Admission pursuant to which the Lender shall make available to the Company an overdraft up to £2.0 million. An arrangement fee was payable in addition to a commitment fee payable on the undrawn portion of the loan facility.

The proceeds of the revolving loan facility are to be used for general corporate and working capital purposes of the Group, including capital expenditure and the repayment of the Group's existing financial indebtedness.

The loan imposes a fixed charge cover test and a leverage test on the Company and is secured by, inter alia, a charge over the bank accounts of the Company, a charge over the shares in MGL held by the Company and a charge on the assets of MGL. The Senior Facility Agreement is governed by English law.

13.5 Nominated adviser and broker agreement

The Company and Liberum entered into a nominated adviser and broker agreement on 17 May 2021. Pursuant to the agreement, the Company has appointed Liberum to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The agreement contains certain undertakings, warranties and indemnities given by the Company to Liberum. The agreement is terminable upon not less than 3 months' prior written notice (except in certain customary circumstances) by either the Company or Liberum.

13.6 Share for share exchange agreement

The Company, MGL and all of the shareholders of MGL entered into a share for share exchange agreement on 10 September 2021. Pursuant to the agreement, all shareholders in MGL agreed to sell and the Company agreed to buy all of their existing shares in MGL in exchange for being issued the same class of shares in the Company albeit that for every share owned in MGL, each MGL shareholder was issued 100 of the same class of share in the Company. At completion of the agreement, a special resolution was passed to approve and adopt a new set of articles of association of the Company that were an almost replica articles of association of MGL and the parties also agreed to terminate the existing shareholders' agreement that was in place between the parties and MGL and, in turn, enter into a almost exact replica of that agreement to govern their rights and obligations as shareholders in the Company. A summary of the agreement is set out below.

13.7 Shareholders' agreement

The Company and all of the Existing Shareholders entered into a shareholders' agreement on 10 September 2021, as part of the share for share exchange referred to in paragraph 13.6 above. The agreement governs the relationship between the Company and the Existing Shareholders and contains provisions which are customary for an agreement of this nature. The agreement will terminate automatically on Admission.

14. THE SELLING SHAREHOLDERS

The names of the Selling Shareholders, the number of Ordinary Shares held immediately prior to Admission, the number of Sale Shares being sold as part of the Placing and the number of Ordinary Shares held immediately following Admission and completion of the Placing are set out below.

Selling Shareholder	No. of Ordinary Shares immediately prior to Admission	No. of Sale Shares being sold as part of the Placing	No. of Ordinary Shares immediately following Admission
Quilvest	16,443,600	8,550,672	7,892,928
Richard Morris	1,833,000	458,250	1,374,750
Andy Naylor	170,000	34,000	136,000
Brandon Stephens	4,280,000	1,070,000	3,210,000
Nadine Benchaffai	2,054,000	513,500	1,540,500
Navin Patel	3,026,000	756,500	2,269,500
Neil Patel	338,700	84,675	254,025
Laura Salerno	165,000	33,000	132,000
Former employees and others	6,546,600	1,173,180	5,373,420
Other employees	190,600	42,125	148,475

Notes:

The business addresses of the Selling Shareholders are:

- (1) Quilvest: 46 Albemarle St, London W1S 4JL
- (2) Richard Morris, Andy Naylor and Brandon Stephens: 1st Floor Evelyn House, 142 New Cavendish Street, London W1W 6YF
- (3) The other Selling Shareholders: c/o Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing West Sussex BN99 8AH

15. GENERAL

- 15.1 The Nominated Adviser and Broker to the Company is Liberum Capital Limited of Ropemaker Place, Level 12, 25 Ropemaker Street, London EC2Y 9LY, which is regulated by the FCA.
- 15.2 The expenses of or incidental to the Placing and Admission are payable by the Company and are estimated to amount to £2.4 million (excluding value added tax).
- 15.3 The total proceeds of the Placing expected to be raised by the Company in respect of the New Ordinary Shares are £5.0 million and the net proceeds, after deduction of the expenses, are estimated at £2.6 million.
- 15.4 The International Security Identification Number (ISIN) of the Ordinary Shares is GB00BNYDGZ21.
- 15.5 Liberum has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 15.6 Blick Rothenberg Audit LLP accepts responsibility for its report and letter set out in, respectively, Part III of this document and has given and not withdrawn its written consent to the inclusion of them in this document and the references to them and to its name in the form and context in which they appear.
- 15.7 Blick Rothenberg Audit LLP which is a member of the Institute of Chartered Accountants in England and Wales, has been the Company's auditors since incorporation.
- 15.8 Other than as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 4 July 2021.
- 15.9 No person (other than professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within 12 months preceding the date of this document; or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after completion of the Placing any of the following:
 - 15.9.1 fees totalling £10,000 or more;
 - 15.9.2 securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

