

The Restaurant Group plc
1 George Square
Glasgow
Scotland
G2 1AL

10 March 2021

Dear Sir or Madam

Project Ruby II – Prospectus consent letter

We refer to the combined prospectus and circular relating to The Restaurant Group plc (the “**Company**”) to be dated on or around 10 March 2021 (the “**Prospectus**”), a copy of which (in substantially final form) is attached to this letter and which we have signed for the purposes of identification, issued in connection with the proposed firm placing and placing and open offer of new ordinary shares by the Company.

We hereby consent to the inclusion in the Prospectus of our name in the form and context in which it appears.

Yours faithfully



Virginia Khoo
Managing Director

for and on behalf of

J.P. Morgan Securities plc

THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

LR 13.3.1(4)

If you are in any doubt as to the contents of this document or 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, duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises: (a) a circular prepared for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document; and (b) a simplified prospectus for the purposes of Article 14 of the UK version of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”), as amended (the “**UK Prospectus Regulation**”), relating to The Restaurant Group plc (the “**Company**” or “**TRG**”) and has been approved by the Financial Conduct Authority of the United Kingdom (“**FCA**”), as the competent authority under the UK Prospectus Regulation, in accordance with section 87A of FSMA, and prepared and made available to the public in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA (the “**Prospectus Regulation Rules**”). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this document or of the quality of the securities that are the subject matter of this document. Investors should make their own assessment as to the suitability of investing in the securities. The document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

Ann 3, 1.5
Ann 12, 1.5

Subject to the restrictions set out below, if you sell or transfer or have sold or transferred all of your Existing Ordinary Shares (other than ex-entitlements) held in certificated form before 8.00 a.m. on 10 March 2021 (the “**Ex-Entitlements Date**”), please send this document, together with the accompanying Form of Proxy and any Application Form, if applicable and when received, 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, for onward delivery to the purchaser or transferee. None of these documents should, however, be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to (subject to certain exceptions) the United States and any of the other Excluded Territories. Please refer to Sections 8 and 9 of Part II (*Details of the Capital Raising*) of this document if you propose to send this document and/or the Application Form outside the United Kingdom. If you sell or have sold or transferred all or some of your Existing Ordinary Shares (other than ex-entitlements) held in uncertificated form before the Ex-Entitlements Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. If you sell or have sold or transferred only part of your holding of Existing Ordinary Shares (other than ex-entitlements) held in certificated form before the Ex-Entitlements Date, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately. Instructions regarding split applications are set out in Part II (*Details of the Capital Raising*) of this document and in the Application Form.

Ann 12, 6.1

LR 13.3.1(6)
LR 13.3.1(8)

The distribution of this document, any other offering or public material relating to the Capital Raising and/or the Application Form and/or the transfer of New Ordinary Shares and/or the Open Offer Entitlements through CREST or otherwise into a jurisdiction other than the United Kingdom may be restricted by law and therefore persons into whose possession this document (and/or any accompanying documents) comes should inform themselves about and observe any such restrictions. In particular, subject to certain exceptions, this document and the Application Form should not be distributed, forwarded to or transmitted in or into the United States or any of the other Excluded Territories or into any other jurisdiction where to do so might constitute a breach of any applicable law. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act, or under any 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, into or within the United States absent such registration, except pursuant to an 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 offer of New Ordinary Shares or Open Offer Entitlements in the United States.

THE RESTAURANT GROUP PLC

(incorporated and registered in Scotland with registered number SC030343)

**Firm Placing of 95,299,430 New Ordinary Shares at 100 pence each
Placing and Open Offer of 79,700,570 New Ordinary Shares at 100 pence each**

Ann 3, 4.1
Ann 3, 4.2
LR 13.6.1(1)(a)

Notice of General Meeting

*Joint Sponsors, Global Co-ordinators
and Bookrunners*

J.P. Morgan Cazenove

*Joint Sponsors, Global Co-ordinators
and Bookrunners*

Investec

Ann 12, 4.1

This document should be read as a whole, including the information incorporated by reference into this document and any accompanying document. Your attention is drawn to the letter from your Chairman which is set out in Part I (*Letter from the Chairman*) of this document and which contains a recommendation from your Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. The section of this document entitled “*Risk Factors*” includes a discussion of certain risk factors which should be taken into account when considering the matters referred to in this document.

A Notice of General Meeting of the Company, 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, is set out at the end of this document. In line with UK legislation in relation to holding company meetings during the Covid-19 pandemic, the General Meeting will be convened with a minimum quorum of Shareholders (which will be facilitated by TRG’s management) in order to conduct the business of the General Meeting. Therefore, instead of attending the General Meeting, the Company asks Shareholders to vote by proxy on the Resolutions. In the interests of health and safety, Shareholders (and any appointed proxies (other than the chairman of the General Meeting) or corporate representatives) will not be admitted to the General Meeting. You are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrar, Equiniti Limited, by not later than 11.00 a.m. on 25 March 2021 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting excluding any part of a day that is not a working day). You may also submit your proxy electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number on the Form of Proxy. If you are a member of CREST you may be able to use the CREST electronic proxy appointment service.

The Company will continue to closely monitor the developing impact of Covid-19, including the latest guidance from the UK Government. Should it become necessary or appropriate to revise the current arrangements for the General Meeting, this will be notified to Shareholders on our website and/or via a Regulatory Information Service.

The Existing Ordinary Shares are listed on the premium listing segment of the Official List maintained by the FCA and traded on the London Stock Exchange’s main market for listed securities. Applications will be made for the New Ordinary Shares to be admitted to the premium listing segment of the Official List maintained by the FCA and trading on the London Stock Exchange’s main market for listed securities (together, “**Admission**”). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares on the London Stock Exchange will commence, at 8.00 a.m. on 30 March 2021.

Ann 12, 5.1.2
Ann 12, 6.1
Ann 12, 6.2
LR 13.3.1(9)(a)
LR 13.3.1(9)(h)

Qualifying Non-CREST Shareholders (other than, subject to limited exceptions, Overseas Shareholders with a registered address in the United States or in any of the other Excluded Territories) will be sent Application Forms on 11 March 2021. Qualifying CREST Shareholders (other than, subject to limited exceptions, Overseas Shareholders with a registered address in the United States or in any of the other Excluded Territories) will receive a credit to the appropriate stock accounts in CREST in respect of the Open Offer Entitlements which are expected to be enabled for settlement by Euroclear on 12 March 2021.

The latest time and date for acceptance of, and payment in full for, the New Ordinary Shares by Qualifying Shareholders is expected to be 11.00 a.m. on 26 March 2021. The procedures for acceptance and payment is set out in Part II (Details of the Capital Raising) of this document and, for Qualifying Non-CREST Shareholders only, will also be set out in the Application Form. Qualifying CREST Shareholders should refer to Section 5 of Part II (Details of the Capital Raising) of this document.

Ann 12, 5.1.2
Ann 12, 5.1.5

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Capital Raising.

Each of J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name, J.P. Morgan Cazenove) (“**J.P. Morgan Cazenove**”) and Investec Bank plc (“**Investec Bank**”) are authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, and are acting solely for the Company and no one else in connection with this document, the Capital Raising and Admission and, subject to their responsibilities under FSMA or the regulatory regime established under FSMA, will not be responsible to anyone other than the Company for providing the protections afforded to clients nor for providing advice in relation to this document and Admission. Investec Europe Limited (trading as Investec Europe) (“**Investec Europe**”), acting as agent on behalf of Investec Bank in certain jurisdictions in the EEA, is regulated in Ireland by the Central Bank of Ireland (together Investec Bank and Investec Europe, hereinafter referred to as “**Investec**”). Neither J.P. Morgan Cazenove or Investec (together, the “**Joint Bookrunners**”) nor any of their respective subsidiaries, branches or affiliates owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of the Joint Bookrunners, in connection with this document, Admission, the contents of this document or any other transaction, arrangement or other matter referred to in this document, subject to any duty, liability or responsibility under FSMA or the regulatory regime established under FSMA.

Save for the responsibilities and liabilities, if any, of the Joint Bookrunners under FSMA or the regulatory regime established under FSMA, neither the Joint Bookrunners nor any of their affiliates, directors, officers, employees and advisers assume any responsibility whatsoever and make no representations or warranties, express or implied, in relation to the contents of this document, including its accuracy, completeness, verification, fairness or sufficiency or regarding the legality of any investment in the New Ordinary Shares by any person under the laws applicable to such person or for any other statement made or purported to be made by the Company, or on the Company’s behalf, or by the Joint Bookrunners, or on their behalf, and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Company. Each of the Joint Bookrunners and each of their respective affiliates disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

Ann 12, 5.4.3

In connection with the Capital Raising, each of the Joint Bookrunners and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions and subject to certain restrictions in the Placing Agreement, purchase or sell for their own account such securities and any related or other securities and may engage in transactions in relation to the Capital Raising, the New Ordinary Shares and/or related instruments for its or their own account otherwise than in connection with the Capital Raising (including through coordinated action to dispose of any New Ordinary Shares which they are required to subscribe for as underwriters). Accordingly, references in this document to New Ordinary Shares being offered or placed should be read as including any offering or placement of New Ordinary Shares to the Joint Bookrunners or any of their affiliates acting in such capacity. In addition, in the event that the Joint Bookrunners subscribe for New Ordinary Shares which are not taken up by Qualifying Shareholders or Placees, the Joint Bookrunners may co-ordinate disposals of such shares in accordance with applicable law and regulation. Except as required by applicable law or regulation, the Joint Bookrunners and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

This document does not constitute an offer to sell or issue, or a solicitation of an offer to buy New Ordinary Shares in any jurisdiction in which such offer or solicitation would be unlawful. This document is being sent to holders with

registered or mailing addresses in any such jurisdiction only in connection with the General Meeting and, in that context, no part of this document or the Application Form constitutes, or will constitute, or forms part of any offer to sell, or a solicitation of an offer to buy, New Ordinary Shares. All Overseas Shareholders with a registered address in the United States or in any of the other Excluded Territories and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document or any Application Form, if received, or other document to any jurisdiction outside the United Kingdom should read Section 8 of Part II (*Details of the Capital Raising*) of this document. Prospective investors must comply with all applicable laws and regulations in force in any applicable jurisdiction, and must obtain any consent, approval or permission required for the purchase, offer or sale of the New Ordinary Shares under the laws and regulations in force in the jurisdiction to which such prospective investor is subject or in which such prospective investor makes such purchase, offer or sale, and none of the Company, the Joint Bookrunners or their respective employees, agents or representatives will have any responsibility therefor.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook (the “**Sourcebook**”); and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”).

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

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A, respectively of the Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

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

Notice to US investors

The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act, or under any 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, into or within the United States absent such registration, except pursuant to an 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 of other jurisdiction of the United States. There will be no public offer of New Ordinary Shares or Open Offer Entitlements in the United States. The New Ordinary Shares and the Open Offer Entitlements have not been approved, disapproved or recommended by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon the adequacy or accuracy of this document or the Application Form. Any representation to the contrary is a criminal offence in the United States.

Subject to certain limited exceptions, neither this document nor the Application Form constitutes, or will constitute, or forms part of any offer or invitation to sell, issue or apply for, or any solicitation of any offer to purchase, subscribe for, or take up entitlements to the New Ordinary Shares to any person with a registered address in, or who is resident or

located in, the United States. Notwithstanding the foregoing, the New Ordinary Shares may be offered or sold to, and Application Forms may be delivered to, Permitted US Shareholders in the Open Offer pursuant to an applicable exemption from the registration requirements of the Securities Act. The New Ordinary Shares may also be offered or sold to Permitted US Placees in the Placing or the Firm Placing pursuant to an applicable exemption from the registration requirements of the Securities Act.

Any person in the United States who obtains a copy of this document or an Application Form and who is not a Permitted US Shareholder is required to disregard them. Permitted US Shareholders that satisfy the Company as to their status may exercise the Open Offer Entitlements by delivering a properly completed Application Form to the Receiving Agent in accordance with the procedures set out in this document. Permitted US Shareholders and Permitted US Placees must also complete, execute and return to the Company, an Investor Representation Letter as described in Section 9(D) of Part II (*Details of the Capital Raising*) of this document, and Permitted US Shareholders may be required to make certain certifications in the Application Form for the Open Offer Entitlements.

The Joint Bookrunners may arrange for the offer of New Ordinary Shares not taken up in the Open Offer to be offered and sold, in the United States, only to persons reasonably believed to be QIBs within the meaning of Rule 144A in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or, outside the United States in accordance with Regulation S.

Prospective purchasers of the New Ordinary Shares from the Joint Bookrunners are hereby notified that the Joint Bookrunners may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A thereunder.

In addition, until 40 days after the commencement of the Capital Raising, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Capital Raising) may violate the registration requirements of the Securities Act. The Company is not subject to the periodic reporting requirements of the Exchange Act.

Any person in the United States who obtains a copy of this document and/or the Application Form and who is not a Permitted US Shareholder is required to disregard it.

Notice to all investors

Any reproduction or distribution of this document or the Application Form, in whole or in part, and any disclosure of its contents or use of any information for any purpose other than in considering an investment in the New Ordinary Shares is prohibited. By accepting delivery of this document, each offeree of the New Ordinary Shares agrees to the foregoing.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

The distribution of this document, any other offering or public material relating to the Capital Raising and/or the Application Forms and/or the transfer of the New Ordinary Shares and/or the Open Offer Entitlements through CREST or otherwise into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any jurisdiction. In particular, subject to certain limited exceptions, such documents should not be distributed, forwarded to or transmitted in or into the United States or any other Excluded Territory.

None of the Company, the Joint Bookrunners nor any of their respective representatives, is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult their own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the purchase of the New Ordinary Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Capital Raising, including the merits and risks involved.

Investors also acknowledge that: (a) they have not relied on any of the Joint Bookrunners (or any of their respective affiliates) in connection with any investigation of the accuracy of any information contained in this document or their investment decision; (b) they have relied only on the information contained in this document in making their relevant decision; and (c) no person has been authorised to give any information or to make any representation concerning the Group or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or any of the Joint Bookrunners (or any of their respective affiliates).

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this document nor any acquisition or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time after this date.

This document is dated 10 March 2021.

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SUMMARY

PR Art 7.3

1. INTRODUCTION AND WARNINGS

PR Art 7
4(a), 5

1.1 Details of the issuer

The issuer is The Restaurant Group plc, a public limited company incorporated in Scotland with registered number SC030343.

The Company's registered office is at 1 George Square, Glasgow, G2 1AL. The telephone number of the Company is +44 (0) 203 3117 5001 and the legal entity identifier of the Company is 213800V4LJ2FXMQKKA46.

1.2 Details of the securities

On Admission, the New Ordinary Shares will be registered with an ISIN of GB00B0YG1K06 and a SEDOL of B0YG1K0. The ISIN for the Open Offer Entitlements will be GB00BNRKFZ30 and the SEDOL will be BNRKFZ3.

The New Ordinary Shares will be traded on the main market for listed securities of the London Stock Exchange under the ticker symbol "RTN".

1.3 Details of the FCA

The head office of the FCA is at 12 Endeavour Square, London, E20 1JN. The telephone number of the FCA is +44 (0)20 7066 1000.

This document was approved by the FCA on 10 March 2021.

LR 13.3.1(1)

1.4 Warnings

This summary should be read as an introduction to this document.

Any decision to invest in the New Ordinary Shares should be based on a consideration of this document as a whole by the investor. Any investor could lose all or part of their invested capital.

Where a claim relating to the information contained in this document is brought before a court, a plaintiff might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid in considering whether to invest in the New Ordinary Shares.

2. KEY INFORMATION ON THE ISSUER

PR Art 7
4(b), 6(a)

2.1 Who is the issuer of the securities?

The Company was incorporated and registered in Scotland on 22 October 1954 as a private limited company under the name Belhaven Brewery Group PLC with company number SC030343. On 30 January 1987 the Company changed its name to Belhaven PLC, re-registering as a public limited company and on 3 August 1989 the Company changed its name to City Centre Restaurants PLC, before becoming The Restaurant Group PLC on 14 January 2004. The legal entity identifier of the Company is 213800V4LJ2FXMQKKA46.

(A) Principal activity

TRG is a significant player in the UK casual dining market which operates approximately 400 restaurants and pub restaurants throughout the UK and had 14,000 employees as at 27 December 2020. Its principal trading brands are Wagamama, Frankie & Benny’s, Brunning & Price and TRG Concessions. The Group operates pubs, restaurants and a highly diverse, multi-brand Concessions business which trades principally at UK airports. Wagamama operates a market leading chain of popular restaurants offering fresh, delicious, fast-cooked pan-Asian inspired cuisine under its trading brand, “Wagamama”. As at the Latest Practicable Date, Wagamama operated 149 directly-operated restaurant sites in the UK (including five delivery kitchens). Six restaurant sites in the United States are operated under a joint venture arrangement in which Wagamama holds a 20% stake. 55 Wagamama restaurant sites are operated by partners under franchise arrangements across 21 countries internationally, principally in continental Europe and the Middle East, as at the Latest Practicable Date.

On 10 June 2020, TRG UK Ltd launched a CVA in respect of its Leisure estate (which principally comprises the Frankie & Benny’s estate) in order to reduce its portfolio by exiting 128 trading sites as well as seeking improved rental terms on a portion of the remaining trading estate. The CVA was approved on 29 June 2020, leaving a remaining Leisure trading estate of approximately 135 sites, of which approximately 80 will be subject to a reduction in rental costs and revised lease terms for up to two years from 29 June 2020. Other measures to restructure the TRG estate include placing Chiquito Limited and Food & Fuel Limited into administration, thereby enabling the Group to exit 45 and seven underperforming sites, respectively. The Group has exited 30 of the 71 Concessions sites that are no longer economically viable, with a target of exiting a further six to 11 sites, leaving a remaining trading estate of approximately 30 to 35 sites.

The Group has also continued its move into the delivery sector and has developed relationships with the three main delivery platforms, Deliveroo, Just Eat and Uber Eats. Wagamama and all of TRG’s Leisure brands offer delivery, with most also providing a click-and-collect service to make it easier for customers to order takeaway and address off-trade demand in regions where there is no delivery coverage. The Group has also launched multiple online-only brands within its Leisure division, including “Stacks” and “Chicken Cartel”.

The principal legislation under which the Company operates is the Companies Act and regulations made thereunder.

(B) Major Shareholders

As at the Latest Practicable Date, the Company had been notified in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules of the following interests in its Existing Ordinary Shares:

As at the Latest Practicable Date⁽¹⁾

<i>Name of Shareholder</i>	<i>Number of shares</i>	<i>Percentage of total Voting Rights (%)</i>
Columbia Threadneedle Investments	107,149,670	18.17%
Fidelity Management & Research Company	45,646,441	7.74%
Aberforth Partners LLP	27,958,579	4.74%
Coltrane Asset Management LP	21,977,000	3.73%
Royal London Asset Management Ltd	21,636,301	3.67%
BlackRock Inc	20,723,592	3.52%
The Vanguard Group Inc	18,263,587	3.09%
Wellington Management Company	15,955,796	2.71%
J O Hambro Capital Management	15,734,851	2.67%
Fidelity International Limited	14,978,243	2.54%

(1) Based on the total number of Existing Ordinary Shares in issue at the Latest Practicable Date, which was 589,795,475.

(C) Key managing directors

The key managing directors are:

<i>Director</i>	<i>Position</i>
------------------------	------------------------

Andy Hornby
Kirk Davis

Chief Executive Officer
Chief Financial Officer

(D) Statutory auditor

Ernst & Young LLP of 1 More London Place, London SE1 2AF, United Kingdom is the statutory auditor of the Company.

2.2 What is the key financial information regarding the issuer?

PR Art 7
4(b), 6(b)

(A) Selected historical key financial information

RTS, Ann I

The tables below set out selected key financial information for TRG for the financial years ended 30 December 2018, 29 December 2019 and 27 December 2020.

The financial information set out in the tables below has been extracted without material adjustment from the Historical Financial Information.

Table 1: Consolidated income statement

	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	52 weeks ended 27 Dec 2020 ⁽¹⁾
	(£ million)		
Revenue.....	686.0	1,073.1	459.8
Cost of Sales.....	(627.3)	(1,048.5)	(503.1)
Gross profit/(loss)	58.7	24.6	(43.3)
Share of results of associate	-	-	(0.6)
Administration costs.....	(42.1)	(45.3)	(45.9)
Operating profit/(loss).....	16.6	(20.7)	(89.8)
Interest payable	(2.7)	(16.7)	(38.1)
Interest receivable	0.0	0.1	0.4
Profit/(loss) on ordinary activities before tax	13.9	(37.3)	(127.6)
Tax on profit from ordinary activities.....	(7.0)	(3.1)	7.7
Profit/(loss) for the period.....	6.9	(40.4)	(119.9)
Other comprehensive income:			
Foreign exchange differences arising on consolidation	-	0.6	0.1
Total comprehensive income for the period .	6.9	(39.8)	(119.8)
EBITDA	63.1	130.7	156.2
Depreciation, amortisation and impairment.....	(46.4)	(151.4)	(246.1)
Operating profit/(loss).....	16.6	(20.7)	(89.8)

(1) The Group has adopted IFRS 16 'Leases' ("IFRS 16") in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date.

Table 2: Consolidated balance sheet

	52 weeks ended 30 Dec 2018	52 weeks ended 29 Dec 2019	52 weeks ended 27 Dec 2020 ⁽¹⁾
	(£ million)		
Non-current assets			
Intangible assets	619.5	616.8	599.5

Table 2: Consolidated balance sheet

Right-of-use assets ⁽¹⁾	-	-	368.9
Property, plant and equipment.....	430.6	335.7	305.6
Net investment in subleases ⁽¹⁾	-	-	3.0
Fair value lease assets ⁽¹⁾	1.4	1.2	-
	<u>1,051.5</u>	<u>953.7</u>	<u>1,277.0</u>
Current assets			
Inventory.....	8.7	9.3	5.1
Other receivables.....	22.9	21.9	15.5
Net investment in subleases ⁽¹⁾	-	-	0.6
Prepayments.....	31.1	26.1	8.8
Cash and cash equivalents.....	65.9	49.8	40.7
Assets of disposal group held for sale.....	-	4.1	-
Corporation tax debtor	-	-	0.1
	<u>128.6</u>	<u>111.1</u>	<u>70.9</u>
Total assets.....	<u>1,180.1</u>	<u>1,064.8</u>	<u>1,347.9</u>
Current liabilities			
Corporation tax liabilities.....	(2.7)	(6.2)	-
Overdraft.....	-	(10.0)	-
Trade and other payables.....	(212.5)	(188.3)	(116.7)
Other payables.....	-	-	-
Provisions.....	(11.0)	(14.5)	(4.3)
Lease liabilities ⁽¹⁾	-	-	(91.5)
Liabilities of disposal group held for sale.....	-	(4.1)	-
	<u>(226.2)</u>	<u>(223.1)</u>	<u>(212.5)</u>
Net current liabilities	<u>(97.6)</u>	<u>(112.0)</u>	<u>(141.6)</u>
Long-term borrowings.....	(354.4)	(323.8)	(381.1)
Other payables.....	(27.5)	(26.1)	(1.3)
Fair value lease liabilities ⁽¹⁾	(10.4)	(9.6)	-
Deferred tax liabilities.....	(52.7)	(42.0)	(40.7)
Lease liabilities ⁽¹⁾	-	-	(392.3)
Provisions.....	(50.2)	(38.3)	(8.3)
	<u>(495.3)</u>	<u>(439.9)</u>	<u>(823.8)</u>
Total liabilities.....	<u>(721.5)</u>	<u>(662.9)</u>	<u>(1,036.3)</u>
Net assets.....	<u>458.6</u>	<u>401.9</u>	<u>311.6</u>
Equity			
Share capital.....	138.2	138.2	165.9
Share premium.....	249.7	249.7	276.6
Other reserves.....	(7.2)	(5.9)	(3.9)
Retained earnings.....	77.8	19.9	(127.0)
Total Equity.....	<u>458.6</u>	<u>401.9</u>	<u>311.6</u>

(1) The Group has adopted IFRS 16 in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date.

Table 3: Consolidated cash flow statement

(£ million)	52 weeks ended 30 December 2018	52 weeks ended 29 December 2019	52 weeks ended 27 Dec 2020⁽¹⁾
Cash generated from operations.....	88.3	140.5	3.2
Interest received.....	0.0	0.1	0.2
Interest paid.....	(1.0)	(14.6)	(15.7)
Tax paid.....	(7.3)	(10.3)	5.1

Cash outflow from onerous lease provisions ⁽¹⁾	(11.2)	(12.6)	-
Cash outflow from acquisition and refinancing costs	(10.1)	(28.5)	(34.9)
Net cash flows from operating activities	58.7	74.6	(42.0)
Purchase of property, plant and equipment	(47.5)	(76.0)	(37.4)
Purchase of subsidiaries	(364.2)	—	-
Other ⁽²⁾	38.1	25.0	0.8
Net cash flows used in investing activities.....	(373.6)	(51.0)	(36.6)
Net cash flows used in financing activities.....	371.2	(39.7)	69.5
Net increase/(decrease) in cash and cash equivalents	56.3	(16.1)	(9.0)

(1) The Group has adopted IFRS 16 in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date.

(2) Other includes purchase of intangible assets, proceeds from disposal of property, plant and equipment, investment in associate and cash acquired on acquisition of subsidiaries.

(B) There are no qualifications in the audit opinions on the Historical Financial Information in this document. However, in respect of the audited consolidated financial statements for the Group for FY 2020, the Directors have concluded that the conditionality of the Capital Raising, requiring Shareholder approval, represents a material uncertainty to the Directors' going concern assessment. EY have brought attention to the Directors' conclusion by way of a material uncertainty related to going concern paragraph in their report. Their opinion is not modified in respect of this matter.

Ann 3,
11.2.1a

Ann 3,
11.4

(C) Other than as described below, there has been no significant change in the financial position or financial performance of the Group in the period since 27 December 2020, the date to which the Company's latest audited year-end financial information was prepared.

On 1 March 2021, the Group announced it had successfully signed commitments to provide £500 million of debt facilities to the Group, through a £380 million Term Loan Facility, and a £120 million Super Senior RCF, following which the Group entered into the full form Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement on 9 March 2021. The announcement noted that the Group's financing arrangements going forwards are expected to be simplified, as the Forward Start Term Loan Facility and, as required, an initial simultaneous drawing of the Forward Start Super Senior RCF, will repay and refinance the Group's current facilities so that there will be only one finance group.

2.3 What are the key risks that are specific to the issuer?

The Covid-19 pandemic has had, and continues to have, a material adverse effect on the Group's business, financial condition and results of operations, as would any subsequent outbreak or recurrence in the future.

The Group is subject to certain financial covenants and restrictive covenants under the terms of its new debt facilities, and any developments that are adverse in comparison to its planning assumptions could lead to a breach of such covenants and consequently a default under its debt facilities.

The future performance of the Group depends in part on the ability to maintain attractive consumer brands and respond to changes in consumer preferences and perceptions, including as a result of Covid-19.

The growth of online delivery platforms and aggregators may affect the future business and profitability of the Group.

PR Art 7
4(b), 6(c), 10

Changes in consumer discretionary spending and general economic conditions, including as a result of the Covid-19 pandemic, could have a material adverse effect on the business, results of operations and financial condition of TRG.

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

Concerns about food safety, traceability, hygiene and allergens may damage the reputation of the Group and increase its operating costs and decrease demand for its products.

TRG's results can be materially adversely affected by weather conditions or external events.

3. KEY INFORMATION ON THE SECURITIES

PR Art 7
4(c), 7(a)

3.1 What are the main features of the securities?

(A) Type, class and ISIN of the securities

The New Ordinary Shares will be fully paid ordinary shares traded on the main market for listed securities of the London Stock Exchange under the ticker symbol "RTN".

On Admission, the New Ordinary Shares will be registered with an ISIN of GB00B0YG1K06 and a SEDOL of B0YG1K0. The ISIN for the Open Offer Entitlements will be GB00BNRKFZ30 and the SEDOL will be BNRKFZ3.

(B) Currency and par value of the securities

The New Ordinary Shares are denominated in Pounds Sterling, with a par or nominal value of 28.125 pence each.

(C) Number of issued and fully paid securities

Pursuant to the Firm Placing and Placing and Open Offer, the Company will issue in aggregate 175,000,000 New Ordinary Shares of which 95,299,430 New Ordinary Shares are proposed to be issued under the Firm Placing and 79,700,570 New Ordinary Shares are proposed to be issued under the Placing and Open Offer, in each case at 100 pence per New Ordinary Share.

As at the Latest Practicable Date, there were 589,795,475 Existing Ordinary Shares in issue and no Existing Ordinary Shares were held by the Company in treasury.

LR 13.8.1(2)

(D) Rights attaching to the securities

All New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares.

Subject to any special rights, restrictions or prohibitions on voting for the time being attached to any Ordinary Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share), Shareholders shall have the right to receive notice of, and to attend and vote at, general meetings of the Company. Subject to the provisions of the Companies Act, the Company may from time to time declare dividends and make other distributions on the Ordinary Shares. Shareholders are entitled to participate in the assets of the Company attributable to their shares in a winding-up of the Company or other return of capital.

(E) Description of restrictions on free transferability of the securities

The New Ordinary Shares are freely transferable and there are no restrictions on transfer of the New Ordinary Shares in the United Kingdom.

(F) Rank of securities in the Company's capital structure in the event of insolvency

The capital and assets of the Company on a winding-up or other return of capital shall be applied in repaying to the holders of Ordinary Shares the amounts paid up or credited as paid up on such shares and subject thereto shall belong to and be distributed according to the number of such Ordinary Shares held by them respectively. The New Ordinary Shares and the Existing Ordinary Shares, all being Ordinary Shares, will rank *pari passu* in all respects.

(G) 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 FY 2019 was 2.1 pence per Ordinary Share. No dividend shall be paid for FY 2020.

3.2 Where will the securities be traded?

Application will be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List maintained by the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for New Ordinary Shares to be admitted to listing or trading on any other exchange.

PR Art 7
4(c), 7(b)

It is expected that Admission of the New Ordinary Shares will become effective, and dealings in the New Ordinary Shares on the London Stock Exchange's main market for listed securities will commence, at 8.00 a.m. on 30 March 2021.

PR Art 7
4(c), 7(d), 10

3.3 What are the key risks that are specific to the securities?

The value of an investment in New Ordinary Shares may be subject to material fluctuations and may not reflect the underlying asset value.

Future substantial sales of Ordinary Shares or the perception that such sales might occur, could depress the market price of the Ordinary Shares.

The market price for Ordinary Shares may decline below the Offer Price.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Capital Raising, Shareholders not participating in the Firm Placing will experience dilution in their ownership of TRG.

Any future issue of Ordinary Shares will further dilute the holdings of current Shareholders and could adversely affect the market price of Ordinary Shares.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

PR Art 7
4(d), 8(a)

4.1 Under which conditions and timetable can I invest in this security?

Firm Placing: The Company is seeking to raise approximately £95.3 million (gross) through the Firm Placing of 95,299,430 New Ordinary Shares at the Offer Price to the Firm Placees. The Firm Placing is not subject to clawback. The Firm Placing is subject to the same conditions and termination rights which apply to the Placing and Open Offer.

PR Art 7
4(c), 7(b)

Open Offer: The Company is seeking to raise approximately £79.7 million (gross) through the Placing and Open Offer of 79,700,570 New Ordinary Shares at the Offer Price. Subject to the fulfilment of the conditions below, Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares pro rata to their existing shareholdings on the basis of 5 New Ordinary Shares at 100 pence each for every 37 Existing Ordinary Shares held by them and registered in their names at the Record Date.

PR Art 7
4(c), 7(b)

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.

Placing: Any New Ordinary Shares which are not applied for under the Open Offer will be allocated to Conditional Placees pursuant to the Placing.

PR Art 7
4(c), 7(b)

The Capital Raising is conditional on the Resolutions having been passed by Shareholders at the General Meeting, Admission becoming effective by not later than 8.00 a.m. on 30 March 2021 or such later time and/or date as the Company and the Joint Bookrunners may agree and 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.

The Offer Price represents a discount of 10.47% to the Closing Price of 111.7 pence per Existing Ordinary Share on 9 March 2021 (the last Business Day before the publication of this document).

If a Qualifying Shareholder who is not a Placee does not take up any of their Open Offer Entitlements, such Qualifying Shareholder's proportionate ownership and voting interests in the Company will be diluted by 22.9% as a result of the Capital Raising (assuming no Ordinary Shares are issued due to the vesting or exercise of any awards under any of TRG's share plans between the Latest Practicable Date and the completion 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 proportionate ownership and voting interests in the Company will be diluted by 12.5% as a result of the Firm Placing (assuming no Ordinary Shares are issued due to the vesting or exercise of any awards under any of TRG's share plans between the Latest Practicable Date and the completion of the Capital Raising).

The total estimated costs and expenses of the Capital Raising are £8.4 million (exclusive of VAT). Shareholders will not be charged expenses by the Company in respect of the Capital Raising.

4.2 Why is this prospectus being produced?

PR Art 7
4(d), 8(c)

This document has been prepared in connection with the Capital Raising to be undertaken by the Company.

Estimated amount and use of proceeds: Pursuant to the Capital Raising, the Company proposes to issue 175,000,000 New Ordinary Shares. Through the issue of New Ordinary Shares, the Company expects to raise gross proceeds of £175 million. The aggregate expenses of, or incidental to, the Capital Raising to be borne by the Company are estimated to be approximately £8.9 million (including VAT). Accordingly, the net proceeds are expected to be £166.1 million. The Capital Raising is being fully underwritten by the Joint Bookrunners, subject to the conditions set out in the Placing Agreement.

Having considered the options available to it, 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.

Planned Refinancing and action plan: 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: (i) a new Forward Start Term Facility Agreement pursuant to which a £380 million Term Loan Facility has been made available to the Company; and (ii) a new Forward Start Super Senior RCF Agreement pursuant to which a £120 million Super Senior RCF has been made available to the Company.

Therefore, the Board is today proposing the Capital Raising, in addition to the operating and other actions that have been taken since the start of the Covid-19 pandemic, to reduce leverage and optimise TRG's capital structure.

Material conflicts of interest: There are no material conflicts of interest pertaining to Admission.

