

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser.**

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, so that they can pass on these documents onto the person who now holds the shares. If you are not sure what to do, please contact an appropriate independent professional adviser. If you have sold or transferred only part of your holding of shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately for advice on what action you should take.

Notice of the general meeting of The Restaurant Group plc to be held at 11.00 a.m. on 29 March 2021 at 5-7 Marshalsea Road, London SE1 1EP is set out in this document. In light of the continuing UK Government restrictions in respect of the Covid-19 pandemic, TRG's key priority remains the health and safety of employees, customers, business partners and Shareholders. As was the case for the general meeting held on 8 October 2020, and in line with current guidelines, the general meeting will be run as a closed meeting and **Shareholders will not be permitted to attend in person**. Given the restrictions on attendance, for your votes to be counted, you are advised to appoint the "chairman of the meeting", rather than a named person who will not be permitted to attend the meeting. Should it become necessary or appropriate to revise the current arrangements for the general meeting, this will be notified to Shareholders on the Company's website and/or via a Regulatory Information Service.

Your attention is drawn to the letter from the chairman of The Restaurant Group plc which is set out on pages 6 to 22 of this document and which recommends you to vote in favour of the resolutions to be proposed at the general meeting. You will find enclosed a form of proxy for use in connection with the general meeting.

Nothing in this document constitutes legal, financial, tax or other advice and does not take into account the particular investment objectives, financial situation, taxation position or needs of any person.

This document is sent to you for the purposes of inviting you to vote at the general meeting. It does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in Australia, Canada, Hong Kong, Japan, the Kingdom of Saudi Arabia, the Republic of Korea, Singapore, South Africa, the United Arab Emirates, the United States or any other jurisdiction where to do so would breach any applicable law or regulation. This document is not a prospectus. **You, as a person in one of the aforementioned jurisdictions, are restricted from accessing certain materials that describe further such capital raising, including the reasons for such capital raising.** The securities referred herein have not been, and will not be, registered under the US Securities Act of 1933, as amended (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, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in the United States absent registration under the Securities Act, 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 any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of any securities in the United States. None of the securities, this document or any other document connected with the capital raising has been or will be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States, or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the capital raising or the accuracy or adequacy of any of the documents or other information related thereto. Any representation to the contrary is a criminal offence in the United States.



**THE RESTAURANT GROUP PLC**

*(incorporated and registered in Scotland with registered number SC030343)*

**NOTICE OF GENERAL MEETING**

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of The Restaurant Group plc (the “**Company**”) will be held at 11.00 a.m. on 29 March 2021 at the Company’s Head Office at 5-7 Marshalsea Road, London SE1 1EP (the “**General Meeting**”) for the purposes of considering and, if thought fit, passing the following resolutions which shall be proposed as ordinary resolutions (which means that for the resolutions to be passed, more than half of the votes cast must be in favour of each resolution).

### ORDINARY RESOLUTIONS

#### 1. Subscription by Columbia Threadneedle Investments

THAT the subscription by Columbia Threadneedle Investments of up to 31,588,444 New Ordinary Shares pursuant to the Capital Raising be and is hereby approved.

#### 2. Capital Raising

THAT, subject to and conditional upon resolution 1 being passed, the Company’s board of directors be and are hereby generally and unconditionally authorised:

- (A) to exercise all powers of the Company pursuant to and in accordance with section 551 of the Companies Act 2006 to allot shares and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of “relevant securities”) up to an aggregate nominal amount of £50,000,000 pursuant to the Capital Raising, which authority shall be in addition to the existing authority conferred on the Company’s board of directors on 19 May 2020, which shall continue in full force and effect. The authority conferred by this resolution shall expire at the end of 24 June 2022 (unless previously revoked or varied by the Company in a general meeting), save that the Company may, before such expiry, revocation or variation, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Company’s board of directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied; and
- (B) to allot relevant securities pursuant to the Capital Raising, at an issue price of 100 pence, which is at a 10.47 per cent. discount to the Closing Price of the Ordinary Shares as at 9 March 2021 (being the last Business Day before the announcement of the Capital Raising), such power (unless and to the extent previously revoked, varied or renewed by the Company in a general meeting) to expire on the conclusion of the next annual general meeting of the Company.

#### By the order of the Board

Jean-Paul Rabin  
Company Secretary

10 March 2021

#### Registered office:

1 George Square  
Glasgow  
G2 1AL

## Notes

### Defined terms

1. Unless otherwise defined in this Notice of General Meeting, capitalised terms shall have the meaning given to them in the document to which this Notice of General Meeting is appended.

### Poll voting

2. Voting on the Resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as Shareholder votes are counted according to the number of shares held. As soon as practicable after the General Meeting, the results of the polls will be announced via a Regulatory Information Service and also placed on the Company website, [www.trgplc.com](http://www.trgplc.com).

### Entitlement to vote

3. Only those members entered on the Company's register of members at 6.30 p.m. on 25 March 2021 or, if the General Meeting is adjourned, Shareholders entered on the Company's register of members not later than 6.30 p.m. on the day two business days prior to the time fixed for the adjourned meeting shall be entitled to vote at the General Meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to vote at the General Meeting.

### Related party resolutions

4. Columbia Threadneedle Investments and its affiliates will not be entitled to vote on Resolution 1.

### Entitlement to proxies

5. Under normal circumstances, Shareholders may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. However, given the restrictions on attendance at the General Meeting, you should appoint only the "chairman of the meeting" as your proxy, rather than appointing one or more named persons who will not be permitted to attend the meeting.

### Appointing proxies

6. A Form of Proxy is enclosed. To be valid and effective, any proxy form and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority must be deposited at the office of the Company's registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA so as to be received not later than 11.00 a.m. on 25 March 2021.
7. As an alternative to completing a hard copy Form of Proxy, you can appoint a proxy electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk). Full instructions are given on both websites. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrar, Equiniti, no later than 11.00 a.m. on 25 March 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). Any electronic communication sent by a Shareholder to Equiniti which is found to contain a virus will not be accepted by the Company, but every effort will be made by the Company to inform the Shareholder of the rejected communication.

### Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 11.00 a.m. on 29 March 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate

action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**Euroclear**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA19) by 11.00 a.m. on 25 March 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Corporate representatives**

9. Any corporate Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Nominated persons**

10. A person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraphs 5 to 8 of these notes do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

### **Shareholders’ right to ask questions**

11. As Shareholders will be unable to attend the General Meeting in person, the Company has set up a dedicated electronic mailbox for Shareholders to ask questions of the Board of Directors. Please send your questions to GMQuestions@trgplc.com by no later than 11.00 a.m. on 29 March 2021, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). The Company will collate the questions it receives and will select a representative sample which will be answered on the Company’s website at www.trgplc.com promptly after the General Meeting. The Company will also provide answers directly to the Shareholder who asked the question.

### **Documents available for inspection**

12. Subject to any UK Government public health restrictions on Covid-19, a copy of the following documents will be available for inspection at the Company’s registered office during normal business hours (weekend and public holidays excepted) from the date of the Notice of General Meeting and shall be available at the place of the General Meeting at least 15 minutes prior to the General Meeting and during the General Meeting:
  - a. the Articles; and
  - b. a copy of the this document (including the circular).

**Total voting rights**

13. As at 8 March 2021 (being the Latest Practicable Date) the Company's issued share capital consists of 589,795,475 Ordinary Shares of 28.125 pence each. The Company holds no Ordinary Shares in treasury. Each Ordinary Share carries the right to one vote at a general meeting of the Company.

**Communication with the Company**

14. You may not use any electronic address provided either in this Notice of General Meeting or any related documents to communicate with the Company for any purpose other than as expressly stated.

Information about this meeting is available from the Company's investor relations web page: [www.trgplc.com/investors](http://www.trgplc.com/investors).

## LETTER FROM THE CHAIRMAN

### The Restaurant Group plc

(incorporated and registered in Scotland with registered number SC030343)

#### Directors:

#### Registered Office

1 George Square, Glasgow G2 1AL

Debbie Hewitt MBE, *Independent Non-Executive Chairman*

Andy Hornby, *Chief Executive Officer*

Kirk Davis, *Chief Financial Officer*

Graham Clemett, *Senior Independent Non-Executive Director*

Alison Digges, *Independent Non-Executive Director*

Alex Gersh, *Independent Non-Executive Director*

Zoe Morgan, *Independent Non-Executive Director*

10 March 2021

To the holders of Ordinary Shares

Dear Shareholder,

### **Proposed Firm Placing of 95,299,430 New Ordinary Shares at 100 pence per New Ordinary Share, Proposed Placing and Open Offer of 79,700,570 New Ordinary Shares at 100 pence per New Ordinary Share and Notice of General Meeting**

#### 1. INTRODUCTION

TRG has today announced its intention to raise gross proceeds of £175 million by way of a Firm Placing and Placing and Open Offer. 95,299,430 New Ordinary Shares will be issued through the Firm Placing and 79,700,570 New Ordinary Shares will be issued through the Placing and Open Offer, on the basis of 5 New Ordinary Shares for every 37 Existing Ordinary Shares, in each case at an Offer Price of 100 pence per New Ordinary Share. The Capital Raising has been fully underwritten by the Joint Bookrunners, subject to the conditions set out in the Placing Agreement.

The purpose of this letter is to: (i) set out the background to, and reasons for, the Capital Raising; (ii) explain in greater detail TRG's strategy; (iii) summarise the key terms and conditions of the proposed Firm Placing and Placing and Open Offer; and (iv) explain why the Board considers the Capital Raising to be proposed at the General Meeting to be in the best interests of the Shareholders and why the Board unanimously recommends that Shareholders vote in favour of the Resolutions.

The Covid-19 pandemic and associated UK Government policy responses have had a very significant detrimental impact on the hospitality sector and on TRG's ability to trade normally, and as a consequence its financial results and short-term outlook. TRG has also today announced its results for the 52 weeks ended 27 December 2020, which demonstrate, inter alia, the significant impact the Covid-19 pandemic has had on the Group. Adjusted EBITDA (pre-IFRS16) fell to £8.7 million as at 27 December 2020 (FY 2019: £136.7 million) and Net Debt (pre-IFRS16) rose to £340.4 million as at 27 December 2020 (FY 2019: £286.6 million), and approximately £400 million as at 28 February 2021.

In response to these factors, TRG has taken decisive action to protect the future of the business, a summary of which is detailed in Section 2 (*Background, Strategy and Reasons for the Capital Raising*) of this letter.

The Board believes that, in the long-term, the Group is well positioned across its diversified brand portfolio to adapt to the challenges faced and benefit from a return to more normal levels of customer activity, when that occurs, and deliver long-term Shareholder value as a result. The current portfolio of sites, following the CVA and other restructuring, delivered EBITDA (pre-IFRS 16) of £118 million in FY 2019. This was prior to the rent reductions achieved through the CVA, and cost saving exercises completed in the Head Office.