- 15.9.3 any other benefit with a value of £10,000 or more at the date of completion of the Placing.
- 15.10 The ordinary shares are in registered form and will, following Admission, be capable of being held in uncertificated form. Prior to the despatch of share certificates following the Placing, transfers will be certified against the register of members. The Company has applied to Euroclear UK & Ireland Limited, the operator of CREST, for the ordinary shares to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding of ordinary shares under CREST. CREST is a voluntary system and holders of ordinary shares who wish to retain share certificates will be able to do so.
- 15.11 The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the Act. Statutory accounts have been delivered to the registrar of companies for MGL for the year ended 3 January 2021. Blick Rothenberg was the auditor of MGL for the above period. Auditors' reports in respect of each set of statutory accounts have been made under section 495 of the Act and each such report was an unqualified report and did not contain any statement under section 498(2) or (3) of the Act.
16. **AVAILABILITY OF ADMISSION DOCUMENT**
- 16.1 Copies of this document, are available during normal business hours on any weekday (except Saturdays and public holidays) free of charge from the Company's registered office and shall remain available for at least one month after Admission.

Dated: 30 September 2021

PART V. TERMS AND CONDITIONS OF THE PLACING

The terms and conditions set out in this Part V (the "**Terms and Conditions**") and the information comprising this document are restricted and are not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other state or jurisdiction in which such release, publication or distribution would be unlawful. The Terms and Conditions and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

Important information for invited Placees only regarding the Placing

Members of the public are not eligible to take part in the Placing. This document and these Terms and Conditions are for information purposes only and are directed only at: (A) persons in member states of the EEA who are qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time, (the "**EU Prospectus Regulation**") ("**Qualified Investors**"), or (B) if in the United Kingdom, persons who are qualified investors within the meaning of Article 2(e) of the UK version of the EU Prospectus Regulation which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and who: (i) have professional experience in matters relating to investments who fall within the definition of 'Investment Professionals' in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), or (ii) are high net worth companies, unincorporated associations or partnership or trustees of high value trusts as described in Article 49(2) of the Order, or (C) otherwise, to persons to whom it may otherwise be lawful to communicate it to (each a "**Relevant Person**"). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting the Terms and Conditions each Placee represents and agrees that it is a Relevant Person. This document and the Terms and Conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and Conditions set out herein relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This document does not itself constitute an offer for sale or subscription of any securities in the Company. This document has been issued by and is the sole responsibility of the Company.

The Placing Shares have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly within, into or in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Placing Shares in the United States.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any state or other jurisdiction of the United States; any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom and the EEA.

Each Placee should consult with its own advisers as to legal, tax, business, financial and related aspects of a subscription for or purchase of the Placing Shares. The price of Ordinary Shares and the income from them (if any) may go down as well as up and investors may not get back the full amount invested on disposal.

The Placees will be deemed to have read and understood this document in its entirety and to be making such offer on the Terms and Conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in these Terms and Conditions. In particular each such Placee represents, warrants and acknowledges that:

- (A) it is a Relevant Person (as defined above) and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and
- (B) in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors or in circumstances in which the prior consent of Liberum has been given to the offer or resale; or
 - (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; and
- (C) in the case of a Relevant Person in a member state of the EEA (each a "**Relevant State**") who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances in which the prior consent of Liberum has been given to the offer or resale; or
 - (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

Persons (including without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this document of which these Terms and Conditions form part should seek appropriate advice before taking any action.

Neither Liberum, nor any of its affiliates, agents, directors, officers or employees, make any representation to any Placees regarding an investment in the Placing Shares.

Application for admission to trading

Application will be made to the London Stock Exchange for Admission. It is expected that Admission of the Enlarged Share Capital (which shall include the Placing Shares) will become effective at or around 8.00 a.m. on 8 October 2021 and that dealings in the Existing Ordinary Shares and the New Ordinary Shares will commence immediately at that time.