RISK FACTORS

Any investment in TRG and the Ordinary Shares (including New Ordinary Shares) carries a number of risks. Prospective investors should review this document carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers. You should carefully consider the risks and uncertainties described below, together with all other information in this document and the information incorporated into this document by reference, before making any investment decision. Prospective investors should note that the risks relating to the Group's business, industry, regulation and legislation and Capital Raising and investment in Ordinary Shares (including New Ordinary Shares) summarised in the section of this document headed "Summary" are the risks that the Board believes to be most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares (including New Ordinary Shares). However, as the risks and uncertainties which TRG faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks and uncertainties summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

LR 13.3.1(1)

LR 13.3.1(3)

Ann 12, 2.1

Ann 3, 3.1

However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known, or which are currently deemed immaterial, may also have an adverse effect on the business, results of operations and financial condition of TRG. If any such risks were to materialise, the price of the Ordinary Shares could decline as a consequence and investors could lose all or part of their investment.

The information given is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Regulation Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under "Forward-Looking Statements" in the section of this document headed "Important Notices".

1. RISKS RELATING TO THE GROUP'S BUSINESS

1.1 **The Covid-19 pandemic has had, and continues to have, a material adverse effect on the Group's business, financial condition and results of operations, as would any subsequent outbreak or recurrence in the future.**

Background, UK Government measures and vaccine rollout

In December 2019, an outbreak of a new strain of coronavirus, SARS-CoV-2, was identified as the cause of the Covid-19 disease ("**Covid-19**"), and has since spread globally, including in the UK, where the Group's operations are primarily concentrated. On 11 March 2020, the World Health Organisation confirmed that its spread and severity had escalated to the level of a pandemic.

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 travel bans and national lockdowns, 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 national lockdown, which affected all of the Group's pubs and restaurants.

Pubs and restaurants were permitted to re-open from 4 July 2020 providing 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 moving 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

across the UK remain closed for dine-in customers, however, the Group continues to trade through delivery and click-and-collect services. In addition, the amount of air travel in, to and from the UK has significantly fallen as a result of the Covid-19 pandemic. The UK Government suspended all previously announced travel corridors with effect from 18 January 2021, requiring all arrivals to the UK to quarantine, further impacting air travel and the Group's Concessions trading. On 22 February 2021 the UK Government announced its "Roadmap out of lockdown", which included that hospitality venues will not be allowed to serve people indoors and international travel continues to be banned until 17 May 2021 at the earliest, following which hospitality venues will be allowed to service customers indoors complying with the rule of six or groups from not more than two households. The roadmap suggested it would not be before 21 June 2021 that all legal limits on social contact would be removed. As a result of such measures, and the uncertainty over the extent, effect and duration of the Covid-19 pandemic, the full impact of the pandemic is unknown, unpredictable, evolving and likely to continue for some time. However, it is clear that the Covid-19 pandemic has had and continues to have a material adverse effect on TRG's financial results for FY 2020 and beyond.

As a result of the negative financial and operational impacts of the Covid-19 pandemic and the governmental responses thereto, the Group was forced to take various actions to protect its liquidity, for example:

- a significant and immediate reduction in the capital expenditure of the Group to no more than £40 million for FY 2020 compared to an original budget of approximately £75 million;
- the furloughing (either fully or flexibly) of approximately 9,000 employees across the restaurants and head office under the Coronavirus Job Retention Scheme;
- 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 waived their bonuses for FY 2019);
 - Non-Executive Directors (a voluntary 40% reduction of fees from 1 April 2020 to 30 June 2020 (and reduction in the number of Non-Executive Directors 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;
- the Remuneration Committee exercised its discretion to resolve that no annual bonuses will be paid to the Executive Directors for FY 2020;
- a placing of shares on 8 April 2020 which raised net proceeds of £54.6 million from institutional Shareholders;
- obtaining covenant waivers and amending the TRG Plc Revolving Credit Facility, CLBILS Facility and Wagamama RCF (as further detailed in Sections 9.3 and 9.4 of Part VII (*Additional Information*)); and
- entering into: (i) the Forward Start Term Facility Agreement pursuant to which a £380 million Term Loan Facility has been made available to the Company; and (ii) the Forward Start Super Senior RCF Agreement pursuant to which a £120 million Super Senior RCF has been made available to the Company in order to refinance its existing financing arrangements in the near future.

Although the UK has commenced vaccinations against Covid-19 according to the UK Government's vaccination programme of priority groupings, there can be no certainty over the future timing of implementation of the vaccination programme, the effect of vaccinations on the Covid-19 transmission rate or the short- or long-term efficacy of the vaccines against the original virus or any current or future variants, and therefore, notwithstanding the UK Government's announced intentions, it is not possible to accurately predict when and how quickly restrictions will be removed, nor when normal trading can re-commence. TRG has made certain assumptions regarding the Covid-19 pandemic and its impact on TRG and the Group in a reasonable worst case scenario as part of the sensitivity analysis conducted in relation to the Working Capital Statement, including an assumption that national lockdown restrictions continue until 17 May 2021 followed by social restrictions (in line with October 2020) until the end of December 2021. 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. Notwithstanding the foregoing, nothing in this document constitutes a qualification of the Working Capital Statement or any of the assumptions made regarding the Covid-19 pandemic and its impact on TRG and the Group in a reasonable worst case scenario.

Although the Group has taken steps as described above, among others, to protect its liquidity, further restrictions may be imposed in the future. Further local, regional or national lockdowns that the UK Government, Scottish government, Welsh government or the Northern Ireland Assembly or local authorities might put in place could include restrictions on trading hours of hospitality outlets, the imposition of greater social distancing, the mandatory wearing of face masks in

hospitality establishments, further limitations on public gatherings (including in pubs and restaurants), temporary closures of restaurants and pubs, travel restrictions and other quarantine rules. If in the future such lockdown or other restrictive measures are implemented or reinstated (or other protective measures are implemented, such as international travel bans), TRG is likely to be further materially and adversely affected. It is not known whether, in such circumstances, TRG would be able to take steps to mitigate the effect of such measures and there can be no assurance that any mitigating steps taken by the Group will be effective. As part of the reasonable worst case scenario considered in relation to the Working Capital Statement, TRG has assumed, among other things, that the national lockdown restrictions will continue until 17 May 2021, followed by continuing social restrictions until the end of December 2021, and that no Concessions site will trade in 2021 due to restrictions on international travel. TRG has also assumed 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 during the period of national lockdown and the extension of the Coronavirus Job Retention Scheme, to the end of social restrictions. 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 the uncertainty regarding the duration, extent and ultimate impact of the Covid-19 pandemic (or any subsequent outbreak, recurrence or variant), notwithstanding the vaccine rollout, TRG cannot reasonably estimate the impact to its business, financial condition, results of operations and prospects. Further, although the measures announced by the Chancellor in the 2021 Budget on 3 March 2021 provided some clarity in relation to the nature, scope and duration of certain government support initiatives, there can be no certainty that such initiatives, including the Coronavirus Job Retention Scheme, the Business Rates Holiday or (without limitation to TRG's existing access to the CLBILS Facility) the CLBILS will be available to the Group throughout the future period during which the Group is impacted by the Covid-19 pandemic or that these initiatives will continue to be available in their current form (see Risk Factor 2.2 below).

Suppliers

The operations of the Group's suppliers and logistics partners continue to be impacted by the Covid-19 pandemic, which could lead to the risk that suppliers may fail or experience significant business interruption, delays or disruptions, such as a temporary suspension of operations or longer-term problems in maintaining supply. Although the Group implements a variety of alternative solutions in the case of any delays or disruptions from specific suppliers, this may lead to shortages of food, drinks or other supplies, or increased costs to secure such supplies both during the Covid-19 pandemic and after, negatively impacting on the Group's own operations (see Risk Factor 2.6 below).

Contracts

Although, in many cases, the Group has been able to agree formal amendments or waivers of contractual arrangements impacted by the Covid-19 pandemic and UK Government restrictions and lockdowns, it may not be able to come to satisfactory arrangements with its counterparties in the future which may lead to disputes with such parties which could have a material adverse effect on the Group's business and operations.

Consumer preferences

Even after the Covid-19 pandemic has passed, its impact on consumer behaviour, including a decline in consumer spending, increased working from home, shifting pattern of working hours, changed spending patterns or changed attitudes to dining and drinking out, including a stronger connection to local communities, or lower frequency of domestic or international air travel may continue in the longer term (see Risk Factor 2.1 below). This could result in diminished demand for the Group's restaurants and pubs, including if the Group cannot adapt its business accordingly.

International impacts

In addition to the effect on the Group, the Covid-19 pandemic has had and continues to have a material adverse effect on the hospitality and the travel industries, the wider economy, society and social interactions and on the UK Government, as well as the economies of most countries around the world, including the US, where the US JV operates, and countries where Wagamama's international franchisees operate. As such, the operations of the US JV and Wagamama's international franchisees have also been similarly impacted by the Covid-19 pandemic and local government restrictions. In addition, the effects of Covid-19 throughout the world are likely to negatively impact international suppliers of food and drink to the Group, international travel to and from the UK, tourism in the UK and the general health of the UK economy. The majority of the Group's Concession outlets are located in airports and therefore the imposition of travel

bans or quarantines, the closure of travel corridors, terminals or airports or continuing or additional Covid-19 restrictions in airports, the failure of airline operators or reduction of air services, the further weakening of economic conditions in the UK or elsewhere and the further reduction in tourism or air travel generally, may cause or continue to cause a severe reduction in air passenger numbers or cause air passengers to reduce the amount they choose to spend at airport concessions, which may have a material adverse effect on the business, results of operations and financial condition of TRG (see Risk Factor 2.1 below).

Longer-term effects

The medium- and long-term effects of the Covid-19 pandemic are unknown and cannot be estimated. However, it is likely that it will have a material adverse impact on the economy and population of the UK and other countries for the next few years. As a result, the medium- and long-term impact of the Covid-19 pandemic on the business, results of operations, financial condition and prospects of TRG may be materially worse, or may be different, than currently estimated by the Group (see Risk Factor 2.1 below).

1.2 The Group is subject to certain financial covenants and restrictive covenants under the terms of its new debt facilities, and any developments that are adverse in comparison to its planning assumptions could lead to a breach of such covenants and consequently a default under its debt facilities.

(A) Forward Start Term Facility Agreement

As part of the Planned Refinancing, TRG entered into the Forward Start Term Facility Agreement on 9 March 2021, pursuant to which a £380 million Term Loan Facility has been made available to the Company. This facility is available to be drawn at any time prior to 31 May 2021 and the drawing of the Term Loan Facility and, as required, the initial drawing of the Super Senior RCF will be used to repay and cancel the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes which will result in a consolidation of the financing structure of the Group in one credit pool across the whole business. As a result, the Forward Start Term Facility Agreement applies to TRG and all of its subsidiaries (being the combined Group).

The Forward Start Term Facility Agreement contains certain covenants and events of default. In particular, the terms of the Forward Start Term Facility Agreement contain the following financial covenants:

- prior to the December 2022 test date (which will be a Sunday within seven days of 31 December as used by the Group as the last day of its financial year) (the “**December 2022 test date**”), a minimum liquidity covenant (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 (the “**Group Liquidity Covenant**”); and
- from and including the December 2022 test date, the Group’s Senior Secured Net Leverage Ratio must not exceed:
 - from the December 2022 test date, 5.0 times;
 - from the test date on a Sunday within seven days of 30 June 2023 as used by the Group as the last day of its financial quarter, 4.5 times; and
 - from the test date on a Sunday within seven days of 31 December 2023 as used by the Group as the last day of its financial year, 4.0 times,

(the “**Group Term Financial Covenants**”).

As noted above, the Group Term Financial Covenants are tested on a Sunday within seven days of 31 December, 30 March, 30 June and 30 September as used by the Group as the last day of its financial year and each financial quarter respectively. However, in light of the UK Government’s mandated closure of all cafes, pubs and restaurants in connection with the Covid-19 pandemic, TRG agreed with the lenders under the Forward Start Term Facility Agreement that until the relevant test date falling on or around 31 December 2022, the only financial covenant that shall apply will be the Group Liquidity Covenant.

The Forward Start Term Facility Agreement also contains a number of covenants that restrict some of the Group’s corporate activities, including restrictions on disposals of subsidiaries or assets, on declaring dividends, on carrying out mergers and other business combinations, on incurring borrowings and on granting security. These covenants are, in most cases, subject to certain exceptions and qualifications. However, despite these exceptions and qualifications, the covenants to which the Group is subject could materially adversely affect the Group’s ability to pursue business

opportunities and activities that may be in its interest. In addition, failure to comply with such covenants would result in an event of default occurring under the Forward Start Term Facility Agreement.

In addition, under the terms of the Forward Start Term Facility Agreement, there is an event of default in respect of the suspension or cessation of all or substantially all of an Obligor's business, however, the terms of this covenant exclude any suspension or cessation of all or a material part of any Obligor's business as a result of its restaurants being closed as a consequence of Covid-19.

The Forward Start Term Facility Agreement contains cross-default provisions that permit the relevant lenders under the Forward Start Term Facility Agreement to declare the relevant indebtedness due and payable if any other indebtedness of the Group (subject to a *de minimis* threshold (other than in respect of any *pari passu* or senior indebtedness secured on the Transaction Security)) is accelerated.

In the event that the Group was not in compliance with any of the Group Term Financial Covenants when tested, including as a result of conditions outside of the Group's control, it would result in an event of default. In this situation the Group would seek to obtain a waiver from the relevant lenders under the Forward Start Term Facility Agreement or cure the event of default. However, if not cured or waived, this event of default could result in the acceleration of such indebtedness or the cancellation of any committed facility. If, as a result of a breach of the Group Term Financial Covenants, the Group's creditors accelerate the payment of amounts owing to them, the Group may not have sufficient cash or assets to repay in full all amounts that would be due and payable. If the Group is unable to repay those amounts, its creditors could proceed against any security interests granted to them to secure repayment of those amounts. In these circumstances, if the Group's cash and assets are insufficient to repay in full all of the indebtedness that has been accelerated, this could force the Group into bankruptcy or liquidation.

(B) Forward Start Super Senior RCF

As part of the Planned Refinancing, TRG entered into the Forward Start Super Senior RCF Agreement on 9 March 2021, pursuant to which a £120 million Super Senior RCF has been made available to the Company. This facility is available for drawing at any time up to one week prior to the Super Senior RCF's maturity. If necessary, an initial drawdown will be made simultaneous with the drawing of the Term Loan Facility and will be used to repay and cancel the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes which will result in a consolidation of the financing structure of the Group in one credit pool across the whole business. As a result, the Forward Start Super Senior RCF Agreement applies to TRG and all of its subsidiaries (being the combined Group).

The Forward Start Super Senior RCF Agreement contains certain covenants and events of default. In particular, the terms of the Forward Start Super Senior RCF Agreement contain the following financial covenants:

- prior to the June 2022 test date (which will be a Sunday within seven days of 30 June as used by the Group as the last day of its financial year) (the "**June 2022 test date**"), the Group Liquidity Covenant;
- from and including the June 2022 test date, in any financial quarter, the super senior net debt shall not exceed 1.5 times adjusted Consolidated EBITDA; and
- from and including the December 2022 test date, the Group's Senior Secured Net Leverage Ratio must not exceed:
 - on the December 2022 test date, 5.5 times;
 - on the test date on or around 30 June 2023, 4.75 times; and
 - from the test date on or around 31 December 2023, 4.25 times,

(the "**Group RCF Financial Covenants**").

The Group RCF Financial Covenants are tested on a Sunday within seven days of 31 December, 30 March, 30 June and 30 September as used by the Group as the last day of its financial year and each financial quarter respectively. However, in light of the UK Government's mandated closure of all cafes, pubs and restaurants in connection with the Covid-19 pandemic, TRG agreed with the lenders under the Forward Start Super Senior RCF Agreement that until the relevant test date falling on or around 30 June 2022, the only financial covenant that shall apply will be the Group Liquidity Covenant.

The Forward Start Super Senior RCF Agreement also contains a number of covenants that restrict some of the Group's corporate activities, including restrictions on disposals of subsidiaries or assets, on declaring dividends, on carrying out mergers and other business combinations, on incurring borrowings and on granting security. These covenants are, in most cases, subject to certain exceptions and qualifications. However, despite these exceptions and qualifications, the covenants to which the Group is subject could materially adversely affect the Group's ability to pursue business

opportunities and activities that may be in its interest. In addition, failure to comply with such covenants would result in an event of default occurring under the Forward Start Super Senior RCF Agreement.

In addition, under the terms of the Forward Start Super Senior RCF Agreement, there is an event of default in respect of the suspension or cessation of all or substantially all of an Obligor's business (the "**Forward Start Super Senior RCF Agreement Suspension of Business Event of Default**"). As a result of the UK Government's closure of cafes, pubs and restaurants and nationwide lockdowns, TRG has obtained a waiver until 30 June 2021 of this event of default from lenders.

The Forward Start Super Senior RCF Agreement contains cross-default provisions that permit the relevant lenders under the Forward Start Super Senior RCF Agreement to declare the relevant indebtedness due and payable if any other indebtedness of the Group (subject to a *de minimis* threshold (other than in respect of any *pari passu* or senior indebtedness secured on the Transaction Security)) is accelerated.

In the event that the Group was not in compliance with any of the Group RCF Financial Covenants when tested, including as a result of conditions outside of the Group's control, it would result in an event of default. In the event that the Forward Start Super Senior RCF Suspension of Business Event of Default is triggered after the expiry of the current waiver (on 30 June 2021), it would result in an event of default. In each of these situations the Group would seek to obtain a waiver from the relevant lenders under the Forward Start Super Senior RCF Agreement or cure the event of default. However, if not cured or waived, these events of default could result in the acceleration of such indebtedness or the cancellation of any committed facility. If, as a result of a breach of the Group RCF Financial Covenants, the Group's creditors accelerate the payment of amounts owing to them, the Group may not have sufficient cash or assets to repay in full all amounts that would be due and payable. If the Group is unable to repay those amounts, its creditors could proceed against any security interests granted to them to secure repayment of those amounts. In these circumstances, if the Group's cash and assets are insufficient to repay in full all of the indebtedness that has been accelerated, this could force the Group into bankruptcy or liquidation.

(C) TRG Finance Group and Wagamama Finance Group

As explained in Section 9.3 and 9.4 of Part VII (*Additional Information*) of this document, 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. 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 the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes 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, 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 Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement as the TRG Plc Revolving Credit Facility, the CLBILS Facility, the Wagamama RCF and the Wagamama Notes will be repaid and cancelled in due course.

1.3 The future performance of the Group depends in part on the ability to maintain attractive consumer brands and respond to changes in consumer preferences and perceptions, including as a result of Covid-19.

The ability of the Group to compete and achieve future growth depends in part on its ability to attract and retain customers and respond to changes in consumer preferences, tastes and purchasing habits. For example, public health campaigns, social media opinion and fads and growing public awareness of climate change, among other things, may influence consumers to change their diets, such as, by eating less meat or avoiding dairy or gluten. In addition, during the periods of local and national lockdown in the UK, the ability of the Group to continue trading has depended on its ability to attract and retain customers for delivery and takeaway sales. If eating habits change, the Group may be required to adapt its food offering and it may not be able to do so successfully. A misjudgement or delayed recognition of trends and customer tastes, or a change in consumer tastes away from the Group's brands, could lead to a decline in demand for the Group's restaurants in the short term and, over the long-term, damage its reputation, financial performance and operations.

Consumer habits relating to the location of restaurants that customers are willing to visit may also change as a result of the Covid-19 pandemic. Due to UK Government advice on social distancing, customers wanting to limit their exposure to others in areas which are perceived to be crowded, such as city and town centres, and increased working from home or shifting pattern of working hours, customers may be less willing to visit certain sites or to visit pubs and restaurants in general. Despite being well diversified and operating, including within the Leisure business, retail park sites which enable customers to drive directly to restaurants and limit contact with others on their journey, the Group is limited in its ability to change the location of its sites in accordance with customers' desires to observe social distancing in the short term (see also Risk Factor 1.1 above).

The Group continues to respond to changing consumer health and dietary trends by upgrading and expanding vegetarian and vegan options on menus (including by launching "Avant Gard'n" - the best-selling vegan dish at Wagamama) and introducing special vegan dishes for "Veganuary". Wagamama is championing plant-based food with the goal to have 50% of the menu meat free by December 2021. Despite the Group continuing to look for new ways to innovate its food offerings, if its competitors show greater innovation in these areas, or if it fails to maintain attractive restaurant brands and consumer offerings or to respond appropriately to changes in consumer preferences and perceptions, then the Group may fail to retain or attract new customers which may have a material adverse effect on its results of operations and financial condition.

1.4 The growth of online delivery platforms and aggregators may affect the future business and profitability of the Group.

While online food-delivery platforms and aggregators are expanding choice and convenience for customers, they continue to bring about rapid change in the restaurant market, as increasing numbers of customers chose to order food online for home delivery, even prior to the outbreak of Covid-19. The Covid-19 pandemic and continuing closure of restaurants, as well as the imposition of social distancing and other restrictions on restaurants and pubs when they have been able to trade during the pandemic, has caused a further surge in consumers ordering food delivery online (both generally and for the Group's brands). The increased and prolonged use of delivery channels as an alternative to dining in may change consumers' dining preferences by causing customers to choose delivery for dine-at-home in preference to attending pubs and restaurants, even after the Covid-19 restrictions on restaurants and pubs are lifted. The Group has sought opportunities to grow its businesses through partnerships with online delivery aggregators and the development of online-only brands, such as "Stacks" and "Chicken Cartel" in addition to increasing the delivery activity from its restaurants. Nevertheless, the Group has little control over the delivery platforms and customers ordering through delivery platforms are presented with a variety of food and restaurant choices and may be diverted away from ordering from TRG's brands. In addition, it is not possible to accurately predict the long-term effects of the increasing demand for dine-at-home food deliveries on the restaurant industry. If the growth of online delivery platforms and aggregators reduces the number of customers eating out in the Group's restaurants and pubs or decreases its profitability, particularly if delivery customers decide to order less or limit their beverage orders in comparison with their comparable order made when dining-in and the Group is not able to compensate for this by sufficiently exploiting the sales opportunities afforded by online delivery platforms, this may have a material adverse effect on the business, results of operations and financial condition of TRG.

Likewise, partnering with online delivery services reduces the degree of control that the Group has over the final product received by customers. If, for example, the delivery service reaches the customer late or if the food is cold or otherwise unappetising, a customer may associate this negative experience with the Group, even in cases where the delivery service is the cause. In addition, following any future relaxation of Covid-19 restrictions, customers may be slow to return to eating in restaurants to avoid infection or due to changed social behaviours. These negative experiences, in the aggregate, could materially adversely affect the brand and reduce revenue, affecting the Group's business, results of operations and financial condition.

1.5 The Group may be subject to substantial increases in rental costs and may be unable to extend its leases or cancel unprofitable leases.

The operating performance of the Group depends on its ability to secure leases in desired locations at reasonable rents. As at 27 December 2020, all Wagamama, 36 of the 78 Pub and 124 of the 133 Leisure sites were leasehold (the Group's Concession sites are generally operated under retail concession agreements).

The leases for the Group sites generally require that their annual rent be reviewed on an “upwards- only” basis five years after the initial signing of the lease and at the end of every five-year period thereafter for the duration of the lease. As a result of the recent CVA of the Leisure estate, 82 Leisure restaurants now benefit from reduced rental for a period of two years from the CVA effective date, 29 June 2020 (or until the lease expires, if earlier). However, the relevant landlords will thereafter have the option of continuing to apply the reduced rental or rebase the rental to market rates (subject to a floor of 90% of the rental for the previous 12 months). As a result, the Group is unable to predict the amount of any future increases in rental costs or to benefit from any decline in the open market rental value of the sites. Any substantial increase in rental costs could adversely affect the business, results of operations and financial condition of TRG.

In addition, leases generally cannot be cancelled at will. Therefore, if the Group decides to close an unprofitable site, it may nonetheless be committed to continue performing its obligations under the applicable lease, including, among other things, paying the base rent up to the first contractual break point. Although the Group could seek to mitigate the impact of any ongoing liabilities through assignment or sub-letting of any sites from which it no longer wishes to trade, subject to any restrictions under the terms of the lease, it cannot provide any assurance of the success of any such measures.

Some leases require the tenant to obtain the landlord’s consent prior to undertaking any alterations or refurbishments on the leased premises. Leases usually require a landlord not to unreasonably withhold or delay the giving of consent. Delays in obtaining the necessary landlord consent may, however, affect the completion time of refurbishments at restaurants including as a result of changes required for social distancing measures relating to Covid-19, which could adversely affect the profitability of those sites.

Additionally, whilst it is expected that the Covid-19 pandemic will result in numerous sites becoming available on the market in the short-term, there is a risk that the Group may be unable to obtain new leases in suitable geographic locations at desired rents or under appropriate contract terms in the future. If this is the case, the Group’s long-term growth prospects may be hindered, as it may be unable to open new sites within its preferred timeframe or at all. Any such increase of rental costs or inability to obtain leases on beneficial terms could have a material adverse effect on the business, results of operations and financial condition of TRG.

1.6 The success of the Group depends on the ability to compete effectively with major competitors.

The Group competes against other national and international restaurant and pub chains, as well as against many regional and local businesses, with respect to price, service, location, type of cuisine, customer experience and food quality. Additionally, new competitors frequently enter the casual dining market. If the Supreme Court ruling in *Uber BV v Aslam* (UKSC 2019/0029) is upheld, the Group may experience an increase in costs associated with delivery. In addition, challenges to food delivery platforms’ models may impact the costs associated with the Group’s use of those platforms for food delivery.

In the United Kingdom, the Group’s direct competitors have included Pizza Express, YO! Sushi, Bella Italia, Pho, Prezzo, Nando’s, Côte, Las Iguanas, Zizzi, TGI Fridays, ASK Italian, Byron, Café Rouge, Turtle Bay, Five Guys, Bill’s and Pizza Hut (however, it is not known the extent to which these competitors are or will be affected by the Covid-19 pandemic). To a lesser extent, the Group also competes for customers with international, national, regional and local quick service restaurants (such as McDonald’s and KFC), other casual eating and drinking establishments (such as hotels, bars and coffee shops) and convenience and grocery stores. Additionally, the Group’s Pubs business competes for consumers against a wide variety of pubs and bars, including large pub operators, as well as smaller pub operators and independent pubs and, especially during the Covid-19 pandemic, supermarkets, drinks retailers, off licences and convenience stores (either directly or via delivery platforms) as more consumers have resorted to purchasing beer, wine and other alcohol for home consumption as an alternative to attending pubs and bars. Any erosion of the Group’s competitive position could have a material adverse effect on its business, financial condition and results of operations.

Existing or new competitors may have, among other things, better locations, larger estates, lower operating costs, better facilities, better management, better products, more effective marketing and more efficient operations. In addition, the availability of online delivery services increases competition with respect to price, food quality and customer choice within the branded casual dining market, and between the branded casual dining market and the broader UK restaurant market, by reducing the importance of location and proximity, which may have an impact on its business, financial condition and results of operations.

If the Group is unable to maintain its competitive position with respect to price, service, location, type of cuisine, customer experience and food quality, it could experience downward pressure on prices, lower demand for products,

reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which may have a material adverse impact on its business, results of operations and financial condition. The use by some competitors of discounting and promotional activities in the casual dining sector, may impact the Group's competitiveness and profit margins, and any future need to introduce or extend the level of discounting or a failure to continue to maintain competitive pricing, may have an adverse impact on its business, results of operations and financial condition.

1.7 TRG may not be able to deliver on its strategic priorities.

In light of the scale of uncertainty and challenge presented by the Covid-19 pandemic, following the Capital Raising and Planned Refinancing, the Board intends to use the net proceeds to achieve its strategic priorities, 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.

If the Group fails to achieve its strategic priorities, this may impact TRG's ability to achieve its growth plans which may have a material adverse effect on its business, results of operations and financial condition.

1.8 The operating results of TRG partly depends on the effectiveness of its marketing, advertising and digital media programmes.

Brand marketing, advertising and digital media content can influence the revenues of TRG. In addition, marketing of the Group's delivery activity depends largely on its delivery partners. If the Group's marketing and advertising programmes are unsuccessful, the Group may fail to attract new customers or retain existing customers and results of operations could be adversely affected. If sales decline, there will be a reduced amount available to spend on future marketing and advertising programmes. The Group may nevertheless need to maintain a certain level of marketing and advertising spend in order to compete effectively and maintain exposure in the market. In such circumstances, its margins may be diminished, which could have a material adverse effect on the business, results of operations and financial condition of TRG.

1.9 TRG may be adversely affected by fluctuations in currency exchange rates.

Given that the majority of the ingredients that the Group purchases are priced in Pounds Sterling, the continued weakness of the Pound Sterling may increase the Group's food costs when negotiating supplier contracts (see Risk Factor 2.7 below). Exchange rate fluctuations could therefore have an adverse effect on the business, financial condition and results of operations of TRG. In addition, although TRG reports results in Pounds Sterling, Wagamama is exposed to foreign currency risk on royalty payments from its franchisees and the US JV distributions that are determined on the basis of revenue in foreign currencies and that are denominated in a currency other than Pounds Sterling.

1.10 TRG's role as franchisee in respect of certain of its concessions carries disadvantages.

As at 27 December 2020, approximately one third of the Group's Concessions were operated under franchise agreements with third-party owners of brands such as Brewdog, Giraffe and Wondertree. Any damage to the reputation or brand image of a franchisor, or the failure of a franchisor, is outside the control of the Group but could have a negative impact on the ability of the Group to market those concessions and attract and retain customers, which could in turn have a material adverse effect on its business, results of operations and financial condition.

1.11 Wagamama has given guarantees in respect of the US JV which may be called upon if the US JV decides to close one or more of the Existing Restaurants

On 31 January 2020, Wagamama Inc. entered into the US JV which took over the operation of six Wagamama restaurants in the US (the "Existing Restaurants"). As part of the US JV agreement, Wagamama Inc. agreed that in the event that

the US JV, after attempting to operate the Existing Restaurants, concluded that they were not commercially viable and closed such Existing Restaurants within two years, Wagamama Inc. would remain responsible for the existing credit support or similar arrangements in connection with any lease relating to such Existing Restaurant and for the payment of any extraordinary costs associated with such leases (including termination costs and including any amounts payable in respect of future rent or other payments required under the terms of the Existing Restaurant leases). In addition, letters of credit to the value of US\$1.9 million have been issued under the Wagamama RCF to guarantee payments under the Existing Restaurant leases and two of those leases also benefit from a parent company guarantee from another Wagamama company. As a result, should the US JV decide to close one or more of the Existing Restaurants, this would result in a financial liability on Wagamama Inc. and to the extent that Wagamama Inc. is not able to mitigate such liability (through, for example, sub-letting the relevant premises), Wagamama and TRG's financial condition could be adversely affected.

1.12 Wagamama's role as franchisor in respect of certain of its restaurants carries disadvantages.

As at 27 December 2020, 55 Wagamama restaurants – being all of Wagamama's restaurants outside the United Kingdom and United States – were operated under franchise agreements with third-party franchisees. In addition, at 27 December 2020, six restaurants in the United States operating under the Wagamama brand are operated by the US JV in which Wagamama Inc. is a minority partner and does not control day-to-day operations. The risks resulting from these arrangements include, in particular, the following:

- many of the franchise operations, including the six restaurants in the US, continue to be affected by the Covid-19 pandemic and restrictions in effect in the relevant countries. As the Group receives a substantial majority of turnover from its franchisees in the form of royalties, generally based on a percentage of sales at franchise restaurants, if a franchisee experiences financial difficulties or declining sales, whether as a result of the Covid-19 pandemic or otherwise, its financial viability may deteriorate, which could result in, among other things, delayed or reduced royalty payments, advertising contributions and rents, or even failure of the franchisee, which could have an adverse effect on the Group's business, results of operations and financial condition;
- the franchisees and the US JV are independent operators and, while the Group mandates certain operational standards and procedures through the enforcement of its agreements, it may not be able to quickly respond to franchisees that do not uphold these standards. While the Group ultimately can terminate franchisees for material non-compliance with the terms of their franchise agreements (or the US JV's rights under the relevant license agreement), it may not be able to respond quickly enough and its image and reputation may suffer, which could have an adverse effect on the Group's ability to market its sites and attract and retain customers;
- the Group's limited control over its franchisees and the US JV could restrict its ability to implement major initiatives, such as marketing programmes and strategic plans, which in turn could adversely affect the Group's business, results of operations and financial condition; and
- the franchisees may not be willing or able to renew their franchise agreements, which typically have a 10-year term, for reasons such as low sales volumes, high rental costs or lack of profitability. If the franchisees are unwilling or unable to renew their franchise agreements with the Group, the Group may have to find replacement franchisees to operate its restaurants or otherwise operate them as directly operated restaurants. If a substantial number of franchises are not renewed, TRG's business, results of operations and financial condition could be adversely affected.

1.13 The success of the Group will depend partly on the services of key individuals, the loss of whom could materially harm the business.

The success of the Group will depend, in part, on the efforts of its executive officers and other key employees. The Group will continue to review and, where necessary, strengthen its senior management as the needs of the business develop, including through internal promotion and external hires. However, there is no assurance that the Group would be able to attract or employ such qualified personnel on terms acceptable to it or at all. Therefore, the unplanned loss of any such personnel without adequate replacement could have a material adverse effect on the business, results of operations and financial condition of TRG.

1.14 The Group's assets, such as goodwill and trademarks, are subject to the risk of impairment.

Intangible assets that TRG carried on its consolidated balance sheet as at 27 December 2020 mainly consist of goodwill and trademarks. TRG determines the value of these intangible assets in accordance with applicable accounting principles. An impairment loss with respect to goodwill and/or other intangible assets or a requirement to amortise them faster than expected may have a material adverse effect on its business, financial condition and results of operations.

1.15 Insurance policies may not provide adequate levels of coverage against all claims.

TRG believes that the Group maintains insurance coverage that is customary for businesses of its size and type, but such insurance policies may not be adequate to protect it from all liabilities or losses incurred. However, losses sustained as a result of the Covid-19 pandemic may not be covered under the Group's insurance policies or may only cover a part of the Group's actual losses. In addition, in the future, insurance premiums may increase and the Group may be unable to obtain similar levels of insurance on reasonable terms or at all. Moreover, certain types of losses that the Group may incur cannot be insured against, such as trade name restoration coverage for losses such as those associated with a food-borne illness event. The Group may also experience difficulties in claiming under its insurance policies and payments received may be less than the losses incurred. Any such inadequacy of or inability to obtain insurance coverage could have a material adverse effect on the business, results of operations and financial condition of TRG.