However, in the near term, and as set out subsequently in this letter, given the unprecedented nature of the Covid-19 pandemic and the highly restrictive measures put in place in response, as well as the inherent uncertainty of when such measures might

be eased, and the resultant customer behaviour, TRG expects, without prejudice to the Working Capital Statement in Section 10 of this Letter from the Chairman and the Covid-19 assumptions relating thereto, its financial performance, cash generation and leverage to continue to be adversely affected. The Board anticipates that these factors will materially impact the Group's ability to reduce leverage organically or support selective growth opportunities in the medium term.

The Group has renegotiated its covenants and/or has secured covenant waivers for the relevant test dates in March, June and September 2021 in respect of the Wagamama Financial Covenant, and July 2021 and January 2022 in respect of the TRG Financial Covenants. The Group has entered into a new Forward Start Term Facility Agreement and a new Forward Start Super Senior RCF Agreement pursuant to which a £380 million Term Loan Facility and a £120 million Super Senior RCF have been made available to the Company with terms of five and four years, respectively. The Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement provide significant covenant headroom for an extended period, as further detailed in Section 2 (*Background, Strategy and Reasons for the Capital Raising*) of this Letter from the Chairman.

The Board is today proposing the Capital Raising and intends to use the net proceeds in the following order of priority:

- firstly, to improve TRG's liquidity headroom to protect against any potential resurgence of the Covid-19 pandemic;
- secondly, to accelerate TRG's deleveraging to a target Net Debt to EBITDA (pre-IFRS 16) below 1.5 times in the medium term; and
- thirdly, to strengthen TRG's flexibility to capitalise on selective site expansion in its Wagamama (UK restaurants, UK delivery kitchens) and Pubs businesses, where TRG expect there to be good and profitable opportunities.

The Board has considered the best way to structure the proposed equity capital raising in light of the Group's current financial position. The decision to structure the equity capital raising by way of a combination of a Firm Placing and a Placing and Open Offer takes into account a number of factors, including the total net proceeds to be raised and the desire to bring in certain institutional investors. Further details of the reasons for this structure are set out in Section 4 (*Principal Terms of the Firm Placing and Placing and Open Offer*) of this Letter from the Chairman. Shareholders' choices in relation to the Capital Raising are set out in more detail in Part II (*Details of the Capital Raising*) of the Prospectus.

A General Meeting has been convened for 11.00 a.m. on 29 March 2021 at the Company's Head Office at 5-7 Marshalsea Road, London SE1 1EP for Shareholders to consider and, if thought fit, approve the Resolutions. Further details of the General Meeting are provided in Section 7 (*Action to be taken*) of this Letter from the Chairman and in the "Notice of General Meeting" at the beginning of this document.

I am writing to give you further details of the Capital Raising, including the background to and reasons for the Capital Raising, to explain why the Board considers the Capital Raising to be in the best interests of TRG and the Shareholders as a whole and to seek your approval of the Resolutions.

## **2. BACKGROUND, STRATEGY AND REASONS FOR THE CAPITAL RAISING**

### **2.1 Background**

The Group operates approximately 400 restaurants and pubs through its Wagamama, Pubs, Leisure and Concessions businesses. The four businesses give the Group access to a broad spectrum of the hospitality and dining market, which allows the Group to capitalise on growth trends. The Group's diversified portfolio of well-recognised brands spans across a range of cuisines, occasions and locations.

As the only UK pan-Asian brand concept of scale with no large direct competitor, Wagamama is uniquely placed to prosper in the casual dining space. The business' commitment to delicious, fresh and healthy pan-Asian cuisine and excellent service is reflected in its leading Net Promoter Score among the UK hospitality and dining brands (source: BrandVue Net Promoter Score as at January 2021), as well as evidenced by over five years of outperformance versus the wider UK sector in terms of LFL Sales, as measured by the Coffey Peach tracker for restaurants. The Wagamama obsession with fresh food and superior levels of engagement amongst team members (with industry leading team turnover rate) are critical points of difference, and TRG has seen this with the business' encouraging trading performance when it was able to re-open briefly post the first national lockdown. Wagamama has a developed delivery and takeaway model and has been growing these sales channels significantly over the last few years, with 24% of sales now being achieved through this channel versus 16% a year ago (based on sales for the four-week period ended 20 September 2020 and comparative period in 2019, respectively). During the current national lockdown, the standalone delivery and takeaway business had performed very well, with average standalone weekly delivery and takeaway sales being approximately 2.5 times pre-Covid-19 levels (for the four weeks to 28 February 2021). The Directors believe this will position the business well to continue to capitalise on the long-term structural trend towards delivery.

Wagamama's estate is primarily located in local communities and destination shopping centres and as such, even with lower footfall in city centres, such as Central London, the brand has benefitted from the shift to increased working from home.

The Group's pubs benefit from their premium proposition, being situated in rural locations with attractive market dynamics, and from the Group's strong operational capabilities. Out of town locations, spacious layouts and the presence of beer gardens have been instrumental in the Group's ability to reopen the estate quickly and trade strongly when it was permitted to trade. Approximately 50% of the Pubs estate has over 100 "external" covers. The Group's pubs benefit from attractive demographics, with an average of 55% of the total population within a 10-15 minute drive time forming part of the higher income classes (A to C1). The Group's pubs have consistently outperformed the Coffer Peach tracker for pub restaurants on a LFL Sales basis over the past five years. Over 50% of the Group's pubs are freehold and such pubs have an aggregate real estate valuation of approximately £153 million (as of 27 December 2020, according to a third-party valuation commissioned by the Group).

The Group's Leisure business comprises approximately 135 restaurants, including the well-known brands, Frankie & Benny's and Chiquito. The Group's Leisure sites are well-spread across the UK, predominantly located in retail and leisure parks, as opposed to high street locations, and are targeted at a diverse range of customers. As outlined subsequently in this letter, the Group's Leisure business has undergone a significant transformation in 2020 resulting in a reduction of more than 60% of the estate, whilst retaining a strong core presence across the UK. Additionally, as a result of the successful CVA, the division has achieved improved rental terms on 82 sites in the remaining trading estate, ensuring a stronger recovery in EBITDA per site post-Covid-19 restrictions. Having removed a long tail of onerous leases, the Board expects the cash flow generation of the division to improve further, and TRG has recruited a new and experienced operational team to lead the long term recovery of the Group's Leisure division. A refresh of the Leisure division's existing delivery propositions and further development of online brands has seen delivery and takeaway sales rise, with 12% of total sales being achieved through this channel versus 4% in 2019 (based on sales for the four-week period ended 20 September 2020 and comparative period in 2019, respectively). During the current national lockdown, the standalone delivery and takeaway business had performed very well with average standalone weekly delivery and takeaway sales being approximately 5.0 times pre-Covid-19 levels (for the four weeks to 28 February 2021). These recent strong growth rates in delivery illustrate the potential for significant further growth in off-trade sales.

The Group's Concessions business, which is primarily focused on UK airports, has historically benefited from passenger growth, airports investments in terminal space, and increased food and beverage offerings. The Group's Concessions business has been significantly impacted due to disruption in the travel sector with short notice changes to quarantine arrangements and travel corridors leading to passenger volumes being significantly down compared to last year. As a result, the Group restructured the estate, with an approximately 50% reduction in Concessions sites with the Group exiting smaller regional airports where passenger volumes are likely to remain extremely volatile and take longer to recover, if at all, and consolidating its operations in the larger airports. The majority of the retained estate is at airports in London, with smaller portions at other major cities and regional airports. The Concessions business has outperformed the market, with LFL Sales growth consistently outpacing air traffic passenger growth for over five years (based on management calculations from passenger data sourced directly from airports) and a strong track record of contract extension. When passenger volumes do eventually start to recover, TRG remains confident that the Concessions division can deliver strong and sustainable financial returns.

## **2.2 Impact of Covid-19**

In March 2020, due to the rapid escalation of the Covid-19 pandemic, the UK Government and other governments took unprecedented actions to implement measures such as a national lockdown and travel bans, resulting in a significant decrease in the demand for travel and dining. Specifically, on 20 March 2020, the UK Government imposed a closure of all pubs, bars and restaurants for dine-in trade as part of a package of measures to reduce the spread of the virus.

Trading has been materially interrupted throughout 2020 and early 2021, with the key periods being:

- Pubs and restaurants were permitted to re-open from 4 July 2020 provided they adhered to Covid-secure guidelines. As a result, the Group started a phased reopening of its restaurants and pubs for dine-in trade with approximately 50% of units trading as at the end of July 2020 increasing to approximately 90% of its sites by the end of August 2020.
- Subsequently, after a period of phased re-opening, on 14 October 2020, the UK Government implemented a "tiered" system of Covid-19 restrictions which had a significant impact on the Group's ability to trade.
- The UK Government then implemented a second national lockdown in November 2020.
- On 2 December 2020, the Group was able to reopen a number of sites, subject to changing local restrictions.
- On 18 December 2020, the Group announced approximately 145 sites were trading for dine-in across the UK, with 142 sites providing delivery and takeaway services only, and the remaining 103 sites closed.



- A third national lockdown was announced on 4 January 2021 and, since 6 January 2021, all of the Group's outlets in the UK remain closed for dine-in customers, however, the Group continues to trade through delivery and click-and-collect services.

When the Group has been able to open its sites, trading has been significantly impacted due to:

- Covid-safe operational restrictions, for example, social distancing, curfews and bans on drinking whilst standing;
- lack of consistent restrictions within the UK and devolved administrations, for example, differing terms of lockdown in England compared to Scotland, Wales and Northern Ireland; and
- regularly changing government guidance, for example, varying tiering restrictions at short notice.

Furthermore, the restrictions have had an asymmetric impact on each of the Group's businesses. For instance, national lockdowns have had a disproportionate impact on the Pubs business, with the Wagamama and Leisure businesses still being able to trade through delivery and click-and-collect services. The Concessions business has been impacted significantly by the closure of travel corridors, which has significantly impacted international passenger travel.

Given the uncertainties that remain with regard to the Covid-19 pandemic, its duration and the restrictions that governments may choose to impose and the timing of any such measures, it is impossible to guarantee when there will be a return to more normalised trading conditions.

### ***Decisive actions taken in response to Covid-19***

It has been an extraordinary and unprecedented period for the hospitality sector and the wider economy. Throughout the year, the Group has acted decisively and at pace, ensuring the health and safety of TRG's customers and colleagues, whilst also taking the right steps to protect the future of the business. The steps taken are summarised below.