Participation in, and principal terms of, the Placing

1. Liberum is acting as agent of the Company in connection with the Placing and is acting as agent for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of these Terms and Conditions) as a client in relation to the Placing.
2. Participation in the Placing will be available only to persons who may lawfully be, and are, invited to participate by Liberum.
3. These Terms and Conditions apply to Placees. Each Placee hereby agrees with Liberum to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Placing Shares will be acquired in the Placing.
4. The Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Terms and Conditions set out herein relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

5. An offer (whether orally or in writing) to acquire Placing Shares will be made on these Terms and Conditions (which shall be deemed to be incorporated into such offer) and will be legally binding on the Placee and will not be capable of variation or revocation without Liberum's written consent.
6. If successful, each Placee's allocation will be confirmed to it by Liberum. Oral or written confirmation (at Liberum's discretion) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to subscribe and pay for the relevant number of Placing Shares at the Placing Price (the "**Placing Participation**"). Such commitment is not capable of termination or rescission by the Placee in any circumstances except fraud. All such obligations are entered into by the Placee with Liberum in its capacity as agent for the Company and are therefore directly enforceable by the Company.
7. Each Placee's commitment will be made solely on the basis of the information set out in the P-Proof. By participating in the Placing, Placees will be deemed to have read and understood these Terms and Conditions and the P-Proof in its entirety and to be participating and making an offer for the Placing Shares on these Terms and Conditions. Each Placee will be deemed to have read and understood these Terms and Conditions in their entirety and to be making such offer on the Terms and Conditions and to be providing the representations, warranties and acknowledgements and undertakings contained in these Terms and Conditions.
8. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for or purchased pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".
10. Except as required by law or regulation, no press release or other announcement will be made by Liberum or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
11. To the fullest extent permissible by law and applicable FCA rules, neither Liberum, the Company, the Selling Shareholders nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise).

Details of the Placing Agreement and of the Placing Shares

The Company, the Directors, Liberum, the Company, the Principal Selling Shareholders and the Selling Agent have entered into a placing agreement on 30 September 2021 (the "**Placing Agreement**") pursuant to which Liberum has agreed that it will, as agent for and on behalf of the Company, the Principal Selling Shareholders and the Selling Agent (acting on behalf of the Minority Selling Shareholders), use its reasonable endeavours to procure Placees at the Placing Price for up to an aggregate of 15,478,333 Placing Shares. The Placing is not being underwritten by Liberum.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission.

Conditions of the Placing

The obligations of Liberum under the Placing Agreement are, and the Placing is, conditional upon, inter alia:

- (A) the Company allotting the New Ordinary Shares in accordance with the terms of the Placing Agreement;
- (B) the performance by the Company of its obligations under the Placing Agreement to the extent that they fall to be performed prior to Admission;
- (C) agreement by the Company and Liberum of the final number of Placing Shares to be issued at the Placing Price pursuant to the Placing and the allocation of such Placing Shares to Placees;
- (D) Liberum having not exercised its right to terminate the Placing Agreement; and
- (E) Admission occurring by not later than 8.00am on 8 October 2021 (or such later date as the

Company and Liberum may agree, in any event being not later than 31 October 2021), (all conditions to the obligations of Liberum included in the Placing Agreement being together, the "conditions").

The Placing Agreement contains certain warranties from the Directors and certain warranties and indemnities from the Company and the Selling Agent (as agent of the Minority Selling Shareholders) and certain warranties from the Principal Selling Shareholders, in each case for the benefit of Liberum.

None of the Company, the Selling Shareholders, the Selling Agent, the Directors or Liberum owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended by Liberum), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Liberum may waive certain conditions contained in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this document.

If: (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by the Placee to Liberum will be returned to the Placee at its own risk without interest, and each Placee's rights and obligations hereunder shall cease and determine at such time and no claim shall be made by the Placee in respect thereof.

Neither Liberum nor any of its affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Liberum.

Restrictions

The Company has agreed with Liberum that it will not at any time during the period of six months from the date of Admission, without the prior written consent of Liberum (such consent not to be unreasonably withheld or delayed), offer, issue, sell, contract to sell, issue options in respect of or otherwise dispose of any securities of the Company (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing, other than pursuant to such share option schemes and other employee incentive arrangements as are described in this document or as contemplated by the Placing Agreement.