1.16 The Group's computer and information technology systems may fail or be damaged and security breaches could compromise the information of the Group.

The Group's operations are dependent upon the successful implementation and uninterrupted functioning of its computer and information systems and the information technology systems of third-party service providers and suppliers. These systems could be exposed to damage or interruption from fire, physical theft, natural disaster, power loss, telecommunications failure, cyber-attack and computer viruses.

The Group is exposed to the increasing risk that individuals or groups may attempt to disrupt the availability, confidentiality, integrity and resilience of its IT systems, which could disrupt key operations, make it difficult to recover critical services, damage assets and compromise the integrity and security of customer, employee and corporate data. This could result in loss of trust from the Group's customers, employees and other stakeholders, reputational damage, legal or regulatory proceedings and direct or indirect financial loss. Although the Group is continuously investing in its IT systems to protect itself from such disruption, the cyber-security threat continues to evolve globally in sophistication and potential significance.

In addition, the information technology systems may not be kept up to date or be sufficient to support current operations or future growth. System defects, inadequacies, failures and interruptions could result in:

- additional development costs;
- diversion of technical and other resources;
- disruption to business operations;
- loss of customers and sales;
- negative publicity; and
- exposure to litigation claims, fraud losses or other liabilities.

To the extent the Group relies on the systems of third parties in areas such as data storage, management and payment of employees and suppliers, credit card processing, telecommunications and wireless networks, any defects, failures and interruptions in such systems could result in similar adverse effects on its business. Sustained or repeated system defects, failures or interruptions could have a material adverse effect on the Group's business, financial condition and results of operations.

In the ordinary course of business, the Group collects and stores proprietary business information and the personal data of customers, employees, suppliers and franchising partners (which may include, in the case of employees, sensitive personal data, such as medical history and criminal record checks). Despite the security measures in place, the information technology systems and infrastructure of the Group may be vulnerable to attacks by hackers or may be breached as a result of employee error, malfeasance or other disruptions. In addition, the Group uses certain applications, which allow customers to review the menu, order and pay through the application. The software for the application is provided as part of a third-party service contract whereby the data is populated onto a cloud-based database that is hosted by a third-party service provider. Any loss, theft or mismanagement of data, including loss resulting from system defects and intentional breaches of the Group system, could result in operational disruption and reputational damage to the Group which could have a material adverse effect on its business, results of operations and financial condition. See Risk Factor 3.3 below on personal data.

1.17 Infringement or misappropriation of the Group's intellectual property could harm its business.

The Group depends in a large part on the value of its intellectual property and its continued ability to use its existing trademarks and further develop its branded products. Its policy is to pursue registration of its trademarks where possible, and to rely on a combination of protections provided by contracts, copyrights, trademarks, and other common law rights, such as trade secrets and unfair competition laws, to protect its brands and intellectual property from infringement.

There may not be adequate protection for certain intellectual property, such as the overall appearance of the Group's sites. In addition, unauthorised users or other misappropriation of trademarks in geographic regions in which the Group operates or into which it intends to expand could diminish the value of its brands and may adversely affect its business. Further, defending or enforcing the Group trademark rights, branding practices and other intellectual property, and seeking injunctions and/or compensation for misappropriation of confidential information, could result in the expenditure of significant resources.

2. RISKS RELATING TO THE GROUP'S INDUSTRY

2.1 Changes in consumer discretionary spending and general economic conditions, including as a result of the Covid-19 pandemic, could have a material adverse effect on the business, results of operations and financial condition of TRG.

The sales and profitability of the Group are strongly correlated to consumer discretionary spending. The prevailing general economic conditions, interest rates, currency exchange rates, political uncertainty, inflation, lack of real wage growth, unemployment levels, availability of customer credit, taxation rates, stock market performance and consumer confidence can all have an adverse impact on customer spending decisions. Additionally the Covid-19 pandemic and UK Government restrictions and lockdowns have had and continue to have a significant impact on consumer sentiment, general economic conditions and the political climate (see Risk Factor 2.2 below).

The Group's sales and profits are derived mainly from the UK and therefore the Group is particularly exposed to macro-economic conditions and changes in consumer behaviour in the UK. The degree to which the Covid-19 pandemic impacts these economic conditions, which depends partly on future developments, is highly uncertain and cannot be accurately predicted. These developments may include the duration and containment of the outbreak, its severity, the occurrence and spread of any variants of the virus, actions taken to contain the virus or mitigate its impact, the success of UK Government social-distancing and other measures aimed at combatting the spread of Covid-19, the speed and effectiveness of the UK Government's Covid-19 vaccination programme, the extent and effectiveness of economic stimulus packages and how quickly and to what extent normal economic and operating conditions can resume. In the medium- to long-term, if the impact of Covid-19 is prolonged, or further viruses or variants emerge that give rise to similar macro-economic effects, economic conditions will continue to be adversely affected and there could be a further or more serious economic downturn in the UK and the global economy more broadly, the extent and duration of which cannot be predicted. Should economic conditions not improve, or should they further deteriorate, or political uncertainty increase, customers may choose to reduce their discretionary spending on eating and drinking at the Group's restaurants and pubs or migrate to competitors who offer lower priced products. In addition, the Covid-19 pandemic and the challenging economic conditions may have long-term effects on consumer confidence, the Group's prices and input costs or demand for dining out experiences and may cause a sustained economic downturn in the UK. These factors may therefore continue to adversely affect TRG's business, financial condition and results of operations.

A portion of the Group's indebtedness, including borrowings under the TRG Plc Revolving Credit Facility, the CLBILS Facility and the Wagamama RCF, bears interest at floating rates. If general economic conditions (as a result of the Covid-19 pandemic or otherwise), UK Government policy or other factors cause these interest rates to rise in the future, this would increase the Group's interest expenses, reducing its cash flow. If such rise in interest rates was significant and prolonged, this may have a material adverse effect on the business and financial condition of TRG.

The Group's casual dining restaurants are located in high streets, shopping centres, retail or mixed commercial parks or close to leisure facilities (such as cinemas and bowling alleys). As a result, a reduction in retail activity or leisure spending generally, the failure of retailers or retail facilities or a reduction in the number of consumers visiting the locations where the Group outlets are situated (for example, on account of a move away from high-street shopping in favour of online shopping, the construction of newer, competing shopping centres or the closure of large retailers in the same location) may have a material adverse effect on the business, results of operations and financial condition of TRG.

The majority of the Group's Concession outlets are located in airports and therefore the sales and profitability of the Group's Concessions business are dependent on the number of passengers travelling by air. As at 27 December 2020, three of 71 concessions units was open and operating. The prolonged effect of the Covid-19 pandemic, the imposition of travel bans or quarantines, the closure of travel corridors, terminals or airports or continuing or additional Covid-19 restrictions in airports, the failure of airline operators or reduction of air services, the further weakening of economic conditions in the UK or elsewhere and the further reduction in tourism or air travel generally, may cause or continue to cause a severe reduction in air passenger numbers or cause air passengers to reduce the amount they choose to spend at airport concessions, which may have a material adverse effect on the business, results of operations and financial condition of TRG.

Although the Group has adapted to changes to consumer behaviour throughout the Covid-19 pandemic, it is possible that patterns of consumer behaviour and consumer preferences will change in the longer-term after the pandemic is over. Such changes may include a disinclination to travel, whether for business or leisure, increased working from home,

shifting pattern of working hours, less eating out as consumers become more acquainted with home cooking or online food-delivery platforms and aggregators, stronger connection to local communities and services, lower frequentation of pubs and a heightened sensitivity to cleanliness and hygiene standards, social distancing measures and the way in which food is prepared and served. Those changes could, if they cannot be addressed by the Group, result in diminished demand for the Group's restaurants and pubs. They could also increase the costs and/or complexity of the Group's operations by, for example, necessitating increased staffing levels. Any of the foregoing may have a material adverse effect on TRG's business, financial condition, results of operations and prospects.

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

To mitigate the impact on the UK economy of mandatory measures to contain the spread of Covid-19, including travel restrictions, social distancing, closures of entertainment, hospitality, non-essential shops and indoor premises, restrictions on trading hours and increased testing, the UK Government and the Bank of England have introduced a range of economic stimulus and fiscal measures aimed at speeding up economic recovery. The Group has been able to benefit from a number of these support measures, such as £50 million of funding it has accessed under the CLBILS, which supports larger firms and carries a UK Government guarantee of 80% of the principal amount of any loans, up to an aggregate principal amount of £200 million. From March 2020, the Group has benefitted from the Coronavirus Job Retention Scheme, which the Chancellor announced on 3 March 2021 will be extended to the end of September 2021, whereby since November 2020 the UK Government has covered 80% of the wage costs for furloughed employees, up to £2,500 per month. From July 2021, participating employers will be required to pay 10% towards the cost of hours that their furloughed employees do not work, increasing to 20% in August and September 2021. In relation to the UK Government's announcement on 4 January 2021 of a further national lockdown, the Chancellor also announced one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through the spring.

The Group also benefits indirectly from the UK Government's reduction of VAT, as the savings can be passed onto consumers. The UK Government announced that it would introduce a temporary 5% reduced rate of VAT for certain supplies of hospitality, hotel and holiday accommodation, and admissions to certain attractions, which includes food and non-alcoholic beverages sold on-premises for consumption in restaurants and hot takeaway food and non-alcoholic beverages. This reduction in VAT to 5% from the standard rate of 20% initially had effect from 15 July 2020 to 12 January 2021, was further extended to 31 March 2021 as part of the Winter Economy Plan and further extended to the end of September 2021 as part of the 2021 Budget announced on 3 March 2021. The Chancellor announced that the rate of VAT will increase to 12.5% from 1 October 2021 until 31 March 2022, before returning to the standard rate from 1 April 2022. The Chancellor also announced as part of the 2021 Budget that businesses which deferred VAT due from 20 March 2020 to 30 June 2020, will now have the option to pay the VAT deferred up to eleven equal payments from March 2021, rather than one larger payment due by 31 March 2021, as originally announced on 24 September 2020. Instead of paying the full amount by the end of March 2021, businesses can make smaller payments up to the end of March 2022, interest free.

However, there can be no certainty that these or any other similar support initiatives will be available to the Group in the future while the Group continues to be impacted by the Covid-19 pandemic or continue to be made available in their current form. The lack of replacement initiatives as current measures are withdrawn may have a material adverse effect on the economy, consumers and TRG's business, financial condition and operations. Furthermore, while the Group benefits from these measures in the short-term, certain benefits will need to be repaid in due course. In particular, unless extended or repaid early, the CLBILS Facility will mature on 30 June 2022 and VAT payments, which have been deferred until the end of March 2021, will require repayment starting in April 2021 out of free cash flow. As part of the reasonable worst case scenario considered in relation to the Working Capital Statement, the Company has assumed that these will be extended during the period of national lockdown restrictions. In addition, withdrawal of employee support schemes could lead to further redundancies as the Coronavirus Job Retention Scheme and Job Support Schemes are wound down.

2.3 TRG's results can be materially adversely affected by weather conditions or external events.

Weather conditions, such as exceptionally hot periods, snow or flooding across many parts of the UK, local, national or international events, such as the FIFA World Cup or the Olympics (which may reduce the number of people going to restaurants during games and events), and other external incidents, such as strikes, natural disasters, terrorist attacks, and

pandemics can negatively impact the sales of the Group by reducing the number of customers dining or drinking out. Because a significant portion of restaurant operating costs is fixed or semi-fixed in nature, the loss of sales during these periods could negatively impact operating margins and could result in restaurant operating losses. This could have a material adverse effect on the business, results of operations and financial condition of TRG.

Natural disasters (such as hurricanes and severe adverse weather conditions), as well as public health crises (including pandemics and epidemics, for example, the Covid-19 pandemic (see Risk Factors 1.1 and 2.1 above)), or political crises (such as riots, terrorist attacks, war and other political instability), whether occurring in the United Kingdom or abroad, can keep customers from dining out in the Group's restaurants and pubs and could also disrupt their operations or the operations of one or more of TRG's suppliers. To the extent any of these events occur, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

In addition, the Group's Concessions business, which operates principally in UK airports, could be adversely affected by the occurrence of events affecting travel or travel safety, such as natural disasters, travel agent, package holiday operator or airline company failure, airplane safety issues, political and social instability, actual or threatened terrorism, or potential outbreaks of epidemics or pandemics or similar public health crisis, such as the outbreak of Covid-19, or fear of such an event, that affects regional or global travel demand or travel behaviour, or causes travel restrictions. These types of events could significantly reduce air passenger traffic in UK airports and reduce the revenue of the Group's Concessions restaurants, which may adversely affect TRG's business, financial condition and results of operations (see Risk Factor 2.1 above).

2.4 Restaurant and pub locations may not prove economically viable.

The physical locations of restaurants and pubs have significant influence on their results of operations. As demographic and economic patterns change, existing locations may not continue to be attractive and profitable. Possible declines in neighbourhoods where restaurants and pubs are located, including the failure or decline of retail or leisure establishments, reduced numbers of people working in inner-cities, reduced tourism or the presence of unemployment or other adverse economic conditions in surrounding areas, could result in reduced revenue in those locations.

In the case of the Group's Concessions business, there is high dependency on flight activity and passenger numbers at the relevant airports and therefore changes to flight arrangements, or changes in the popularity of certain destinations, airline companies or airports, airport or terminal closures, cessation or reduction of flights from certain airports and the failure of airline operators could materially affect the customer footfall at airport terminals where the Group operates concession outlets. These dependencies mean that the performance of the Concessions business is even more sensitive to the physical locations of its sites, in general, and any disruption to travel patterns, in particular, than the rest of the Group's restaurants and pubs. The Concessions business has been severely affected by the Covid-19 pandemic which has significantly impacted international passenger travel, which will remain the case until there is a substantial increase in flight activity and passenger numbers (see Risk Factor 1.1 and 2.1 above).

These factors could have a material adverse effect on the business, results of operations and financial condition of TRG. See Risk Factor 2.1 above.

2.5 Brexit may have a negative effect on TRG's business, results of operations and financial condition.

As a result of the UK's Brexit referendum, the UK left the EU on 31 January 2020. A transition period was in place until 31 December 2020, during which all EU rules and laws continued to apply to the UK. On 1 January 2021, following the end of the transition period, provisional application of the Trade and Cooperation Agreement between the UK and the EU took effect which set out the rules of a new UK-EU partnership covering areas such as trade in goods and services, a level playing field, fisheries, aviation and road transport, social security, UK participation in EU programmes and internal security.

The future impact of the Trade and Cooperation Agreement is unknown and there remain areas where the detailed arrangements between the UK and the EU are yet to be agreed. Changes to UK laws and regulations as a result could have an impact on the general and economic conditions in the UK, consumer confidence and the value of the Pound Sterling, which may adversely affect the financial condition of the Group or its customers. If economic conditions, or the consumer perception of economic conditions, in the UK weaken as a result of Brexit, this may materially adversely influence customer spending decisions and therefore materially adversely impact TRG's business, results of operations and financial condition.

In addition, the imposition of customs checks at borders could increase lead times for deliveries of supplies. Suppliers suffering financial difficulties may, at short notice, be unable to fulfil order arrangements, which would cause material disruption to the Group's business, as a result of which the Group would need to source alternative supply arrangements that may only be available on less advantageous terms. As the majority of the food and drink supplies that the Group purchases are priced in Pounds Sterling, continued weakness of the Pound Sterling may increase food costs when negotiating supplier contracts in the future, as suppliers may pass on higher costs for imported products and ingredients to customers (see Risk Factor 2.6 below).

2.6 Shortages or interruptions in food and drink supplies could materially adversely affect the operating results of TRG.

The Group is dependent on frequent and timely supplies of food and drink that meet its specifications at competitive prices. These supplies include fresh food, which is especially susceptible to problems arising from delays in the supply chain process, including food safety and hygiene issues (see Risk Factor 3.2 below). Shortages or interruptions in the supply of food and drink caused by unanticipated demand, problems in production or distribution, disease or food-borne illnesses, restrictions on importing or exporting including due to trade disputes, public health crises (such as the Covid-19 pandemic) and the governmental responses thereto, Brexit, inclement weather, natural disasters, failure to meet quality standards or logistical issues could adversely affect the availability, quality and cost of food and drink sold in the outlets of the Group.

A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. The Group is reliant on three principal logistics suppliers for food deliveries, which aggregate food supplies from multiple sources for delivery and two principal logistics suppliers for drink deliveries. Similarly, most of Wagamama's fresh noodles are purchased from one supplier whose supply arrangement is due to expire in 2023. Although the Group would seek alternative solutions, such as using alternative suppliers, if any such principal supplier were to suffer material disruption of service, or supply were to materially fail to meet agreed service levels or were to experience any natural or other disaster to its distribution centre or any other such difficulties, this may have a material adverse effect on the business, results of operations and financial condition of TRG.

The cancellation of these or other supply or distribution agreements, or an ability to renew such arrangements or to find replacements on commercially reasonable terms, or other conditions beyond the Group's control may have a material adverse effect on the business, results of operations and financial condition of TRG. Brexit may also have an impact on the Group's suppliers and therefore also adversely affect the availability of food and drink supplies (see Risk Factor 2.5 above).

2.7 The Group is vulnerable to fluctuations in the price of food and drink supplies and transport.

Food and drink supplies and transport (used to deliver supplies to the outlets of the Group) are vulnerable to price fluctuations. These fluctuations are attributable to, among other things, changes in the supply and demand of crops and other commodities, natural disasters, weather conditions during the growing and harvesting seasons, plant and livestock diseases, labour costs, fuel prices, currency exchange rates and government-sponsored agricultural and livestock programmes. The Covid-19 pandemic might have short-term or long-lasting impact on the supply chain, given that some produce suppliers might experience interruption to production or supply or not be able to continue to trade, and this might impact pricing (see also Risk Factor 2.1 above). Any pronounced or sustained increase in the price of food and drink supplies or transport costs may have a material adverse effect on the business, results of operations and financial condition of the Group.

As the majority of the ingredients that the Group purchases are priced in Pounds Sterling, the continued weakness of the Pound Sterling may increase the Group's food costs when negotiating supplier contracts in the future as suppliers may pass on higher costs for imported ingredients. Furthermore, Brexit may have an impact on the Group's suppliers and therefore also adversely affect the availability and prices of food and drink supplies (see Risk Factor 2.5 above).

2.8 The profitability of the Group's Pubs business – and, to a lesser extent, the profitability of the restaurants operated by the Group – relies heavily on alcoholic drink offering.

The sale of alcohol is critical to the profitability of the Group's Pubs business, and, to a lesser extent, the profitability of the restaurants operated by the Group. The Group's ability to promote this offering is reliant on both general social attitudes toward alcohol and governmental policies regulating the sale of alcohol.

In recent years, increased social and political attention has been directed at the alcoholic beverage industry. This recent attention has focused largely on public health concerns related to alcohol abuse, including drinking and driving, underage drinking, and health consequences from the misuse of alcoholic beverages. In addition, there have been various well-publicised campaigns encouraging people to refrain from consuming alcohol for a period of time, such as the "Dry January" and "Sober October" initiatives. If the social acceptability of alcoholic beverages were to decline significantly, sales of alcoholic drinks at the Group's Pubs, as well as at the restaurants of the Group, could decline significantly. Whereas the Group's restaurants are able to offer alternatives to alcohol, which offer high-margins, such as juices, for the Group's Pubs, such other options are more limited.

Revenue at the Group's Pubs, as well as at the restaurants of the Group, would also suffer if the UK Government were to take actions to discourage alcohol consumption, such as restricting or prohibiting advertising, varying licensing hours, raising the legal drinking age or introducing minimum prices for alcoholic beverages. In addition, if there is an increase in consumers purchasing alcohol from supermarkets, off licenses and other retailers to consume at home, rather than in pubs and restaurants, TRG's operating results, financial condition and prospects could be adversely affected.

2.9 Increased use of social media could create or amplify the effects of negative publicity and have an adverse material effect on the business, results of operations and financial condition of TRG.

There has been a marked increase in the use of social media platforms in the leisure and hospitality industry, including blogs, social media websites, customer rating websites and other forms of internet-based communications, which allow individuals to access a broad audience of consumers and other interested persons. Consumers value readily available information concerning retailers and their goods and services and may act upon or share such information without further investigation, authentication and without regard to its accuracy. As a result, information concerning or affecting the Group may be posted on such platforms at any time, including inaccurate and adverse information that may harm the business or reputation of the Group. For example, inaccurate or adverse reviews about the restaurants of the Group may be published on the internet on social media platforms such as Facebook, Twitter and Instagram and websites such as TripAdvisor. The harm from these reviews and ratings may be immediate and disproportionate, without affording the Group an opportunity for redress or correction. Furthermore, these reviews may contain criticisms and allegations that are not verifiable, which may limit the ability of the Group to successfully address such reviews. The negative publicity arising from these reviews and customer ratings may counter the effectiveness of marketing and advertising programmes run by the Group and may reduce demand for its offerings, which could have a material adverse effect on TRG's business, results of operations and financial condition.

In addition, reports in the media, including social media, whether or not accurate or involving the Group, could create and/or amplify negative publicity for the Group or for the industry or market segments in which it operates. Such media topics could include food-borne or hygiene-related illnesses, allergens, issues with food traceability, contamination, unsanitary restaurant environment, issues relating to quality of service or product quality, discriminatory behaviour, injuries or restaurant staff policies and the use of customer data. Media reports relating to any of these topics, even where not involving the Group, could reduce demand for its products and could result in a decline in sales, which would have an adverse effect on its business, financial condition and results of operations.

3. RISKS RELATING TO REGULATION AND LEGISLATION

3.1 Concerns about food safety, traceability, hygiene and allergens may damage the reputation of the Group and increase its operating costs and decrease demand for its products.

Food safety, traceability (including in respect of product origins, ingredients and their attributes, through all stages of production, processing and distribution), hygiene and the perception of customers that products are safe are key to the reputation and business of the Group. As a result, the Group is subject to food safety risks, in particular the risk of food-borne illnesses, food allergies, new illnesses resistant to preventative measures, contamination or spoilage of fresh produce as a result of inadequate storage or refrigeration, as well as the risk of fraudulent activities in the food and drink supply chain and counterfeit products, inadequate health-related staff training and the potential cost and disruption of a

product recall or withdrawal. Additionally, reliance on third-party food suppliers and distributors increases the risk that such incidents could be caused by factors outside the control of the Group (see Risk Factor 2.6 above).

Customers are also increasingly concerned about the potential dangers of allergic reactions to ingredients in food. To reduce the risk of incidents relating to food allergens, robust allergens policies and procedures are in place across the Group, which ensure accurate and sufficient information is provided to guests concerning allergens. Furthermore, allergen training has been completed by all restaurant employees across all businesses, with allergen training being embedded through the induction process. All Group allergen information is available in store and online on brand websites, allowing guests to view dishes suitable for them based on their particular allergies and intolerances. However, if customers do not follow the Group's allergen information, there is a risk that customers could suffer allergic reactions.

Whilst the Group devotes significant time and expense to ensure compliance with food handling requirements and maintains systems designed to control risks associated with food safety and sourcing, food allergies and hygiene, including training for employees and strict adherence to quality standards, the occurrence of food-borne illnesses, food safety or allergy issues could negatively impact the price and availability of affected ingredients – potentially resulting in disruptions in the supply chain, significantly increased costs and reduced margins – as well as causing reputational damage, which may materially adversely affect the business, results of operations and financial condition of TRG.

Any report or publicity linking the Group, one of its brands, or one of its outlets, including restaurants operated by franchisees, or linking the Group's competitors or the segment of the hospitality and dining industry in which the Group operates, to instances of food-borne illness, food safety issues, allergic reactions or general hygiene could adversely affect the Group's reputation as well as its revenues and profits, and possibly lead to product liability claims, litigation, governmental investigations or actions, and damages. Outlets may be temporarily closed, which could further disrupt the Group's operations and have a material adverse effect on TRG's business, financial condition and results of operations. The considerable increase in the use of social media in recent years has compounded the potential scope of the negative publicity that could be generated by such incidents (see Risk Factor 2.9 above).

3.2 The Group is subject to increasingly stringent health, safety and environmental regulations, which could result in increased costs and fines, as well as the potential for reputational damage.

The Group is subject to an array of health, safety and environmental regulations as well as rigorous preparation, quality, and nutritional disclosure regulations and standards. In addition, health, safety and environmental regulations are subject to regular change, with a trend towards increasingly stringent requirements.

Nutritional disclosure regulations and standards may also change – for example, it may become mandatory to include calorie labelling on menus – which may increase costs and affect consumer behaviour and preferences. Furthermore, the Group's restaurants and pubs currently must comply with operational, hygiene and cleaning guidelines and restrictions, including those relating to the prevention of the spread of the Covid-19 pandemic. Any failure to comply with such health and safety regulations guidelines or standards may lead to payment of damages or fines, temporary or permanent site closures, payment of remediation costs and reputational damage which may have a material adverse effect on the business, results of operations and financial condition of TRG. In addition, if the costs of compliance with health, safety and environmental laws and regulations continue to increase, or if such measures constrain TRG's revenue by, for example, limiting operating capacity at the Group's sites, and if it is not possible to mitigate such additional costs or revenue constraints by increasing prices or capturing higher customer spend, any such restrictions could reduce the profitability of TRG.

Food preparation is associated with numerous potential health and safety hazards to staff, including large ovens, hot surfaces, cooking products and sharp utensils. The Group risks being subject to employee personal injury claims and investigations by regulatory authorities. Although the Group believes that operations at its sites are conducted in a way that reduces health, safety and environmental risks and adequate processes have been put into place, there can be no assurance that it has identified all sources of health, safety and environmental risks and the possibility of such incidents occurring cannot be totally eliminated. Any of these events and any future changes in health, safety and environmental laws or regulations may have a material adverse effect on the business, results of operations and financial condition of the Group.

The Group relies on third party suppliers to supply ingredients used in the preparation of its meals, including spices, sauces, meat, seafood, accompaniments and fresh produce. Such suppliers are subject to regulations, including food

safety and environmental regulations and labelling regulations. Failure by any of its suppliers to comply with regulations, claims of intentional or negligent contamination of ingredients and raw materials or prolonged and intense negative publicity may disrupt its supply of ingredients or other raw materials, which could have a material adverse effect on TRG's business, financial condition and results of operations. Additionally, actions the Group may take to mitigate the impact of any such disruption or potential disruption, including increasing inventory in anticipation of a potential production or supply interruption, could have a material adverse effect on its business, financial condition and results of operations of TRG.

Under certain health, safety and environmental laws and regulations and civil liability rules, the Group could also be liable for investigation or remediation of contamination at properties it occupies, even if the contamination was caused by a party unrelated to it and was not its fault. The Group may also not identify such contamination associated with historical site operations prior to leasing, developing or acquiring a property. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at its properties, could result in substantial unanticipated costs. In some circumstances, the Group could be required to pay fines or damages under these laws and regulations. Regulatory authorities may also require it to curtail operations or close its sites temporarily or permanently, including for the purpose of preventing imminent risks. There can be no assurance that the Group will not incur health, safety and environmental losses or that any losses incurred will not have a material adverse effect on TRG's business, financial condition and results of operations. In addition, future changes in health, safety and environmental laws or regulations may have a material adverse effect on TRG's results of operations and financial condition.

3.3 Failure to comply with existing laws or regulations, or the introduction of changes to existing laws and regulations, could have a material adverse effect on the business, results of operations and financial condition of TRG.

The Group and the wider dining industry is subject to significant government regulation at a national and local level, including various health, sanitation, planning permission, licensing, fire and safety standards (including requirements concerning the prevention of the spread of the Covid-19 pandemic). Additionally, the Group is subject to various laws and regulations governing its relationship with employees, including such matters as minimum wage requirements, the treatment of part-time workers, employers' National Insurance contributions, overtime and other working conditions.

Alcoholic beverage control and licensing regulations relate to numerous aspects of the operations of the Group, including the hours of operation, the handling, storage and dispensing of alcoholic beverages and staff training and qualifications. Vendors of alcoholic beverages are subject to licensing and regulation by governmental and local authorities, pursuant to the UK Licensing Act 2003 and related laws and regulations. Changes to licensing and regulation could cause the Group to incur additional costs which it may be unable to pass on to its customers, affecting profit margins, or which may lead to higher prices being charged to customers, making eating out less attractive and leading to a decline in sales. The failure to obtain or renew licences for the sale of alcoholic beverages could have a material adverse effect on the business, results of operations and financial condition of TRG.

Additionally, a change in the VAT or other tax regimes applicable to the business of the Group may result in uncertainty, disruption to operations and implementation costs which it may be unable to pass on to its customers, affecting profit margins, or which may lead to higher prices being charged to customers, making eating out less attractive and leading to a decline in sales.

The Group contracts with multiple business partners, including suppliers, mostly in the United Kingdom and European Union. It also has franchise partners in 21 countries as at 27 December 2020 as well as a 20% stake in the US JV operating under the Wagamama brand. It requires its suppliers, franchisees and other business partners to operate in compliance with applicable laws and regulations. However, it may not be able to adequately vet, monitor, and audit its franchisees, suppliers and business partners. If any of them violates applicable laws or implements business practices that are regarded as unethical or inconsistent with the Group's values, the Group's reputation could be severely damaged, and its supply chain could be interrupted, which could have a material adverse effect on its reputation, business, financial condition and results of operations.

The Group could be exposed to a variety of negative consequences as a result of any potential violations of law, such as criminal or civil enforcement actions, the imposition of fines or sanctions, including the closing of facilities for an indeterminate period of time, recalling of certain products, third-party litigation, costs in connection with internal or external investigations of any potential violations and undertaking additional compliance training programmes. In

addition, the Group could be subject to media and governmental interest, which could negatively impact its reputation and relationships with its customers, suppliers, partners and other stakeholders. Any of these consequences could have a material adverse effect on its reputation, business, financial condition and results of operations.

In addition, the Group is subject to regulations in the jurisdictions in which it operates regarding the collection, storage and use of personal data. In the ordinary course of business, the Group collects and stores proprietary business information and the personal data of customers, employees, suppliers and franchising partners (which may include, in the case of employees, sensitive personal data, such as medical history and criminal record checks). Any failure to comply with applicable data protection law, whether as a result of a cyber-attack, the failure of IT security systems, employee negligence, the actions of suppliers or otherwise, could result in financial penalties and reputational damage, which could have a material adverse effect on the business, results of operations and financial condition of TRG.

Data protection laws and regulations have become more stringent, and fines have increased, in recent years, which may increase the financial and reputational implications for the Group following a significant breach of its IT systems or those of its third-party suppliers. If a significant or widely publicised unlawful disclosure of supplier, employee or customer data were to occur, whether as a result of a cyber-attack, the failure of the Group's IT security systems, employee negligence, the actions of its suppliers or otherwise, the Group may be subject to legal claims by individuals, fines or other enforcement action which could result in adverse regulatory and financial consequences and could harm its reputation. In addition, failure to comply with applicable data protection laws and regulation may subject the Group to fines and penalties which could have a material adverse effect on its business, results of operations and financial condition.

In the UK, the EU General Data Protection Regulation (EU) (2016/679) ("**EU GDPR**"), which was implemented in the UK by the Data Protection Act 2018, was onshored into UK law by the EUWA, subject to certain changes to ensure that the onshored legislation and the Data Protection Act 2018 operates effectively in the UK, including changes made by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419), as amended (together, the "**UK DP Laws**"). These provisions strengthened the rights of individuals (data subjects), imposed stricter controls over the processing of personal data by both controllers and processors of personal data and imposed stricter sanctions with substantial administrative fines and potential claims for damages from data subjects for breach of their rights. Any failure to comply with the applicable data protection and privacy laws could result in financial penalties and reputational damage, which could have a material adverse effect on the business, results of operations and financial condition of TRG. Those laws generally impose certain requirements on the Group in respect of the collection, retention, use and processing of such personal information. Notwithstanding its efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost, disclosed, retained, stolen or processed in breach of data protection laws.

The EU GDPR and the UK DP Laws introduce the potential for significant new levels of fines for non-compliance of up to 4% of a violator's annual worldwide turnover. The Group will continue to review and develop existing processes to ensure that customer personal data is processed in compliance with data protection law requirements, to the extent that they are applicable, and it may be required to expend significant capital or other resources and/or modify its operations to meet such requirements, any or a combination of which could have a material adverse effect on the Group's business, financial condition and results of operations, or otherwise harm its reputation. If an actual or perceived breach of the Group's IT security occurs or personal data is stolen or wrongfully accessed, it may expose the Group to the loss of information, litigation and liability under data protection laws. This could also result in the loss of the goodwill of the Group's customers and deter new customers.

Although the UK DP Laws already allow personal data to be transferred freely from the UK to EEA States (among other countries), the European Commission has not yet confirmed that the UK offers an adequate level of data protection for the purposes of the EU's GDPR regime. As an interim solution, the Trade and Cooperation Agreement allows for transfers of personal data from EU member states (and any other EEA States that opt in) to the UK to continue seamlessly for an interim period of four months, with a possible two-month extension, subject to certain conditions. However, there can be no certainty that a positive 'adequacy' decision from the EU will be forthcoming and, consequently, there could be restrictions on the transfer of personal data from the EEA to the UK in the future. The Information Commissioner's Office is the competent authority for enforcement of the UK DP Laws, among other regulations, in the UK.

3.4 TRG faces risks associated with litigation from customers, employees and others in the ordinary course of business.

Customer claims relating to kitchen hygiene, food allergies and food quality are common in the foodservice industry. The Group may also face the risk of claims of illness or injury relating to public liability given that it operates retail commercial establishments that are open to the public. There is also a risk of employment claims based on, among other things, discrimination, harassment, wrongful termination and issues such as rest breaks, meal breaks, overtime compensation, allocation of gratuities among staff and holiday pay.

Regardless of whether a claim is successful, involvement in high profile litigation can cause reputational damage to the Group, as well as diverting financial resources and the attention of key personnel away from operating the business. While the Group has insurance to cover legal claims, if one or more large claims were successful, or if there is a significant increase in the number of claims, the financial consequences and the adverse publicity could have a material adverse effect on TRG's business, results of operations and financial condition (see Risk Factor 2.9 above).