To address the effects of the pandemic and the lockdown measures put in place by the UK Government, swift and decisive action has been taken by the Group, including the following measures:

- focus on safeguarding TRG's colleagues and customers;
- costs during the first national lockdown were reduced to a maximum of approximately £3.5 million per month. Cash-burn during the November second national lockdown was reduced to approximately £5.5 million for the four-week period. This includes minimum base rents payable under the terms of the Leisure CVA as well as employer contributions towards furlough payments;
- action to address working capital pressures, including contract renegotiations with TRG's supportive supplier base and the agreement of deferred payment plans;
- a significant and immediate reduction in the capital expenditure of the Group to no more than £40 million for FY 2020 and £30 million for FY 2021; and
- accessing Government support where appropriate including:
  - the furloughing of up to 20,000 employees across the restaurants and head office under the Government's Coronavirus Job Retention Scheme;
  - the agreement of payment plans with HMRC under the "Time to Pay" scheme to defer payment of PAYE and National Insurance; and
  - the deferring of VAT under the VAT Deferral Scheme offered by the Government, which allowed all VAT payments between March and June 2020 to be deferred to 2021.

### ***Banking facilities and liquidity***

In order to strengthen its liquidity, TRG carried out a placing of shares on 8 April 2020 which raised net proceeds of £54.6 million from institutional shareholders. The Group also achieved increased flexibility in its banking facilities with its very supportive lending group, which has included:

- key covenant waivers and/or renegotiations achieved for the relevant test dates in March, June and September 2021 in respect of the Wagamama Financial Covenant, and July 2021 and January 2022 in respect of the TRG Financial Covenants, being the outstanding test dates before the maturity of the TRG Plc Revolving Credit Facility, the CLBILS Facility and the Wagamama RCF;
- £160 million TRG Plc Revolving Credit Facility extended by six months to 30 June 2022;
- £50 million CLBILS Facility secured through Lloyds Banking Group expiring on 30 June 2022;

- Wagamama RCF increased with Santander UK plc to £35 million from £20 million; and
- the Forward Start Term Facility Agreement and Forward Start Super Senior RCF put in place with lenders as part of the Planned Refinancing detailed further below.

#### Remuneration

There have been voluntary pay sacrifices by:

- TRG's Executive Directors (40% of salary by Andy Hornby, CEO, and 20% of salary by Kirk Davis, CFO from 1 April 2020 to 30 June 2020, both of whom have also voluntarily foregone their bonuses for FY 2019, and the Remuneration Committee exercised its discretion to resolve that no annual bonuses will be paid to the Executive Directors for FY 2020);
- a voluntary 40% reduction of Non-Executive Directors' fees from 1 April 2020 to 30 June 2020 (and reduction in the number of Non-Executives from six to five);
- a majority of staff at head office (with pay sacrifices ranging from 20% to 40% of salary) from 1 April 2020 to 30 June 2020; and
- all TRG Directors voluntarily waiving 20% of their salaries/fees from 1 July 2020 until 31 March 2021.

#### Restricted trading and Covid-19 health and safety measures

At various times since 4 July 2020, TRG has been able to open parts of its estate to dine-in trade. Extensive planning was undertaken in each division, with protocols and procedures put in place to ensure colleague and customer safety whilst providing an enjoyable and authentic hospitality experience. Operational changes TRG has made include:

- *Guest and team safety*: introducing innovative sliding screens in Wagamama which help seat groups safely apart along Wagamama's iconic benches; taking advantage of the spacious layout of the internal dining areas and many large beer gardens of our Pubs to accommodate social distancing; adapting table spacing; and increasing cleaning, sanitation and use of PPE;
- *Technology*: introduction of new "Pay at Table" functionality in the Wagamama and Pubs businesses, with very encouraging uptake by customers and which has been well received by our guests; and
- *Optimising off-trade channels*: growth of delivery activity along with an enhanced click-and-collect proposition and further development of online-only brands.

#### Restructure: Proactively reorganised the business to ensure a higher quality diversified estate

TRG has significantly restructured its estate through several initiatives, for example, the CVA of TRG UK Ltd (primary operator of the Frankie & Benny's brand) approved on 29 June 2020, and exiting 30 of the 71 Concessions sites that are no longer economically viable, and achieving improved terms with the majority of its airport partners, including a waiver of rental payments for non-trading periods and temporary suspension of minimum guaranteed rents ("MGR's") or reduced MGR's linked to passenger volumes. This improved flexibility in the rental structure enables the Group to partially mitigate medium-term passenger volatility on trading. Overall, lease liabilities (IFRS 16) have been reduced by 48% to £484 million as at 27 December 2020 (from £933 million as at 30 December 2019).

Following all of the actions above, the business has been reshaped and the retained estate is as below:

	Year-end 2019	CVA	Administrations	Closed <sup>1</sup>	Openings	Year-end 2020 <sup>2</sup>
Wagamama UK <sup>3</sup>	148	-	-	(5)	6	<b>149</b>
Pubs	84	-	(7) <sup>4</sup>	(1)	2	<b>78</b>
Leisure	350	(128)	(45) <sup>5</sup>	(40-45)	-	<b>132-137</b>
Concessions	71	-	-	(36-41)	-	<b>30-35</b>

<sup>1</sup> Subject to negotiation with landlords and airport partners. Represents the total number of locations projected by the Group to be closed by 30 June 2021.

<sup>2</sup> Expected retained estate.

<sup>3</sup> Includes delivery kitchens.

<sup>4</sup> In total, the Food & Fuel Limited estate comprised 11 sites, four of which TRG achieved agreement with landlords and the administrator to retain.

<sup>5</sup> In total, the Chiquito Limited comprised 63 sites, 18 of which we achieved agreement with landlords and the administrator to retain.

<b>Total</b>	653	(128)	(52)	(82-92)	8	<b>c.400</b>
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The Board believes the Group is therefore well positioned across its diversified brand portfolio to adapt to the challenges faced and benefit from a return to more normal levels of customer activity, when that occurs, and deliver long-term Shareholder value as a result.

### ***Recapitalise: Planned Refinancing***

On 1 March 2021, the Group announced that it had successfully signed commitments in relation to, and following which has entered into, the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement which together provide £500 million of debt facilities to the Group, through a £380 million Term Loan Facility, and a £120 million Super Senior RCF, which have terms extending to the fifth and fourth anniversary of the Refinancing Date, respectively. The Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement provide the Group with enhanced liquidity and long-term financing until their maturities. The Term Loan Facility and, as required, an initial simultaneous drawing of the Super Senior RCF will be used to repay and refinance the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama Notes and the Wagamama RCF which are all due to reach maturity on or before July 2022.

The Forward Start Term Facility Agreement's and the Forward Start Super Senior RCF Agreement's covenant package provides significant covenant headroom for an extended period. In particular, under the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement, the Group shall be subject only to the Group Liquidity Covenant set at £40 million (versus £50 million under the TRG Plc Revolving Credit Facility/CLBILS Facility) until the December 2022 test date followed by net leverage-based testing under the Forward Start Super Senior RCF Agreement from June 2022, and on the Forward Start Term Facility Agreement from December 2022.

Both the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement are subject to a margin ratchet, which allows the Group's cost of debt to decrease according to prevailing net leverage (defined as pre-IFRS 16 Net Debt/EBITDA). For illustrative purposes the initial weighted average cost of debt is expected to be approximately 7.0%, which would fall to approximately 6.0% were net leverage to go below 2.0 times (defined as pre-IFRS 16 Net Debt/EBITDA). In addition, whilst the Term Loan contains no contractual amortisation repayments, it provides flexibility to allow the Group to prepay the facility if desirable, with a significant proportion of the facility able to be prepaid without penalty in the 18 months following the drawdown.

Following the utilisation of the Term Loan Facility and the Super Senior RCF, and the repayment of the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama Notes and the Wagamama RCF, the Group's financing arrangements will be simplified, as the Group's debt will be consolidated into one finance group at the TRG level which will provide a more efficient funding structure to support the Group's strategic initiatives. The Group's Net Debt to EBITDA (pre-IFRS 16) prior to the impact of the Covid-19 pandemic (at FY 2019) was 2.1 times. As outlined above, due to the significant impact of the pandemic, the Group's Net Debt to EBITDA (pre-IFRS 16) currently stands at 39.1 times (pre-IFRS 16) (at FY 2020). The proceeds of the Capital Raising will be used to accelerate TRG's deleveraging to a target Net Debt to EBITDA (pre-IFRS 16) below 1.5 times in the medium-term.

### ***Vaccine rollout***

On 9 December 2020, the UK commenced vaccinations against Covid-19 according to the UK Government's priority groupings. The UK Government recently announced that more than 15 million of the most vulnerable people have received their first vaccination dose, and that the programme is on track to have vaccinated all high-risk groups by Easter.

## **2.3 Ready for relaunch: Strategy**

### ***Market overview***

The number of casual dining outlets in the UK is expected to decline by 30 to 35% from the end of 2019 to the end of 2021, with a number of long-established, multi-site casual dining brands having permanently closed a significant proportion of their estate following a series of restructuring initiatives.

The delivery market has also grown rapidly and was worth £9.8 billion in 2020, a 40% increase over the two previous years (according to the Rebuilding of Hospitality 2021 to 2025 report and the MCA Foodservice Delivery Report (2019)). TRG believes the delivery market can continue to grow quickly, and it represents a significant strategic opportunity, particularly for operators with the right scale, brands and capability set.

### ***Ready for a rapid and profitable reopening***

The Group currently has approximately 200 sites trading for delivery and takeaway across its Wagamama and Leisure businesses. The trading performance of those sites has been very encouraging. With this strong operating platform in place, the Group has good capability to deliver an accelerated reopening plan for dine-in trading, once the current restrictions for hospitality businesses end, with all viable sites being re-opened within two weeks. In addition, mothballed Concessions sites can be quickly reactivated.

Sales densities should recover quickly with the significant capacity that has already left the market and the pent-up demand for hospitality given the prolonged period of closure.

The Group will also be relaunching from an improved cost base with approximately 50% of its leasehold estate now on a turnover-rent structure, as well as benefitting from previous investments made in technology apps, screens, visors, hand sanitisers and extensive team training to make premises and operations Covid-19 secure.