Right to terminate under the Placing Agreement

At any time before Admission, Liberum is entitled to terminate the Placing Agreement by giving notice in writing to the other parties to the Placing Agreement if, amongst other things: (i) the Company or the Directors fail to comply with any of their obligations under the Placing Agreement or the Deeds of Election, and in Liberum's opinion, is material in the context of the Placing and Admission; or (ii) any of the warranties is, or has ceased to be, true or accurate or misleading, and in Liberum's opinion, is material in the context of the Placing and Admission; or (iii) in the opinion of Liberum there has been a material adverse change in, or any development involving or reasonably likely to involve a material adverse change in, or affecting, the financial position and/or prospects of the Group; or (iv) in the opinion of Liberum the occurrence of a market disruption event as specified in the Placing Agreement.

Upon such notice being given, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Liberum of any right of termination or other discretion under the Placing Agreement shall be within its absolute discretion and that they do not need to make any reference to Placees and that Liberum shall not have any liability to Placees whatsoever in connection with any such exercise and neither the Company nor the Selling Shareholders nor Liberum nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to

Placees whatsoever in connection with any such exercise or failure so to exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing and no such prospectus is required (in accordance with the UK Prospectus Regulation or other applicable law) to be published and Placees' commitments will be made solely on the basis of the information contained in this document released by the Company today and any information publicly announced to a RIS by or on behalf of the Company on or prior to the date of this document and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that its commitment will be made solely on the information contained in the P-Proof. Each Placee agrees that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company, the Selling Shareholders or Liberum or any other person and none of the Company, the Selling Shareholders, Liberum or any of their respective affiliates will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph should exclude or limit the liability of any person for fraudulent misrepresentation by that person.

Registration and settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system administered by Euroclear, subject to certain exceptions. Liberum and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this document or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

It is expected that settlement will be on 8 October 2021 on a delivery versus payment basis in accordance with the instructions set out in the trade confirmation.

If Placees do not provide any CREST details or if the Placees provide insufficient CREST details to match within the CREST system to its details, Liberum may at its discretion deliver the Placees' Placing Participation in certificated form provided payment has been made in terms satisfactory to Liberum and all conditions in relation to the Placing have been satisfied or waived.

Subject to the conditions set out above, payment in respect of the Placees' Placing Participation is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Liberum:	7BUAG
Expected Trade date:	4 October 2021
Settlement date:	8 October 2021
ISIN for the Placing Shares:	GB00BNYDGZ21

Deadline for Placee to input instructions into CREST: 12.00 p.m. (UK time) on 7 October 2021.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the Relevant Person within that organisation. So long as any transfer on sale, or unconditional agreement to transfer, the Placing Shares occurs at a time when the Placing Shares are admitted to trading on AIM and are not listed on a recognised stock exchange and included in the official list thereof, such transfer or agreement to transfer the Placing Shares should, subject to the representations and warranties provided below, be registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties and further terms

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) to the Company, the Selling Shareholders and to Liberum (in its capacity as agent of the Company) and their directors, agents and advisors, in each case as a fundamental term of its

application for Placing Shares, that:

- (A) it has read and understood this document and these Terms and Conditions in their entirety and that its participation in the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this document;
- (B) no offering document or prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing;
- (C) the Placing does not constitute a recommendation or financial product advice and Liberum has not had regard to its particular objectives, financial situation and needs;
- (D) it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;
- (E) that none of the Company, the Selling Shareholders, Liberum, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and none of them will provide, it with any material regarding the Placing Shares or the Company or any other person other than information included in this document, nor has it requested Liberum, the Selling Shareholders, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (F) has not relied on, received or requested, nor does it have any need to receive, any prospectus, offering memorandum, listing particulars or any other document other than this document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist them in making an investment decision in respect of the Placing Shares. It further confirms, represents and warrants that it is not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company, the Selling Shareholders or Liberum or by any of their respective officers, directors, agents, employees or advisers, or any other person in connection with the Placing other than information contained in this document and none of Liberum, the Selling Shareholders, the Company or any of their respective directors and/or employees and/or person(s) acting on behalf of any of them shall, to the maximum extent permitted under law, have any liability (except in the case of fraud) in respect of any such other information, representation, warranty, agreement, undertaking or statement. It irrevocably and unconditionally waives any right it may have in respect of such other information, representation, warranty, agreement, undertaking or statement. It further confirms, represents and warrants that in making its application under the Placing it will be relying solely on the information contained in this document and these Terms and Conditions and that it has reviewed this document, including the discussion of the conditions of the Placing Agreement, commission payable to Liberum, and the risk factors relating to the Company, its operations and the Ordinary Shares;
- (G) (i) none of the Company, Liberum or any of their respective affiliates has made any representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of any publicly available information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold Liberum or any of its affiliates responsible for any misstatements in or omissions from any publicly available information. Nothing in this paragraph or otherwise in this document excludes the liability of any person for fraudulent misrepresentation made by that person;
- (H) it and each account it represents is not and at the time the Placing Shares are subscribed for or purchased, neither it nor the beneficial owner of the Placing Shares will be a resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan, New Zealand or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, transferred, taken up, renounced, distributed or delivered, directly or indirectly, within or into those jurisdictions;
- (I) it and each account it represents is outside the United States and will be (i) outside the United States at the time that any buy order for Placing Shares is originated by it; (ii) acquiring the