3.5 Failure to comply with immigration laws and regulations may adversely affect the business.

The Group regularly attracts and retains overseas employees who require visas and work permits to work in the UK. Failure to comply with immigration laws and regulations could result in financial or other sanctions. Immigration laws and regulations are subject to legislative and administrative changes as well as variability in their application standards and enforcement. The operations of the Group may be adversely affected if changes in immigration laws or regulations impair its ability to hire overseas personnel. Changes to immigration laws or a reduction in immigration following Brexit may have a material adverse impact on the operations of TRG if the ability to hire or retain such employees is restricted (see Risk Factor 2.5 above).

4. RISKS RELATING TO THE CAPITAL RAISING AND AN INVESTMENT IN ORDINARY SHARES

4.1 The value of an investment in New Ordinary Shares may be subject to material fluctuations and may not reflect the underlying asset value.

The market price of the New Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the securities. The fluctuations could result from national and global economic and financial conditions (including the Covid-19 pandemic), market perceptions of the Group and other factors and events, including but not limited to regulatory changes affecting TRG's operations, variations in TRG's financial results, business developments of the Group and/or its competitors and the liquidity of TRG or the financial markets. Moreover, the financial results and prospects of the Group may be below the expectations of market analysts and investors from time to time. Any of these events could result in a decline in the market price of the New Ordinary Shares.

4.2 Future substantial sales of Ordinary Shares or the perception that such sales might occur, could depress the market price of the Ordinary Shares.

Any sales of a substantial number of Ordinary Shares, or the perception that such sales could occur, may materially and adversely affect the market price of the Ordinary Shares. This may make it more difficult for Shareholders to sell their Ordinary Shares at a time and price that they deem appropriate, and could also impede the Company's ability to issue additional equity securities.

4.3 The market price for Ordinary Shares may decline below the Offer Price.

The market price of the Ordinary Shares has been volatile in the past and may continue to be volatile and characterised by fluctuating trading volumes in the future. In this regard, the market price of the Ordinary Shares may fluctuate and may decline considerably in the future. Therefore, the Offer Price at the time of the Capital Raising may not be indicative of the market price for the Ordinary Shares after the Capital Raising has been completed. The market price of the Ordinary Shares may fluctuate, depending upon many factors beyond the Group's control.

The market price of the Ordinary Shares is also subject to fluctuations in response to the Capital Raising and the investor perception of the success and impact of the Capital Raising. In particular, the market price of the Ordinary Shares is largely dependent on the Offer Price. A significant drop in the market price of the Ordinary Shares, such that the market price of the Ordinary Shares becomes equal to or lower than the Offer Price, would therefore also adversely affect the value of the New Ordinary Shares. TRG cannot assure investors that the market price of its Ordinary Shares will not decline. Should the market price of Ordinary Shares decline below the Offer Price after a Shareholder has decided to purchase New Ordinary Shares, which cannot be revoked or modified except as provided for in Section 6 of Part II (*Details of the Capital Raising*), that Shareholder will suffer an immediate unrealised loss as a result. Moreover, the Group cannot assure that a Shareholder will be able to sell the New Ordinary Shares at a price equal to or greater than the Offer Price.

4.4 Following the issue of the New Ordinary Shares to be allotted pursuant to the Capital Raising, Shareholders not participating in the Firm Placing will experience dilution in their ownership of TRG.

If a Qualifying Shareholder who is not a Placee does not take up their Open Offer Entitlements, such Qualifying Shareholders' holding, as a percentage of the Enlarged Share Capital, will be diluted by 22.9 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 Shareholders' holding, as a percentage of the Enlarged Share Capital, will be diluted by 12.5 per cent. as a result of the Firm Placing. Certain Qualifying Shareholders are excluded from the Capital Raising, including, among others, all Shareholders in the United States and the Excluded Territories and will therefore experience dilution as a result of the Capital Raising.

Ann 12, 9.1

Ann 12, 9.2

4.5 Any future issue of Ordinary Shares will further dilute the holdings of current Shareholders and could adversely affect the market price of Ordinary Shares.

Other than pursuant to the Capital Raising, TRG has no current plans for an offering of Ordinary Shares. TRG may, however, decide to offer additional Ordinary Shares in the future. If Shareholders did not take up any such offer of Ordinary Shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in

TRG would be reduced. Any such additional offering, or significant sales of Ordinary Shares by Shareholders, could have a material adverse effect on the market price of Ordinary Shares as a whole.

4.6 The Company's ability to pay dividends is subject to restrictions.

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.

Future dividends will be subject to the financial condition of TRG. Under UK company law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, TRG's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from its subsidiaries. The payment of dividends to TRG by its subsidiaries is affected by their financial condition and the existence of sufficient distributable reserves and cash in those subsidiaries. The ability of its subsidiaries to pay dividends to TRG and its ability to receive distributions from its investments in other entities are subject to applicable local laws and regulatory requirements and other restrictions, including the restrictions on payment of dividends by the Wagamama Finance Group contained in the terms of the Wagamama RCF and the Wagamama Notes. These requirements could limit the payment of dividends and distributions to TRG by its subsidiaries, which could in the future restrict TRG's ability to fund its operations or pay a dividend to Shareholders.

Additionally, terms restricting the payments of dividends are a requirement of an agreement made under CLBILS. 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, the 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.

4.7 Overseas Shareholders may not be able to acquire New Ordinary Shares in the Capital Raising or subscribe for future issues of Ordinary Shares.

Securities laws of certain jurisdictions may restrict TRG's ability to allow participation by certain Shareholders in the Capital Raising or any future issue of Ordinary Shares. In particular, and subject to certain exceptions, Shareholders who are located in the United States will not be able to exercise their rights in the Capital Raising or on a future issue of Ordinary Shares, unless a registration statement under the Securities Act is effective with respect to the Ordinary Shares or an exemption from the registration requirements is available thereunder. The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act and TRG does not intend to register the New Ordinary Shares or the Open Offer Entitlements under the Securities Act. There will be no public offering of the New Ordinary Shares or the Open Offer Entitlements in the United States. As a result, subject to certain limited exceptions, Shareholders who are located or resident in the United States will be excluded from participating in the Capital Raising, and TRG may in its sole discretion refuse to allow any such Shareholders to take up New Ordinary Shares. Accordingly, such Shareholders will suffer dilution and may not be fully compensated for such dilution, as described in Risk Factor 4.4 above. In addition, TRG may not file any such registration statements for any future issue of Ordinary Shares, and an exemption to the registration requirements of the Securities Act may not be available in any case. In such an event, Shareholders with a registered address, or who are located, in the United States would be unable to participate in such an issue.

Ann 12, 5.3.3

Qualifying Shareholders who have a registered address in or who are resident in countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents, or need to observe any other formalities to enable them to acquire New Ordinary Shares. Any Shareholder who is not entitled to participate in the Capital Raising or any future issue of Ordinary Shares carried out by TRG will suffer dilution and may not be fully compensated for such dilution, as described in Risk Factor 4.4 above.

4.8 The ability of Overseas Shareholders to bring actions or enforce judgments against TRG or its Directors or officers may be limited.

The ability of an Overseas Shareholder to bring an action against TRG may be limited under law. TRG is a public limited company incorporated in Scotland. The rights of Shareholders are governed by Scottish law and the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the TRG Directors and/or executive officers. All of the TRG Directors are residents of the UK. All or a substantial proportion of the assets of these individuals are located outside the United States. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the TRG Directors and/or executive officers within the Overseas Shareholder's country of residence or to enforce against the TRG Directors and/or the executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. Overseas Shareholders may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the TRG Directors and/or the executive officers who are residents of the UK or countries other than those in which judgment is made. In addition, courts in the UK or other courts may not impose civil liability on the TRG Directors and/or the executive officers in any original action based solely on foreign securities laws brought against TRG or the TRG Directors and/or the executive officers in a court of competent jurisdiction in the UK or other countries.

In addition, a significant portion of the Group's assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon TRG or to enforce against TRG judgments of courts in the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. In addition, there is doubt as to whether certain non-US courts (including the courts of England) would accept jurisdiction and impose civil liability if proceedings were commenced in such non-US jurisdictions (including England) predicated solely upon US securities laws. In addition, there can be no assurance that civil liabilities predicated upon federal or state securities laws of the United States will be enforceable in any part of the United Kingdom or any other jurisdiction.

4.9 Shareholders may be subject to risks associated with taxation, including United States Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA").

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a reporting and withholding regime with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by certain entities that are classified as financial institutions under FATCA. The Company does not expect that withholding under FATCA will apply to payments on the New Ordinary Shares. However, significant aspects of whether or how FATCA will apply to non-US issuers like the Company remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments on the New Ordinary Shares in the future. Shareholders and prospective investors should consult their own tax advisers regarding the potential impact of FATCA on an investment in the New Ordinary Shares.

4.10 If securities or industry analysts cease to publish research or publish inaccurate or unfavourable research about the Group's business, the trading volume and price of the Ordinary Shares could decline.

The trading market for the New Ordinary Shares depends in part on the research and reports that securities or industry analysts publish about the Group or its business. In addition, if one or more of the analysts covering the Group downgrade the Ordinary Shares or publishes inaccurate or unfavourable research about the Group's business or industry, the price for the New Ordinary Shares could decline. If one or more of these analysts cease coverage of the Group or fails to publish reports on the Group regularly, demand for the New Ordinary Shares could decrease, which could cause their price and trading volume to decline.

4.11 The transfer of the New Ordinary Shares is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The New Ordinary Shares have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. The Group has not agreed to, or otherwise undertaken to, register the New Ordinary Shares, and does not have any intention to do so. Such restrictions on transfer may affect the liquidity of the New Ordinary Shares and the price at which they may be sold.

4.12 Investors in the New Ordinary Shares may be subject to exchange rate risk.

Ann 12, 4.2

The New Ordinary Shares are priced in Pounds Sterling. Accordingly, any investor outside the United Kingdom is subject to adverse movements to their local currency against Pounds Sterling.

IMPORTANT NOTICES

DISCLAIMER

In considering whether to participate in the Capital Raising, Shareholders must rely on their own examination, analysis and enquiry of TRG and the terms of the Capital Raising, including the merits and risks involved. None of TRG or the Joint Bookrunners or any of their respective representatives is making any representation to any Shareholder or prospective investor regarding the legality or advisability of an investment in the securities of TRG or related or other securities or instruments (including, but not limited, to Application Forms and/or New Ordinary Shares) under the laws applicable to such Shareholder or prospective investor. The contents of this document are not to be construed as legal, business, tax or financial advice. Each Shareholder or prospective investor should consult with their own adviser as to the legal, tax, business, financial and related aspects of participation in the Capital Raising.

Any decision in connection with the Capital Raising should be made solely on the basis of the information contained in this document. Without limitation to the foregoing, reliance should not be placed on any information in any announcements released by TRG prior to the date of this document, except to the extent that such information is repeated or incorporated by reference into this document and not superseded or revised.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Bookrunners under FSMA or the regulatory regime established thereunder: (a) the Joint Bookrunners do not accept any responsibility whatsoever or make any representation or warranty, express or implied, in relation to the content of this document, including its accuracy, completeness or verification or in relation to any other statement made or purported to be made by them, or on their behalf, in connection with TRG, the New Ordinary Shares or the Capital Raising and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future; and (b) the Joint Bookrunners accordingly disclaim, to the fullest extent permitted by law, all and any liability whatsoever, whether arising in tort, contract or otherwise which they might otherwise have in respect of this document or any such statement.

Neither the Joint Bookrunners nor any person acting on behalf of them accepts any responsibility or obligation to update, review or revise the information in this document or to publish or distribute any information which comes to its attention after the date of this document and the distribution of this document shall not constitute a representation by the Joint Bookrunners, or any such person, that this document will be updated, reviewed or revised or that any such information will be published or distributed after the date of this document.

Recipients of this document acknowledge that: (a) they have not relied on the Joint Bookrunners or any person affiliated with them in connection with any investigation of the accuracy of any information contained in or incorporated by reference into this document or their investment decision; and (b) they have relied only on the information contained in or incorporated by reference into this document, and that no person has been authorised to give any information or to make any representation concerning TRG, any other member of the Group or the New Ordinary Shares (other than as contained in or incorporated by reference into this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by TRG or the Joint Bookrunners.

The Joint Bookrunners may, in accordance with applicable legal and regulatory provisions and subject to certain restrictions in the Placing Agreement, engage in transactions in relation to the New Ordinary Shares and/or related instruments for its or their own account for the purpose of hedging their commitments under the Placing Agreement. Except as required by applicable law or regulation, the Joint Bookrunners do not propose to make any public disclosure in relation to such transactions.

No person has been authorised to give any information or make any representations other than those contained in this document or incorporated by reference herein and, if given or made, such information or representations must not be relied upon as having been authorised by TRG or by the Joint Bookrunners. Neither TRG nor the Joint Bookrunners take any responsibility for, or can provide assurance as to the reliability of, other information that you may be given. Subject to FSMA, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and the UK Market Abuse Regulation, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of TRG since the date of this document or that the information in this document is correct as at any time subsequent to its date. Without limitation, the contents of the Group's website do not form part of this document (other than the information set out in Part VIII (*Documents Incorporated by Reference*)).

FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference “forward-looking” statements. All statements other than statements of historical fact included in this document may be forward-looking statements. Generally, words such as “will”, “may”, “would”, “should”, “could”, “estimates”, “continues”, “believes”, “expects”, “aims”, “targets”, “projects”, “intends”, “anticipates”, “plans”, “prepares”, “seeks” or, in each case, their negative or other variations or similar or comparable expressions identify forward-looking statements.

These forward-looking statements appear in a number of places throughout this document and/or the information incorporated by reference into this document, and reflect the intentions, beliefs or current expectations of the Board and other members of senior management, as well as assumptions made by them and information currently available to them. Although the Board and other members of senior management believe that these beliefs and assumptions are reasonable, by their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. Forward-looking statements are not guarantees of future performance.

The Company’s actual performance, operating results, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document and/or the information incorporated by reference into this document. In addition, even if the Company’s actual performance, operating results, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document and/or the information incorporated by reference into this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, general economic and business conditions, industry trends, competition, changes in government and other regulation, including in relation to taxation, labour relations and work stoppages, changes in political and economic stability and changes in business strategy or development plans and other risks, including those described in the section of this document headed “*Risk Factors*”.

Prospective investors should carefully review the section of this document entitled “*Risk Factors*” for a discussion of factors that could cause the Company’s actual results to differ materially from those expected before making an investment decision. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and/or the information incorporated by reference into this document may not occur. For the avoidance of doubt, nothing in this document constitutes a qualification of the Working Capital Statement contained in Section 10 of Part I (*Letter from the Chairman*) and Section 12 of Part VII (*Additional Information*) of this document, or any of the assumptions TRG has made regarding the Covid-19 pandemic and its impact on TRG and the Group in a reasonable worst case scenario as part of the sensitivity analysis conducted in relation to the Working Capital Statement, other than the statements made in that part of the document.

Forward-looking statements contained in this document apply only as at the date of this document. To the extent required by the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and other applicable regulations, the Company will update or revise the information in this document. Otherwise, the Company undertakes no obligation publicly to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Forward-looking statements contained in this document do not in any way seek to qualify the Working Capital Statement contained in Section 10 of Part I (*Letter from the Chairman*) and Section 12 of Part VII (*Additional Information*) of this document.

PRESENTATION OF FINANCIAL INFORMATION

Prospective investors should consult their own professional advisers to gain an understanding of the financial information contained in this document. An overview of the basis for presentation of financial information in this document is set out below.

The Historical Financial Information contained in this document has been presented in accordance with the requirements of the Prospectus Regulation Rules and the Listing Rules.

The audited consolidated financial statements of the Group for FY 2018, FY 2019 and FY 2020, together with the audit reports thereon, are incorporated by reference into this document from the Group's 2018 Annual Report and Accounts, 2019 Annual Report and Accounts and 2020 Annual Report and Accounts respectively.

Ann 3,
11.2.2

The audited consolidated financial statements of the Group for FY 2018 and FY 2019 have been prepared in accordance with IFRS and IFRS interpretations as adopted in the EU and the audited consolidated financial statements for the Group for FY 2020 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU. The audit reports on these financial statements were unqualified. Further details can be found in Part V (*Historical Financial Information*) of this document.

Ann 3,
11.2.3

Where information has been extracted from the Group's audited consolidated financial statements, the information is audited unless otherwise stated.

This document contains certain financial measures and ratios, including EBITDA, EBITDA (pre-IFRS 16), Adjusted EBITDA, Adjusted EBITDA (pre-IFRS 16), Adjusted Operating Profit, Adjusted PBT, Net Debt and Like-For-Like Sales (LFL Sales) that are not required by, or presented in accordance with, IFRS (the "**Non-IFRS Measures**").

TRG presents these Non-IFRS Measures because they are measures the management use to assess operating performance, and TRG believe that they and similar measures are widely used in its industry as a means of evaluating TRG's operating performance and financing structure, and because TRG believes they present helpful comparisons of financial performance between periods by excluding the distorting effect of certain non-recurring items. In particular, where measures are described as being prepared on a "pre-IFRS 16" basis, this means that they reflect the leasing accounting standards (IAS 17) that applied in FY 2019 prior to the transition to IFRS 16 in FY 2020, which TRG believes is useful in order to explain business performance during the transition to IFRS 16, since the results for previous periods are not restated and comparability may otherwise be hampered. Non-IFRS Measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS standards or other generally accepted accounting principles. The Non-IFRS Measures are not measurements of TRG's performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit from continuing operations or any other performance measures derived in accordance with IFRS or as alternatives to cash flow from operating, investing or financing activities. TRG defines these Non-IFRS Measures as follows:

- 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;
- Adjusted Operating Profit consists of earnings before interest, tax and Exceptional Items;
- Adjusted PBT is calculated by taking the profit before tax of the business pre-exceptional items;
- EBITDA consists of earnings before interest, tax, depreciation, amortisation and impairment;
- EBITDA (pre-IFRS 16) and Adjusted EBITDA (pre-IFRS 16) are defined as above but exclude the impact of IFRS 16;
- Exceptional Items 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;
- Like-For-Like Sales (LFL Sales) 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;
- Net Debt is calculated as net of the long-term borrowings less cash and cash equivalents (excluding the impact of IFRS 16 and including IAS 17 finance lease obligations); and

- Trading Business 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.

The Non-IFRS Measures have limitations as analytical tools, and should not be considered in isolation.

Because of these limitations, Non-IFRS Measures should not be considered as measures of discretionary cash available to TRG to invest in the growth of its business or as measures of cash that will be available to TRG to meet its obligations. Shareholders should compensate for these limitations by relying primarily on TRG's IFRS results and by using these Non-IFRS Measures only to supplement their evaluation of TRG's performance.

ROUNDING

Certain numerical figures contained in this document, including financial information, market data and certain operating data, have been subject to rounding adjustments for ease of presentation. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

CURRENCY PRESENTATION AND ABBREVIATIONS

Unless otherwise indicated, all references in this document to “**Pounds Sterling**”, “**£**”, or “**pence**” are to the lawful currency of the United Kingdom. The Group prepares its financial statements in Pounds Sterling.

The abbreviations “£m” or “£ million” represent millions of Pounds Sterling, and references to “pence” and “p” represent pence in Pounds Sterling.

NO PROFIT FORECASTS OR ESTIMATES

No statement in this document is intended as a profit forecast or estimate and no statement in this document should be interpreted to mean that earnings per share for the most recent, current or future financial years would necessarily match or exceed the historical published earnings per share.

MARKET AND INDUSTRY INFORMATION

Unless the source is otherwise stated, the market, economic and industry data in this document constitute the Directors' estimates, using underlying data from independent third parties. Market data and certain industry data and forecasts included in this document have been obtained from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys.

The Company confirms that all third party data contained in this document has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party information has been used in this document, the source of such information has been identified. While industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed. The Company has not independently verified any of the data from third party sources, nor has the Company ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which the Company believes to be reliable based upon the Directors' knowledge of the industry, have not been independently verified. Statements as to the Group's market position are based on recently available data.

Ann 3, 1.4
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NO INCORPORATION OF WEBSITE INFORMATION

Neither the content of TRG's website, nor the content of any website accessible from hyperlinks on TRG's website, is incorporated into, or forms part of, this document and investors should not rely on them, without prejudice to the documents incorporated by reference into this document which will be made available on TRG's website.

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4.2

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change. ^{(1) (2) (3) (4)}		Ann 12, 5.1.5
Record Date for Open Offer Entitlements	6.00 p.m. on 8 March 2021	
Announcement of the Capital Raising	7.00 a.m. on 10 March 2021	
Ex-Entitlements Date for the Open Offer	8.00 a.m. 10 March 2021	LR 13.3.1(8)
Publication of this document	10 March 2021	
Posting of this document, Application Forms (to Qualifying Non-Crest Shareholders only) and the Form of Proxy	11 March 2021	Ann 12, 5.1.2
Open Offer Entitlements credits to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 12 March 2021	
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 22 March 2021	
Latest time for depositing Open Offer Entitlements into CREST (i.e. if your Open Offer Entitlements are represented by an Application Form and you wish to convert them to uncertificated form)	3.00 p.m. on 23 March 2021	
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 24 March 2021	
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 25 March 2021	
Latest time and date for receipt of completed Application Forms and payments in full and settlement of CREST instructions (as appropriate)	11.00 a.m. on 26 March 2021	Ann 12, 5.1.2 Ann 12, 5.1.10
General Meeting	11.00 a.m. on 29 March 2021	
Announcement of the results of the Capital Raising and General Meeting	29 March 2021	Ann 12, 5.1.6 LR 13.3.1(9)(a)
Admission and dealings of the New Ordinary Shares, fully paid, commence on the London Stock Exchange	8.00 a.m. on 30 March 2021	LR 13.3.1(9)(e) LR 13.3.1(9)(h)
New Ordinary Shares credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 30 March 2021	Ann 12 5.1.6 Ann 12, 5.2.1
Expected date for despatch of definitive share certificates for the New Ordinary Shares in certificated form	by no later than 15 April 2021	Ann 12, 5.1.5

Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by TRG in consultation with the Joint Bookrunners in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and where appropriate, Qualifying Shareholders. Ann 12, 5.1.5
- (2) Subject to certain restrictions relating to Qualifying Shareholders with registered addresses outside the United Kingdom, details of which are set out in Section 8 of Part II (*Details of the Capital Raising*).
- (3) References to times in this document are to UK time.
- (4) If you have any queries on the procedure for acceptance and payment or on the procedure for splitting Application Forms you should contact Equiniti by telephone on 0371-384-2458 (from within the United Kingdom) or on +44 371-384-2458 (if calling from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

TRG DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Ann 3, 8.1

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Ann 12,
10.1

TRG DIRECTORS

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*

LR
13.6.1(1)(b)

The business address of each of the TRG Directors is 5-7
Marshalsea Road, London SE1 1EP

COMPANY SECRETARY

Jean-Paul Rabin

JOINT SPONSORS, GLOBAL CO- ORDINATORS AND BOOKRUNNERS

J.P. Morgan Cazenove
25 Bank Street
London E14 5JP

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5.4.1

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5.4.3

JOINT SPONSORS, GLOBAL CO- ORDINATORS AND BOOKRUNNERS

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LEGAL ADVISERS TO TRG AS TO ENGLISH LAW

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Ann 3, 1.3

Ann 12, 1.3

LEGAL ADVISERS TO TRG AS TO US LAW

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Ann 12,
5.4.2

LEGAL ADVISERS TO THE JOINT BOOKRUNNERS AS TO ENGLISH AND US LAW

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London EC2Y 8HQ

AUDITOR AND REPORTING ACCOUNTANTS TO TRG

Ernst & Young LLP
1 More London Place
London SE1 2AF

RECEIVING AGENT AND REGISTRARS

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

SHARE CAPITAL AND CAPITAL RAISING STATISTICS

Offer Price per New Ordinary Share	100 pence	
Basis of Open Offer ⁽¹⁾	5 New Ordinary Shares for every 37 Existing Ordinary Shares	
Number of Ordinary Shares in issue at the Latest Practicable Date	589,795,475	
Discount of the Offer Price to the Closing Price of 111.7 on 9 March 2021, being the latest Business Day prior to the announcement of the Capital Raising	10.47%	
Number of New Ordinary Shares to be issued by the Company pursuant to the Capital Raising ⁽¹⁾	175,000,000	
Number of New Ordinary Shares to be issued by the Company pursuant to the Firm Placing ⁽¹⁾	95,299,430	
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing and Open Offer ⁽¹⁾	79,700,570	
Number of Ordinary Shares in issue immediately following Admission ⁽¹⁾	764,795,475	
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following Admission ⁽¹⁾	22.9%	
Estimated gross proceeds of the Capital Raising ⁽³⁾	£175 million	
Estimated expenses of the Capital Raising ⁽²⁾⁽⁴⁾	£8.4 million	
Estimated net proceeds of the Capital Raising receivable by TRG, after deduction of commissions, fees and expenses of the Capital Raising ⁽³⁾	£166.6 million	

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Ann 12, 9.1

Ann 12, 4.2

Ann 12, 6.3

Notes:

- (1) Unless otherwise stated, for the purposes of the table above and this document, the number of New Ordinary Shares to be issued under the Capital Raising is stated on the assumption that no further Ordinary Shares are issued from the date of this document and the relevant time. Fractions of New Ordinary Shares will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the whole nearest number of New Ordinary Shares.
- (2) All expenses are exclusive of any amounts in respect of VAT.
- (3) In addition, the gross and net proceeds of the Capital Raising have been calculated on the basis that 95,299,430 New Ordinary Shares are issued under the Firm Placing and that 79,700,570 New Ordinary Shares are issued under the Placing and Open Offer.
- (4) No commissions, fees or expenses will be charged to subscribers for New Ordinary Shares by the Company.

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5.3.1

PART I
LETTER FROM THE CHAIRMAN

The Restaurant Group plc



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Ann 3, 4.2

LR
13.6.1(1)(b)

(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**

Ann 12,4.1

Ann 12, 5.3.2

LR 13.3.1(1)

LR 13.3.1(3)

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 Part I (*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 Part I (*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 Part I (*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 this document.

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 Part I (*Letter from the Chairman*) and in the section entitled "*Notice of General Meeting*" at the end 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.

LR 13.3.1(5)

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

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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 Coffey 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 ¹	Openings	Year-end 2020 ²
Wagamama UK ³	148	-	-	(5)	6	149
Pubs	84	-	(7) ⁴	(1)	2	78
Leisure	350	(128)	(45) ⁵	(40-45)	-	132-137
Concessions	71	-	-	(36-41)	-	30-35
Total	653	(128)	(52)	(82-92)	8	c.400

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

¹ 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.

² Expected retained estate.

³ Includes delivery kitchens.

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

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

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 Coffe 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 basis⁶) and approximately £450,000 average outlet EBITDA (based on new openings between 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 ahead⁷ 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

⁶ EBITDA assumed on a leasehold basis at 6% interest on freehold component of investment.

⁷ Based on management calculations from passenger data sourced directly from airports.

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.

Ann 3, 6.1
Ann 12, 6.1

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).⁸

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:

Ann 12, 5.4.3

⁸ Pre-Covid refers to the period of 8 weeks to 23 February 2020.

- (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.

Ann 12, 5.1.1

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*). 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

Ann 12, 5.3.1

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 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

Ann 12, 5.1.8

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.

Ann 12, 5.3.1

Ann 12, 6.3

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 this document (and, in the case of Qualifying Non-CREST Shareholders, the Application Form).

Ann 12, 5.1.8

Ann 12, 5.3.1

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.

Ann 12, 5.1.4

LR 13.3.1(9)(f)

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 this document.

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.

Ann 12, 5.1.7

Ann 12, 5.2.1

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.

Ann 12, 9.2

Ann 12, 9.1(a)

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:

Ann 12, 5.1.1

- (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.

Ann 12, 5.1.2
Ann 12, 6.1
LR 13.3.1(9)(h)

5. SIGNIFICANT COMMITMENTS AND RELATED PARTY TRANSACTIONS

LR 13.6.1(3)

Significant commitments

Ann 12,
5.2.2

LR 13.6.1(6)

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.

LR 13.6.1(8)

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 Part I (*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 end 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.

LR 13.3.1(2)

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

Ann 12, 5.1.1

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

Ann 12, 4.1

Ann 12, 4.7

LR 13.8.1(1)

LR 13.8.1(3)

LR 13.8.1(4)

- 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 end 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 end 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) 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. 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. 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 end 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 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. 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 this document. 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.

Ann 12, 4.7

Ann 3, 11.6

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

Ann 12, 5.2.2

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

Ann 12, 3.3

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).

Ann 12, 8.1

PR Ann 11,
3.1

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

Your attention is drawn to the Risk Factors set out on in the section of this document above entitled "*Risk Factors*", and to the information set out in the section headed "*Important Notices*" of this document. You should not subscribe for any New Ordinary Shares except on the basis of information contained or incorporated by reference into this document.

LR 13.3.1(5)

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). 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.

LR 13.3.1(5)

LR 13.6.1(5)

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,

[signature]

Debbie Hewitt MBE
Chairman

PART II
DETAILS OF THE CAPITAL RAISING

1. Summary of the Capital Raising

The Company is proposing to raise gross proceeds of approximately £175 million pursuant to the Capital Raising. The Capital Raising consists of a Firm Placing of 95,299,430 New Ordinary Shares and a Placing and Open Offer of 79,700,570 New Ordinary Shares. The Firm Placees will not be able to participate in the Open Offer in respect of their Firm Placing Shares. The Open Offer is an opportunity for Qualifying Shareholders to apply for in aggregate 79,700,570 New Ordinary Shares pro rata to their current holdings at the Offer Price. Shareholders will not be charged expenses by the Company in respect of the Capital Raising.

Ann 12,
9.1

The Offer Price of 100 pence per New Ordinary Share represents a discount of approximately 10.47% to the Closing Price of an Existing Ordinary Share of 111.7 pence on 9 March 2021 (being the latest Business Day prior to the announcement of the Capital Raising).

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.

In the event that these conditions are not satisfied, the Capital Raising will not proceed. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter.

A cash box structure will be used for the issue of the New Ordinary Shares. The Company will allot and issue the New Ordinary Shares on a non-pre-emptive basis to the Firm Placees, the Conditional Placees and those Qualifying Shareholders who take up their Open Offer Entitlements, in consideration for J.P. Morgan Cazenove transferring its holding of shares in JerseyCo to the Company. Accordingly, instead of receiving cash as consideration for the issue of New Ordinary Shares, at the conclusion of the Capital Raising, the Company will own the entire issued share capital of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Capital Raising.

2. Terms and conditions of the Open Offer

Subject to the terms and conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders, the Application Form), the Open Offer Shares are being offered for acquisition by way of rights to Qualifying Shareholders on the following basis:

Ann 12, 4.1
Ann 12, 5.1.4
Ann 12, 5.1.7
Ann 12, 5.1.8
Ann 12, 5.3.1
Ann 12, 9.1

**5 New Ordinary Shares at 100 pence per New Ordinary Share
for every 37 Existing Ordinary Shares**

held and registered in their name at the Record Date and so in proportion for any other numbers of Existing Ordinary Shares then held.

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. Applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements.

Holdings of Ordinary Shares in certificated and uncertificated form have been treated as separate holdings for the purpose of calculating the Open Offer Entitlements.

LR 13.3.1(9)(f)

If a Qualifying Shareholder who is not a Placee does not take up any of their Open Offer Entitlements, such Qualifying Shareholder's proportionate ownership and voting interests in the Company will be diluted by 22.88% as a result of the Capital Raising (assuming no Ordinary Shares are issued due to the vesting or exercise of any awards under any of TRG's share plans between the Latest Practicable Date and the completion of the Capital Raising).

Qualifying 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 nor receive any benefit under the Open Offer. Any New Ordinary Shares which are not applied for under the Open Offer will be allocated to Conditional Placees pursuant to the Placing, with the proceeds retained for the benefit of the Company.

Ann 12, 5.2.1

The attention of Qualifying Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than the United Kingdom is drawn to Sections 8 and 9 of this Part II (*Details of the Capital Raising*). In particular, subject to the provisions of Section 8 of this Part II (*Details of the Capital Raising*), Qualifying Shareholders with registered addresses in the Excluded Territories have not been and will not be sent Application Forms and have not had and will not have their CREST stock accounts credited with Open Offer Entitlements.

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

Ann 12, 6.1

If a Qualifying Shareholder does not, or is not permitted to, take up its entitlement to New Ordinary Shares, pursuant to the Placing Agreement, the Joint Bookrunners have also severally agreed to use reasonable endeavours to procure Conditional Placees to subscribe for New Ordinary Shares not validly taken-up by Qualifying Shareholders under the Open Offer ("**Non-Taken Up Shares**") (to the extent not already procured prior to the date of the Placing Agreement). To the extent that: (i) the Joint Bookrunners fail to procure subscribers in the Placing for such Non-Taken Up Shares (and/or to the extent that any Placee so procured fails to subscribe for any or all of the Non-Taken Up Shares allocated to it in the Placing (including by defaulting in paying the Offer Price in respect of the Non-Taken Up Shares so allocated to it or which it has agreed to subscribe at the Offer Price); and/or (ii) any Placee procured other than by the Joint Bookrunners fails to subscribe for any or all of the Non-Taken Up Shares allocated to it in the Placing (including by defaulting in paying the Offer Price in respect of such Non-Taken Up Shares allocated to it), 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 Open Offer Shares at the Offer Price in its Due Underwriting Proportions.

The Joint Bookrunners' obligations under the Placing Agreement are conditional prior to Admission. The Placing Agreement is not subject to any right of termination after Admission (including in respect of any statutory withdrawal rights). The Joint Bookrunners may arrange sub-underwriting for some, all or none of the Non-Taken Up Shares. A summary of certain terms and conditions of the Placing Agreement is contained in Section 9.1 of Part VII (*Additional Information*) of this document.

Ann 12, 5.4.4

The Joint Bookrunners and any of their affiliates may engage in trading activity in connection with their role under the Placing Agreement and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account

in securities of the Company and related or other securities and instruments (including New Ordinary Shares). The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition the Joint Bookrunners or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of New Ordinary Shares.