### ***Group strategy***

The restructured Group is focused on addressing what it believes are attractive segments of the market and good locations, with increasing penetration of delivery and take-away components across the Wagamama and Leisure businesses. During the periods of re-opening in 2020, the Group's businesses' trading performance was in line with or exceeded that of their respective market benchmark, demonstrating their attractive positioning in the UK market. The Directors believe the four divisions of the Group are therefore well positioned across its diversified brand portfolio to benefit from a return to more normal levels of customer activity, as and when that occurs, and as a result deliver long-term Shareholder value:

- **Wagamama** (approximately 38% of retained estate): Wagamama is the only UK pan-Asian brand concept of scale, with no large direct competitor, and benefits from being aligned to a number of consumer trends, including the focus on healthy options, speedy service and convenience through delivery. The Wagamama obsession with fresh food and superior levels of engagement amongst team members (with industry leading turnover rate) are critical points of differentiation, with the cuisine also travelling extremely well for delivery and takeaway. The business has a five-year track record of consistent market LFL Sales outperformance of over 5% pre-lockdown, and this continued during the period of reopening (according to the Coffer Peach tracker for restaurants). Delivery related sales penetration has also increased significantly, and the business is well positioned to win market share in the long-term structural growth trend towards delivery. Wagamama (excluding delivery kitchens) has a track record of delivering over 40% returns on invested capital and approximately £500,000 average outlet EBITDA (based on new openings between 2015 and 2017). The five Wagamama delivery kitchens currently in operation generate £225,000 average outlet EBITDA with over 75% return on invested capital. Given this track record, long-term ambitions include significant measured roll-out potential to expand both in the UK to a targeted 180-200 restaurants (from 144 today), 20-30 delivery kitchens (from five today), and in international markets via franchise and the US JV.
- **Pubs** (approximately 20% of retained estate): The Pubs business benefits from their premium proposition, being situated in rural locations with outside space and limited competition nearby, as well as autonomy at a site level on menu selection which allows pubs to adapt rapidly to local trends. Approximately 50% of the Pubs estate has over 100 "external" covers, with the expansive buildings and grounds providing multiple ancillary trading opportunities. There is strong asset backing, with a freehold asset base valued at approximately £153 million (as of 27 December 2020, according to a third-party valuation report commissioned by the Group). The Group's pubs have demonstrated excellent operational capabilities, with a well-established team and practices. TRG's pubs have a five-year track record through to 2019 of consistently outperforming market LFL Sales by an average of 4%. The Pubs business also has a strong track record of delivering returns on invested capital of over 25% (on an adjusted leasehold basis<sup>6</sup>) and approximately £450,000 average outlet EBITDA (based on new openings between

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<sup>6</sup> EBITDA assumed on a leasehold basis at 6% interest on freehold component of investment.

2015 and 2017). Long-term ambition is for further selective site expansion and growing the business from 78 pubs today to a target of 140-160 pubs.

- **Leisure** (approximately 33% of retained estate): The Leisure portfolio has been significantly restructured, leading to an approximately 60% reduction in the trading estate, through the exit of a large number of structurally unattractive leases, addressing a key prior weakness of the Group. Furthermore, the restructuring of the Leisure business has also seen improved rental structures, with the average lease maturity reduced from 6 to 2.3 years, and an increase in the number of sites with turnover based rental terms increasing from 13% to 66% (subject to minimum based rents). The Board believes that the resulting portfolio has the potential to achieve a higher average outlet EBITDA and EBITDA margin, with a significantly improved rental structure. The restructured estate represents approximately 70% of the divisions FY 2019 outlet EBITDA. Delivery related sales penetration has also increased significantly, demonstrating that the business is well positioned to benefit from the macro trend towards delivery. The Group has recruited a new and experienced operational team to lead the long term recovery of the division and the long-term ambitions will focus on improving the cash generative nature of the division, maintaining the best sites in the strongest locations and increasing delivery penetration.
- **Concessions** (approximately 9% of retained estate): The business has historically benefited from consistent UK passenger growth and traded ahead<sup>7</sup> of it. Given passenger volumes are significantly reduced at present and anticipated not to significantly improve until 2022, the Group has restructured its estate, with an approximately 50% reduction in Concessions sites from 71 to between 30 to 35 sites compared to FY 2019. The restructured estate will principally comprise of sites located in the UK's major airports of Heathrow, Gatwick, Luton, Stansted and Manchester. The restructured estate will allow TRG to focus on delivering a higher average outlet EBITDA, as it represents over 80% of FY 2019 outlet EBITDA. While there is not anticipated to be a significant improvement in airport passenger volumes in the immediate future, the Board believes that the resulting portfolio is well positioned to deliver attractive financial returns when air passenger growth returns to more normal levels of activity.

### ***Proposed actions***

Given the unprecedented nature of the ongoing Covid-19 pandemic, and the highly restrictive measures put in place by the UK and national governments, the Group expects cash generation to continue to be negative in the near term. These factors will impair the Group's ability to reduce leverage organically or in due course take advantage of selective acquisition opportunities.

TRG has considered a number of different scenarios and assumptions and the impact these might have on TRG's financial position in deciding whether to proceed with the Capital Raising and on the appropriate quantum. These included the impact of ongoing social distancing measures, the recovery profile and the likelihood of any further waves of national and local lockdown. Taking these into consideration, and the Planned Refinancing undertaken, TRG believes that the action plan outlined above, including a Firm Placing and Placing and Open Offer to raise gross proceeds of £175 million, provides TRG with the optimum capital structure to deliver its strategy and long-term Shareholder value. Following the Capital Raising, this will provide significant headroom of £151 million for the Group in the base case, and £132 million under the reasonable worst case, both after allowing for the Group Liquidity Covenant. Furthermore, TRG has explored selective asset disposals over the past six months; however, based on extensive work the Board believes that it is not in Shareholders' best interest to seek to sell part of the Group's operations, based on current prevailing multiples, at the current time. Any disposals would not achieve best value for Shareholders and might have long term implications for managements' flexibility to pursue their strategy and deliver the best returns for Shareholders. Accordingly, TRG concluded that the most appropriate course of action to reduce debt and leverage in the medium-term was to raise equity.

Taking these into consideration, and the Planned Refinancing, TRG believes that the action plan outlined above, including a Firm Placing and Placing and Open Offer to raise gross proceeds of £175 million, provides TRG with a robust capital structure to deliver its strategy and generate future Shareholder value.

### **3. CURRENT TRADING AND OUTLOOK**

As per the restrictions announced by the English, Scottish and Welsh governments in January 2021, the Group currently has no sites able to trade for dine-in.

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<sup>7</sup> Based on management calculations from passenger data sourced directly from airports.

The complete cessation of trade for dine-in has resulted in the Net Debt (pre-IFRS 16) position of the Group increasing to approximately £400 million as at 28 February 2021 from £340 million as at 27 December 2020. This has been driven by £40 million of working capital outflow due to the unwind of trade creditor positions as a result of cessation of trading, VAT payments and timing benefit of certain payments at year-end, for example, payroll costs, £6 million of interest payments due (primarily under the Wagamama Notes), and operating cash-burn of £12 million over the first two months of 2021.

There are £30 million of liabilities relating to deferred rent and VAT deferral to be paid throughout 2021, which will be offset as the trade creditor position rebuilds in 2021. Capital expenditure is expected to be approximately £30 million for FY 2021. In addition, exceptional cash costs are expected to be approximately £25 million for FY 2021, primarily related to refinancing and corporate transaction costs.

The Group is currently operating 200 sites for delivery and takeaway across its Wagamama and Leisure businesses which have been trading extremely well with average standalone weekly delivery and takeaway sales being approximately 2.5 times pre-Covid-19 levels for Wagamama and approximately 5.0 times pre-Covid-19 levels for Leisure (for the four weeks to 28 February 2021).<sup>8</sup>

The Board is encouraged by the welcome news of the initial success of the vaccination programme currently being rolled out, and believes the Group is well positioned to benefit from a sustained removal of restrictions over time given its previous encouraging trading performance following the first lockdown and the strong operating platform in place. However, in the near term, the Board anticipates that the outlook remains uncertain with trading disrupted while Government restrictions for hospitality businesses are in place.

#### 4. PRINCIPAL TERMS OF THE FIRM PLACING AND PLACING AND OPEN OFFER

TRG is proposing to raise gross proceeds of approximately £175 million by way of:

- (i) a Firm Placing of 95,299,430 New Ordinary Shares; and
- (ii) a Placing and Open Offer of 79,700,570 New Ordinary Shares,

(together, the “**Capital Raising**”) in each case at an Offer Price of 100 pence per New Ordinary Share. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares.

The Capital Raising is being fully underwritten by the Joint Bookrunners, subject to certain customary conditions in the Placing Agreement, details of which are set out in Section 9.1 of Part VII (*Additional Information*) of the Prospectus. The Capital Raising is conditional on, among other things, the Resolutions having been passed by Shareholders at the General Meeting.

A cash box structure will be used for the issue of the New Ordinary Shares pursuant to the Capital Raising. The Board has considered the best way to structure the proposed equity capital raising in light of the Group’s current financial position. The decision to structure the equity capital raising by way of a combination of a Firm Placing and a Placing and Open Offer takes into account a number of factors, including the total net proceeds to be raised. The Board believes that the Firm Placing will enable the Company to satisfy demand from potential new investors as well as current Shareholders wishing to increase their equity positions in the Company. The Board has sought to balance the dilution to existing Shareholders arising from the Firm Placing with the need to bring in substantial investors with guaranteed commitments to ensure the success of the Capital Raising. As a result 46 per cent. of the New Ordinary Shares being issued will be available to existing Shareholders through the Open Offer on a pro rata basis.

Further details of the terms and conditions of the Capital Raising, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part II (*Details of the Capital Raising*) and, where relevant, the Application Form.

#### *Offer Price*

The Offer Price of 100 pence per New Ordinary Share represents a 10.47% discount to the closing middle market price of TRG of 111.7 pence per Ordinary Share on 9 March 2021, the latest Business Day prior to the announcement of the Capital Raising. The Offer Price (and the discount) has been set by the Directors following their assessment of the prevailing market conditions

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<sup>8</sup> Pre-Covid refers to the period of 8 weeks to 23 February 2020.

and anticipated demand for the New Ordinary Shares. The Board, having taken appropriate advice from its advisors, believes that the Offer Price (including the discount) is appropriate in the circumstances.

### ***Firm Placing***

The Company proposes to issue 95,299,430 Firm Placing Shares to Firm Placees at the Offer Price, on a non-pre-emptive basis. The Firm Placing will not be subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders.

### ***Placing and Open Offer***

Under the Open Offer, Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares pro rata to their current holdings on the basis of 5 New Ordinary Shares for every 37 Existing Ordinary Shares held by them on the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held and otherwise on the terms and conditions set out in the Prospectus (and, in the case of Qualifying Non-CREST Shareholders, the Application Form).

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlements. Fractions of Open Offer Shares will not be allotted and each Qualifying Shareholder's Open Offer Entitlements will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and sold for the benefit of the Company under the Placing. Accordingly, Qualifying Shareholders with fewer than 37 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Open Offer Entitlements.

The Joint Bookrunners have agreed severally, subject to the certain terms and conditions of the Placing Agreement, to use reasonable endeavours to procure Placees for the New Ordinary Shares at the Offer Price. To the extent that any Firm Placee or Conditional Placee procured by the Joint Bookrunners fails to subscribe for any or all of the Firm Placing Shares and/or Placing Shares which have been allocated to it, subject to certain conditions, each of the Joint Bookrunners shall severally subscribe or procure subscribers for the Firm Placing Shares and/or the Placing Shares at the Offer Price. Further details of the terms and conditions of the Placing Agreement are set out in Section 9.1 of Part VII (*Additional Information*) of the Prospectus.