- Placing Shares in an "offshore transaction" as defined in Regulation S under the Securities Act; and (iii) not acquiring any of the Placing Shares as a result of any form of "directed selling efforts" (within the meaning of Regulation S under the Securities Act);
- (J) it understands, and each account it represents has been advised that, (i) the Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States; (ii) the Placing Shares are being offered and sold only in an "offshore transaction" within the meaning of and pursuant to Regulation S under the Securities Act; and (iii) no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;
 - (K) it will not distribute, forward, transfer or otherwise transmit this document or any other materials concerning the Placing (including any electronic copies thereof), in or into the United States;
 - (L) the content of this document is exclusively the responsibility of the Company and the Board and that neither Liberum, nor any of its affiliates, agents, directors, officers or employees or any person acting on behalf of Liberum has or shall have any liability for any information, representation or statement contained in this document or any information previously or subsequently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this document or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for or purchase the Placing Shares is contained in this document and any information previously published by the Company by notification to an RIS, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Liberum or the Company or the Selling Shareholders (or their agent) and neither Liberum nor the Company nor the Selling Shareholders (or their agent) will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
 - (M) time shall be of the essence as regards obligations pursuant to these Terms and Conditions;
 - (N) it is the responsibility of any person outside of the United Kingdom wishing to subscribe for or purchase Placing Shares to satisfy himself that, in doing so, he complies with the laws of any relevant territory in connection with such subscription or purchase and that he obtains any requisite governmental or other consents and observes any other applicable formalities;
 - (O) it is acting as principal and for no other person and that its acceptance of the Placing Participation will not give any other person a contractual right to require the issue or transfer by the Company of any Placing Shares;
 - (P) from the point at which a request for admission to trading on AIM is made by the Company, the Company and its financial instruments will be subject to the provisions of UK MAR and that it will observe the provisions of UK MAR in relation to the Company's financial instruments, including in relation to the control of any inside information;
 - (Q) if in the United Kingdom, it has complied with its obligations under the Criminal Justice Act 1993, FSMA, UK MAR and, in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
 - (R) if a financial intermediary, as that term is used in the UK Prospectus Regulation, that the Placing Shares subscribed for or purchased by it in the Placing will not be subscribed or purchased on a non-discretionary basis on behalf of, nor will they be subscribed for or purchased with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors, or in circumstances in which the prior consent of Liberum has been given to the proposed offer or resale;
 - (S) it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing

- Shares that are allocated to it for the purposes of its business only;
- (T) it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom or any member state of the EEA except to Qualified Investors (as defined in the UK Prospectus Regulation and the EU Prospectus Regulation, respectively) or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or within the meaning of the UK Prospectus Regulation, or an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
 - (U) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
 - (V) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
 - (W) (a) if in a member state of the EEA, it is a "Qualified Investor" within the meaning of the EU Prospectus Regulation; (b) if in the United Kingdom, it is a qualified investor within the meaning of the UK Prospectus Regulation and a person (i) having professional experience in matters relating to investments and who falls within the definition of 'investment professionals' in Article 19(5) of the Order; or (ii) who is a high net worth entity falling within Article 49(2)(a) to (d) of the Order; or (c) to whom this document may otherwise lawfully be communicated;
 - (X) no action has been or will be taken by either the Company or Liberum or any person acting on behalf of the Company or Liberum that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
 - (Y) (i) it and any person acting on its behalf is entitled to subscribe for or purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in Liberum, the Company, the Selling Shareholders or any of their respective affiliates, directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing; and (iv) that the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
 - (Z) it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this document) and will honour such obligations;
 - (AA) it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the Terms and Conditions and this document, on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as Liberum may in its absolute discretion determine and without liability to such Placee;
 - (AB) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that Liberum or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
 - (AC) neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and the Placing Shares will not be allotted or transferred to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act of 1986 (depository receipts and clearance services) and the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;
 - (AD) neither the Company nor the Selling Shareholders (and their agent) nor Liberum will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting

from a failure to observe the requirement in (CC) above. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Selling Shareholders and Liberum and their respective affiliates, agents, directors, officers and employees in respect of any such liability and each Placee and any person acting on behalf of such Placee agrees that, on Admission becoming effective, the Placing Shares will be allotted to the stock account of Liberum who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