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. In the event that the conditions are not satisfied, the Capital Raising will not proceed. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of the New Ordinary Shares held in uncertificated form. Definitive certificates in respect of New Ordinary Shares taken up are expected to be posted to the Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in certificated form on or around 15 April 2021.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST. The Existing Ordinary Shares are and, when issued, the New Ordinary Shares will be in registered form and capable of being held in certificated form or uncertificated form via CREST. Applications will be made for the Open Offer Entitlements to be admitted to CREST as participating securities. Euroclear requires the Company to confirm to it that certain conditions are satisfied before Euroclear will admit the New Ordinary Shares to CREST. It is expected that these conditions will be satisfied on Admission. As soon as practicable after Admission, the Company will confirm this to Euroclear.

LR
13.3.1(9)(d)

LR
13.3.1(9)(g)

Subject to any relevant conditions being satisfied, it is expected that:

- (A) the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Qualifying CREST Shareholders with registered addresses in the Excluded Territories) with such Shareholders' Open Offer Entitlements, with effect from 8.00 a.m. on 12 March 2021;
- (B) New Ordinary Shares in uncertificated form will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders who validly take up their Open Offer Entitlements, as soon as practicable after 8.00 a.m. on 30 March 2021; and
- (C) share certificates for the New Ordinary Shares will be despatched to relevant Qualifying Non-CREST Shareholders who validly take up their Open Offer Entitlements by no later than 15 April 2021 at their own risk.

Ann 12, 5.2
Ann 12, 5.2.1

All Qualifying Shareholders taking up their Open Offer Entitlements will be deemed to have given the representations and warranties set out in Section 5 (in the case of Qualifying Non-CREST Shareholders), Section 6 (in the case of Qualifying CREST Shareholders) and Section 9 of this Part II (*Details of the Capital Raising*) (as relevant), unless such requirement is waived in writing by the Company.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renouces (or their agents, as appropriate) will be posted at their own risk.

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

LR
13.3.1(9)(b)
LR
13.3.1(9)(c)

If the Capital Raising is delayed so that Application Forms cannot be despatched on 11 March 2021, the section of this document entitled "*Expected Timetable of Principal Events*" will be adjusted accordingly and the revised dates will be

Ann 12, 5.1.1
Ann 12, 5.1.5

set out in the Application Forms and announced through a Regulatory Information Service, in which case all references in this Part II (*Details of the Capital Raising*) should be read as being subject to such adjustment.

3. Action to be taken by Qualifying Shareholders in connection with the Open Offer

The action to be taken in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has received an Application Form in respect of their entitlement under the Open Offer or has had their Open Offer Entitlements credited to their CREST stock account.

If you are a Qualifying Non-CREST Shareholder and do not have a registered address in the United States or any of the other Excluded Territories (subject to certain limited exceptions), please refer to Section 4 of this Part II (*Details of the Capital Raising*).

If you hold your Ordinary Shares in CREST and do not have a registered address in the United States or any of the other Excluded Territories (subject to certain limited exceptions), please refer to Section 5 of this Part II (*Details of the Capital Raising*) and to the CREST Manual for further information on the CREST procedures referred to below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST.

If you have any questions relating to this document, or the completion and return of the Form of Proxy or Application Form, please call the Registrar on 0371-384-2458 (from within the United Kingdom) or on +44 371-384-2458 (if calling from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that the Registrar cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. Action to be taken by Qualifying Non-CREST Shareholders in connection with the Open Offer

Ann 12, 5.1.2
Ann 12, 5.2

(A) General

Application Forms are expected to be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with registered addresses in the Excluded Territories) on 11 March 2021. The Application Form sets out:

- (i) in Box 1, on the Application Form, the holding of Existing Ordinary Shares on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares has been based;
- (ii) in Box 2, the maximum number of Open Offer Shares for which such persons are entitled to apply under their Open Offer Entitlements, taking into account they will not be entitled to take up any fraction of a New Ordinary Share arising when their entitlement was calculated. The fractional entitlements will be aggregated and sold for the benefit of the Company under the Placing;
- (iii) in Box 3, how much they would need to pay in Pounds Sterling if they wish to take up their Open Offer Entitlements in full;
- (iv) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of their entitlement or to convert all or part of their entitlement into uncertificated form; and

- (v) instructions regarding acceptance and payment, consolidation and splitting.

Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form constitute part of the terms and conditions of the Open Offer to Qualifying Non-CREST Shareholders.

The latest time and date for acceptance and payment in full will be 11.00 a.m. on 26 March 2021.

The New Ordinary Shares are expected to be issued on 30 March 2021. After such date the New Ordinary Shares will be in registered form, freely transferable by written instrument of transfer in the usual common form, or if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Such Qualifying Shareholders will also not receive any money when the Open Offer Shares they could have taken up are sold, as would happen under a rights issue provided the price at which they are sold exceeds the costs and expenses of effecting the sale. Such Qualifying Shareholders cannot sell their Open Offer Entitlements to anyone else. If a Qualifying Shareholders does not return their Application Form subscribing for the Open Offer Shares to which they are entitled by 11.00 a.m. on 26 March 2021, the Company has made arrangements under which it has agreed to issue the Open Offer Shares comprising such Open Offer Entitlements to the Conditional Placees. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form (either in hard copy or electronically) or by completing and transmitting a CREST Proxy Instruction.

(B) *Bona fide* market claims

Applications to acquire Open Offer Shares may only be made using the Application Form and may only be made by the Qualifying Non-CREST Shareholder named on it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Ordinary Shares through the market prior to 8.00 a.m. on 10 March 2021 (the time at which the Ordinary Shares were marked 'ex' the entitlement to participate in the Open Offer). Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims prior to 3.00 p.m. on 24 March 2021.

LR 13.3.1(8)
LR 13.3.1(6)

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of their holding of Ordinary Shares prior to the Ex-Entitlements Date, should consult their broker or other professional adviser as soon as possible, as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee.

Qualifying Non-CREST Shareholders who have sold all of their registered holdings prior to 8.00 a.m. on 10 March 2021 should, if the market claim is to be settled outside CREST, complete Box 6 on the Application Form and immediately send it to the broker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, or directly to the purchaser or transferee, if known. The Application Form should not, however, be forwarded to or transmitted in or into any of the Excluded Territories, including the United States. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in Section 6 below.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their Existing Ordinary Shares shown on Box 1 of their Application Form prior to 8.00 a.m. on 10 March 2021 should, if the market claim is to be settled outside CREST, complete Box 6 of the Application Form and immediately deliver the Application Form, together with a letter stating the number of Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees), the total number of Existing Ordinary Shares to be included in each Application Form (the aggregate of which must equal the number shown in Box 1 of the Application Form) and the total number of Open Offer Entitlements to be included in each Application Form (the aggregate of which must equal the number shown in Box 2), to the broker, bank or other agent through whom the sale or transfer was effected or return it by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be received by no later than 3.00 p.m. on 24 March 2021. The Receiving Agent will then create new Application

Forms, mark the Application Forms 'Declaration of sale or transfer duly made' and send them by post to the person submitting the original Application Form. The Application Form should not, however, be forwarded to or transmitted in or into any of the Excluded Territories, including the United States.

(C) Procedure for acceptance and payment

(i) Qualifying Non-CREST Shareholders who wish to accept in full

Ann 12, 5.1.5
Holders of Application Forms who wish to subscribe for all of their Open Offer Shares should complete the Application Form in accordance with its instructions. If such holder wants to take up all of the Open Offer Shares to which they are entitled, they should sign page 1 of the Application Form (ensuring that all joint holders sign (if applicable)).

The Application Form must be returned, together with the cheque or banker's draft in Pounds Sterling, written in black ink, made payable to "Equiniti Limited Re: Restaurant Group Open Offer" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Application Form, by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 26 March 2021. A prepaid business reply envelope is enclosed with the Application Form (for use within the UK only) and it is recommended that you allow sufficient time for delivery (for instance, allowing 4 days for first class post within the UK). Payments via CHAPS, BACS or electronic transfer will not be accepted.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts which either have the building society or bank branch stamp or are provided with a supporting letter confirming the source of funds. The account name should be the same as that shown on page 1 of the Application Form.

(ii) Qualifying Non-CREST Shareholders who wish to accept in part

Ann 12, 5.1.5
Holders of Application Forms who wish to subscribe for some but not all of their Open Offer Shares should write the number of Open Offer Shares they wish to take up in Box 4 of their Application Form. To work out how much such Qualifying Shareholder needs to pay for the Open Offer Shares, they need to multiply the number of Open Offer Shares they want by the Offer Price and write this amount in Box 5, rounding down to the nearest whole penny.

The Application Form must be returned, together with the cheque or banker's draft in Pounds Sterling, written in black ink, made payable to "Equiniti Limited Re: Restaurant Group Open Offer" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Application Form, by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 26 March 2021. A prepaid business reply envelope is enclosed with the Application Form (for use within the UK only) and it is recommended that you allow sufficient time for delivery (for instance, allowing 4 days for first class post within the UK). Payments via CHAPS, BACS or electronic transfer will not be accepted.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts which either have the building society or bank branch stamp or are provided with a supporting letter confirming the source of funds. The account name should be the same as that shown on page 1 of the Application Form.

(iii) Incorrect sums

If an Application Form encloses a payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying Non-Crest Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or

- in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

(iv) **Discretion as to validity of acceptances**

Ann 12, 5.1.5

If payment as set out in Section 4(C)(v) of this Part II (*Details of the Capital Raising*) is not received in full by 11.00 a.m. on 26 March 2021, the offer to subscribe for Open Offer Shares will be deemed to have been declined and will lapse. However, the Company (in consultation with the Joint Bookrunners) may, by mutual agreement, but shall not be obliged to, treat as valid (i) Application Forms and accompanying remittances that are received through the post not later than 5.00 p.m. on 26 March 2021 (the cover bearing a legible postmark not later than 11.00 a.m. on 26 March 2021); and (ii) acceptances in respect of which remittances for the full amount are received prior to 11.00 a.m. on 26 March 2021 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of Open Offer Shares to be acquired and an undertaking by that person to lodge the relevant Application Form, duly completed, by 5.00 p.m. on 26 March 2021 and such Application Form is lodged by that time.

The Company, having consulted with the Joint Bookrunners, may also (in its absolute discretion) treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the Open Offer Shares that appears to the Company to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for New Ordinary Shares in, an Excluded Territory.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph is deemed to request that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this document and the Application Form and subject to the Articles.

(v) **Payments**

All payments made by Qualifying Non-CREST Shareholders must be made in Pounds Sterling by cheque or banker's draft, written in black ink, made payable to "Equiniti Limited Re: Restaurant Group Open Offer" and crossed "A/C payee only". Third-party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or have provided a supporting letter confirming the source of funds. Cheques or banker's drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies. Such cheques and banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

The Company reserves the right to have cheques and banker's drafts presented for payment on receipt. No interest will be allowed on payments made before they are due and any interest on such payments will be paid to the Company. It is a term of the Open Offer that cheques or banker's drafts must be honoured on first presentation and the Company may elect to treat as invalid any acceptances in respect of which cheques or banker's drafts are not honoured. Return of the Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in an interest-bearing account retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no New Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk) to applicants, without payment of interest, either as a cheque by first class post to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, in each case, as soon as practicable, following the lapse of the Open Offer. The interest earned on such monies, if any, will be retained for the benefit of the Company.

If Open Offer Shares are allotted to a Qualifying Shareholder prior to any payment not being so honoured or such Qualifying Shareholders' acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of those Qualifying Shareholders and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholders pursuant to the provisions of this Part II (*Details of the Capital Raising*) in respect of the acquisition of such shares) on behalf of such Qualifying Shareholders. None of the Company, the Joint Bookrunners or any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by Qualifying Shareholders as a result.

(vii) **Effect of application**

By completing and delivering an Application Form the applicant:

- represents and warrants to each of the Company and the Joint Bookrunners that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- agrees with each of the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations relating thereto, shall be governed by, and construed in accordance with, the laws of England and Wales;
- confirms to each of the Company and the Joint Bookrunners that in making the application they are not relying on any information or representation other than that contained in this document (or incorporated by reference in), and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document including any documentation incorporated by reference, they will be deemed to have had notice of all the information contained in this document (including information incorporated by reference);
- confirms to each of the Company and the Joint Bookrunners that in making the application they are not relying and have not relied on the Joint Bookrunners or any other person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this document or their investment decision;
- represents and warrants to each of the Company and the Joint Bookrunners that if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- represents and warrants to each of the Company and the Joint Bookrunners that they are the Qualifying Shareholder(s) originally entitled to the Open Offer Entitlements or that they have received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- represents and warrants to each of the Company and the Joint Bookrunners that they are not, nor are they applying on behalf of any person who is: (a) located, a citizen or resident, or a corporation, partnership or other entity created or organised in or under any laws, in or of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law; and (b) applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Excluded Territory or any jurisdiction in which the application for New Ordinary Shares is prevented by law, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- represents and warrants to each of the Company, the Joint Bookrunners and the Receiving Agent that: (a) the representations and warranties described in Section 9(C) of Part II (*Details of the Capital Raising*) of this document are true and accurate; or (b) they have executed and returned to the Company an Investor Representation Letter as described in Section 9(D) of Part II (*Details of the Capital Raising*) of this document;
- represents and warrants to each of the Company and the Joint Bookrunners that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and

- requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this document, subject to the Articles.

(D) Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the verification of identity requirements). If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form. The person lodging the Application Form with payment (the applicant), including any person who appears to the Receiving Agent to be acting on behalf of some other person, shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements and agree for the Receiving Agent to make a search using a credit reference agency for the purpose of confirming such identity and, where deemed necessary, a record of the search will be retained. Submission of an Application Form will constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, the Company or the Joint Bookrunners will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

- (A) the applicant is an organisation required to comply with the EU Money Laundering Directive (2005/60/EC);
- (B) the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (C) the applicant (not being an applicant who delivers his/her application in person) makes payment by way of a cheque drawn on an account in the name of such applicant; or
- (D) the aggregate price for taking up the relevant Open Offer Shares is less than EUR 15,000 (or its Pounds Sterling equivalent).

Submission of the Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Joint Bookrunners from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the back of the cheque or

draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp, an authorised signature or provided a supporting letter confirming the source of funds; or

- (ii) if the Application Form(s) is/are lodged with payment by an agent which is an organisation of the kind referred to in sub-section (A) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, Mexico, Luxembourg, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), the agent should provide with the Application Form(s) written confirmation that it has that status and written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority. In order to confirm the acceptability of any written assurance referred to in this sub-section (ii), or in any other case, the applicant should contact the Receiving Agent by telephone on 0371-384-2458 (from within the United Kingdom) or on +44 371-384-2458 (if calling from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(E) Deposit of Open Offer Entitlements into CREST

If a Qualifying Non-CREST Shareholder wishes to deposit its Open Offer Entitlements into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of the person entitled by virtue of a *bona fide* market claim) please refer to Section 5(E) of this Part II (*Details of the Capital Raising*).

(F) Issue of New Ordinary Shares in definitive form

Definitive share certificates in respect of the Open Offer Shares to be held in certificated form are expected to be despatched by post by no later than 15 April 2021, at the risk of persons entitled thereto, to Qualifying Non-CREST Shareholders or to persons entitled thereto or, in the case of joint holdings, to the first-named Shareholder, in each case at their registered address (unless lodging agent details have been completed on the Application Form).

5. Action to be taken by Qualifying CREST Shareholders in connection to the Open Offer

(A) General

Subject as provided in Sections 8 and 9 in this Part II (*Details of the Capital Raising*) in relation to Qualifying Shareholders with registered addresses, or who are resident or located in the United States or any of the other Excluded Territories, each Qualifying CREST Shareholder is expected to receive a credit to their CREST stock account for their Open Offer Entitlements equal to the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer on 12 March 2021. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

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.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders, Application Forms shall, unless the Company determines otherwise, be sent out in substitution for the Open Offer Entitlements which have not been so credited or enabled and the expected timetable as set out in this document will be adjusted as appropriate.

Ann 12, 5.1.2
Ann 12, 5.1.7
Ann 12, 5.2.1
Ann 12, 5.1.10
LR 13.3.1(9)(f)

References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer all or part of, their Open Offer Entitlements held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. Any CREST sponsored member should consult their relevant CREST sponsor if they wish to take up their entitlement, as only their CREST sponsor will be able to take the necessary action to take up their entitlements in respect of Open Offer Shares.

(B) *Bona fide* market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements will generate an appropriate market claim and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

(C) Procedure for acceptance and payment

Ann 12, 5.1.5

(i) USE Instructions

CREST members who wish to take up all or part of their entitlement to Open Offer Shares in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in sub-section (a) above.

(ii) Contents of USE Instructions in respect of Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (b) the participant ID of the accepting CREST member;
- (c) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (d) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 2RA49;
- (e) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is RA364601;
- (f) the number of Open Offer Shares that the CREST member is expecting to receive on settlement of the USE Instruction. This must be the same as the number of Open Offer Shares to which the application is being made;
- (g) the amount payable by means of the CREST assured payment arrangements on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares to which the application is being made;
- (h) the intended settlement date (which must be on or before 11.00 a.m. on 26 March 2021);

- (i) the ISIN for the Open Offer Entitlements which is GB00BNRKFZ30;
- (j) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- (k) a contact name and telephone number (in the free format shared note field); and
- (l) a priority of at least 80.

If the conditions to the Open Offer are not fulfilled on or before 8.00 a.m. on 30 March 2021, or such other time and/or date as may be agreed between the Company and the Joint Bookrunners, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest as soon as practicable thereafter.

The interest earned on such monies, if any, will be retained for the benefit of the Company.

(iii) Valid acceptance

A USE Instruction complying with each of the requirements as to authentication and contents set out in Section 5(C)(ii) of this Part II (*Details of the Capital Raising*) will constitute a valid acceptance under the Open Offer.

(iv) Incorrect or incomplete applications

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(v) Effect of application

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this Section 5 of this Part II (*Details of the Capital Raising*) thereby:

- represents and warrants to each of the Company and the Joint Bookrunners that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- agrees with each of the Company and the Joint Bookrunners to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay the amount payable on application);
- agrees with each of the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations relating thereto, shall be governed by, and construed in accordance with, the laws of England and Wales;
- confirms to each of the Company and the Joint Bookrunners that in making the application they are not relying on any information or representation other than that contained in this document (or incorporated by reference in), and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document, including any documentation incorporated by reference, they will be deemed to have had notice of all the information contained in this document (including information incorporated by reference);

- confirms to each of the Company and the Joint Bookrunners that in making the application they are not relying and have not relied on the Joint Bookrunners or any other person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this document or their investment decision;
- represents and warrants to each of the Company and the Joint Bookrunners that if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- represents and warrants to each of the Company and the Joint Bookrunners that they are the Qualifying Shareholder(s) originally entitled to the Open Offer Entitlements or that they have received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- represents and warrants to each of the Company and the Joint Bookrunners that they are not, nor are they applying on behalf of any person who is: (a) located, a citizen or resident, or a corporation, partnership or other entity created or organised in or under any laws, in or of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law; and (b) applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit of, a person who is located, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Excluded Territory or any jurisdiction in which the application for New Ordinary Shares is prevented by law, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- represents and warrants to each of the Company, the Joint Bookrunners and the Receiving Agent that: (a) the representations and warranties described in Section 9(C) of Part II (*Details of the Capital Raising*) of this document are true and accurate; or (b) they have executed and returned to the Company an Investor Representation Letter as described in Section 9(D) of Part II (*Details of the Capital Raising*) of this document;
- represents and warrants to each of the Company and the Joint Bookrunners that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this document, subject to the Articles.

(vi) CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of an USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that their CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 26 March 2021. In this connection, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vii) Discretion as to rejection and validity of acceptances

The Company may (having consulted with the Joint Bookrunners) agree in its absolute discretion to:

- (a) reject any acceptance constituted by an USE Instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this Section 5 of this Part II (*Details of the Capital Raising*) (and, to the extent applicable, pursuant to Section 9(B) of this Part II (*Details of the Capital Raising*)). Where an acceptance is made as described in this Section 5 of this Part II (*Details of the Capital Raising*) which is otherwise valid, and the USE Instruction concerned fails to settle by 11.00 a.m. on 26 March 2021 (or by such later time and date as the Company and the Joint Bookrunners may determine), the Company and the Joint Bookrunners shall be entitled to assume, for the purposes of the Company's right to reject an acceptance as described in this Section 5 of this Part II (*Details of the Capital Raising*), that there has been a breach of the representations, warranties and undertakings set out or referred to in this Section 5 of this Part II (*Details of the Capital Raising*);

- (b) treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this Section 5 of this Part II (*Details of the Capital Raising*);
- (c) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an USE Instruction and subject to such further terms and conditions as the Company and the Joint Bookrunners may determine;
- (d) treat a properly authenticated dematerialised instruction (in this sub-section the first instruction) as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the Uncertificated Securities Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (e) accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an USE Instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his/her Open Offer Entitlements by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

(D) Money Laundering Regulations

If a person holds their Existing Ordinary Shares in CREST and applies to take up all or part of their entitlement as agent for one or more persons, and they are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the person or persons on whose behalf the person is making the application. Such person must therefore contact the Receiving Agent before sending any USE Instruction or other instruction so that appropriate measures may be taken.

Submission of an USE Instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the Money Laundering Regulations or FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with the Company and the Joint Bookrunners, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the USE Instruction concerned to proceed to settlement, but without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide satisfactory evidence.

(E) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

Ann 12, 5.1.10

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in their Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, (in the case of a deposit into CREST) as set out in the Application Form.

A Qualifying Non-CREST Shareholder who wishes to make such a deposit should sign and complete Box 9 of their Application Form, entitled 'CREST Deposit Form' and then deposit their Application Form with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that: (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service; and (b) only the Open Offer Entitlements shown in Box 2 of the Application Form may be deposited into CREST.

If you have received your Application Form by virtue of a *bona fide* market claim, the declaration in Box 6 must be made or (in the case of an Application Form which has been split) marked 'Declaration of sale or transfer duly made'. If you wish to take up your Open Offer Entitlements, the CREST Deposit Form in Box 9 of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box 9 of each Application Form.

In particular, having regard to normal processing times in CREST and on the part of Equiniti, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 23 March 2021.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti by the relevant CREST member(s) that they are not in breach of the provisions of the notes under the section headed Application Letter on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that they are not located in, or citizen(s) or resident(s) of, any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law, and that they are not located in the United States and, where such deposit is made by a beneficiary or a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Open Offer Entitlements, from CREST is 4.30 p.m. on 22 March 2021, so as to enable the person acquiring Open Offer Shares, following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 26 March 2021. It is recommended that Qualifying CREST Shareholders refer to the CREST Manual for details of such procedures.

(F) Right to allot/issue in certificated form

Ann 12, 5.1.7

Despite any other provision of this document, the Company reserves the right to allot and to issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

6. Withdrawal rights

Persons wishing to exercise statutory withdrawal rights after the issue by the Company of a prospectus supplementing this document, if any, must do so by sending a written notice of withdrawal, which must include the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (for further details, Shareholders should contact the Receiving Agent by telephone on 0371-384-2458) (from within the United Kingdom) or on +44 371-384-2458 (if calling from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding public holidays in England and Wales) no later than two Business Days after the date on which the supplementary prospectus is published, with any withdrawal becoming effective on receipt of such notice by the Receiving Agent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal.

Ann 12, 5.1.3
Ann 12, 5.1.8
Ann 12, 5.1.9
Ann 12, 5.1.10

Furthermore, the exercise of withdrawal rights will not be permitted after payment in full by the relevant person in respect of their Open Offer Shares taken up and the allotment of those Open Offer Shares to such person becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers.

7. Employee Share Schemes

Participants in the Employee Share Schemes will be advised separately of adjustments (if any) to their rights or as to any entitlement to participate in the Capital Raising in due course.

8. Overseas Shareholders and selling and transfer restrictions

This document has been approved by the FCA, being the competent authority in the UK. It is expected that Qualifying Shareholders in the UK and each EEA State will be able to participate in the Open Offer.

Ann 12, 5.3.3

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the UK wishing to take up rights under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories.

The comments set out in this Section 8 of this Part II (*Details of the Capital Raising*) are intended as a general guide only, and any Overseas Shareholder who is in doubt as to their position should consult their professional adviser without delay.

(A) General

The distribution of this document and the Application Form and the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Open Offer.

This Section 8 of this Part II (*Details of the Capital Raising*) sets out the restrictions applicable to Qualifying Shareholders who have registered addresses outside the UK, who are citizens or residents of countries other than the UK, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside the UK or who hold Ordinary Shares for the account or benefit of any such person.

New Ordinary Shares will be provisionally allotted to all Qualifying Shareholders, including Overseas Shareholders. However, Application Forms will not be sent to, and Open Offer Entitlements will not be credited to CREST accounts of, Overseas Shareholders with registered addresses in the Excluded Territories or to their agent or intermediary, except where the Company and the Joint Bookrunners are satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdiction.

Having considered the circumstances, the TRG Directors have formed the view that it is necessary or expedient to restrict the ability of Qualifying Shareholders in the United States and the other Excluded Territories to participate in the Open Offer due to the time and costs involved in the registration of this document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or an Application Form must be treated as sent for information only and should not be copied or redistributed. No person who has received or receives a copy of this document and/or an Application Form and/or who receives a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to them nor should they in any event use the Application Form or deal with Open Offer Entitlements in CREST, in the relevant territory, unless such an invitation or offer could lawfully be made to them and the Application Form or Open Offer Entitlements in CREST could lawfully be used or dealt with, without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons who have received a copy of this document or an Application Form, or whose stock account in CREST is credited with Open Offer Entitlements, should not, in connection with the Capital Raising, distribute or send

the same in or into, or transfer Open Offer Entitlements to any person in or into, any Excluded Territory. If an Application Form or a credit of Open Offer Entitlements in CREST is received by any person in any such territory, or by their agent or nominee, they must not seek to take up the rights referred to in the Application Form or in this document, or renounce the Application Form, or transfer the Open Offer Entitlements in CREST, unless the Company determines (in consultation with the Joint Bookrunners) that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this document or an Application Form in or into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this Section 8 of this Part II (*Details of the Capital Raising*).

Subject to sub-sections 8(B) and 8(D) of this Part II (*Details of the Capital Raising*), any person (including, without limitation, agents, nominees and trustees) outside the UK wishing to take up their Open Offer Entitlements must satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities, and paying any issue, transfer or other taxes due in such territories. Any Qualifying Shareholder who is in any doubt as to their position should consult their professional advisers without delay.

The Company may treat as invalid any acceptance or purported acceptance of the offer of Open Offer Entitlements which appears to the Company (in consultation with the Joint Bookrunners), or its agents, to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if, in the case of an Application Form, it provides for an address for delivery of the share certificates in or, in the case of a credit of New Ordinary Shares in CREST, a CREST member or CREST sponsored member whose registered address is in, any of the Excluded Territories or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit, or if the Company (in consultation with the Joint Bookrunners), or its agents, believe that the same may violate applicable legal or regulatory requirements. The attention of Qualifying Shareholders with registered addresses in, or who are resident or otherwise located in, the United States or holding Ordinary Shares on behalf of persons with such addresses is drawn to Section 8(B) of this Part II (*Details of the Capital Raising*). The attention of Qualifying Shareholders with registered addresses in other territories outside of the UK or holding Ordinary Shares on behalf of persons with such addresses is drawn to Section 8(D) of this Part II (*Details of the Capital Raising*).

Despite any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to take up their rights if the Company (in consultation with the Joint Bookrunners) in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company is so satisfied, the Company will arrange for the relevant Qualifying Shareholder to be sent an Application Form if they are a Qualifying Non-CREST Shareholder or, if they are a Qualifying CREST Shareholder, arrange for Open Offer Entitlements to be credited to the relevant CREST stock account.

Those Qualifying Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in Sections 4 and 5 of this Part II (*Details of the Capital Raising*).

The provisions of this Section 8 of this Part II (*Details of the Capital Raising*) will apply to all Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them.

Specific restrictions relating to certain jurisdictions are set out below.

(B) United States

Subject to certain exceptions, this document and the Application Forms are intended for use only in connection with offers and sales of New Ordinary Shares outside the United States and are not to be sent or given to any person with a registered address, or who is resident or located in, the United States. Subject to certain exceptions, neither this document nor the Application Forms constitute or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire, any New Ordinary Shares in the United States. Except in the limited circumstances described below, Application Forms have not been, and will not be, sent to, and Open Offer Entitlements have not been, and will not be, credited to, the CREST account of any Qualifying Shareholder with a registered address in the United States.

The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act or under any 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, into or within the United States absent registration or 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. The New Ordinary Shares and the Open Offer Entitlements have not been approved, disapproved or recommended by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon the adequacy or accuracy of this document or the Application Form. Any representation to the contrary is a criminal offence in the United States.

The Company reserves the right to treat as invalid any Application Form: (i) that appears to it or its agents to have been executed in or despatched from the United States or that provides an address in the United States for the acceptance or renunciation of the Open Offer; (ii) that does not include the relevant warranty set out in paragraph 10 of the Application Letter on page 3 of the Application Form to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States; or (iii) where the Company believes acceptance of such Application Form may violate applicable legal or regulatory requirements, and the Company shall not be bound to allot (on a non-provisional basis) or issue any New Ordinary Shares in respect of any such Application Form. In addition, the Company and the Joint Bookrunners reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of Open Offer Entitlements.

Subject to certain limited exceptions, neither this document nor the Application Form constitutes, or will constitute, or forms part of any offer or invitation to sell, issue or apply for, or any solicitation of any offer to purchase, subscribe for, or take up entitlements to the New Ordinary Shares to any person with a registered address in, or who is resident or located in, the United States. Notwithstanding the foregoing, the New Ordinary Shares may be offered or sold to, and Application Forms may be delivered to, Permitted US Shareholders in the Open Offer pursuant to an applicable exemption from the registration requirements of the Securities Act. The New Ordinary Shares may also be offered or sold to Permitted US Places in the Placing or the Firm Placing pursuant to an applicable exemption from the registration requirements of the Securities Act.

Any person in the United States who obtains a copy of this document or an Application Form and who is not a Permitted US Shareholder is required to disregard them. Permitted US Shareholders that satisfy the Company as to their status may exercise the Open Offer Entitlements by delivering a properly completed Application Form to the Receiving Agent in accordance with the procedures set out in this document. Permitted US Shareholders and Permitted US Places must also complete, execute and return to the Company, an Investor Representation Letter as described in Section 9(D) of Part II (*Details of the Capital Raising*) of this document, and Permitted US Shareholders may be required to make certain certifications in the Application Form for the Open Offer Entitlements. The Company has the discretion to refuse to accept any Application Form that is incomplete, unexecuted or not accompanied by an executed Investor Representation Letter or any other required additional documentation.

Potential purchasers of the New Ordinary Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of such New Ordinary Shares. Until 40 days after the commencement of the Capital Raising, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Capital Raising) may violate the registration requirements of the Securities Act. No representation has been, or will be, made by the Company or the Joint Bookrunners as to the availability of Rule 144 under the Securities Act or any other exemption under the Securities Act or any state securities laws for the reoffer, pledge or transfer of the New Ordinary Shares.

For the purposes of the Capital Raising, the Company will be relying on an exemption from the registration requirements of the Securities Act for an offer and sale that do not involve a public offering in the United States. The New Ordinary Shares may not be deposited, or caused to be deposited, in any unrestricted depository receipt facility in the United States. The Company is not subject to the periodic reporting requirements of the Exchange Act.

(C) US transfer restrictions; Procedures for purchasing New Ordinary Shares in the United States

The delivery of the Application Form, and the offering and sale of the New Ordinary Shares in the United States to Permitted US Shareholders and Permitted US Places are being made in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act or with any securities regulatory authority

of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, taken up, exercised, resold, renounced or otherwise transferred or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or pursuant to an effective registration statement under the Securities Act.

In order to take up Open Offer Entitlements or otherwise acquire any New Ordinary Shares, each Permitted US Shareholder and each Permitted US Placee will be required to execute and deliver to the Company such certifications and other instruments as the Company shall, in its sole discretion, determine.

(D) Canada

The offer and sale of the New Ordinary Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of New Ordinary Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which resale restrictions may under certain circumstances apply to resales of any acquired securities outside of Canada.

As applicable, each Canadian investor who purchases the New Ordinary Shares will be deemed to have represented to the issuer, the underwriters and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an “accredited investor” as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions (“**NI 45-106**”) or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario); and (iii) is a “permitted client” as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if any offering document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”) (or section 3A.4 in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction), this offering is conducted pursuant to any exemption from the requirement that Canadian investors be provided with certain underwriter conflicts of interest disclosure that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

(E) Excluded Territories

Due to restrictions under the securities laws of the Excluded Territories, and subject to certain exceptions, no Application Forms will be sent to, and no Open Offer Entitlements will be credited to, a stock account in CREST of, persons with registered addresses, or who are resident or located, in the Excluded Territories. Subject to certain exceptions, the Application Forms and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in, the Excluded Territories. No offer of New Ordinary Shares is being made by virtue of this document or the Application Forms into the Excluded Territories.

(F) Other overseas territories

Application Forms will be posted to Qualifying Non-CREST Shareholders (other than, subject to certain limited exceptions, those Qualifying Non-CREST Shareholders who have registered addresses in the Excluded Territories) and Open Offer Entitlements have been and, where relevant, will be credited to the CREST stock accounts of Qualifying CREST Shareholders (other than, subject to certain limited exceptions, those Qualifying CREST Shareholders who have registered addresses in the Excluded Territories). Qualifying Shareholders in jurisdictions other than the Excluded Territories may, subject to the laws of their relevant jurisdiction, accept their rights under the Capital Raising in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of countries other than the United Kingdom should consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements or accept the offer of New Ordinary Shares.

If you are in any doubt as to your eligibility to accept the offer of New Ordinary Shares, you should contact your appropriate professional adviser immediately.

EEA States

In relation to each EEA State (each, a “**Relevant Member State**”), no New Ordinary Shares have been offered or will be offered pursuant to the Capital Raising to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the EU Prospectus Regulation, except, New Ordinary Shares may be offered to the public in that Relevant Member State at any time:

- a) to any legal entity which is a “qualified investor”, as defined under Article 2 of the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the EU Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Ordinary Shares shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation and each person who initially acquires any New Ordinary Shares or to whom any offer is made under the Capital Raising will be deemed to have represented, warranted, acknowledged, and agreed to and with the Joint Bookrunners that it is a “qualified investor” within the meaning of Article 2(e) of the EU Prospectus Regulation.

For this purpose, the expression “an offer of any New Ordinary Shares to the public” in relation to any New Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Capital Raising and any New Ordinary Shares to be offered so as to enable an investor to decide to acquire any New Ordinary Shares.