### ***Impact of not applying for New Ordinary Shares***

Any New Ordinary Shares which are not applied for under the Open Offer will be allocated to Conditional Placees pursuant to the Placing. Pursuant to the Placing Agreement, the Joint Bookrunners have severally agreed to use reasonable endeavours to procure conditional subscribers (subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders) for the New Ordinary Shares at the Offer Price. If the Joint Bookrunners are unable to procure subscribers for any New Ordinary Shares that are not taken up by Qualifying Shareholders pursuant to the Open Offer (including in the event that a prospective Conditional Placee fails to take up any or all of the Firm Placing Shares which have been allocated to it or which it has agreed to take up at the Offer Price), then each of the Joint Bookrunners has agreed, on the terms and subject to the conditions set out in the Placing Agreement, severally (and not jointly or jointly and severally) to subscribe for such New Ordinary Shares at the Offer Price in its Due Underwriting Proportions.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST, and be enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer. Any Open Offer Shares which are not applied for under the Open Offer will be allocated to Conditional Placees pursuant to the Placing.

### ***Dilution***

If a Qualifying Shareholder who is not a Placee does not take up any of their Open Offer Entitlements, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share Capital, will be diluted by 22.88 per cent. as a result of the Capital Raising.

If a Qualifying Shareholder who is not a Placee takes up their Open Offer Entitlements in full, such Qualifying Shareholder's holding, as a percentage of Enlarged Share Capital, will be diluted by 12.46 per cent. as a result of the Firm Placing.

Shareholders in the United States and the other Excluded Territories will not be able to participate in the Open Offer and will therefore experience dilution as a result of the Capital Raising.

### ***Conditionality***

The Capital Raising is conditional, among other things, upon:

- (A) the passing of the Resolutions at the General Meeting without material amendment;
- (B) Admission of the New Ordinary Shares becoming effective by not later than 8.00 a.m. on 30 March 2021 (or such later time and/or date as the Joint Bookrunners and the Company may agree in advance in writing); and
- (C) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been rescinded or terminated in accordance with its terms prior to Admission.

If any of the conditions are not satisfied or, if applicable, waived, then the Capital Raising will not take place.

Application will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and dealings in the New Ordinary Shares fully paid will commence at 8.00 a.m. on 30 March 2021.

## **5. SIGNIFICANT COMMITMENTS AND RELATED PARTY TRANSACTIONS**

### ***Significant commitments***

*Threadneedle:* Subject to the passing of the Resolutions, Threadneedle has committed to subscribe for 31,588,444 New Ordinary Shares at the Offer Price, comprising 17,202,062 New Ordinary Shares pursuant to the Firm Placing and 14,386,382 pursuant to the Placing and Open Offer. The Company is grateful for Threadneedle's support.

Following the Capital Raising, Threadneedle will hold approximately 18.1 per cent. of the Enlarged Share Capital (including 31,588,444 New Ordinary Shares).

### ***Related Party Transactions***

*Threadneedle:* Threadneedle is a related party of the Company for the purposes of the Listing Rules as it is a substantial shareholder of the Company which is entitled to exercise, or control the exercise of, approximately 18 per cent. of the votes able to be cast at general meetings of the Company.

The maximum aggregate value of the New Ordinary Shares to be issued to Threadneedle pursuant to the Capital Raising is approximately £31.6 million. Accordingly, and when aggregated with the take-up by Threadneedle in the April 2020 Placing, the issue of such New Ordinary Shares to Threadneedle is a transaction of sufficient size to require Shareholder approval under the Listing Rules as Threadneedle is a related party, which will be sought at the General Meeting (Threadneedle and its affiliates will not vote on Resolution 1). Any New Ordinary Shares issued to Threadneedle as a result of it taking up its Open Offer Entitlements are exempt from the rules regarding related party transactions under chapter 11 of the Listing Rules.

*Directors:* Each Director is a related party of the Company for the purposes of the Listing Rules. In connection with the Capital Raising, each of the Directors has agreed to subscribe for additional Ordinary Shares, which amount to 241,238 Ordinary Shares in aggregate, at the Offer Price, pursuant to direct subscription agreements with the Company, conditional upon Admission. The subscriptions by the Directors for additional Ordinary Shares fall within the scope of such rules. Due to the size of each individual subscription relative to the Company's market capitalisation, the Director subscriptions are exempt from the rules regarding related party transactions under chapter 11 of the Listing Rules and therefore do not require Shareholder approval under the Listing Rules. For further details on the Directors' subscriptions, please refer to Section 9 (*Directors' intentions*) of this Letter from the Chairman below.



## 6. GENERAL MEETING

A notice convening a General Meeting to be held at 11.00 a.m. on 29 March 2021 at the Company's Head Office at 5-7 Marshalsea Road, London SE1 1EP at which the Resolutions will be proposed is set out at the beginning of this document. The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, as set out in full in the Notice of General Meeting.

**Your attention is drawn to the fact that the Capital Raising is conditional and dependent upon the Resolutions being passed.**

In summary, the Resolutions seek the approval of Shareholders:

- Resolution 1: to issue up to 31,588,444 New Ordinary Shares to Threadneedle pursuant to the Capital Raising, in light of Threadneedle's existing holding of Ordinary Shares at the Latest Practicable Date.
- Resolution 2:
  - to the terms of the Capital Raising as set out in this document; and
  - to grant the Company's board of directors authority to allot Ordinary Shares pursuant to the Capital Raising.

The Resolutions will be proposed as ordinary resolutions requiring a simple majority of votes in favour. The Resolutions must be approved by Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the General Meeting.

For further information in relation to the Resolutions to be proposed at the General Meeting and the measures in place as a result of restrictions in light of the Covid-19 pandemic, see the "*Notice of General Meeting*" at the beginning of this document.

## 7. ACTION TO BE TAKEN

### *General Meeting*

In light of the continuing UK Government restrictions in respect of the Covid-19 pandemic, TRG's key priority remains the health and safety of employees, customers, business partners and Shareholders. As was the case for the general meeting held on 8 October 2020, and in line with current guidelines, the General Meeting will be run as a closed meeting and **Shareholders will not be permitted to attend in person**. TRG will make arrangements such that the legal requirements to hold the meeting will be satisfied through the attendance of a minimum number of Directors and the format of the meeting will be purely functional. The General Meeting will comprise only the formal vote on the Resolutions, see the "*Notice of General Meeting*" at the beginning of this document, without any business update or Q&A.

TRG are therefore implementing the following precautions to ensure that the General Meeting is held in a compliant and safe way:

- **Shareholders and their representatives will NOT be permitted to attend the General Meeting in person.**
- Instead, all Shareholders should vote by proxy to ensure that their vote is counted at the General Meeting either:
  - by appointing a proxy electronically (as explained under the heading "*Voting*" below); or
  - by completing the enclosed Form of Proxy and returning it by post.
- Given the restrictions on attendance, Shareholders are advised to appoint the "chairman of the meeting" as their proxy rather than a named person who will not be permitted to attend the General Meeting.

- As Shareholders will not be attending the General Meeting in person, TRG are providing a facility for Shareholders to ask questions of the Directors. TRG will then select representative questions and provide answers on the TRG website. The details are set out under the heading “*Shareholder Questions*” below.

As the situation is constantly evolving and the UK Government may change current restrictions or implement further measures relating to the holding of meetings during the affected period, any changes to the General Meeting will be communicated to Shareholders before the meeting through the TRG website ([www.trgplc.com](http://www.trgplc.com)) and, where appropriate, by RIS announcement.

The Directors trust that all Shareholders will understand the need for these precautions in light of UK Government health guidelines on Covid-19.

### *Voting*

**Please do NOT try to attend the General Meeting in person.** Instead, please vote by proxy as follows:

- you can appoint a proxy electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti’s online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk). Full instructions are given on both websites. **To be valid your proxy appointment and instructions should be made no later than 11.00 a.m. on 25 March 2021;**
- you can appoint a proxy by completing the enclosed Form of Proxy. This should be returned as soon as possible and in any event must be received no later than 11.00 a.m. on 25 March 2021; or
- CREST holders should refer to note 8 on the section entitled “*Notice of General Meeting*” at the beginning of this document.

Given the restrictions on attendance, for your votes to be counted, you are advised to appoint the chairman of the meeting, rather than a named person who will not be permitted to attend the meeting.

Appointing a proxy, either electronically or by post, will ensure your vote is recorded. The quorum for the General Meeting is at least two Shareholders present in person, by proxy or by a corporate representative. The Resolutions will require the approval of a simple majority (over 50%) of the votes cast at the General Meeting. The Resolutions will be decided by way of a poll so that the votes of Shareholders who do not attend in person will be counted.

### *Shareholder Questions*

As Shareholders will not be attending the General Meeting in person, TRG has set up a dedicated electronic mailbox for Shareholders to ask questions of the Directors. Please send your questions to [GMQuestions@trgplc.com](mailto:GMQuestions@trgplc.com) by no later than 11.00 a.m. on 29 March 2021, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). TRG will collate the questions received and select a representative sample which will be answered on the Company’s website at [www.trgplc.com](http://www.trgplc.com). TRG will also provide answers directly to the Shareholders who asked the questions.

### *Capital Raising*

The latest time for acceptance by Shareholders under the Open Offer is 11.00 a.m. (UK time) on 26 March 2021. The procedure for acceptance and payment is set out in Part II (*Details of the Capital Raising*) of the Prospectus. Further details also appear in the Application Form which will be sent to all Qualifying Non CREST Shareholders (other than, subject to certain exceptions, those Qualifying Non CREST Shareholders with a registered address in the Excluded Territories).

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

## 8. DIVIDENDS AND DIVIDEND POLICY

As announced on 26 February 2020, TRG has temporarily suspended dividends in order to enable the Group to accelerate its deleveraging profile, whilst maintaining the ability to continue investing in its high growth segments and providing the flexibility required to rationalise the Leisure estate. In view of the impacts of the Covid-19 pandemic since then and the considerable uncertainty regarding the duration, extent and ultimate overall impact of the Covid-19 pandemic, TRG has decided to continue the suspension of dividends. The Board hopes to return to paying dividends again when it is financially prudent to do so.

Additionally, terms restricting the payments of dividends are a requirement of an agreement made under the CLBILS Facility. As a result, the terms of the CLBILS Facility Agreement limit the ability for TRG to pay future dividends to an amount that is not greater than the level of dividend made in the 12 months prior to 9 July 2020 provided that payment of the dividend would not have a material negative impact on the ability of TRG to make all payments due to be made under the financing agreements. Any dividend in excess of this amount can only be declared or paid if TRG obtains the prior consent of all lenders under the CLBILS Facility Agreement. In addition, the terms of the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement restrict the payment of dividends such that no dividends (other than de minimis management equity repurchases and management and employee advances) are permitted unless the Group's Senior Secured Net Leverage Ratio is no greater than 2.75 times (on a pro forma basis). If TRG wished to pay dividends at a time where its Senior Secured Net Leverage Ratio was not in compliance with this level, TRG would be required to obtain the prior consent of the relevant lenders under the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement. As the lenders under the CLBILS Facility Agreement, Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement are under no obligation to consent to the payment of a dividend by TRG, these requirements could limit the ability of TRG to pay a dividend to Shareholders while these facilities remain in place.

