

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION (EACH A “RESTRICTED JURISDICTION”).

24 September 2021

TORTILLA MEXICAN GRILL PLC
(“Tortilla” or “the Group”)

INTENTION TO FLOAT ON AIM

Tortilla, the largest and most successful fast-casual Mexican restaurant group in the UK, announces its intention to seek admission of its shares to trading on AIM, a market of the London Stock Exchange (“Admission”).

Tortilla specialises 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, two sites franchised to Select Service Partners UK Limited (“SSP Group”) in the UK, and 10 franchised sites in the Middle East.

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, 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.

Tortilla is also pleased to announce that Emma Woods has joined the Tortilla Board of Directors as non-executive chairwoman and Laurence Keen as a non-executive director. Emma has extensive experience at Board level in multi-site leisure businesses. She is currently a non-executive director for The Gym Group plc and her hospitality experience includes being the CEO of Wagamama from December 2018 to June 2021. Laurence is currently CFO of Hollywood Bowl Group plc.

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 FY2019 to LTM June 2021, the Group generated 250 per cent. EBITDA growth and opened eight stores. For the 12 months to June 2021 Tortilla outperformed 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 including building on the success of the existing portfolio of delivery-only ‘cloud-kitchens’. The Directors are also targeting further franchising and licencing opportunities.

KEY STRENGTHS

Product offering

- Tortilla has developed a reputation 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.

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 food segment and wider hospitality industry, including: healthy eating; freshness and high provenance; convenience - including eating out and delivery; customisation; and the continuing growing popularity of ethnic food.

Flexible site locations and formats

- The Group has succeeded with significant geographical spread across the UK, with almost half of the estate and four of the Group's top ten selling stores being located outside of the M25 motorway. In recent months, the Group has opened stores in Chessington World of Adventures, 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.

Scalable central infrastructure

- Tortilla operates a 5,500 square foot Central Production Unit ("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 number of the customer base 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, management is well placed to execute on the Company's growth strategy and available opportunities.

PLACING

- Admission is expected to take place on or around 8 October 2021.
- Liberum Capital Limited is acting as Nominated Adviser and Sole Broker in relation to Admission.

Richard Morris, Chief Executive Officer of Tortilla, said:

“We are delighted to announce Tortilla’s Intention to Float on AIM, which marks an incredibly exciting milestone in our continued growth journey. Since its launch in 2007, Tortilla has established a long-term track record of strong financial performance driven by considered expansion of the property portfolio and like-for-like growth.

“The business has shown itself to be extraordinarily well positioned throughout the pandemic, as the Tortilla product proposition is well-suited to the growing delivery market and we have proved the brand’s flexibility to operate across a range of locations and formats, including smaller sites and cloud kitchens.

“We believe that this IPO unlocks our ability to consolidate on this momentum and enables us capitalise on significant long-term growth opportunities in the post-Covid-19 pandemic landscape.”

ENQUIRIES

Tortilla Mexican Grill PLC

Emma Woods, Non-Executive Chairwoman
Richard Morris, CEO
Andy Naylor, CFO

Via Hudson Sandler

Liberum Capital Limited (Nominated Adviser, Sole Broker)

Andrew Godber
Edward Thomas

Tel: 020 3100 2222

Hudson Sandler (Public Relations)

Alex Brennan / Wendy Baker / Lucy Wollam

Tel: 020 7796 4133

Tortilla@hudsonsandler.com

For further information, visit tortillagroup.co.uk

- Images are available to download [here](#)

- View the Tortilla **corporate video** at



NOTES TO EDITORS

BACKGROUND TO THE COMPANY

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, two sites franchised to SSP Group 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. As a result, 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, 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 Coffey 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 work-from-home trends. The Group opened eight stores, and generated 250 per cent. EBITDA growth from FY2019 to LTM June 2021. For the 12 months to June 2021 Tortilla out-performed the Coffey Peach Business Tracker by an average of 46 percentage points.

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.

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 will also 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.

UK roll-out

The primary objective of the Group's growth strategy will be to accelerate its UK presence, with the Directors targeting circa 45 new sites in the UK in the next five years.

The Group opened six and four new sites in FY19 and FY20 respectively. The Group has so far opened six new sites in FY21. For FY22, the Group has seven sites that are in the legal documentation stage and a further eight 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.