In the case of the New Ordinary Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the EU Prospectus Regulation and (a) the New Ordinary Shares acquired by it have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale; or (b) where New Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Ordinary Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons. The Company, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

(G) UK

No New Ordinary Shares have been offered or will be offered pursuant to the Capital Raising to the public in the UK prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the FCA, except, New Ordinary Shares may be offered to the public in the UK at any time:

- a) to any legal entity which is a “qualified investor”, as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- c) in any other circumstances falling within Section 86 of FSMA,

provided that no such offer of New Ordinary Shares shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person who initially acquires any New Ordinary Shares or to whom any offer is made under the Capital Raising will be deemed to have represented, acknowledged, and agreed to and with the Joint Bookrunners that it is a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation.

For this purpose, the expression “an offer of any New Ordinary Shares to the public” in relation to any New Ordinary Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the Capital Raising and any New Ordinary Shares to be offered so as to enable an investor to decide to acquire any New Ordinary Shares.

In the case of the New Ordinary Shares being offered to a financial intermediary, as that term is used in the UK Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation and (a) the New Ordinary Shares acquired by it have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale; or (b) where New Ordinary Shares have been acquired by it on behalf of persons in the UK other than qualified investors, the offer of those New Ordinary Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons. The Company, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

9. Additional representations and warranties relating to overseas territories

(A) Qualifying Non-CREST Shareholders

Any person accepting an Application Form or purchasing the New Ordinary Shares represents and warrants to the Company and the Joint Bookrunners that, except where proof has been provided to the Company’s satisfaction that such person’s use of the Application Form or purchase of the New Ordinary Shares will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction: (i) such person is not accepting an Application Form, or purchasing the relevant New Ordinary Shares, from within the United States or is otherwise located in the United States; (ii) such person is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire New Ordinary Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within the Excluded Territories, and in particular such person is not accepting for the account or benefit of any person who is located in the United States unless: (a) the instruction to accept was received from a person outside the United States; and (b) the person giving such instruction has confirmed that it has the authority to give such instruction, and either: (x) has investment discretion over such account; or (y) is an investment manager or investment company that is acquiring the New Ordinary Shares in an “offshore transaction” within the meaning of Regulation S; and (iv) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, an Application Form if it: (a) appears to the Company to have been executed in or despatched from the United States or any of the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if the Company or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in the United States or any of the other Excluded Territories for delivery of definitive share certificates for New Ordinary Shares or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates; or (c) purports to exclude the warranty required by this Section.

(B) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part II (*Details of the Capital Raising*) represents and warrants to the Company and the Joint Bookrunners that, except where proof has been provided to the Company’s satisfaction that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting or requesting registration of the relevant New Ordinary Shares from within the United States or is otherwise located in the United States; (ii) such person is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful

to make or accept an offer to acquire New Ordinary Shares; (iii) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within the Excluded Territories, and in particular such person is not accepting for the account or benefit of any person who is located in the United States unless: (a) the instruction to accept was received from a person outside the United States; and (b) the person giving such instruction has confirmed that it has the authority to give such instruction, and either: (x) has investment discretion over such account; or (y) is an investment manager or investment company that is acquiring the New Ordinary Shares in an “offshore transaction” within the meaning of Regulation S; and (iv) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above.

The Company may treat as invalid any USE Instruction which appears to the Company to have been despatched from the United States, any of the other Excluded Territories or from any territory in which it is otherwise unlawful to make or accept an offer to acquire New Ordinary Shares, or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this Section.

(C) Further representations applicable to Qualifying Shareholders outside the United States

Each person or purchaser (except for Permitted US Shareholders or Permitted US Placees executing an Investor Representation Letter) that exercises its Open Offer Entitlements, or otherwise acquires any New Ordinary Shares in the Capital Raising will also be deemed by its subscription for, or purchase of, the New Ordinary Shares to represent, warrant and agree that:

- (i) it is, and the person, if any, for whose account or benefit it is acting is, outside the United States (within the meaning of Regulation S) at the time (x) it, or its direct or indirect nominee, receives the New Ordinary Shares, (y) it, or its direct or indirect nominee, subscribes for New Ordinary Shares, and (z) if it is purchasing New Ordinary Shares, the buy order for such securities is originated outside the United States;
- (ii) it understands that the New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions on transfer;
- (iii) if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act;
- (iv) it has carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Ordinary Shares to any persons within the United States, nor will it do any of the foregoing;
- (v) the Company and the Joint Bookrunners and their affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and will not recognise any offer, sale, pledge or other transfer of the securities made other than in compliance with the above stated restrictions; and
- (vi) if any of the representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and the Joint Bookrunners, and, if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make such foregoing representations and agreements on behalf of each such account.

(D) Further representations applicable to Qualifying Shareholders within the United States

To establish eligibility, each Permitted US Shareholder and each Permitted US Placee that exercises its Open Offer Entitlements or otherwise acquires any New Ordinary Shares in the Capital Raising acknowledges, represents to and

agrees with the Company and the Joint Bookrunners (and acknowledges it will be required to execute an Investor Representation Letter to such effect), among other things, that:

- (i) it is, and at the time of any subscription or application made by it in respect of the Open Offer Entitlements or other acquisition of New Ordinary Shares will be, a “qualified institutional buyer” within the meaning of Rule 144A and, if it is acting for the accounts of other persons, such persons are also “qualified institutional buyers”, within the meaning of Rule 144A;
- (ii) it understands and acknowledges (and each other QIB, if any, for whose account it is exercising Open Offer Entitlements or acquiring New Ordinary Shares has been advised, understands and has acknowledged) that none of the Open Offer Entitlements or the New Ordinary Shares have been or will be registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States, and that they may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered (collectively, “transferred”), directly or indirectly, in the United States, other than in accordance with paragraph (iv) below and that the New Ordinary Shares will be acquired by it in a transaction that is exempt from the registration requirements of the Securities Act and that the New Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- (iii) as a purchaser in a private placement of securities that have not been registered under the Securities Act, it may only exercise Open Offer Entitlements or subscribe for or acquire New Ordinary Shares for its own account, or for the account of one or more other QIBs for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgements, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any such New Ordinary Shares;
- (iv) it understands and agrees that, although offers and sales in the United States of the Open Offer Entitlements and the New Ordinary Shares are being made only to QIBs, and that the Open Offer Entitlements may be exercised only by QIBs in the United States, neither such offers and sales nor such exercises are being made under Rule 144A, and that if in the future it or any such other QIB for which it is acting, as described in paragraph (iii) above, or any other fiduciary or agent representing such investor, decides to offer, sell, deliver, hypothecate or otherwise transfer any New Ordinary Shares, it and such other person will do so only: (i) pursuant to an effective registration statement under the Securities Act, (ii) in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act (and not in a pre-arranged transaction resulting in the resale of such New Ordinary Shares into the United States), or (iii) pursuant to the exemption from registration under the Securities Act provided by Rule 144 under the Securities Act or pursuant to another exemption from, or in a transaction not subject to the registration requirements of the Securities Act and, in each case, in accordance with any applicable securities laws of any state, province or territory of the United States and of any other jurisdiction. It understands (and each beneficial owner for which it is acting, if any, has been advised and understands) that no representation can be made as to the availability of the exemption provided by Rule 144 or Rule 144A under the Securities Act for the resale of New Ordinary Shares;
- (v) it understands that for so long as New Ordinary Shares are “restricted securities” within the meaning of US federal securities laws, no such New Ordinary Shares may be deposited into any American depository receipt facility established or maintained by a depository bank, other than a restricted depository receipt facility, and that such New Ordinary Shares will not settle or trade through the facilities of The Depository Trust Company or any other US exchange or clearing system;
- (vi) it acknowledges that it has (i) conducted its own investigation and appraisal with respect to the New Ordinary Shares and the Company and (ii) received and reviewed all information, including a copy of the Prospectus, that it believes is necessary or appropriate in connection with its investment decision to purchase the New Ordinary Shares as contemplated hereby on the basis of its own independent investigation and appraisal of the business, financial condition, prospects, creditworthiness, status and affairs of the Company and the New Ordinary Shares. It has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to the exercise of the Open Offer

Entitlements or an investment in the New Ordinary Shares. It acknowledges that none of J.P. Morgan Securities plc or Investec Bank plc (together, the “**Banks**”) nor any person representing any of them has made any representation, express or implied, to it with respect to the Company or the offering or sale of New Ordinary Shares. It acknowledges that neither the Company nor any person representing the Company has made any representation, express or implied, to it with respect to the Company or the offering or sale of any New Ordinary Shares other than as set forth in the Prospectus, upon which it will rely solely in making its investment decision with respect to the Open Offer Entitlements and the New Ordinary Shares. It acknowledges and agrees that it will read and will agree to the matters stated in Section 9(D) of Part II of the Prospectus;

- (vii) it understands that the Prospectus has been prepared in accordance with UK format and style, which differs from US format and style. In particular, but without limitation, the financial information contained in the Prospectus relating to the Capital Raising has been prepared in accordance with IFRS, and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles;
- (viii) it has held and will hold the Prospectus and any related application form in confidence, it being understood that the Prospectus and any related application form that it has received or will receive are solely for its use and that it has not duplicated, distributed, forwarded, transferred or otherwise transmitted such documents or any other presentational or other materials concerning the Capital Raising (including electronic copies thereof) to any persons within the United States, and it acknowledges and agrees that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by it within the United States (other than to a QIB on behalf of which it acts in the manner described in paragraph (i));
- (ix) it, and each other QIB, if any, for whose account it may exercise the Open Offer Entitlements or subscribe for or acquire the New Ordinary Shares, as applicable, in the normal course of business, exercises, invests in or purchases securities similar to the Open Offer Entitlements and the New Ordinary Shares, as applicable, has such knowledge and experience in financial and business matters that it is capable of evaluating, and has evaluated, the merits and risks of exercising, purchasing or subscribing for the Open Offer Entitlements and the New Ordinary Shares, as applicable, fully understands the limitations on ownership and transfer and restriction on sales of the Open Offer Entitlements and the New Ordinary Shares and is aware that it must bear the economic risk of the exercise of the Open Offer Entitlements or an investment in the New Ordinary Shares, as applicable, for an indefinite period of time and is able to afford the complete loss of such investment and bear such risk for an indefinite period;
- (x) it is not acquiring New Ordinary Shares as a result of any “general solicitation” or “general advertising” (as those terms are defined in Regulation D under the Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over the radio or television or as a result of any seminar or meeting whose attendees have been invited by general solicitation or general advertising, or directed selling efforts as such term is defined in Regulation S under the Securities Act;
- (xi) to the extent it has received or does receive an Application Form in respect of the Placing and Open Offer, it understands and agrees that it shall bear a legend substantially in the form below:

THE OPEN OFFER ENTITLEMENTS AND THE NEW ORDINARY SHARES OF THE COMPANY TO WHICH THIS APPLICATION FORM RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER PROVINCE OR TERRITORY OF THE UNITED STATES. THE OPEN OFFER ENTITLEMENTS AND THE NEW ORDINARY SHARES MAY NOT, SUBJECT TO CERTAIN EXCEPTIONS, BE OFFERED, SOLD, TAKEN UP OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OR ITS TERRITORIES OR POSSESSIONS.

- (xii) it understands that the New Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER PROVINCE OR TERRITORY OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT (A) TO THE COMPANY; OR (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (AND NOT IN A PRE-ARRANGED TRANSACTION RESULTING IN THE RESALE OF SUCH SHARES INTO THE UNITED STATES); OR (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE, PROVINCE OR TERRITORY OF THE UNITED STATES AND OF ANY OTHER JURISDICTION, SUBJECT TO DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL (AND OF SUCH OTHER EVIDENCE THAT THE COMPANY MAY REASONABLY REQUIRE) THAT SUCH TRANSFER OR SALE IS IN COMPLIANCE WITH THE SECURITIES ACT. BY ITS ACCEPTANCE OF THESE SECURITIES THE PURCHASER REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER (“QIB”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND THAT IT IS EITHER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER PURCHASERS WHO ARE QIBs AND AGREES THAT THE SECURITIES ARE NOT BEING ACQUIRED WITH A VIEW TO DISTRIBUTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE SHARES REPRESENTED HEREBY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY WILL BE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH SHARES ARE “RESTRICTED SECURITIES” (AS SO DEFINED) THE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

- (xiii) it understands and acknowledges that the Company may make notation on its records or give instructions to the Company’s registrar and any transfer agent of the Open Offer Entitlements or the New Ordinary Shares in order to implement the restrictions on transfer set forth and described herein;
- (xiv) no agency of the United States or any state thereof, or any non-US agency, has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the New Ordinary Shares;
- (xv) it represents that if, in the future, it offers, resells, pledges or otherwise transfers the New Ordinary Shares, it shall notify such subsequent transferee of the transfer restrictions set out herein;
- (xvi) it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Company, and is not acting on behalf of an affiliate of the Company;
- (xvii) the terms and provisions of these representations and agreements shall inure to the benefit of and shall be enforceable by the Company, the Banks, their respective affiliates, their respective successors and permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees;

- (xviii) it and any person acting on its behalf have all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- (xix) it undertakes promptly, and in any event prior to any attempted exercise of the Open Offer Entitlements or attempted purchase of or subscription for New Ordinary Shares to inform the Company if, at any time prior to 30 March 2021, any of the foregoing statements ceases to be true; and
- (xx) it understands and acknowledges that the Company, the Banks and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representation, warranties, acknowledgements and agreements, and it irrevocably authorizes the Company to produce these representations and agreements or a copy thereof to any interested party in any administrative, arbitration or legal proceeding or official enquiry with respect to the matters set forth herein.

A Permitted US Shareholder will be permitted to take up its entitlements to Open Offer Shares under the Open Offer, and a Permitted US Placee will be permitted to purchase Firm Placing Shares or Placing Shares, only if such Permitted US Shareholder or Permitted US Placee, respectively, executes an Investor Representation Letter in the form provided by the Company, which will contain representations, warranties and agreements in substantially the same form as those contained in this Section 9(D) of this Part II (*Details of the Capital Raising*), and delivers it to the Company in accordance with the instructions contained therein.

10. Waiver

The provisions of Sections 8 and 9 of this Part II (*Details of the Capital Raising*) and of any other terms of the Capital Raising relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of Sections 8 and 9 of this Part II (*Details of the Capital Raising*) supersede any terms of the Capital Raising inconsistent herewith. References in Sections 8 and 9 of this Part II (*Details of the Capital Raising*) and in this Section 10 of this Part II (*Details of the Capital Raising*) to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this Section 10 of this Part II (*Details of the Capital Raising*) shall apply to them jointly and to each of them.

11. Taxation

Information on taxation in the United Kingdom in relation to the Capital Raising is set out in Part A of Part VI (*Taxation*) of this document. Information on taxation in the United States in relation to the Capital Raising is set out in Part B of Part VI (*Taxation*) of this document.

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Ann 12, 5.3.1

The information contained in Part VI (*Taxation*) of this document is intended only as a general guide to the current tax position in the United Kingdom and the United States. Qualifying Shareholders in the United Kingdom and the United States should consult their own tax advisers regarding the tax treatment of the Capital Raising in light of their own circumstances. Qualifying Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately. In particular, Shareholders should be aware that the tax legislation of any jurisdiction where a Shareholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed in Part VI (*Taxation*) of this document) may have an impact on the tax consequences of an investment in the New Ordinary Shares including in respect of any income received from the New Ordinary Shares.

12. Times and dates

The Company shall, in its discretion and after consultation with its financial and legal advisers, be entitled to amend the date that Application Forms are despatched or dealings in New Ordinary Shares commence and amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document, and in such circumstances shall notify the FCA, and a Regulatory Information Service and, if appropriate, Shareholders.

Ann 12, 5.1.2

13. Governing law and jurisdiction

The terms and conditions of the Capital Raising as set out in this document and the Application Form (where appropriate) and any non-contractual obligation arising out of or related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Capital Raising, this document or the Application Form (where appropriate). By accepting entitlements under the Capital Raising in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART III INFORMATION ON TRG

1. PRINCIPAL ACTIVITIES OF TRG

The Group is a leading player in the UK hospitality and dining market, operating approximately 400 restaurants and pubs through its four divisions: Wagamama, Pubs, Leisure and Concessions, as at 27 December 2020. 55 international Wagamama restaurants operate under franchise from Wagamama and the Group has a 20% stake in the US JV operating six Wagamama restaurants in the US. TRG's four divisions give the Group access to a broad spectrum of the hospitality and dining market, which the Directors believe position the Group well to recover from the current challenging market conditions and to capitalise on the long-term growth trends that it believes will return once the Covid-19 pandemic has been overcome.

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Since the start of the Covid-19 pandemic, which caused the Group to cease trading between mid-March 2020 and early July 2020, in November 2020 and from 6 January 2021 for "dine-in" trade due to UK Government lockdown measures that restricted its operations, the Group has implemented significant restructuring measures that have resulted in a smaller, but more balanced and higher quality, diversified portfolio of trading locations operating under well-recognised brands and spanning a range of cuisines, occasions and locations.

For FY 2019, the Group generated revenue of £1,073.1 million, had Adjusted EBITDA of £136.7 million and adjusted operating profit of £91.1 million. TRG's restaurants achieved LFL Sales growth of 2.7% for FY 2019. For FY 2020, a period that was characterised by the cessation of trading due to UK Government lockdown measures and the reduction of its trading footprint, the Group generated revenue of £459.8 million, had Adjusted EBITDA (pre-IFRS 16) of £8.7 million and an adjusted operating loss (pre-IFRS 16) of £30.5 million.

The below table shows the changes in the number of locations in each of the Group's portfolio since 28 December 2019 as a result of its various restructuring initiatives:

	Year-end 2019	CVA	Administrations	Closed ⁹	Openings	Year-end 2020 ¹⁰
Wagamama UK ¹¹	148	-	-	(5)	6	149
Pubs	84	-	(7) ¹²	(1)	2	78
Leisure	350	(128)	(45) ¹³	(40-45)	-	132-137
Concessions	71	-	-	(36-41)	-	30-35
Total	653	(128)	(52)	(82-92)	8	c.400

2. HISTORY AND DEVELOPMENT OF TRG

The Company was founded in 1954 and listed on the London Stock Exchange in 1969. The Company's name changed to The Restaurant Group plc in 2004.

TRG started creating its portfolio of restaurant brands with Garfunkel's, Chiquito and Frankie & Benny's. In 1991, it opened its first restaurant in Heathrow Terminal 1, giving rise to its Concessions business. Next, the Company started building its Pubs business by acquiring Blubeckers in 2005, and Brunning & Price in 2007.

⁹ 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..

¹⁰ Expected retained estate.

¹¹ Includes delivery kitchens.

¹² In total, the Food & Fuel Limited estate comprised 11 sites, 4 of which we achieved agreement with landlords and the administrator to retain.

¹³ In total, the Chiquito Limited comprised 63 sites, 18 of which we achieved agreement with landlords and the administrator to retain.

In 2012, its annual revenue exceeded £500 million for the first time. Over the years, its Concessions and Pubs businesses have become leaders in their respective market segments.

A transformational moment in the recent history of the Group was the Wagamama Acquisition in 2018, which added 133 UK sites, five restaurants in the US and 58 international franchises to its portfolio.

In April 2020, TRG placed “Chiquito Limited” (primary operator of the Chiquito brand) and “Food & Fuel Limited” (part of the Pubs business) into administration.

On 10 June 2020, TRG UK Ltd launched a CVA in respect of its Leisure estate in order to reduce its portfolio by exiting 128 trading sites as well as seeking improved rental terms on a portion of the remaining trading estate. The CVA was approved on 29 June 2020.

The principal events in TRG’s history are listed below:

Year	Event
1969	Listing on the London Stock Exchange
Late 1980s	Acquisition of Chiquito (then named Chi Chi’s)
1995	Opening of the first Frankie & Benny’s in Leicester
2004	Change of the Company’s name to The Restaurant Group plc
2005	Acquisition of Blubeckers Limited
2007	Acquisition of Brunning & Price Limited
2011	Opening of the first Coast to Coast in Brighton
2012	Annual turnover exceeds £500 million
2016	Strategic review of the Group’s business
2018	Acquisitions of Ribble Valley Inns Limited, Food & Fuel Limited and the Wagamama businesses
2020	Administration of Chiquito Limited and Food & Fuel Limited
2020	TRG UK Ltd CVA in respect of the Leisure estate

3. BUSINESS OVERVIEW

3.1 Wagamama

In 2018, the Group acquired the Wagamama business, a leader in the UK pan-Asian dining segment. Within Wagamama, it operates a well-established core UK business of 144 restaurants and five delivery kitchens, representing approximately 38% of the Group’s expected retained estate upon completion of its announced restructuring measures. The Wagamama brand also has a significant international presence, through a network of 55 franchised restaurants, mainly in Europe and in the Middle East, and, since 31 January 2020, through a joint venture, which operates six restaurants in the United States. Wagamama restaurants are located mainly across local communities and destination shopping locations (approximately 50% and 25% of the Wagamama estate respectively), benefitting from people working increasingly from home. The remaining trading estate is spread across major city centres and central London locations, which represent approximately 12.5% of the Wagamama estate each.

The Wagamama business operates popular, award winning restaurants serving fast-cooked, fresh and healthy pan-Asian cuisine in a modern, vibrant and sleek setting. The Wagamama menu features a wide variety of noodle and rice dishes, as well as salads and side dishes, desserts, hot drinks, wine, sake and Asian branded beers. Freshness and quality are two attributes that go into every dish. Many Wagamama signature dishes can be found in all of Wagamama’s restaurants across the globe and it also has local specialties that take advantage of regional ingredients and tastes. The Wagamama obsession with fresh food and superior levels of engagement amongst team members (with industry leading team turnover rate) are critical points of differentiation with the cuisine also travelling extremely well for delivery and takeaway. The Group believes its Wagamama business 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

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and convenience through delivery. Wagamama consistently outperformed the restaurant market in terms of LFL Sales growth for the past five years, according to the Coffey Peach tracker for restaurants.

During the period of re-opening for dine-in after the first national lockdown, the Wagamama business saw a continued strong trading out-performance compared to the market, with the division achieving LFL Sales growth of 11% in the 11 weeks from 4 July 2020 to 20 September 2020 as compared to the same period in the prior year, representing an outperformance of 5% compared to the market, as reported by the Coffey Peach tracker for restaurants. The business saw the strongest performances during such period in its communities and destination shopping trading locations driven by displaced workers and local summer holidays, with the central London estate performing the weakest.

The strong trading performance of the Wagamama business when it was able to re-open briefly post first national lockdown was also supported by several innovations in the customer experience, technology and delivery areas. For example, Wagamama introduced innovative sliding screens at its restaurants, which help seat groups safely apart along its iconic benches to ensure guests can continue to enjoy the communal dining experience that it is known for. In the technology space, Wagamama introduced an enhanced click-and-collect proposition at restaurants, allowing for guests to collect food within a designated 15-minute timeslot, as well as new pay-at-table functionality, which has shown an encouraging uptake rate. Wagamama has also developed a delivery and takeaway model and has been growing these sales channels significantly over the last few years, with approximately 24% of sales now being achieved through this channel versus approximately 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).¹⁴

In the long-term, the Group's ambitions for Wagamama include significant measured roll-out to expand both in the UK, to approximately 180-200 restaurants (from 144 currently) and approximately 20-30 delivery kitchens (from five currently), and in international markets via franchises and the US JV.

3.2 Pubs

The Pubs business operates an attractive portfolio of 78 managed premium pub restaurants in the United Kingdom, representing approximately 20% of the expected retained estate after completion of the Group's restructuring measures. Its premium, food-led pubs trade mainly under the Brunning & Price family, which has established itself as a strong operator of premium pubs across the country, typically in affluent semi-rural settings. Approximately 41% of the Group's Pubs estate is located in rural areas, while approximately 37% of the Pubs estate is located in suburban areas. Only a minority of the Pubs estate is located in either towns or central London (approximately 15% and 8%, respectively). Each of its pubs is characterised by individual menus with locally sourced food and drink – its Pubs operate as a collection of individual sites, rather than a “chain”. The Pubs business previously operated 11 pubs trading under the Food & Fuel brand, which was put into administration in 2020 in the wake of the Covid-19 pandemic, allowing the Group to exit seven underperforming trading sites without further liabilities.

The Pubs business has outperformed the pub restaurant market in terms of LFL Sales for the past five years by an average of 4%, according to the Coffey Peach tracker for pub restaurants. Such outperformance accelerated during the period of reopening following the post-first national lockdown, with LFL Sales growth for the 11 weeks from 4 July 2020 to 20 September 2020 of 14% as compared to the same period in the prior year, representing an outperformance of 20% compared to the market, as reported by the Coffey Peach tracker for pub restaurants. During the same period, the Group saw the strongest performances in its rural and suburban pubs, while its central London estate has seen the weakest performance.

During the course of the Covid-19 pandemic, the Group's Pubs business has benefitted from its trading locations being situated in largely rural or suburban settings with spacious internal dining areas, ample outdoor space and limited competition operating nearby. Approximately 50% of the Pubs estate has over 100 “external” covers. Such characteristics have significantly benefitted trading during periods where they were permitted to trade for dine-in, as they allow the Pubs business to operate in sites with good ventilation, as well as space and flexibility to introduce social distancing

¹⁴ Pre-Covid refers to the period of 8 weeks to 23 February 2020.

measures as warranted by the development of the pandemic and current UK Government advice. The Pubs business has also implemented new pay-at-table functionality, which has been well received by its guests.

The Pubs business benefits from a strong asset base. 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). In the long-term, the Group's ambitions for the Pubs business include a measured roll-out to expand to approximately 140-160 restaurants (from 78 currently).

3.3 Leisure

The Group's Leisure business comprises of approximately 135 restaurants, including the well-known brands Frankie & Benny's, Chiquito and Firejacks and representing approximately 35% of the expected retained estate after completion of the announced restructuring measures. 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 to a diverse range of customers. The largest portion of the Group's current Leisure estate (approximately 60%) is located in leisure parks, while the remaining Leisure estate is primarily split between retail park sites and destination shopping sites, which currently represent approximately 39% of the Group's Leisure estate. Only approximately 1% of the Group's Leisure estate is currently located in central London.

In April 2020, the Group placed Chiquito Limited, the subsidiary operating restaurants under the Chiquito brand, into administration, leading to the permanent closure of 45 sites. On 10 June 2020, TRG UK Ltd launched a CVA in respect of its Leisure estate in order to reduce its portfolio by exiting 128 trading sites as well as seeking improved rental terms on a portion of the remaining trading estate. The CVA was approved on 29 June 2020, leaving a remaining trading estate of approximately 135 sites, of which approximately 80 will be subject to a reduction in rental costs and revised lease terms. The net result of this restructuring has been a reduction of approximately 60% of the trading locations in the Leisure estate, which has allowed the Group to exit a large number of its structurally unattractive leases. The Group believes the remaining trading portfolio of its Leisure business has a more attractive location mix, as well as overall more favourable lease terms than historically, and it is currently focused on maintaining the most attractive locations while increasing penetration of delivery services. Currently, in accordance with the latest national lockdown, the Group has no sites able to trade for dine-in, and is operating delivery and click- and-collect services across its sites. A refresh of the Leisure division's existing delivery propositions and further development of online brands has seen delivery and takeaway sales rise, with average weekly delivery and takeaway sales being 5.0 times pre-Covid-19 levels (as at 28 February 2021).¹⁵

During the period of re-opening for dine-in after the first national lockdown, the restructured business traded broadly in line with the market as reported by the Coffey Peach tracker for restaurants, with the division achieving LFL Sales growth of 4%. Retail park and destination shopping locations in particular benefitted from the increase in working from home, which resulted in trade being spread more throughout the week as employees have more leisure time to visit such locations.

3.4 Concessions

The Group's Concessions business is a UK market leader, operating trading locations in a broad variety of formats across some of the busiest airports and transport hubs in the United Kingdom. This includes bespoke concepts designed with airport partners, the Group's proprietary brands and well-known third-party franchise brands. The Group has exited 30 of the 71 Concessions sites that are no longer economically viable, with a target of exiting a further six to 11 sites, leaving a remaining trading estate of approximately 30 to 35 sites. The restructured estate will principally comprise the sites located in the UK's major airports Heathrow, Gatwick, Luton, Stansted and Manchester. The restructured estate will allow TRG to focus on delivering a higher average outlet EBITDA, as the expected restructured estate represents over 80% of the aggregate FY 2019 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.

¹⁵ Pre-Covid refers to the period of 8 weeks to 23 February 2020.

The Concessions business achieved an outperformance of 15% compared to the market, as reported by the Coffey Peach tracker for air and passenger growth for the 11 weeks from 4 July 2020 to 20 September 2020.

Given that passenger volumes are significantly down at present as a result of the sudden and severe impact of the Covid-19 pandemic, and such volumes are not anticipated to improve significantly until at least 2022, the Group has achieved improved Concessions terms during renegotiations with the majority of its airport partners, including a waiver of rental payments for non-trading periods and temporary suspension of minimum guaranteed rents ("MGRs") or reduced MGRs linked to passenger volumes. This improved flexibility in the rental structure enables the Group to partially mitigate medium-term passenger volatility.

4. MARKET OVERVIEW

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The Group's portfolio of businesses predominantly operates within three distinct segments of the UK eating out market, namely: branded restaurants (within service-led restaurants), pubs and travel concessions. According to The Rebuilding of Hospitality 2021 to 2025 report, the UK eating out market was worth £98 billion in 2019.

4.1 Branded restaurants

Service-led restaurants, where consumers order and receive their food at the table, can be further segmented into fine dining, independent restaurants and branded restaurants, which is the segment in which the majority of the Group's site portfolio operates. The wider service-led restaurants segment is forecasted to contract primarily due to the decline of independent operators. The branded restaurant segment had a £5.9 billion market size in 2019 with 4,881 outlets across the UK (according to The Rebuilding of Hospitality 2021 to 2025 report).

The UK branded restaurant market is highly competitive, with new operators and brands regularly entering the market. Restaurant success is primarily sensitive to concept, location, food and drink quality, service and price.

Since the start of the Covid-19 pandemic, the branded restaurant market has seen a number of changes as customers have reacted to the UK Government measures on social distancing and enforced lockdowns. Since the introduction of UK Government measures on 20 March 2020, which imposed closure on all pubs, bars and restaurants as part of a package of measures to reduce the spread of the virus and that continued in various forms in local areas during 2020, the branded restaurant market has seen a reduction in footfall.

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. As an illustration, the following selected brands closed the below percentages of their respective estate in 2020 as compared to their respective 2019 estate (according to The Rebuilding of Hospitality 2021 to 2025 report and press reports):

- The Big Table Group (operator of Bella Italia, Café Rouge and Las Iguanas): c. 35%
- Azzurri Group (operator of ASK Italian, Zizzi and Coco di Mama): c. 25%
- Carluccio's: c. 76%
- Pizza Express: c. 24%
- Wahaca: c. 43%
- Gourmet Burger Kitchen: c. 65%
- YO! Sushi: c. 44%
- Byron: c. 75%
- Pizza Hut: c. 18%

4.2 Pubs

In addition to restaurants, as at 27 December 2020 the Group also operates 78 pubs across the UK. The UK pub market was valued at £22.2 billion in 2019. Generally, pubs differ from restaurants in that pubs typically have a greater focus on drinks, are locally branded, have a greater proportion of freehold ownership and enjoy ancillary revenue streams such as accommodation.

Pubs adopt one of three¹⁶ business models: managed, tenanted or independent, each accounting for approximately 44%, 13% and 29% of the turnover in the market in 2019, respectively. All pubs in the Group's estate operate a managed model.

Managed pubs have full control and responsibility of the operation of the pub and typically form part of a national or regional pub group, while not necessarily adopting group branding. Managed pubs pay market based rents, directly employ local staff and have full control over the pub format and the products available. While responsible for all costs, managed pubs also retain all sales and resultant net income. This model holds a number of advantages in that pubs have higher gross margins and benefit from group purchasing economies of scale and a central management structure that can deploy best practices across the estate. Other operators of this model include Greene King, Stonegate, Mitchells & Butlers and JD Wetherspoons.

Tenanted pubs are those that are owned by a national or regional group, but are operated by a third party under a publican agreement. The pub owner receives income through rental charges, wholesale profit and machine income. Typically, rents are charged at below market rates, and are offset by wholesale profit from contractual sales of certain products, particularly alcohol. In most cases, tenants agree to purchase these products exclusively from the pub owner at a premium price, known as tied pubs. Notable operators of this model include Ei Global, Star Pubs & Bars and Punch Taverns.

Independent pubs, also known as freehouses, are standalone pubs owned by private individuals who are free to decide their product offering and supplier base. However, the average revenue per pub is often significantly lower for this business model.

Since the start of the Covid-19 pandemic, the UK Government measures introduced on 20 March 2020, which imposed closure on all pubs, bars and restaurant as part of measures to implement social distancing, as well as the 10.00 p.m. curfew on hospitality services introduced on 22 September 2020, and other measures in local areas during 2020 have had a significant impact on the pubs market, with certain operators announcing significant location closures.

The managed pub segment had a £9.7 billion market size in 2019 with 8,930 outlets across the UK. The overall market (outlets) is expected to contract by 7% at the end of 2021.

4.3 Travel concessions

During 2020, responding to the reduction in air travel, the Group has exited 30 of the 71 Concessions sites that are no longer economically viable, with a target of exiting a further six to 11 sites, leaving a remaining trading estate of approximately 30 to 35 sites. Travel concessions are food and beverage units operating within travel terminals such as airports and rail stations. The UK travel concession market for food and beverage retail was valued at £2.75 billion in 2019.

Travel concessions face unique operational complexities in that they typically have smaller and sometimes disconnected footprints which create food storage and preparation constraints. Moreover, travel concession employees and service providers are subject to security screening compliance, which convolutes supply chains and staffing. Travel concessions also experience greater variation in intra-day and seasonal passenger volumes, as well as more variety in the economic profiles and nationalities of customers. Compared to high street restaurants, travel concession sites experience higher footfall and operate with relatively captive audiences with higher dwell times, particularly at airports. Additionally, travel concessions demonstrate greater economic cycle resilience than high street restaurants, as a larger portion of travel concession customers consist of business travellers, whose spending patterns are not wholly correlated to that of general customers.