The total dividend for the FY 2019 was 2.1 pence per Ordinary Share. No dividend shall be paid for FY 2020.

## 9. DIRECTORS' INTENTIONS

Each Director who is a Shareholder, who hold in aggregate 1,028,681 Existing Ordinary Shares, representing in aggregate approximately 0.17 per cent. of the issued share capital of the Company as at the Latest Practicable Date, has irrevocably committed to vote in favour of the Resolutions to be proposed at the General Meeting.

In addition, each of the Directors have committed to subscribe for additional Ordinary Shares, at the Offer Price, in connection with the Capital Raising pursuant to direct subscription agreements with the Company, as set out in the following table:

Name	Existing Ordinary Shares beneficially held (as at the Latest Practicable Date)	Total investment in new Ordinary Shares in connection with the Capital Raising
Debbie Hewitt	192,763	£57,195
Andy Hornby	289,050	£85,764
Kirk Davis	465,897	£50,000
Graham Clemett	44,755	£13,279
Zoe Morgan	31,680	£20,000
Alison Digges	4,536	£10,000
Alex Gersh	N/A	£5,000

## 10. WORKING CAPITAL

In the opinion of TRG, taking into account the net proceeds of the Capital Raising (being £166.1 million) and the Planned Refinancing the working capital available to TRG and the Group is sufficient for its present requirements (that is, for at least 12 months following the date of this document).

As part of its sensitivity analysis in relation to the Working Capital Statement above, TRG has identified and defined a reasonable worst case scenario. That has involved making certain assumptions regarding the Covid-19 pandemic and its impact on TRG and the Group. Given the continuing considerable uncertainty in relation to the Covid-19 pandemic (including in relation to its duration, extent and ultimate impact), there is therefore uncertainty in relation to the Covid-19-specific assumptions included in the Group's reasonable worst case scenario.

Given those uncertainties, TRG believes that it is appropriate to provide additional disclosure on the key assumptions included in the Group's reasonable worst case scenario in relation to the prospective impact of, and business disruption during, the Covid-19 pandemic.

In determining the potential impact resulting from Covid-19, TRG has assumed:

- national lockdown restrictions continue until 17 May 2021;
- followed by social restrictions (in line with October 2020) until the end of December 2021;
- no Concessions site trading in 2021 due to restrictions on international travel; and
- the extension of business support initiatives in line with prior government policy, principally through:
  - the extension of VAT reduction to 5% and business rates relief until 17 May 2021 (i.e. during the period of national lockdown restrictions); and
  - the extension of the Coronavirus Job Retention Scheme until the end of December 2021 (i.e. during the period of social restrictions).

The assumptions set out above are those that TRG regards, as at the date of this document, as the key assumptions included in the Group's reasonable worst case scenario in relation to the prospective impact of, and business disruption during, the Covid-19 pandemic for the purposes of the sensitivity analysis in relation to the Working Capital Statement above. As such, they are not an exhaustive statement or explanation of all the assumptions that TRG has made as part of that sensitivity analysis. Given the considerable uncertainty in relation to the Covid-19 pandemic, it is possible that other matters, which TRG does not currently regard as sufficiently material to be a key assumption included in TRG's reasonable worst case scenario for the purposes of its sensitivity analysis, could nevertheless also prove to be significant. Whilst the assumptions set out above are significantly worse than the 'Road to Recovery' announced by the UK Government on 22 February 2021, the Directors considered it necessary to plan for the potential scenario that the recovery is significantly delayed.

The Working Capital Statement in this document has been prepared in accordance with the ESMA Recommendations and the technical supplement to the FCA Statement of Policy published on 8 April 2020 relating to the Covid-19 pandemic.

## 11. IMPORTANCE OF YOUR VOTE

**Your attention is again drawn to the fact that the Capital Raising is conditional and dependent upon, amongst other things, the Resolutions being passed at the General Meeting on 29 March 2021.**

The Capital Raising will significantly strengthen the Group's balance sheet pursuant to the strategy management has outlined and the Directors believe that a stronger balance sheet will support our medium-term growth aspirations for the benefit of our Shareholders.

### (A) Planned Refinancing and covenant position

#### *Existing Facilities*

As at 27 December 2020, the Group had the following debt facilities in place: the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes (the "**Existing Facilities**"), which are all due to reach maturity by July 2022. Under the Existing Facilities, and explained above in this letter, the Group has renegotiated its covenants and/or has secured covenant waivers until September 2021. TRG has also obtained a three-month waiver until 30 April 2021 of the cessation of business event of default (the PLC Suspension of Business Event of Default) from lenders under the TRG Plc Revolving Credit Facility and the CLBILS Facility. As part of the waivers:

- the Group (under the TRG Plc Revolving Credit Facility) has to comply with the TRG Finance Group Liquidity Covenant; and
- the Wagamama Finance Group (under the Wagamama RCF) has to comply with the Revised Wagamama Financial Covenant and the Wagamama Finance Group Liquidity Covenant.

#### *New Facilities*

The Group has entered into the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement to provide £500 million of new debt facilities to the Group, through a £380 million Term Loan Facility, and a £120 million Super Senior RCF (the "**New Facilities**").

In the event that there is an anticipated breach of the TRG Finance Group Liquidity Covenant, the Revised Wagamama Financial Covenant, the Wagamama Finance Group Liquidity Covenant and/or the PLC Suspension of Business Event of Default is triggered after the expiration of the current waiver (on 30 April 2021), the Term Loan Facility and, as required, an initial simultaneous drawing of the Super Senior RCF will be used to repay and refinance in full the Existing Facilities to ensure no such breach occurred. In any event, the Group will draw on the Term Loan Facility and, as required, the Super Senior RCF before the end of May 2021 to repay and refinance in full the Existing Facilities which will result in a consolidation of the financing structure of the Group in one credit pool across the whole business.

Therefore, the covenant risk for the Group is under the New Facilities, as the Existing Facilities will be repaid and cancelled as and when required. Following the utilisation of the New Facilities, and the repayment of the Existing Facilities, the Group's financing arrangements will be simplified, as the Group will be consolidated into one finance group at the TRG level.

#### *Covenant position*

For the purposes of the Board's review of the Group's capital structure and funding options in a "reasonable worst case" scenario, which envisages a stress or downside situation, and the base case scenario, the Board has therefore considered the Group's ability to comply with the Group Term Financial Covenants and the Group RCF Financial Covenants under the New Facilities, with the only Group Term Financial Covenant and/or Group RCF Financial Covenant being tested during the period until 30 June 2022 being the Group Liquidity Covenant, which requires the Group to maintain minimum liquidity of £40 million.

For clarity, the Planned Refinancing is not conditional on the approval of the Resolutions at the General Meeting or completion of the Capital Raising.

#### **(B) Potential mitigating actions**

If the Capital Raising were not to go ahead, then in advance of any forecasted breach of the Group Liquidity Covenant, the Group would again seek to get the necessary covenant waivers required from the lenders and/or amendments to the New Facilities to ensure no such breach occurred. Given the support received by the Group from its lenders to date, the Directors believe that it is plausible to expect that the Group would be able to secure any such amendment or waiver, although there can be no assurance that such amendments or waivers would be granted without significant cost to the Group or granted at all.

In conjunction, the Group would aim to take a number of co-ordinated actions designed to avoid a covenant breach, including further discussions with its landlords, selective disposal of assets (for example, including either a sale and leaseback transaction or joint venture partnership), further cost reduction programmes, or other commercial actions. Whilst these actions might have the short term benefit of meeting the Group Term Financial Covenants and/or the Group RCF Financial Covenants, there might be long term adverse implications for the business with regard to flexibility for management to pursue their strategy and limiting value accretion on behalf of shareholders.

#### **(C) Implications if the Capital Raising does not proceed**

If the Resolutions are not passed at the General Meeting, the Capital Raising will not proceed and the Company will not receive the proceeds. In such case:

- the Directors believe the Group will have limited ability to improve its liquidity headroom to protect against any possible resurgence of the Covid-19 pandemic, which impacts cash generation;
- the Group will continue to be highly leveraged in the medium term, and it is highly unlikely to have the flexibility and ability to implement its strategy of selective site expansion in its Wagamama and Pubs businesses, which would lead to enhanced Shareholder returns;
- although there would be no challenge to liquidity under the base case scenario, under the reasonable worst case scenario and provided no other mitigating actions are taken by the Group, it is expected that the liquidity would be challenged, such that there is forecasted to be a breach of the Group Liquidity Covenant in November 2021; and
- if the Group Liquidity Covenant is breached and waivers are not granted by the lender group, then the Group may have insufficient cash resources to repay the lending group in the event that the Group's creditors accelerate the

payment amounts owing to them and/or continue trading, and the Group could be forced into bankruptcy or liquidation.

**(D) Conclusion**

If the Resolutions do not pass at the General Meeting, then the Capital Raising will not proceed and there will be material adverse implications for the Group as outlined above. Accordingly, your Board believes that the Capital Raising and the Resolutions are in the best interests of the Company and its Shareholders as a whole and recommends that you vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

**12. LETTER OF INTENT**

The Company has received a written expression of support from Threadneedle confirming its intention to vote in favour of resolution 2 at the General Meeting, in respect of an aggregate of 106,421,265 Ordinary Shares, representing approximately 18.05 per cent. of the Existing Ordinary Shares as at the Latest Practicable Date. Threadneedle has confirmed that it does not intend to vote on resolution 1, which relates to the approval by independent Shareholders of Threadneedle's participation in the Capital Raising. The Company is grateful for Threadneedle's support.

**13. FURTHER INFORMATION**

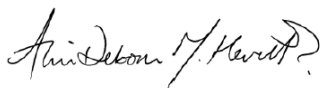
The results of the votes cast at the General Meeting will be announced as soon as possible once known through a Regulatory Information Service and on the TRG website ([www.trgplc.com](http://www.trgplc.com)). It is expected that this will be on 29 March 2021.

**14. RECOMMENDATION**

The Board, which has been so advised by Investec and J.P. Morgan Cazenove, believes that the terms of Threadneedle's participation in the Capital Raising are fair and reasonable insofar as TRG's Shareholders are concerned. In providing its advice to the Board, Investec and J.P. Morgan Cazenove has taken into account the Directors' commercial assessment of the relevant related party transactions.

The Board considers the Capital Raising and the Resolutions to be in the best interests of the Company and its Shareholders taken as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions, as all of the Directors intend to do (or procure to be done), in respect of the Ordinary Shares in which they are interested, or in relation to which they are otherwise able to control the exercise of the voting rights, held at the time of the General Meeting, amounting to 1,028,681 Ordinary Shares in aggregate as at the Latest Practicable Date (representing approximately 0.17% of TRG's existing issued ordinary share capital). As described above, each Director who is a Shareholder has committed to subscribe for additional Ordinary Shares, at the Offer Price, in connection with the Capital Raising pursuant to direct subscription agreements with the Company.