- (AE) neither Liberum nor any of its affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them, is making any recommendations to it or, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Liberum and that Liberum does not have any duties or responsibilities to it for providing the protections afforded to Liberum's clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- (AF) in making any decision to subscribe for the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for and/or acquiring the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of Liberum;
- (AG) in connection with the Placing, Liberum and any of its affiliates acting as investors for their own account may take up Placing Shares in the Company and in that capacity may subscribe for, retain, purchase or sell for their own account such Ordinary Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Liberum does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
- (AH) these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Liberum in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (AI) the Company, the Selling Shareholders, Liberum and their respective affiliates and others will rely upon the truth and accuracy of acknowledgements, representations, warranties and agreements set forth herein and which are given to Liberum on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Liberum to produce any announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and Liberum;
- (AJ) it will indemnify on an after-tax basis and hold the Company, the Selling Shareholders, Liberum and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these Terms and Conditions and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing;
- (AK) neither the Company, the Selling Shareholders nor Liberum owe any fiduciary or other duties to

- any Placee in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement;
- (AL) its acquisition of Placing Shares is in full compliance with applicable laws and regulations; and
 - (AM) its commitment to take up Placing Shares on the Terms and Conditions will continue notwithstanding any amendment that may or in the future be made to these Terms and Conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Liberum's conduct of the Placing.
 - (AN) The foregoing acknowledgements, confirmations, undertakings, representations and warranties are given for the benefit of each of the Company, the Selling Shareholders and Liberum (for their own benefit and, where relevant, the benefit of their respective affiliates and any person acting on their behalf) and are irrevocable.

Please also note that the agreement to allot and issue or transfer Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and stamp duty reserve tax relates only to their allotment and issue or transfer to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question and is subject to the representations, warranties and further terms above and assumes and is based on the warranty from each Placee that the Placing Shares are not being subscribed for, or acquired, in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Selling Shareholders nor Liberum will be responsible and the Placees shall indemnify on an after-tax basis and hold harmless the Company and Liberum and their respective affiliates, agents, directors, officers and employees for any stamp duty, stamp duty reserve tax or other similar taxes paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify Liberum accordingly.

Neither the Company, the Selling Shareholders (and their agent) nor Liberum is liable to bear any capital duty, stamp duty or any other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition of any Placing Shares or the agreement by a Placee to acquire any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, the Selling Shareholders, Liberum and their respective affiliates, agents, directors, officers and employees from any and all such capital duty, stamp duty and other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify Liberum accordingly.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Liberum or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Liberum, any money held in an account with Liberum on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Liberum's money in accordance with the client money rules and will be used by Liberum in the course of its own business; and the Placee will rank only as a general creditor of Liberum.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of Liberum, the Selling Shareholders and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others. If a Placee is a discretionary fund manager, he may be asked to disclose, in writing or orally, to Liberum the jurisdiction in which the funds are managed or owned.

All times and dates in this document may be subject to amendment. Liberum shall notify the Placees and any person acting on behalf of the Placees of any changes.

In this Part V, "after-tax basis" means in relation to any payment made to the Company, the Selling Shareholders, Liberum or their respective affiliates, agents, directors, officers and employees pursuant to this Part V that such payment shall be calculated in such a manner as will ensure that, after taking into account (i) any tax required to be deducted or withheld from the payment; (ii) the amount and timing of any additional tax which becomes payable by the recipient as a result of the payment's being subject to tax in the hands of the recipient of the payment, and (iii) the amount and timing of any tax benefit which is obtained by the recipient of the payment to the extent that such tax benefit is attributable to the matter giving rise to the payment or to the entitlement to, or receipt of, the payment, or to any tax required to be deducted or withheld from the payment, the recipient of the payment is in the same after-tax position as that in which it would have been if the matter giving rise to the payment had not occurred.