Sites within travel environments are typically operated under a concession agreement with the owner or operator of the transport hub. Such contracts are awarded via a competitive bid process. Compared to high street sites, initial lease periods in the travel concessions market are generally shorter (around five to ten years) and rent (or a concession fee) is instead paid as a percentage of the outlet's sales, with a minimum fee guaranteed. Additionally, concession agreements stipulate the types of food that the operator is obliged to offer and the retail format the operator must adopt. The tightly controlled nature of concession contracts benefits scale operators, such as ourselves, who can demonstrate expertise in

¹⁶ Excluding social and night clubs, including circuit bars.

delivering consistent execution in the complex operating environment and have the capability to provide varying formats, from coffee shops to 300-cover restaurants, and brands.

The travel concessions market has been significantly impacted due to disruption in the travel sector with short notice changes to quarantine arrangements and passenger volumes remaining significantly down compared to last year.

5. SALES AND MARKETING

In addition to its focus on service and the quality of the dining experience it offers, the Group dedicates considerable resources to promoting its brands. The Group had employed a dedicated marketing team that handled and coordinated its marketing activities, including public relations and social media. The Group's marketing strategy is aimed at driving sales and profit growth through targeted and tailored promotions. The Group directs its marketing activities, which are modified to suit restaurant location, format type and time of the week, for both new and existing customers through a number of media, including utilising its proprietary database of registered customers.

In conjunction with its delivery options, the Group have also invested in its digital marketing capabilities through the development of several applications, including for Wagamama, which allows it to target younger demographics that it believes tend to order more takeaway online. The Group's applications allow its customers to access its restaurants and menus online, as well as order takeaway directly through the application. In addition, the Group is able to gather general customer information regarding purchasing habits, track trends generally in spending and make targeted communications to customers to try new products in its menu. The Group has accelerated such digital offerings in the course of the Covid-19 pandemic, primarily by increasing delivery and click-and-collect functionality to address increasing consumer demand for speedy service and convenience.

6. PROCUREMENT

The ingredients the Group uses in its preparation processes, along with the logistics and supply chains supporting the procurement of such ingredients, represent a significant portion of the Group's cost base. As a result, the Group strives to use its long-lasting supplier relationships, coupled with its scale of operations, to provide strong bargaining power with its supply base.

The Group benefits from a diversity of supply, with its food, drink and non-consumables spread across over 400 suppliers. The Group implements regular contingency planning for potential disruptions in supply chains or changes in suppliers, and maintain stock cover with its suppliers for key product lines. The Group further maintains menu flexibility and alternative products to help mitigate supply availability risk and cost price inflation. Contracts are awarded using competitive tendering on all products to obtain the best price for the quality specification. The average contract length is 12 months depending on market circumstances, with fixed pricing for the duration. Longer-term contracts will typically include terms providing for price increases/decreases based on inflation or prevailing market rates. The Group aims to benefit from advantages relating to economies of scale by buying across the combined group on appropriate product lines. For example, the Group manages a consolidated red meat supply base across the group. The Group's key suppliers include: Brakes Logistics, Matthew Clark, Fresh Direct, Best Food Logistics, Freshview Foods and Bunzl.

7. INSURANCE

The Group maintains commercial insurance that is customary for businesses of its size and type. These policies cover a variety of areas including, but not limited to, terrorism, business interruption, public and products liability, and directors' and officers' liability in a form, and with such limits, as the Board believes are customary for businesses of its size and type.

8. EMPLOYEES

As of 27 December 2020, the Group employed approximately 14,000 people. In March 2020, the Group made the decision to furlough over 20,000 of its employees, representing all of its restaurant employees and the majority of its head office staff. Since March 2020, the Group has been supported by the Coronavirus Job Retention Scheme, which the UK Government announced on 3 March 2021 will be extended to the end of September 2021, whereby since November 2020 the UK Government has covered 80% of the wage costs for furloughed employees up to £2,500 per

month. From July 2021, participating employers will be required to pay 10% towards the cost of hours that furloughed employees do not work, increasing to 20% in August and September 2021. Approximately 9,000 employees are currently on furlough (either fully or flexibly). The Group has also been supported by the Job Support Scheme from November 2020, for employees working at least a third of their normal hours and being paid for this, the UK Government and TRG will jointly increase their wages to cover the two-thirds of lost pay, with the employee retaining their job. These initiatives have also been supplemented by voluntary pay sacrifices by the TRG Directors and a majority of staff in the Group's head office, with pay sacrifices ranging from 20% to 40% (from 1 April 2020 to 30 June 2020) of salary and including voluntary waivers of bonuses.

Employee turnover is a significant factor in the Group's business, as with other participants in the hospitality sector. The Group aims to continuously improve its employee turnover performance, particularly for front- and back-of-house roles. The Group focuses on the first 90 days of employment to ensure it attracts the right talent and that it effectively on boards and inducts new employees into the Group. The external recruitment market continues to be highly competitive within the hospitality sector, so the Group strives to raise its employer brand across the Group through its use of platforms such as LinkedIn and other recruitment sites.

The Group continues to improve and invest in its induction process and ensure that either new managers joining the Group or recently promoted managers undergo a comprehensive and structured training programme in its dedicated "centres of excellence". Development of the Group's internal talent continues to be high on its agenda through multiple development programmes, development away days, apprenticeships and professional coaching. Everyone across the Group completes role specific eLearning modules and face-to-face courses to comply with legislative requirements. This includes hands on fire training, first aid, food safety, health & safety, UK DP Laws and licensing training. The Group also continues to work with suppliers to help deliver product knowledge and menu training through tasting events, supplier visits and competitions.

The Group pays all of its employees at least the National Minimum Wage or National Living Wage (as applicable). Tips are not included in this rate, and all gratuities are additional to their hourly rate and are paid directly to the employees. In 2019, the Group launched its Save As You Earn share option scheme, which all employees with more than one months' employment were invited to join. They can purchase TRG shares at a discounted price after saving each month for three years.

The Group is committed to a policy of being a fair and inclusive employer. Employment with the Group offers everyone equal rights, and career development and promotion prospects, regardless of age, race, gender, sexual orientation, disability or religion. The Group ensures as far as possible that the diversity of its teams reflects the diversity of the customers it serves.

The Group is committed to promoting diversity in the workplace. The Company is a member of WiHTL Diversity in Hospitality Travel & Leisure (formerly the Women in Hospitality, Travel and Leisure 2020 initiative) devoted to increasing women's and ethnic minorities' representation at all levels and in leadership positions across Hospitality, Travel and Leisure, and TRG's Chairman, Debbie Hewitt is a member of its advisory board. Over 50 of the largest employers in the sector have come together to share best practices, learn from each other and join resources to work on tangible actions aimed at making long-lasting impact in terms of diversity and inclusion.

In 2020, the Group reported 35 accidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013, with no deaths or dangerous occurrences. This compares to 132 incidents for the Group in 2019.

9. PROPERTY, PLANT AND EQUIPMENT

Overview

The table below summarises the number of TRG's locations (excluding franchises) as of the dates indicated:

	As of 30 December 2018	As of 29 December 2019	As of 27 December 2020 ⁽²⁾
Wagamama UK ⁽¹⁾	135	148	149
Pub restaurants	81	84	78
Leisure	368	350	133
Concessions	71	71	37
Total UK	655	653	397
Wagamama US ⁽¹⁾	5	5	—

	As of 30 December 2018	As of 29 December 2019	As of 27 December 2020 ⁽²⁾
Total.....	660	658	397

- (1) TRG acquired Wagamama in December 2018. The acquisition included 133 directly-operated Wagamama restaurants in the United Kingdom, 5 in the United States and 58 franchised restaurants across Europe, the Middle East and New Zealand. The figures relevant to TRG's Wagamama business as of 29 December 2019 include one Mamago and three delivery kitchens, and five restaurants in the United States. As of 31 January 2020, six sites in the United States were transferred to a US joint venture in which Wagamama retains a 20% equity interest.
- (2) Represents the number of the Group's sites that the Group owned or leased as at 27 December 2020. As of such date, the number of the Group's sites that were open and trading were 121 Wagamama locations, 26 Pubs, 87 Leisure locations and three Concessions locations.

Onerous leases

The Group provides for its onerous obligations under operating leases where the property is closed or vacant and for properties where the fixed cost is in excess of income. The amount provided is based on the lowest net cost of exiting the contract. Estimates have been made with respect to the time to exit, sublet or cover the fixed cost base, along with other associated exit costs as well as an evaluation of the cost of void period prior to sublet and the value of lease incentive which may be required to be paid as part of the sublet process.

Restructuring of the Leisure estate

In April 2020, the Group placed Chiquito Limited, the subsidiary operating restaurants under the Chiquito brand, into administration, leading to the permanent closure of 45 sites. On 10 June 2020, TRG UK Ltd launched a CVA in respect of its Leisure estate in order to reduce its portfolio by exiting approximately 128 trading sites as well as seeking improved rental terms on a portion of the remaining trading estate. The CVA was approved on 29 June 2020, leaving a remaining trading estate approximately 135 sites, of which approximately 80 will be subject to a reduction in rental costs and revised lease terms. The net result of this restructuring has been a reduction of approximately 60% of trading locations in the Leisure estate that has allowed the Group to exit a large number of structurally unattractive leases.

10. INTELLECTUAL PROPERTY

The Group regards its brands' trademarks, as well as the associated logos, as having significant value and as being important factors in the marketing of its restaurants and pubs. The Group's policy is to pursue registration of its trademarks where possible, but the Group relies on a combination of protections provided by contracts, copyrights, trademarks, and other common law rights, such as trade secrets and unfair competition laws, to protect its sites and services from infringement. The Group owns or has rights to trademarks or trade names that it uses in conjunction with the operation of the businesses.

11. LEGAL PROCEEDINGS

The Group is currently not involved in, nor is it aware of, any other pending or threatened, legal or administrative proceedings that it would reasonably expect to have a material adverse effect on its financial condition or results of operations. From time to time, however, the Group is involved in legal and administrative proceedings incidental to its business, including various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations.

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12. REGULATORY ENVIRONMENT

The Group's operations in the United Kingdom are regulated pursuant to the UK Health and Safety at Work Act 1974 and related laws. Britain's Health and Safety Commission and Health and Safety Executive as well as local authorities are responsible for enforcing most work related health and safety guidelines, codes and regulations. Moreover, certain health and safety obligations in the United Kingdom may exist or arise under EU law, such as local regulations based on European Directives. Importantly, the Group has a Primary Authority relationship with Milton Keynes Borough Council. This is a statutory, contractual partnership whereby TRG's policies and processes are reviewed and approved by Milton Keynes Borough Council. This collaborative arrangement reduces the risk of non-compliance.

The Group devotes significant time and expense to ensure compliance with these requirements, including through on-going training and development of its employees to respond to changes in legislation. For example, the new allergen labelling rules to be implemented in October 2021 will require additional capabilities to label products with their ingredients and allergens where the Group are preparing and packing these for sale from TRG's restaurants, however this will only affect a very limited number of TRG's establishments due to the type of operation.

Most of the Group's restaurants and pubs in the United Kingdom sell alcoholic beverages and are therefore subject to licensing and regulation by a number of governmental authorities, including the UK Department of Culture, Media and Sport, pursuant to the UK Licensing Act 2003 and related laws and regulations.

The Group is also subject to various local, national and international laws and regulations affecting its operations, including consumer and data protection, planning permission, as well as various environmental, health, sanitation, licensing, fire and safety standards. Under the UK Equality Act 2010 and other laws, the Group have a duty to make TRG's restaurants accessible to disabled customers.

The Group is also subject to various UK and US laws and EU regulations governing TRG's relationship with employees, including such matters as minimum wage requirements, the treatment of part time workers, employers' national insurance contributions, overtime and other working conditions.

Additionally, the Group is subject to various UK and US laws and EU regulations that regulate the offer and sale of franchises and aspects of the licensor licensee relationships. Many franchise laws impose restrictions on the franchise agreement, including the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew and the ability of a franchisor to designate sources of supply.

13. INVESTMENTS

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There have been no material investments made by TRG since 27 December 2020.

14. DIVIDEND POLICY

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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.

PART IV OPERATING AND FINANCIAL REVIEW

The following review of TRG's operating results and financial condition should be read in conjunction with the Historical Financial Information on TRG and the notes related thereto set out in Part V (Historical Financial Information) and incorporated by reference in this document in accordance with Part VIII (Documents incorporated by reference) of this document and the other financial information included elsewhere in this document. Except as otherwise stated, together with the further information as set out in section 2.2 (What is the key financial information regarding the issuer?) of the Summary of this document, the information in this Part IV has been extracted without material adjustment from TRG's annual report and the audited financial statements of the Group for FY 2018, FY 2019 and FY 2020 each of which have been incorporated by reference into this document. The Historical Financial Information has been prepared in accordance with IFRS.

Some of the information in the review below and elsewhere in this document includes forward-looking statements based on current expectations that involve risks and uncertainties. See the section entitled "Forward-Looking Statements" in the part of this document entitled "Important Notices" of this document for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this document and, for a discussion of the key risks and uncertainties that TRG faces, see "Risk Factors".

1. Overview

1.1 Key factors affecting comparability

Financial periods

TRG has 12 accounting periods each financial year. Each accounting period ends on a Sunday and TRG's accounting year runs to a Sunday within seven days of 31 December each year. As a result, TRG's accounting will either represent a 52- or a 53-week period. Each of FY 2018, FY 2019 and FY 2020 was a 52-week period. However, comparability of financial periods may be impacted in the future when the financial accounting period covers a 53-week period and is being compared to a 52-week period.

Number of locations, new openings and closures

Comparability of TRG's results is affected by the number of locations operating in each financial period. In FY 2018 and FY 2019, there was an increased number of openings in the Wagamama, Pubs and Concessions businesses, offset slightly by closures in the Leisure brands. In 2020, TRG announced its plan to exit structurally unattractive Leisure sites. This plan was further accelerated by the measures implemented by TRG in response to the Covid-19 pandemic and related lockdowns, including the closures of certain locations, the placing of the subsidiary operating the Chiquito brand into administration, and the CVA of TRG UK Ltd, the primary operator of the Frankie & Benny's brand, which collectively have led to a reduction of approximately 250 sites from the end of 2019 to the Latest Practicable Date. Additionally, the decreased passenger numbers in the air travel sector due to the Covid-19 pandemic and the travel restrictions that have been implemented by governments across the world in response has led the Group to permanently close many Concession sites. As of 27 December 2020, the Group was trading from three Concessions sites and expects that to increase to between 30 and 35 Concessions sites in the next 12 months. While the Group's core Pubs business has not been impacted by permanent closures, the Food & Fuel business acquired in 2018 was also put into administration with the loss of seven pubs. These closures have left the Group with a significantly smaller footprint (and consequently a smaller Trading Business) as compared to the historical financial periods presented in this document. In the future, the Group currently expects to expand both the Wagamama and Pubs divisions selectively by adding sites as attractive locations become available. The Group expects to maintain the Leisure business at around the current level and to expand the Concessions business only once passengers return to airports at the level required to make profitable returns. The net result of such openings, if they were to occur, would be an expansion of the Group's Trading Business and footprint from the current reduced levels in the wake of the Covid-19 pandemic.

In addition to such openings and closures of sites, the Group has also completed three acquisitions in recent years that significantly affect comparability between periods. Most significantly, the Wagamama Acquisition in 2018 added 138 directly-operated Wagamama restaurants in the United Kingdom and the United States and 58 franchised restaurants across Europe, the Middle East and New Zealand, significantly expanding the Group's business operations. This was

complemented by the acquisitions of Ribble Valley Inns Limited and Food & Fuel Limited, comprising a total of 15 pubs, also in 2018.

The table below summarises the number of TRG’s locations (excluding franchises) as of the dates indicated:

	As of 30 December 2018	As of 29 December 2019	As of 27 December 2020 ⁽²⁾
Wagamama UK ⁽¹⁾	135	148	149
Pub restaurants	81	84	78
Leisure	368	350	133
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Total UK	655	653	397
Wagamama US ⁽¹⁾	5	5	—
Total	660	658	397

(1) TRG acquired Wagamama in December 2018. The acquisition included 133 directly-operated Wagamama restaurants in the United Kingdom, 5 in the United States and 58 franchised restaurants across Europe, the Middle East and New Zealand. See “—Key factors affecting TRG’s results of operations and financial condition—Acquisitions”. The figures relevant to TRG’s Wagamama business as of 29 December 2019 include one Mamago and three delivery kitchens, and five restaurants in the United States. As of 31 January 2020, six sites in the United States were transferred to the US JV in which Wagamama retains a 20% equity interest.

(2) Represents the number of the Group’s sites that the Group owned or leased as at 27 December 2020. As of such date, the number of the Group’s sites that were open and trading were 121 Wagamama locations, 26 Pubs, 87 Leisure locations and three Concessions locations.

As new sites are opened or existing sites are closed (e.g., in the context of TRG’s recent corporate restructuring in the wake of the Covid-19 pandemic), there can also be changes in the relative geographical and location-type mix of TRG’s operating estate. For example, the Group believes that the accelerated reduction of the Leisure footprint, along with other measures such as the administration of Chiquito Limited and the CVA relating to Frankie & Benny’s, have left it with a more balanced and diversified portfolio of trading locations, as the reduction of the Leisure estate from 53% of the Group’s overall estate portfolio as of 29 December 2019 to 34% of such portfolio as of 27 December 2020 has reduced the Group’s exposure to this business and left it roughly the same size as the Wagamama business.

Acquisitions and disposals

The comparability of TRG’s financial information from financial year to financial year is affected by the acquisitions and disposals TRG has made and may make in the future. In particular, in December 2018, TRG completed its transformational acquisition of Wagamama. For more information on the effect of the Wagamama Acquisition and other acquisitions on TRG’s financial results, see “—Key factors affecting TRG’s results of operations and financial condition—Acquisitions”.

Significant changes in accounting standards

The Group has adopted IFRS 16 ‘Leases’ (“**IFRS 16**”) in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date. In this document, TRG presents its results for FY 2020 on both a pre- and post-IFRS 16 basis.

The impact of IFRS 16 is twofold:

- firstly, to create a lease liability for rental costs and a corresponding right of use asset in the balance sheet, and
- secondly, to remove the rental charge from the income statement and replace it with a depreciation charge in respect of the right of use asset and a finance charge in respect of the unwinding of the lease liability.

Accordingly, and relative to the previous lease accounting standard IAS 17, IFRS 16 has led the Group to report:

- a higher level of EBITDA. EBITDA no longer includes the IAS 17 rent cost and rose by £44.7 million in FY 2020 on a post-IFRS 16 basis;
- a lower adjusted operating loss. The additional depreciation on the right of use asset is £63.9 million, an increase of £19.2 million compared to the IAS 17 rent charge;
- a higher level of loss before tax. The combined IFRS 16 charges for depreciation of the right of use asset and interest on the lease liability exceeded the IAS 17 rent charge in FY 2020 by £39.6 million. This higher cost is in relation to the differing accounting treatment of our rent concessions throughout the pandemic. Under IAS 17, they would be recognised in FY 2020, whereas TRG have elected to recognise them over the life of the lease under IFRS 16; and
- a higher level of indebtedness, reflecting the inclusion of an additional £483.8 million of capitalised lease liabilities within the balance sheet liabilities.

While the implementation of IFRS 16 affects TRG's reported results, including the classification of income statement and cash flow statement line items, it does not affect TRG's overall cash flows. See Note 1 to the consolidated financial statements for FY 2020 incorporated by reference into this document for further detail on the nature of the transition and its impact on TRG's reported results.

1.2 Key trends and factors affecting TRG's results of operations and financial condition

Factors affecting TRG's results of operations and financial condition include, among others:

Covid-19

The Covid-19 pandemic and governmental responses thereto have had a significant impact on the Group's results in the course of 2020 due to the closure of all of its restaurants and pubs during the various national lockdowns. During June 2020, the Group successfully trialled operating a delivery service from a number of Wagamama sites, but apart from that the Group had no revenue throughout the period from 20 March to 4 July 2020. The Group's management team reacted decisively from March to lock down the business to reduce expenditure as far as possible to a maximum of only approximately £3.5 million. Cash-burn during the second national lockdown was minimised to approximately £5.5 million for the month (in a four week period) by, among other measures, furloughing of all restaurant and pub staff and the majority of the Group's head office team, utilising the government support through the Coronavirus Job Retention Scheme, and business rates relief, and negotiating with suppliers and HMRC for deferrals of the Group's liabilities to later periods.

During the March lockdown period, the Group put two operating subsidiaries, Chiquito Limited and Food & Fuel Limited, into administration. This resulted in the loss of 45 Leisure sites and seven Pubs that were forecast to need significant cash support from the Group, while it retained and was able to agree new, more favourable lease terms with the landlords on 18 Chiquito sites and four Food & Fuel Pubs that the Group viewed as structurally more attractive than the sites that were exited. In addition, on 29 June 2020, the Group completed the CVA of TRG UK Ltd which resulted in the closure of 128 structurally unattractive Leisure sites, and achieved reduced, turnover-linked rents on a further 82 sites.

From 4 July 2020, the Group conducted a phased reopening of its restaurants and pubs for dine-in trade to ensure that it could operate safely during the Covid-19 pandemic, whilst generating revenues, and allowing its customers to enjoy their meals in a safe and welcoming environment. Due to the success of this re-opening plan, and the additional help from the Eat Out to Help Out ("EOHO") scheme (which ended on 31 August 2020), the Group opened approximately 90% of its sites by the end of August 2020 and trading was encouraging throughout that period.

The Group was more cautious on returning to those sites that are in UK airports. During September 2020, the Group reopened 16 of the 71 Concessions sites it operated prior to the pandemic. Currently, due to the UK lockdown, none of the Concessions sites are operating.

Most recently, and following implementation of a "tier" system of Covid-19 restrictions on 14 October 2020 in England and a one-month national lockdown in November 2020, a third period of national lockdown in England was announced by the UK Government on 4 January 2021, and since 6 January 2021, all of the Group's outlets in England remain closed for dine-in. A similar lockdown was announced by the Scottish government. Wales is currently in "Alert level 4" whereby restaurants and pubs must remain closed and are restricted to takeaway and delivery services. The Northern Ireland Assembly began a lockdown in Northern Ireland from 26 December 2020 implementing similar measures, which has

been extended to 1 April 2021. However, the Group has continued to trade for takeaway and ‘click-and-collect’ during such lockdowns as it built on the lessons learnt from the first national lockdown. 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 trading for dine-in across the UK, with 142 sites providing delivery and takeaway services only, and the remaining 103 sites closed. In addition, the UK Government closed all travel corridors with effect from 16 January 2021, requiring all arrivals to the UK to quarantine, impacting the Group’s Concessions trading. There can be no certainty as to the duration or extent of these restrictions and they have had a material adverse effect on TRG’s financial results for the year ending 27 December 2020 and are expected to have a material adverse effect on TRG’s financial results for the next financial year.

Any further increase in restrictive measures, changes in consumer preferences and demand, declines in the hospitality and travel industries or other adverse general economic developments could materially adversely affect the Group’s results of operations and financial position. Given the current uncertainty as to the further development of the Covid-19 pandemic and its impacts on the wider economy and society, it is impossible to estimate the medium and long-term effects of the pandemic on the Group’s results of operations and financial position. See “*Risk Factors—1.1 The Covid-19 pandemic has had, and continues to have, a material adverse effect on the Group’s business, financial condition and results of operations, as would any subsequent outbreak or recurrence in the future.*”

LFL Sales growth

A key driver of the results of TRG is the underlying performance of its existing locations, represented by the measure TRG terms “Like-For-Like Sales”. TRG’s LFL 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 calculations, with such determinations made by TRG’s management. Changes in LFL Sales are driven by either a variation on the number of customers served or a variation on the average spend per customer. These variations can in turn be driven by a number of different factors, such as product offerings, marketing activity and dish prices, as well as events outside of TRG’s control such as weather, significant sporting or social events or local footfall, economic or political uncertainty and public health crises (including pandemics and epidemics such as the Covid-19 outbreak), which impact the number of customers and consumer spending generally. There is no accounting standard or consistent definition of LFL Sales across the industry, so this measure may not be comparable to other similarly titled measures of other companies. For FY 2018, LFL Sales are presented in this document excluding Wagamama as this business was not part of the Group until 24 December 2018. Starting with FY 2019, LFL Sales are calculated as an aggregate of the LFL Sales of the legacy Group businesses and the LFL Sales of the Wagamama business to give a clearer understanding of performance. See “*Presentation of Financial Information*”.

General economic conditions and trends in consumer spending

TRG’s financial results are strongly related to the general economic developments in the United Kingdom, where it generated almost all of its revenue in the periods presented in this document. TRG is impacted by macroeconomic conditions that affect consumer spending generally, as well as specific factors that affect consumer demand for eating out. General economic factors affecting consumer spending on eating out include employment levels, consumer confidence and levels of discretionary income. In addition, TRG’s Concessions business is particularly impacted by air passenger traffic. A negative change in any of these factors may encourage consumers to adopt a more cautious approach to travel and discretionary spending, and consumers may not dine out, preferring to prepare food at home, or may be more likely to comparison shop for the best promotional deals from restaurants or pubs or seek cheaper alternatives, which can reduce footfall at TRG’s locations and average spend per customer. For example, Covid-19 has depressed air passenger volumes, which, during September 2020, were running at approximately 73% below the levels of September 2019, according to management calculations from passenger data sourced directly from the airports at which it operates. Currently, due to the UK lockdown, none of the Concessions sites are operating. See “—Covid-19”.

Similar trends affect revenue in restaurants in TRG’s international markets. In FY 2019, TRG generated £18.0 million of revenue outside of the United Kingdom, and in FY 2020, TRG generated £1.2 million of revenue outside of the United Kingdom.

Cost base

The most significant costs for the Group’s business are employment costs for its team members both serving the customer in front of house and preparing the food in the back of house. This is a semi-variable cost as the amount of labour depends on the volume of sales but can only flex above a certain base level. Following this is the cost of food and drink purchases, which are variable in line with the sales volumes, but also depend on the Group’s ability to order appropriate amounts,

limiting food waste and at the same time maintaining stock cover for key product lines. The third key cost is establishment costs, for example, rent, rates and service charges to operate the Group's restaurants. These are mainly fixed but following the CVA of the Leisure estate, approximately 40% of the Group's leases contain a turnover-linked element and so have greatly improved the flexibility of the cost base. The balance of the Group's cost base is semi-variable, with a fixed element to keep the sites operating, but also an activity linked portion. Examples of these costs are utilities or repairs.

Labour costs

The hospitality and dining industry is labour intensive and known for having a high level of employee turnover given predominantly entry-level wages and the part time composition of the workforce. There is a consistent need to find new staff which creates additional costs such as recruitment and training costs. The Group's labour costs comprised 34% of its total cost base in FY 2020.

Labour costs consist primarily of direct staff employed at individual locations (hourly paid staff plus managers and supervisors). Hourly paid staff costs are largely variable in nature and can be managed based on expected customer demand in the restaurant or pub, while the cost of managers and supervisors and a portion of hourly paid staff costs represent fixed costs. Tips are a significant component of an hourly employee's wage. Such employees receive 100% of the tip without any administrative deduction. Since the Group's employees receive their tips directly from the customer (including in credit card transactions), this is neither a component of its labour cost nor of its revenue.

In 2015, the UK government announced a National Living Wage for full time and part time workers over the age of 25. As of April 2021, the National Living Wage will be £8.91 per hour, having increased from £8.72 per hour. As of 27 December 2020, approximately 44% of the Group's total UK employees were on the National Living Wage. As a result, labour costs (as a proportion of revenues) have increased during the periods presented and as compared to the Group's other significant cost components, such as food and drinks purchase costs.

The Group continually looks for efficiencies to mitigate the labour inflationary pressure and has limited the impact of growing labour costs through its actions to drive sales growth in its restaurants and pubs and with the use of systems to optimise labour deployment. The Group also engages regularly with its staff to measure job satisfaction, and to understand their perspective on their working environment.

During and following the nationwide Covid-19 lockdown, the Group has made use of the Coronavirus Job Retention Scheme to implement both full furlough and flexible furlough arrangements. All of the restaurant staff and the majority of the head office staff were furloughed during the initial lockdown, with such employees returning to work as required by the Group's phased re-opening plans. In addition, the remaining head office employees, including the TRG Directors, took voluntary pay reductions of between 20% and 40% (from 1 April 2020 to 30 June 2020). In subsequent lockdowns and during the imposition of local tiering restrictions, the restaurant staff have been flexibly furloughed so that staffing requirements can be altered based on the requirements of the business. Approximately 9,000 of the Group's employees are currently on furlough (either fully or flexibly).

Food and drink costs

The food and drink suppliers the Group works with, and the logistics and supply chains supporting them, provide the Group with the raw materials it needs in order to deliver its products to customers. Many of the ingredients the Group uses in its preparation processes are commodities and are subject to price volatility. Accordingly, the Group's costs and margins can be affected by fluctuations in the cost of food raw materials, food and drink products and related costs such as logistics, packaging, fuel and energy.

The supply and price of the Group's ingredients are also subject to market conditions and are influenced by other factors beyond the Group's control, such as general economic conditions, unanticipated demand, problems in production or distribution, natural disasters, weather conditions during the growing and harvesting seasons, and plant and livestock diseases. Such factors limit the Group's ability to avoid the adverse effects of a pronounced, sustained price increase; however, historically, the Group has worked with its suppliers to avoid substantial price increases. During the phased re-opening following the nationwide Covid-19 lockdown, there have been minor supply disruptions as the supply chain began again caused by reduced availability of certain products, but these have not been significant as the Group was able to procure alternative suppliers to meet its needs.

The Group seeks to optimise spending on food and drink and reduce its exposure to price fluctuations through a variety of measures, including regular review of its supply contracts, fixed price contracts and negotiation of cost savings, all of which the Group is able to undertake as a result of its scale and long-term relationships with suppliers. The average

contract length is 12 months depending on market circumstances, with fixed pricing for the duration. Longer contracts will typically include terms providing for price increases based on inflation or prevailing market rates. In addition, the Group's euro and US dollar denominated ingredients are hedged on the Group's behalf by its suppliers and are invoiced in Pounds Sterling, thereby mitigating the Group's exposure to exchange rate fluctuations. However, continued weakness of the Pound Sterling may increase the Group's food costs when negotiating supplier contracts in the future as suppliers may pass on increased costs of imported ingredients. The Group does not undertake commodity price hedging in the form of derivatives or forward contracts but seeks to diversify and partly pass on food price increases to customers.

Contracts are awarded using competitive tendering on all products to obtain the best price for the quality specification. The Group seeks economies of scale advantages by buying across the combined group on appropriate product lines. For example, the Group manages a consolidated red meat supply base across the Group, adding commercial benefit and technical integrity. The Group further benefits from a diversity of supply, with its food, drink and non-consumables spend spread across over 400 suppliers and does not depend on any particular supplier.

Property costs

The Group also incurs costs with respect to its physical locations in the form of rent on leased property, business rates, and service charges. The Group's locations are a mix of freehold, long-term leasehold, short-leasehold and concession agreements. In general, most of the Group's Wagamama and Leisure locations are leasehold. By contrast, the Group's Pubs locations are a mix of freehold and leasehold. The substantial majority of the Group's Concession establishments are occupied under retail concession agreements rather than leases. The mix of properties from period to period may affect comparability of TRG's results.

As of 27 December 2020, the Group rented 89% of its locations through commercial leases. The Group generally seeks to secure property leases for terms of between 2-25 years, with break options ranging from one to ten years depending upon brand and location in the United Kingdom. The Group uses lease events (breaks and expiries) to renegotiate rents and increase lease flexibility where commercially advantageous to do so. In England and Wales, under the Landlord and Tenant Act 1954, the Group has the right to renegotiate a significant portion of its lease renewals when they expire before the landlord seeks a new tenant. As of 27 December 2020, approximately 73% of the Group's leasehold sites are protected by the Landlord and Tenant Act of 1954, providing automatic renewal rights (although not necessarily the same rate) unless the landlord seeks to take the site for its own occupation or redevelopment. The inability to renew any of its leases on commercially acceptable terms, if at all, could cause the Group to close restaurants or pubs, which would impact its profitability. Given the market currently favours tenants due to oversupply of restaurants, the Group's current approach to negotiating leases is to seek flexible lease terms on low base rent or turnover based deals. See "*Risk Factors—1.5. The Group may be subject to substantial increases in rental costs and may be unable to extend its leases or cancel unprofitable leases.*"

The completion of the CVA of TRG UK Ltd on 29 June 2020 has meant that the Group has achieved turnover-linked rents with a low base rent, for a period of two years, on a further 82 Leisure sites, which leads to greater flexibility in the Group's cost base as turnover fluctuates. Excluding its freeholds estate, TRG currently has approximately 50% of its retained estate on turnover-based deals. In addition, in the Concessions business, the Group has been negotiating with some of its airport partners to remove minimum guaranteed rents. To date, the Group has agreed revised terms with landlords with respect to the majority of its Wagamama sites, which vary in individual cases but have in many cases included waivers of rental payments for non-trading periods and reduced base rents through 2020.

Business rates and service charges

In addition, business rates and service charges represent a significant portion of the Group's property costs. In the United Kingdom, business rates are charged on most non-domestic properties. As part of the package of Covid-19 support measures, business rates for the 2020/2021 tax year have been waived for all hospitality businesses and so the Group is currently paying a very small amount for some administrative sites. The Chancellor announced on 3 March 2021 that business rates relief would continue for the period from 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022, business rates will be reduced by two-thirds, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties. All UK businesses are currently scheduled for a rates revaluation on 1 April 2023, which might lead to an increase in the Group's business rates. The Group hires external consultants specialising in minimising liabilities through appeals, accurates and material change of circumstances process. Similarly, although service charge costs represent a smaller component of the Group's overall property cost than business rates, the Group engages consultants to manage and review its service charge costs to ensure landlords are only charging for services as specified in its leases.

Concessions contracts

The Group's concession agreements include a turnover-based rent, which is calculated as a percentage of sales of the restaurant, usually with a minimum guaranteed rent. Those agreements usually have shorter terms than the Group's regular leases, with typical terms between five and 10 years, and an average remaining term of five years. Concession agreements are generally without protection under the Landlord and Tenants Act of 1954, thus not providing automatic renewal rights. Most of the Group's concession agreements allow for termination for convenience either by the Group or the travel-hub operator, with compensation (covering the unamortised investment costs) due to the Group in the event the operator exercises this right.