Yours sincerely,



Debbie Hewitt MBE  
Chairman

## DEFINITIONS

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

“Adjusted EBITDA”.....	consists of earnings before interest, tax, depreciation, amortisation and Exceptional Items, calculated by taking the Trading Business operating profit and adding back depreciation and amortisation, excluding the impact of IFRS 16;
“Admission”.....	admission of the New Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities;
“Application Form”.....	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
“Articles”.....	the articles of association of TRG;
“Board”.....	the board of directors of the Company from time to time;
“Business Day”.....	any day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for business in London;
“Capital Raising”.....	the Firm Placing and the Placing and Open Offer;
“certificated” or in “certificated form”.....	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
“CLBILS Facility Agreement”...	the revolving credit facilities agreement dated 9 July 2020 between, among others, the Company and Lloyds Bank Plc as agent and arranger, which is an ancillary facility of the TRG Plc Revolving Credit Facility Agreement;
“CLBILS Facility”.....	the facility provided pursuant to the CLBILS Facility Agreement;
“Closing Price”.....	the closing middle market quotation of an Existing Ordinary Share as derived from the daily official list published by the London Stock Exchange;
“Companies Act 2006”	the Companies Act 2006, as amended from time to time;
“Company” or “TRG”.....	The Restaurant Group plc, a company incorporated in Scotland with registered number SC030343, whose registered office is 1 George Square, Glasgow G2 1AL;
“Conditional Placee”.....	any person who agrees to conditionally subscribe for Open Offer Shares (subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders) pursuant to the Placing;
“Consolidated EBITDA”.....	the Consolidated EBIT, after adding back all amounts provided for depreciation, amortisation and write downs of goodwill in arriving at that Consolidated EBIT, as determined from the financial statements;
“Coronavirus Job Retention Scheme”.....	a temporary measure announced by the UK Government in response to the Covid-19 pandemic on 20 March 2020, which opened on 20 April 2020 which entitled employers to apply for a grant to pay 80% of the usual monthly wages costs of each employee who is not working but kept on the payroll (“furloughed”), of up to £2,500 a calendar month, which was amended on 1 July 2020 and on 17 December 2020;
“Covid-19”.....	a new strain of coronavirus, SARS-CoV-2, Covid-19, identified as the cause of the Covid-19 disease;

<b>“CREST”</b> .....	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
<b>“CVA”</b> .....	a company voluntary arrangement between TRG UK Ltd, principally comprising the Frankie & Benny’s estate and its creditors, which was approved at a meeting of creditors held on 29 June 2020;
<b>“Due Underwriting Proportions”</b>	in the case of J.P. Morgan Cazenove, 50%, and in the case of Investec, 50%;
<b>“EBITDA”</b> .....	consists of earnings before interest, tax, depreciation, amortisation and impairment (on a pre-IFRS 16 basis);
<b>“Enlarged Share Capital”</b> .....	the expected issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares;
<b>“Equiniti”</b> .....	Equiniti Limited, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
<b>“ESMA Recommendations”</b> .....	ESMA update of the CESR recommendations: The consistent Implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive;
<b>“Euroclear”</b> .....	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Exceptional Items”</b> .....	are those items that, by virtue of their unusual nature or size, warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group;
<b>“Excluded Territories”</b> .....	Australia, Canada, Hong Kong, Japan, the Kingdom of Saudi Arabia, the Republic of Korea, Singapore, South Africa, the United Arab Emirates, the United States and any other jurisdiction where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would (i) breach any applicable law or regulation, or (ii) would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which the Company regards as unduly onerous, and Excluded Territory shall be construed accordingly;
<b>“Executive Directors”</b> .....	collectively, the Chief Executive Officer and the Chief Financial Officer of TRG, and Executive Director shall mean any one of them;
<b>“Existing Ordinary Shares”</b> .....	the Ordinary Shares of 28.125 pence each in the capital of TRG in issue immediately prior to the Capital Raising;
<b>“FCA”</b> .....	the Financial Conduct Authority;
<b>“Firm Placee”</b> .....	any person that has conditionally agreed to subscribe for Firm Placing Shares;
<b>“Firm Placing Shares”</b> .....	the 95,299,430 New Ordinary Shares which are to be issued by the Company pursuant to the Firm Placing;
<b>“Firm Placing”</b> .....	the conditional placing of the Firm Placing Shares on the terms and subject to the conditions contained in the Placing Agreement;
<b>“Form of Proxy”</b> .....	the form of proxy to be sent to Shareholders for use in connection with the General Meeting;



<b>“Forward Start Super Senior RCF Agreement”</b> .....	the facility agreement entered into by TRG on 9 March 2021 pursuant to which a £120 million super senior RCF has been made available to the Company;
<b>“Forward Start Term Facility Agreement”</b> .....	the facility agreement entered into by TRG on 9 March 2021 pursuant to which a £380 million Term Loan Facility has been made available to the Company;
<b>“FSMA”</b> .....	the Financial Services and Markets Act 2000, as amended from time to time;
<b>“FY 2019”</b> .....	the 52-week period ended 29 December 2019;
<b>“FY 2020”</b> .....	the 52-week period ended 27 December 2020;
<b>“General Meeting”</b> .....	the general meeting of the Company proposed to be held at the Company’s Head Office at 5-7 Marshalsea Road, London SE1 1EP at 11.00 a.m. on 29 March 2021 to approve the Resolutions, the notice of which is contained in this document and the Prospectus;
<b>“Group Liquidity Covenant”</b> .....	under the terms of the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement: the covenant pursuant to which the Group shall maintain minimum liquidity (which includes both available commitments under the Super Senior RCF and other committed facilities and cash in hand or on deposit) of £40,000,000;
<b>“Group RCF Financial Covenants”</b> .....	under the terms of the Forward Start Super Senior RCF Agreement: (i) up to the June 2022 test date, the Group Liquidity Covenant; (ii) from and including the June 2022 test date, in any financial quarter, the super senior net debt must not be greater than 1.5 times adjusted Consolidated EBITDA; and (iii) from the December 2022 test date, the Senior Secured Net Leverage Ratio must not be greater than 5.5 times, stepping down to 4.75 times from the test date on or around 30 June 2023 and 4.25 times from the test date on or around 31 December 2023 onwards;
<b>“Group Term Financial Covenants”</b> .....	under the terms of the Forward Start Term Facility Agreement: (i) up to the December 2022 test date, Group Liquidity Covenant; and (ii) from and including the December 2022 test date, the Senior Secured Net Leverage Ratio must not be greater than 5.0 times, stepping down to 4.50 times from the test date on or around 30 June 2023 and 4.0 times from the test date on or around 31 December 2023 onwards;
<b>“Group”</b> .....	the Company together with its subsidiaries and subsidiary undertakings (subsidiary having the meaning ascribed to it in section 1159 and 1162 of the Companies Act 2006 respectively);
<b>“IFRS”</b> .....	International Financial Reporting Standards as adopted by the European Union;
<b>“Investec”</b> .....	Investec Bank plc;
<b>“J.P. Morgan Cazenove”</b> .....	J.P. Morgan Securities plc (which conducts its United Kingdom investment banking activities under the marketing name J.P. Morgan Cazenove);
<b>“Joint Bookrunners”</b> .....	J.P. Morgan Cazenove and Investec;
<b>“Latest Practicable Date”</b> .....	8 March 2021, being the latest practicable date prior to publication of this document;

<b>“Like-For-Like Sales” or “LFL Sales”</b> .....	is a measure that provides an indicator of the underlying performance of TRG’s existing restaurants. There is no accounting standard or consistent definition of ‘like-for-like sales’ across the industry. The Group like-for-like sales are calculated by comparing the performance of all mature sites in the current period versus the comparable period in the prior year. Sites that are closed, disposed or disrupted during a financial year are excluded from the like-for-like sales calculation;
<b>“Listing Rules”</b> .....	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time;
<b>“London Stock Exchange”</b> .....	London Stock Exchange plc;
<b>“Net Debt”</b> .....	is calculated as the net of the long-term borrowings and finance lease obligations less cash and cash equivalents, excluding the impact of IFRS 16;
<b>“New Ordinary Shares”</b> .....	the new Ordinary Shares proposed to be issued by TRG pursuant to the Capital Raising;
<b>“Non-Executive Directors”</b> .....	the TRG Directors who hold the position of Chairman or non-executive director, and Non-Executive Director shall mean any one of them;
<b>“Notice of General Meeting”</b> .....	the notice of General Meeting contained in this document and the Prospectus;
<b>“Offer Price”</b> .....	100 pence per New Ordinary Share;
<b>“Official List”</b> .....	the official list of the FCA pursuant to FSMA;
<b>“Open Offer Entitlements”</b> .....	entitlements to subscribe for Open Offer Shares allocated to a Qualifying Shareholder pursuant to the Open Offer;
<b>“Open Offer Shares”</b> .....	the 79,700,570 New Ordinary Shares which are to be issued by the Company pursuant to the Open Offer;
<b>“Open Offer”</b> .....	the conditional invitation to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Offer Price on the terms and subject to the conditions to be set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;
<b>“Ordinary Shares”</b> .....	the ordinary shares with a nominal value of 28.125 pence each in the capital of the Company including, if the context requires, the New Ordinary Shares;
<b>“Placee”</b> .....	a Conditional Placee or a Firm Placee;
<b>“Placing Agreement”</b> .....	the sponsor, placing and open offer and underwriting agreement dated 10 March 2021 and made between the Company and the Joint Bookrunners, a summary of which will be contained in the Prospectus;
<b>“Placing Shares”</b> .....	the Open Offer Shares proposed to be issued by the Company pursuant to the Placing (to the extent that such shares have not been validly taken up pursuant to the Open Offer);
<b>“Placing”</b> .....	the conditional placing of the Open Offer Shares, subject to clawback pursuant to the Open Offer, on the terms and subject to the conditions contained in the Placing Agreement;
<b>“Planned Refinancing”</b> .....	the entry into the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement, and the utilisation of the Term Loan

Facility and, as required, the Super Senior RCF and the use of such proceeds to repay the TRG Plc Revolving Credit Facility, CLBILS Facility, Wagamama Notes and the Wagamama RCF;