Franchising

The Group entered into an agreement with SSP Group in 2019 to franchise the Tortilla proposition in transport hubs. The first site with SSP Group opened in London Euston Station in December 2019 followed by the Group's first airport location at Gatwick Airport which opened in September 2021. 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.

Cloud-kitchens

The suitability of burritos and a number of the Group's other product offerings 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.

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.

International

Tortilla is already the largest fast-casual Mexican chain in the UK and Europe. With the popularity of burritos and tacos growing worldwide with 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.

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 Ltd, as franchisees.

New financing facility

The Group signed a new financing facility with Santander UK plc on 14 September 2021 to replace the Group's 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.

DIRECTORS

Emma Woods, Non-executive Chairwoman

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 Pizza Express. 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

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 Disneyworld 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*

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*

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*

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*

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.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this Announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to shareholder returns, dividends or any statements preceded by, followed by or that include the words "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results and performance to be materially different from future results and the performance expressed or implied by such forward looking statements. 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 Announcement. 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 Company'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.

IMPORTANT NOTICES:

This is a financial promotion and is not intended to be investment advice.

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Liberum solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000.

Neither this announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, in, into or from any Restricted Jurisdiction or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of securities laws in the Restricted Jurisdictions.

This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or other securities in any Restricted Jurisdiction. The Placing and the distribution of this announcement and other information in connection with the Placing and Admission in certain jurisdictions may be restricted by law and persons into whose possession this announcement, any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this announcement nor any part of it nor the fact of its distribution shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (i) if in a member state of the European Economic Area ("**EEA**"), Qualified Investors as defined in article 2(e) of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"); (ii) if in the United Kingdom, are Qualified Investors as defined in article 2(e) of the EU Prospectus Regulation as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 and (a) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (b) are persons who fall within article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or (c) to whom it may otherwise be lawfully distributed (all such persons together being referred to as "**Relevant Persons**").

This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company.

The Company's shares have not been and will not be registered under the Securities Act or with any securities regulator of any state of the United States. The Company's shares may not be offered, sold, pledged or otherwise transferred in or into the United States except to persons reasonably believed to be qualified institutional buyers ("QIBs") as defined in and in reliance on Rule 144A under the Securities Act or another exemption from the registration requirements of the Securities Act. Prospective investors are hereby notified that the sellers of the Company's shares may be relying on the exemption from the provisions of Section S of the Securities Act provided by Rule 144A. Outside of the United States, the Company's shares are being offered and sold in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

Any subscription for or purchase of shares in the proposed Placing should be made solely on the basis of the information contained in the final Admission Document to be published by the Company in connection with the Placing and Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Placing or any transaction or arrangement referred to in this announcement. This announcement has not been approved by any competent regulatory authority.

In connection with the Placing, Liberum and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase the Company's shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in the Admission Document, once published, to the Company's shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by Liberum and any of its affiliates acting as investors for their own accounts. In addition, Liberum or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of the Company's shares. Liberum has no intention to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Liberum, which is a member of the London Stock Exchange, is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is acting as the Company's nominated adviser for the purposes of the AIM Rules for Companies and as sole broker to the Company in connection with the Placing and Admission. Liberum is acting exclusively for the Company and no one else in connection with the Placing and Admission, and Liberum will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing, Admission or any other matters referred to in this announcement.

Neither Liberum, nor any of its subsidiary undertakings, affiliates or any of its directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions contained in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith and any liability therefore is expressly disclaimed. In particular, but without limitation, no representations, warranties or undertakings are given as to the prospects of the Company and nothing in this announcement should be relied upon

as a promise or representation as to the future. Recipients of this announcement should conduct their own investigation, evaluation and analysis of the business data. Nothing set out above shall exclude liability for any undertaking, representation or warranty or other assurance made fraudulently.

Neither the receipt of this announcement nor any information contained in it or supplied with it or subsequently communicated to any person in connection with it either constitutes, or is to be taken as constituting, the giving of investment advice by Liberum to any person. The anticipated timetable for Admission, including the publication of the Admission Document and/or the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee that the Admission Document will be published or that Admission will occur and investors should not base their financial decisions on the Company's intentions in relation to the Placing and Admission at this stage. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

Neither the content the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

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.