<b>“PLC Suspension of Business Event of Default”</b> .....	the terms of the TRG Plc Revolving Credit Facility contain an event of default in respect of the suspension or cessation of all or substantially all of a TRG Obligor;
<b>“Pounds Sterling”, “pence” or “£”</b> .....	the lawful currency of the United Kingdom;
<b>“Prospectus”</b> .....	means the combined prospectus and circular to be published for the purpose of the Capital Raising and Admission;
<b>“Qualifying Shareholders”</b> .....	<b>CREST</b> Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in uncertificated form;
<b>“Qualifying Shareholders”</b> .....	<b>Non-CREST</b> Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in certificated form;
<b>“Qualifying Shareholders”</b> .....	holders of Ordinary Shares who are on TRG’s register of members at the Record Date;
<b>“Record Date”</b> .....	6.00 p.m. on 8 March 2021, being the date specified in the Expected Timetable of Principal Events on which a Shareholder must hold Ordinary Shares to be a Qualifying Shareholder;
<b>“Refinancing Date”</b> .....	the date on which the Forward Start Term Facility Agreement and, if necessary, the Forward Start Super Senior RCF Agreement are drawn and the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes are repaid;
<b>“Regulatory Service”</b> .....	<b>Information</b> any one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
<b>“Related Party Transaction”</b> .....	has the meaning ascribed to it in paragraph 9 of IAS 24, being the standard adopted according to Regulation (EC) No. 1606/2002;
<b>“Resolutions”</b> .....	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting;
<b>“Revised Wagamama Financial Covenant”</b> .....	pursuant to the terms of the waiver and amendment letter dated 15 February 2021, the financial covenant contained in the Wagamama RCF which requires the Wagamama Finance Group to maintain a minimum EBITDA (subject to a number of adjustments set out in the Wagamama RCF) shall be adjusted for the test date relating to the third financial quarter of the financial year ending 2 January 2022, such that it shall apply at a level of not less than £20,000,000;
<b>“Senior Secured Net Leverage Ratio”</b> .....	under the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement, the ratio of senior secured net debt to adjusted Consolidated EBITDA;
<b>“Shareholder”</b> .....	any holder of Ordinary Shares registered on the register of members of the Company;

<b>“Super Senior RCF”</b> .....	the £120,000,000 super senior revolving credit facility made available to the Company pursuant to the terms of the Forward Start Super Senior RCF Agreement;
<b>“Term Loan Facility”</b> .....	the £380,000,000 term loan facility made available to the Company pursuant to the terms of the Forward Start Term Facility Agreement;
<b>“Threadneedle”</b> .....	Columbia Threadneedle Investments;
<b>“Trading Business”</b> .....	represents the performance of the business before Exceptional Items and is considered as a key metric for Shareholders to evaluate and compare the performance of the business from period to period;
<b>“TRG Directors”</b> or <b>“Directors”</b> ..	the directors of the Company, and TRG Director or Director shall mean any one of them;
<b>“TRG Finance Group Liquidity Covenant”</b> .....	under the terms of the TRG Plc Revolving Credit Facility Agreement: the covenant pursuant to which the Group shall maintain minimum liquidity (including both available commitments under the TRG Plc Revolving Credit Facility Agreement and cash in hand or on deposit with the lenders under the TRG Plc Revolving Credit Facility) of at least £50,000,000 until the maturity of the TRG Plc Revolving Credit Facility Agreement;
<b>“TRG Finance Group”</b> .....	the Group, excluding the Wagamama Finance Group;
<b>“TRG Financial Covenants”</b> .....	under the terms of the TRG Plc Revolving Credit Facility and the CLBILS Facility: (i) with respect to the Group, Net Debt must not exceed 3.5 times Consolidated EBITDA; (ii) with respect to the TRG Finance Group, Net Debt must not exceed 3.0 times Consolidated EBITDA; and (iii) with respect to the TRG Finance Group, net finance charges must be at least 4.0 times Consolidated EBITDA;
<b>“TRG Holdings”</b> .....	TRG (Holdings) Limited, a company incorporated in England and Wales with registered number 05556066, whose registered office is 5-7 Marshalsea Road, London, SE1 1EP;
<b>“TRG Obligor”</b> .....	TRG, TRG UK Ltd, TRG Holdings, Blubeckers Limited, TRG Concessions Limited and Brunning and Price Limited;
<b>“TRG Plc Revolving Credit Facility Agreement”</b> .....	the revolving credit facility agreement originally dated 30 October 2018 and as most recently amended and restated on 9 July 2020 between, among others, the Company, RBC Europe Limited as agent and Royal Bank of Canada, Coöperatieve Rabobank U.A. trading as Rabobank London and Lloyds Bank PLC as arrangers;
<b>“TRG Plc Revolving Credit Facility”</b> .....	the £160,000,000 revolving facility provided pursuant to the TRG Plc Revolving Credit Facility Agreement;
<b>“TRG UK Ltd”</b> .....	The Restaurant Group (UK) Limited, a company incorporated in England and Wales with registered number 008944266, whose registered office is 5-7 Marshalsea Road, London, SE1 1EP;
<b>“uncertificated”</b> or in <b>“uncertificated form”</b> .....	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
<b>“United Kingdom”</b> or <b>“UK”</b> .....	the United Kingdom of Great Britain and Northern Ireland;

<b>“United States” or “US”</b> .....	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction;
<b>“US JV”</b> .....	a joint venture entered into between TRG and Conversion Venture Capital, as a financial partner, and Robert Cornog Jnr and Richard Flaherty, as operating partners which provides local US operational expertise and expansionary capital with the aim to further develop the brand in the United States;
<b>“Wagamama Finance Group Liquidity Covenant”</b> .....	under the terms of the Wagamama RCF: the covenant pursuant to which the Group shall maintain minimum liquidity (including both available commitments under the Wagamama RCF and cash in hand or on deposit within the Wagamama Finance Group) of at least £7,000,000 (tested at each month end) until the end of the third financial quarter of the financial year ending 2 January 2022, being the end of September 2021;
<b>“Wagamama Finance Group”</b> ....	Mabel Mezzco Limited, a company incorporated under the law of England Wales with registered number 7556501, and its subsidiaries;
<b>“Wagamama Financial Covenant”</b> .....	the terms of the Wagamama RCF contain a financial covenant requiring the Wagamama Finance Group to maintain an EBITDA (subject to a number of adjustments set out in the Wagamama RCF) of not less than £27,300,000;
<b>“Wagamama Notes”</b> .....	the £225,000,000 4.125% Senior Secured Notes due 2022 issued by Wagamama Finance Plc;
<b>“Wagamama RCF”</b> .....	the revolving credit facility originally dated 28 January 2015, as most recently amended and restated on 23 June 2017, as amended on 21 December 2018 and 5 April 2020 between, among others, the Wagamama Finance Group, Abbey National Treasury Services Plc as arranger, Santander UK Plc as agent and U.S. Bank Trustees Limited as security agent;
<b>“Wagamama”</b> .....	Mabel Topco Limited, a company incorporated in England and Wales with registered number 07556481, whose registered office is 76 Wardour Street, London, W1F 0UR;
<b>“Working Capital Statement”</b> ....	the working capital statement to be included in the Prospectus, which is reproduced in this document.

# The Restaurant

Group plc

**Notice of Availability – important, please read carefully.**  
You can access the Notice of General Meeting on the Company's website at [www.trgplc.com](http://www.trgplc.com) under 'Investors' and 'Reports & Presentations'.  
[www.trgplc.com/investors](http://www.trgplc.com/investors)

In light of the UK Government restrictions as a result of the outbreak of Covid-19, we hope that shareholders will understand that the General Meeting ("GM") will be run as a closed meeting and shareholders will not be permitted to attend in person.

We are therefore implementing the following precautions to ensure that we hold the GM in a compliant and safe way:

- **shareholders and their representatives will NOT be permitted to attend the GM in person;**
- instead, all shareholders should vote by proxy to ensure that their vote is counted at the GM, either:
  - by appointing a proxy electronically (see notes 4 and 5 overleaf) or
  - by completing the attached Form of Proxy and returning it by post.

Given the restrictions on attendance, shareholders should appoint the Chairman of the meeting as their proxy rather than a named person as they will not be permitted to attend the meeting.

**PLEASE DETACH THIS PORTION BEFORE POSTING THE FORM OF PROXY**

The  
**Restaurant**  
Group plc

Product I.D.

1628-057-S

Voting I.D.

Task I.D.

Shareholder reference number

## Form of Proxy

For use at the General Meeting of The Restaurant Group plc (the 'Company') to be held at the Company's Head Office at 5-7 Marshalsea Road, London SE1 1EP on 29 March 2021 at 11.00 a.m.

I/We being (a) registered holder(s) of 28.125 pence Ordinary Shares in the Company, hereby appoint the Chairman of the meeting (see Note 1) as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the Company's Head Office at 5-7 Marshalsea Road, London SE1 1EP on 29 March 2021 at 11.00 a.m. and any adjournment thereof.

Please indicate, by inserting an "X" in the appropriate box, how you wish your votes to be cast on the resolutions mentioned. If you sign this form and return it without any specific directions your appointed proxy will vote or abstain at his/her discretion on the resolutions to be proposed as he/she will upon any other motion arising at the meeting.

I/We instruct the proxy to vote on the following resolutions as follows:

Resolution

1. To approve the subscription by Columbia Threadneedle Investments.
2. To approve the Capital Raising.

For

Against

Withheld

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

Signature

Dated

**Notes:**

1. Given the UK Government public health restrictions for Covid-19, **shareholders and their representatives will NOT be permitted to attend the GM in person. You should therefore appoint the Chairman of the meeting as your proxy**, for your votes to be counted, rather than a named person who will not be permitted to attend the meeting.
2. Under normal circumstances, shareholders may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. However, given the restrictions on attendance at the GM, for your votes to be counted, you should appoint only the Chairman of the meeting as your proxy rather than appointing a named person(s) who will not be permitted to attend the meeting.
3. To be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney should be signed and returned to Equiniti, Aspect House, Spencer Road, Lancing, BN99 6DA by 11.00 a.m. on 25 March 2021. If you prefer to return this Form of Proxy in an envelope then please return it to: FREEPOST RTHJ-CLLL-KBKU, Equiniti, Aspect House, Spencer Road, Lancing, BN99 8LU. A stamp is not required if posted in Great Britain, Channel Islands or Northern Ireland.
4. As an alternative to completing this Form of Proxy, you can appoint a proxy electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on this Form of Proxy). Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk). Full instructions are given on both websites. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrar, Equiniti, no later than 11.00 a.m. on 25 March 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). Any electronic communication sent by a shareholder to Equiniti which is found to contain a virus will not be accepted by the Company, but every effort will be made by the Company to inform the shareholder of the rejected communication.
5. CREST members who wish to appoint a proxy using the CREST electronic appointment service may do so by using the procedures described in the CREST manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent RA19 no later than 48 hours before the time fixed for the meeting. **You should appoint the Chairman of the meeting as your proxy rather than a named person who will not be permitted to attend the meeting.**
6. To direct your proxy how to vote on the resolutions, please mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "vote withheld" box. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.
7. In the case of joint holders, the vote of the senior holder who tenders a vote by proxy, will be accepted to the exclusion of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members. The names of the joint holders should be stated.
8. If the member is a corporation, this proxy should be executed either under its common seal, or under the hand of its attorney or any person duly authorised on its behalf.
9. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for receipt of the proxies will take precedence.

General Meeting – 29 March 2021 at 11.00 a.m.

The Company's Head Office at 5-7 Marshalsea Road, London SE1 1EP

Business Reply  
Licence Number  
RTHJ-CKEJ-HRTG



Equiniti  
Aspect House  
Spencer Road  
LANCING  
BN99 8LT