During 2020, with the reduction in air travel, the Group has exited 30 of the 71 Concessions sites that are no longer economically viable, with a target of exiting a further six to 11 sites, leaving a remaining trading estate of approximately 30 to 35 sites, and has worked with its airport partners to amend the concession agreements. This has typically resulted in the temporary suspension of any minimum guaranteed rents, and to rebase the turnover levels to the reduced airport activity. The Group has also managed to mothball a number of sites to minimise costs so that it can flexibly operate sites only when the passenger levels allow it to do so profitably. Currently, due to the reduced air passenger travel, none of the Concession sites are trading.

The Group proactively monitors and reviews its property portfolio and is disciplined in its approach to lease renewals and breaks, with a goal of ensuring positive cash generation throughout the balance of the lease term.

Competition

The Group operates in highly competitive markets and therefore its financial performance is affected by the behaviour and success of its competitors. The Group's restaurant offerings compete most directly with other restaurants in the casual dining space. More broadly, the Group's restaurant offerings compete with alternative providers of food and drink for consumers, such as international, national and local quick-serve restaurants, other casual eating and drinking establishments (such as hotels and coffee shops) and convenience stores and supermarkets. However, the recent high-profile failures of several casual dining brands have reduced the high level of competition in the market.

The Group's Pubs offerings compete with other providers of leisure facilities or services, ranging from other pub companies to casual dining restaurants. The Group's Concessions business competes with other concession operators for both customers and site locations within airports or other restaurant spaces.

Competition among concession operators is primarily based on the brand proposition and operational skillset of each concession operator, as well as the location of the concession sites. Innovations in food offerings, reductions in prices, increased marketing activity or other operational improvements by the Group's competitors may negatively impact the Group's ability to attract customers, and changes in consumer trends and eating habits may favour the offering of competitors more than those of the Group.

Companies in the casual dining industry continuously promote and market new meals and dining options and promotional discounts on meals (such as percentage discounts and free or discounted meal add-ons) and drinks (such as 2-for-1 cocktails and happy hours). Such competitors also offer bundled deals (such as prix fixe meal deals) to promote restaurant traffic. In recent years, the Group has taken steps to re-establish the competitiveness of its Leisure brands through significant investment in core menu pricing and an increase in promotional activity, such as through the Group's partnerships with Meerkat Meals, Groupon and Taste Card. The Group's Wagamama, Pubs and Concessions businesses, due to their strong market position, do not use discounting as part of their promotional strategies. Following Covid-19, and the failure of a number of its competitors, the Group's current strategy is to discount significantly less than prior to the pandemic and to significantly reduce the level of promotional activity through affiliate partners, although there is no assurance that such lower level of discounting will continue in the future. The level of promotional initiatives depends on the performance of the Group's brands, as well as the promotional strategies of the Group's competitors and the spending trends of the Group's customers. Although the use of promotional discounts drives traffic, it can lead to a lower average spend per head, and therefore can adversely affect results if the increased traffic does not outweigh the decline in average spend per customer.

Third-party delivery platforms

The availability of online delivery services increases competition with respect to price, food quality and customer choice within the branded restaurants market, and within the broader hospitality and dining market, by reducing the importance

of location and proximity. While the rise of third-party delivery platforms has increased consumer choice, the Group is at the forefront of the delivery market. The Group has commercial arrangements with all three major delivery operators in the United Kingdom, including Deliveroo, Uber Eats and Just Eat, and Wagamama has an exclusive agreement with Deliveroo. Under these agreements, the Group pays the delivery operators a negotiated percentage of the sales value as their commission. During periods of lockdown when the Group's restaurants are not trading, this delivery commission has accounted for a larger share of costs than the Group expects it to once its restaurants begin trading again. The Group sells its dishes for delivery at the same price as at its restaurants. However, the Group sometimes offers limited-time promotions with third-party delivery platforms, including offering special dishes only available for delivery and offering a discount on the entire delivery order.

The Covid-19 lockdown measures have increased the importance of delivery channels, and the Wagamama business successfully piloted a Covid-safe delivery option during June 2020. The Group believes that the lockdown periods have strengthened the customers' desire to have restaurant-quality food delivered to their homes. Delivery and takeaway sales accounted for 100% of Wagamama's and the Leisure brands' overall sales in the four weeks ended 28 February 2021, a period during which the entire United Kingdom was under full lockdown restrictions. The Wagamama and the Leisure brands averaged standalone weekly delivery and takeaway sales of approximately 2.5 times and approximately 5.0 times pre-Covid-19 levels, respectively (for the four weeks to 28 February 2021).¹⁷

For risks related to the growing delivery sector, see "*Risk Factors—1.6. The success of the Group depends on the ability to compete effectively with major competitors.*"

Regulation

The Group operates in markets subject to comprehensive laws and regulations, including in relation to employment, minimum wage, health and safety, food hygiene, sanitation, data protection, pub licensing, alcoholic drinks control and access for the disabled. The Group must devote significant time and expense to compliance with these requirements, including through on-going training and development of its employees to respond to changes in legislation. For example, the new allergen labelling rules to be implemented in October 2021 will require additional capabilities to label products with their ingredients and allergens where the Group is preparing and packing these for sale from its restaurants, however this will only affect a limited number of the Group's establishments.

For further discussion of other certain factors that may adversely affect TRG's operations and financial condition, see the section of this document headed "*Risk Factors.*"

Acquisitions

From time to time, the Group has engaged in opportunistic acquisitions to execute its strategic priorities. The recent acquisitions of Wagamama and in the Group's Pubs business have reshaped the Group's overall business towards the three businesses reported in its Growth segment, Wagamama, Pubs and Concessions, and have enabled the Group to expand more quickly than would have been possible organically.

In December 2018, the Group completed its transformational acquisition of the Wagamama business, a leading pan-Asian restaurant brand operating primarily in the UK market. The acquisition included 138 directly-operated Wagamama restaurants in the United Kingdom and the United States and 58 franchised restaurants across Europe, the Middle East and New Zealand. The Group began consolidating the Wagamama business into its Historical Financial Information from 24 December 2018. The Group's results for FY 2018 included a revenue contribution from Wagamama of £7.0 million and profit before tax of £0.5 million. If the Wagamama Acquisition had taken place at the start of the financial period, TRG would have recognised revenue of £328.3 million, Adjusted EBITDA of £44.6 million, EBITDA of £34.5 million, adjusted operating profit of £27.5 million, operating profit of £17.4 million and profit before tax of £7.8 million.

TRG paid an initial cash consideration of £349.0 million (subject to closing adjustments), consisting of £198.7 million in respect of the entire issued share capital of Wagamama and a further £150.4 million in respect of the repayment of existing Wagamama shareholder loans. TRG recorded goodwill of £315.5 million as a result of the acquisition.

Also in 2018, the Group identified and acquired the Pub businesses of Ribble Valley Inns Limited and Food & Fuel Limited, through which the Group added 15 Pubs to its location portfolio on a combined basis (seven of which were

¹⁷ Pre-Covid refers to the period of 8 weeks to 23 February 2020.

exited as a result of the administration of Food & Fuel Limited in the context of the Group's Covid-19 response measures). The Group completed the acquisition of Ribble Valley Inns on 21 May 2018 for total consideration of £0.9 million (adding four pubs to TRG's portfolio) and completed the acquisition of Food & Fuel Limited on 29 August 2018 for a total consideration of £14.3 million (adding 11 pubs to TRG's portfolio). On a combined basis, TRG's results FY 2018 included a revenue contribution from these businesses of £6.2 million and loss before tax of £0.1 million.

1.3 Explanation of key profit and loss account line items

Trading Business

Trading Business represents the performance of TRG's business before Exceptional Items and is considered as the key metric for shareholders to evaluate and compare the performance of the business from period to period.

Revenue

Revenue represents invoiced sales from restaurants, pubs and concession sites, including food and beverages and both dine-in and delivery sales (excluding value added tax and voluntary gratuities left by customers for the benefit of employees), and is recognised at the point of completion of a transaction with a customer. Commission payable on delivery is recognised in cost of sales.

Where TRG operates a concession unit under a franchise agreement, it acts as principal in this trading arrangement.

All revenue from franchise arrangements is recognised by TRG at the point of sale, and licensing fees are recognised in cost of sales as the goods are sold.

Where TRG acts as a franchisor in a trading relationship, franchise fees comprise ongoing royalties based on the sales results of the franchisee and upfront initial site and territory fees. Royalty revenue is accrued in line with reported sales performance once revenue can be reliably measured. Upfront initial site and territory fees are deferred and recognised on opening of the associated franchisee restaurant.

Cost of sales

Cost of sales includes all operating costs for TRG's trading divisions, including cost of goods sold, employment costs, overhead costs and property-related costs, such as rent, business rates and service charges. Where TRG acts as franchisee, licensing fees are recorded in cost of sales as goods are sold. Cost of sales further includes pre-opening costs, which are costs incurred in the run up to the opening of a new establishment.

Administration costs

Administration costs include but are not limited to the costs related to the head office staffing, head office bonuses, long-term incentive plans and general head office expenses, including professional fees.

Exceptional Items

Exceptional Items 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 TRG's performance.

These exceptional expenses include, for example, impairment of historic fixed asset expenditure, provisions for loss-making or closed sites, expenses related to acquisitions and integration, costs relating to the rationalisation of the Leisure estate, corporate financing activity, costs relating to sudden closure and re-opening of the restaurants, and profits/(losses) on sale of fixed assets.

Interest payable

Interest payable consists of interest payable on indebtedness, such as, the TRG Plc Revolving Credit Facility, the Wagamama RCF, the Wagamama Notes and other bank loans. Historically, interest payable also consisted of interest payable on the Group's overdraft facility, which was cancelled after 28 June 2020. Also included in interest payable is

amortisation of capitalised facility fees, onerous lease interest on the unwinding of the discount rate, and finance lease interest and amortisation of loan fees. Under IFRS 16, this line item also includes the interest cost on the lease liabilities.

Tax on profit/(loss) from ordinary activities

Tax on profit/(loss) on ordinary activities comprises current tax and deferred tax. Current tax consists of UK corporation taxes, overseas corporation taxes, and under/(over) provisions in respect of prior periods. Deferred tax consists of origination and reversal of timing differences, the effect of a change in the tax rate, and changes in respect of prior periods. For additional information, see Note 8 to the consolidated financial statements for FY 2020 incorporated by reference into this document.

2. Results of operations

The following tables summarise TRG's consolidated profit and loss account for the periods indicated on both a Trading Business basis (which, as used in this Part IV, refers to a measure excluding Exceptional Items which it is considered would distort the comparability of the Group's results) and on a total basis:

	52 weeks ended 30 December 2018			52 weeks ended 29 December 2019			52 weeks ended 27 December 2020 (excl. IFRS 16) ⁽²⁾	52 weeks ended 27 December 2020 (IFRS 16) ⁽³⁾		
	Trading Business ⁽¹⁾	Exceptional Items	Total	Trading Business ⁽¹⁾	Exceptional Items	Total	Trading Business ⁽¹⁾	Trading Business ⁽¹⁾	Exceptional Items	Total
	(£ million)			(£ million)						
Revenue	686.0	-	686.0	1,073.1	-	1,073.1	459.8	459.8	-	459.8
Cost of Sales	(603.3)	(24.0)	(627.3)	(930.6)	(117.9)	(1,048.5)	(451.4)	(470.6)	(32.5)	(503.1)
Gross profit/(loss) ..	82.7	(24.0)	58.7	142.5	(117.9)	24.6	8.4	(10.8)	(32.5)	(43.3)
Share of result of associate.....	-	-	-	-	-	-	(0.6)	(0.6)	-	(0.6)
Administration costs	(27.3)	(14.8)	(42.1)	(51.4)	6.1	(45.3)	(38.3)	(38.3)	(7.6)	(45.9)
Operating profit/(loss).....	55.4	(38.8)	16.6	91.1	(111.8)	(20.7)	(30.5)	(49.7)	(40.1)	(89.8)
Interest payable	(2.2)	(0.5)	(2.7)	(16.7)	-	(16.7)	(17.6)	(38.1)	-	(38.1)
Interest receivable.....	0.0	-	0.0	0.1	-	0.1	0.2	0.4	-	0.4
Profit/(loss) on ordinary activities before tax.....	53.2	(39.2)	13.9	74.5	(111.8)	(37.3)	(47.9)	(87.5)	(40.1)	(127.6)
Tax on profit/(loss) from ordinary activities.....	(11.4)	4.3	(7.0)	(16.3)	13.1	(3.1)	n/a	12.0	(4.3)	7.7
Profit/(loss) for the year	41.8	(34.9)	6.9	58.3	(98.7)	(40.4)	n/a	(75.5)	(44.4)	(119.9)
Foreign exchange differences arising on consolidation	-	-	-	0.6	-	0.6	n/a	0.1	-	0.1
Total comprehensive income for the year ...	41.8	(34.9)	6.9	58.8	(98.7)	(39.8)	n/a	(75.4)	(44.4)	(119.8)
EBITDA.....	87.9	(24.8)	63.1	136.7	(6.0)	130.7	8.7	53.5	102.8	156.2
Depreciation, amortisation and impairment	(32.5)	(14.0)	(46.4)	(45.7)	(105.8)	(151.4)	(39.2)	(103.2)	(142.9)	(246.1)
Operating profit/(loss)	55.4	(38.8)	16.6	91.1	(111.8)	(20.7)	(30.5)	(49.7)	(40.1)	(89.8)

- (1) Trading Business represents the performance of the business before Exceptional Items and is considered as the key metric for shareholders to evaluate and compare the performance of the business from period to period.
- (2) The Group presents results for the 52 weeks ended 27 December 2020 prepared excluding the impact of IFRS 16 in order to facilitate comparability between the periods presented in this table. The Group prepares such figures only on a Trading Business basis, as it views them as the most comparable between periods. In addition, the Group no longer presents certain line items on a Trading Business basis, which are identified with "n/a" in the above table.
- (3) The Group has adopted IFRS 16 in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date. In this document, TRG presents its results for FY 2020

on both pre- and post- IFRS 16 basis. For more information on IFRS 16, see “—Key Factors Affecting Comparability—Significant changes in accounting standards” and Note 1 to the consolidated financial statements for FY 2020 incorporated by reference into this document.

2.1 FY 2020 compared with FY 2019

Revenue

Revenue decreased 57% to £459.8 million in FY 2020, from £1,073.1 million in FY 2019, primarily as a result of the Government action taken to control the Covid-19 outbreak. The Group was only able to trade without restrictions in four months of the year. The business did not trade in the first period of lockdown until June, when the opening of Covid-19-safe Wagamama restaurants for takeaway and delivery was trialled. Through the second lockdown, delivery and takeaway continued in the Leisure and Wagamama businesses.

Cost of sales

Cost of sales decreased 52% to £503.1 million in FY 2020, from £1,048.5 million in FY 2019, primarily as a result of Government action to control the Covid-19 outbreak, as described above. The adoption of IFRS16 also introduced an additional cost of £19.2 million, as depreciation on the right-of-use asset of £63.9 million exceeded the rent charges removed of £44.7 million. The cost of sales included Exceptional Items of £32.5 million, consisting of:

- A net impairment charge of £37.1 million (2019: £105.8 million) which represents the reduced trading potential of a number of sites during the second half of 2020, and also in the recovery phase through the next couple of years within our Concessions business.
- Administration costs and write-offs of £9.9 million relating to Chiquito Limited and Food & Fuel Limited.
- A credit from restructuring the estate of £19.0 million (2019: cost of £2.6 million). There are a number of components of this with the most significant being:
 - £18.2 million of staff restructuring costs;
 - a credit of £21.3 million from a number of leases exited earlier than expected;
 - a net credit of £26.5 million from the removal of lease liabilities of £193.6 million, offset by a corresponding write-down in the assets of £167.1 million following the completion of the CVA;
 - a cost of £12.7 million from assets disposed as part of the estate restructuring;
 - a £7.5 million provision for property costs on sites that were exited via the CVA. These sites have no associated rent costs but the Group is still liable for Business Rates until the end of the lease; and
 - a £10.6 million credit from reduction in minimum rents obtained in negotiations with our airport partners.
- Closure costs of £5.5 million relating to the first national lockdown. This includes stock wastage, maintenance and security costs while closed and costs for retraining and preparing the sites for re-opening with revised operational protocols.

In FY 2019, cost of sales included an Exceptional Item of £117.9 million. For additional information on this Exceptional Item, see Note 6 to the consolidated financial statements for FY 2020 incorporated by reference into this document. On a Trading Business basis, cost of sales decreased 49% to £470.6 million in FY 2020, from £930.6 million in FY 2019, primarily as a result of government action to control the Covid-19 outbreak, as described above. On a Trading Business basis, cost of sales decreased less than the decrease in revenue, driven by the fixed overheads and property costs incurred throughout the lockdown periods.

Administration costs

Administration costs increased 1% to £45.9 million in FY 2020, from £45.3 million in FY 2019, primarily as a result of an increase in Exceptional Items. Administration costs for FY 2020 included an Exceptional Item of £7.6 million related to corporate restructuring costs, US disposal fees and Wagamama integration costs, while administration costs for FY 2019 included a net credit in Exceptional Items of £6.1 million consisting of a £11.2 million charge, related to acquisition and integration costs relating to the Wagamama Acquisition, and £17.2 million credit relating to the sale and leaseback of the Group's London head office. For additional information on these Exceptional Items, see Note 6 to the consolidated financial statements for FY 2020 incorporated by reference into this document. On a Trading Business basis, administration costs decreased 26% to £38.3 million in FY 2020, from £51.4 million in FY 2019, primarily as a result of reductions to the Group's head office cost base whilst in lockdown, such as the removal of staff costs relating to those employees on furlough.

Interest payable

Interest payable increased 129% to £38.1 million in FY 2020, from £16.7 million in FY 2019, primarily as a result of the adoption of IFRS 16, which added an additional interest charge of £20.6 million relating to the lease liabilities also introduced through IFRS 16. Excluding the impact of IFRS 16, interest payable increased by 5% or £0.9 million, as the Group has maintained a higher average level of borrowings in FY 2020 due to the negative cash flow impacts of Covid-19. This increase in borrowing offset the savings made from the fall in LIBOR on the floating rate borrowings.

Tax on profit/(loss) on ordinary activities

Tax on profit/(loss) on ordinary activities decreased to a credit of £7.7 million in FY 2020, from a cost of £3.1 million in FY 2019, primarily as a result of the losses made in the year, and the tax benefit of those losses being restricted due to interest deductions being capped for loss-making companies, and other costs not deductible for tax purposes. For additional information on the tax balances, see Note 8 to the consolidated financial statements for FY 2020 incorporated by reference into this document. On a Trading Business basis, tax on profit/loss on ordinary activities decreased to a credit of £12.0 million in FY 2020, from a cost of £16.3 million in FY 2019, primarily as a result of the business making a loss in 2020 compared to a profit in 2019.

2.2 FY 2019 compared with FY 2018

Revenue

Revenue increased 56.4% to £1,073.1 million in FY 2019, from £686.0 million in FY 2018, primarily as a result of the full-year contribution of the Wagamama business in FY 2019, as well as a strong sales performance from the Group's Concessions and Pubs businesses. On a Like-For-Like basis, sales increased by 2.7% in FY 2019. Wagamama continued to significantly outperform the UK market, delivering 8.5% LFL Sales growth. The Concessions business saw LFL Sales increase by 4.1% (in spite of being adversely impacted by the Thomas Cook liquidation), well ahead of passenger growth. The Pubs business delivered LFL Sales growth of 4.0%, maintaining its outperformance of the market. LFL Sales in the Leisure business declined by 2.8%, representing an improvement on the rate of decline versus previous years.

Cost of sales

Cost of sales increased 67.1% to £1,048.5 million in FY 2019, from £627.3 million in FY 2018, primarily as a result of the full-year contribution from the Wagamama business in 2019, as well as an increase in Exceptional Items to £117.9 million (2018: £24.0 million). The Exceptional Items for FY 2019 mainly related to an impairment charge of £105.8 million. Such impairment charge predominately related to the Leisure business, as a result of certain sites being identified as structurally unattractive and a more cautious medium-term outlook. The Exceptional Items in FY 2018 primarily related to the impairment of property, plant and equipment and onerous lease provisions. For additional information on these Exceptional Items, see Note 6 to each of the Group's 2019 Annual Report and Accounts and the Group's 2018 Annual Report and Accounts, in each case incorporated by reference into this document. On a Trading Business basis, cost of sales increased 54.3% to £930.6 million in FY 2019, from £603.3 million in FY 2018.

Administration costs

Administration costs increased 7.6% to £45.3 million in FY 2019, from £42.1 million in FY 2018, primarily as a result of the addition of the Wagamama business and its central head-office team, partially offset by lower integration costs incurred in connection with the Wagamama Acquisition and a £17.2 million profit on the sale and leaseback of the Group's London head office. Administration costs for FY 2019 included Exceptional Items totalling £6.1 million and consisting of a credit of £17.2 million related to the profit on the sale and leaseback, partially offset by integration costs, while administration costs for FY 2018 included an Exceptional Item of £14.8 million related to integration costs. For additional information on these Exceptional Items, see Note 6 to each of the Group's 2019 Annual Report and Accounts and the Group's 2018 Annual Report and Accounts, in each case incorporated by reference into this document. On a Trading Business basis, administration costs increased 88.3% to £51.4 million in FY 2019, from £27.3 million in FY 2018, primarily due to the incorporation of the Wagamama business and its central head-office team into the Group.

Interest payable

Interest payable increased 518.5% to £16.7 million in FY 2019, from £2.7 million in FY 2018, primarily as a result of the increased borrowing required to finance the Wagamama Acquisition, including the TRG Plc Revolving Credit Facility. In addition, as part of the same transaction, TRG acquired the Wagamama Notes and the Wagamama RCF.

Tax on profit/(loss) from ordinary activities

Tax on profit/(loss) from ordinary activities decreased 55.7% to £3.1 million in FY 2019, from £7.0 million in FY 2018, primarily as a result of TRG's reduced profitability generated after the impairment charge recorded in 2019. Tax on profit/(loss) from ordinary activities for FY 2019 included an exceptional tax credit of £13.1 million related to other Exceptional Items, while tax on profit/(loss) from ordinary activities for FY 2018 included an exceptional tax credit of £4.3 million related to other Exceptional Items. For additional information on these Exceptional Items, see Note 6 to each of the Group's 2019 Annual Report and Accounts and the Group's 2018 Annual Report and Accounts, in each case incorporated by reference into this document. On a Trading Business basis, tax on profit/(loss) from ordinary activities increased 43.0% to £16.3 million in FY 2019, from £11.4 million in FY 2018, primarily as a result of increased profits. The Effective Tax Rate was 21.8% in FY 2019 and 21.4% in FY 2018, which in each case is higher than the statutory corporation tax rate of 19.0%, as depreciation charges were higher than allowable writing down allowances.

3. Capitalisation and indebtedness

3.1 Capitalisation and indebtedness

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The following table shows the capitalisation and indebtedness of the Group as at 27 December 2020, which has been extracted without material adjustment from the consolidated financial statements for FY 2020 incorporated by reference into this document. The following tables do not reflect the significant impact that the Transaction will have on TRG or developments subsequent to 27 December 2020.

(£ million)	As at 27 December 2020
Current debt	
Guaranteed	-
Secured.....	-
Unguaranteed and unsecured (IFRS 16 lease liabilities).....	91.5
Total current indebtedness	<u>91.5</u>
Non-current debt	
Secured:	
Wagamama Notes ⁽¹⁾	225.0
TRG Plc Revolving Credit Facility ⁽¹⁾⁽²⁾	100.0
CLBILS Facility	50.0
Wagamama RCF ⁽¹⁾	8.6
Unguaranteed and unsecured:	
IFRS 16 lease liabilities	392.3
Total non-current indebtedness	<u>775.9</u>
Shareholder equity	
Share capital.....	165.9
Share premium	276.6
Other reserve.....	(3.9)
Total equity (excluding retained reserves)	<u>438.7</u>
Total capitalisation	<u>311.6</u>

(1) Amounts represent gross principal amount of indebtedness owed to holders of the Wagamama Notes and lenders under the TRG Plc Revolving Credit Facility and the Wagamama RCF, respectively. As of 27 December 2020, the total carrying amount of long-term borrowings on TRG's balance sheet (representing the Wagamama Notes, the TRG Plc Revolving Credit Facility and the Wagamama RCF) was £381.1 million, net of unamortised loan fees of £2.5 million.

3.2 Net indebtedness

The following table sets forth components of the Group’s net financial indebtedness as at 27 December 2020. The statement of indebtedness is unaudited and has been extracted from the consolidated financial statements for FY 2020 incorporated by reference into this document. The following tables do not reflect the significant impact that the Transaction will have on TRG or developments subsequent to 27 December 2020.

(£ million)	As at 27 December 2020
Cash and cash equivalents.....	(40.7)
Current:	
IFRS 16 lease liabilities	91.5
Non-current:	
IFRS 16 lease liabilities	392.3
Wagamama Notes.....	225.0
TRG Plc Revolving Credit Facility	100.0
CLBILS Facility	50.0
Wagamama RCF	8.6
Net indebtedness	826.7

As at 27 December 2020, the Group did not have indirect or contingent indebtedness.

4. Liquidity and capital resources

4.1 Overview

TRG’s principal source of liquidity for the periods under review have been cash on hand, operating cash flows, borrowings under the CLBILS Facility and the TRG Plc Revolving Credit Facility, the maturity of which has been extended to June 2022, as well as availability under the Wagamama RCF. TRG also historically utilised a repayable on-demand overdraft facility to manage its day-to-day working capital requirements, which was removed with the restructuring of the TRG Plc Revolving Credit Facility and the entry into the CLBILS Facility Agreement on 9 July 2020. Under the terms of the TRG Plc Revolving Credit Facility, TRG is required to comply with its financing covenants whereby net finance charges must be covered at least 4 times by earnings before interest, tax, depreciation and exceptional items (“**EBITDA**”) and Net Debt must not exceed 3.5 times EBITDA. The margin (on interest rates) applied to the TRG Plc Revolving Credit Facility is dependent on the ratio of Net Debt to EBITDA. The TRG Plc Revolving Credit Facility and CLBILS Facility covenants are tested twice a year and are monitored on a regular basis. TRG remained within its TRG Plc Revolving Credit Facility and CLBILS Facility covenant limits throughout FY 2019. In the context of its restructuring efforts to mitigate the effects of the Covid-19 pandemic, TRG has agreed a series of amendments to the TRG Plc Revolving Credit Facility with the lenders thereunder, including the maturity extension until June 2022 described above, a waiver of the covenants through to the facilities’ maturity and a reduction in the lenders’ commitments under the TRG Plc Revolving Credit Facility by £40 million. TRG’s ability to generate cash depends on its operating performance, which in turn depends to some extent on general economic, financial, industry, regulatory and other factors, many of which are beyond TRG’s control, as well as other factors discussed in “*Risk Factors*”.

TRG’s principal uses of cash include operating expenses, capital expenditure and the payment of interest on its borrowings.

As of 27 December 2020, TRG had £40.7 million of cash and cash equivalents and £383.6 million of total debt, consisting of £225.0 million of the Wagamama Notes, £100.0 million drawn under the TRG Plc Revolving Credit Facility (out of a total of £160.0 million available, £50.0 million drawn under the CLBILS Facility (out of a total £50.0 million available) and £8.6 million outstanding under the Wagamama RCF (out of a total of £35.0 million available). In addition, there were £483.8 million of IFRS 16 lease liabilities. See “*Capitalisation*”. TRG’s level of debt may have important negative consequences for you. There are also limitations on the Group’s ability to obtain additional debt or equity financing. See “*Risk Factors—1.2. The Group is subject to certain financial covenants and restrictive covenants under the terms of its new debt facilities, and any developments that are adverse in comparison to its planning assumptions, including in particular the occurrence of the reasonable worst case scenario, could lead to a breach of such covenants and consequently a default under its debt facilities.*”

4.2 Consolidated cash flow

The following table summarises TRG's consolidated cash flow statement for FY 2018, FY 2019 and FY 2020.

(£ million)	52 weeks ended 30 December r 2018	52 weeks ended 29 December r 2019	52 weeks ended 27 December r 2020 ⁽³⁾
Cash generated from operations	88.3	140.5	3.2
Interest received	0.0	0.1	0.2
Interest paid.....	(1.0)	(14.6)	(15.7)
Tax (paid) / received.....	(7.3)	(10.3)	5.1
Cash outflow from onerous lease provisions ⁽²⁾	(11.2)	(12.6)	-
Cash outflow from exceptional costs	(10.1)	(28.5)	(34.9)
Net cash flows from/(used in) operating activities	58.7	74.6	(42.0)
Purchase of property, plant and equipment.....	(47.5)	(76.0)	(37.4)
Purchase of subsidiaries	(364.2)	—	-
Other ⁽¹⁾	38.1	25.0	0.8
Net cash flows from/(used in) investing activities .	(373.6)	(51.0)	(36.6)
Net cash flows from/(used in) financing activities.	371.2	(39.7)	69.5
Net increase/(decrease) in cash and cash equivalents	56.3	(16.1)	(9.0)

(1) Other includes purchase of intangible assets, proceeds from disposal of property, plant and equipment and cash acquired on acquisition of subsidiaries.

(2) Under IFRS 16, cash outflow from onerous lease provisions is no longer reported in net cash flows from operating activities.

(3) The Group has adopted IFRS 16 in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date. In this document, TRG presents its results for FY 2020 on both a pre- and post-IFRS 16 basis. For more information on IFRS 16, see “—Key Factors Affecting Comparability—Significant changes in accounting standards” and Note 1 to the consolidated financial statements for FY 2020 incorporated by reference into this document.

Net cash flows from/used in operating activities

Net cash flows from operating activities decreased by £116.6 million to an outflow of £42.0 million in FY 2020 from an inflow of £74.6 million in FY 2019. This was primarily due to:

- the decrease in Adjusted EBITDA of £127.8 million due to the impact of trading restrictions described above;
- an increased outflow of £31.5 million on working capital and non-cash adjustments, which relate primarily to the partial unwinding of trade creditors;
- an increase in the payment of exceptional items of £6.4 million; and
- an increase in the net interest payments of £1.0 million due to the increased borrowing levels in the year.

Net cash flows from operating activities increased 27.1% to £74.6 million in FY 2019 from £58.7 million in FY 2018, principally due to a £52.2 million increase in cash generated from operations reflecting the combined business following the Wagamama Acquisition, partially offset by a £18.4 million increase in payments of acquisition and refinancing costs and £13.6 million relating to the increased cost of financing as a result of the increased indebtedness arising on the Wagamama Acquisition.

Net cash flows from/used in investing activities

Net cash flows used in investing activities decreased 28% to £36.6 million in FY 2020 from £51.0 million in FY 2019. This was primarily due to the capital expenditure programme being paused in mid-March prior to the nationwide Covid-19 lockdown. Management stopped all non-essential expenditure pending the re-opening of the Group's sites, and

maintenance capital expenditure was reduced to the minimum possible level to ensure compliance with property and other regulations.

Net cash flows used in investing activities decreased by £322.6 million to £51.0 million in FY 2019 from £373.6 million in FY 2018, principally due to impact of the Wagamama Acquisition in FY 2018, partially offset by a £29.3 million increase in capital investment in FY 2019 for the development of the Wagamama, Pubs and Concessions businesses.

Net cash flows from/used in financing activities

Net cash flows from financing activities increased by £109.2 million to an inflow of £69.5 million in FY 2020 from an outflow of £39.7 million in FY 2019. This was primarily due to a net drawdown of £46.7 million of facilities available under the TRG Plc Revolving Credit Facility, the overdraft facility and the Wagamama RCF, as well as the net issue proceeds of the placing of shares on 8 April 2020 of £54.6 million. The cash outflow in FY 2019 was primarily due to a net repayment of amounts drawn under the TRG Plc Revolving Credit Facility, the overdraft facility and the Wagamama RCF of £22.1 million, as well as the payment of a dividend to shareholders of £17.5 million.

Net cash flows used in financing activities decreased by £410.9 million to an outflow of £39.7 million in FY 2019 from an inflow of £371.2 million in FY 2018, principally due to proceeds from the issuance of ordinary shares in FY 2018 to finance the Wagamama Acquisition.

4.3 Capital expenditure

TRG's capital expenditure mainly consists of new site capital expenditure, maintenance expenditure relating to ongoing replacement of existing assets in TRG's restaurants and pubs, refurbishment capital expenditure on sites to improve brand presentation and increase capacity where possible, and other capital expenditure, such as expenditure relating to central kitchen development and upgrading of IT systems.

The following table shows TRG's capital expenditure, for the periods indicated.

	52 weeks ended 30 Decem ber 2018	52 weeks ended 29 Decembe r 2019	52 weeks ended 27 December 2020
	(£ million)		
Refurbishment and maintenance expenditure.....	20.3	34.5	20.9
New site capital expenditure.....	33.0	38.8	17.0
Total capital expenditure.....	53.3	73.3	37.9

TRG's investments in capital expenditure decreased 48.2% to £37.9 million in FY 2020 from £73.3 million in FY 2019, primarily as a result of the halting of all non-essential expenditure pending the re-opening of the Group's sites, and the reduction of maintenance capital expenditure to the minimum possible level to ensure compliance with property and other regulations.

TRG's investments in capital expenditure increased 37.5% to £73.3 million in FY 2019 from £53.3 million in FY 2018. This was primarily due to the full-year impact in FY 2019 of the acquisition of Wagamama, which added to the Group's estate portfolio, as well as the conversion of eight sites in the Leisure division and the opening of three new Wagamama sites. The Group also opened four Concessions sites and four Pubs in FY 2019.

In future years, the Group plans to invest in selective capital expenditure to grow the business, but currently targets annual capital expenditure of less than £30 million.

4.4 Contractual and other obligations

Financial liabilities

The financial liabilities of TRG, all of which are classified as other financial liabilities at amortised cost, comprised, as at the end of the FY 2019 and as at the end of FY 2020:

(£ million)	As at 29 December 2019	As at 27 December 2020
Trade and other payables	188.0	116.7
Finance leases	0.3	-
IFRS 16 lease liabilities	—	91.5
Overdraft	10.0	-
Short-term financial liabilities	198.2	208.2
Long-term borrowings – at fixed interest rates	225.0	225.0
Long-term borrowings – at floating interest rates ⁽¹⁾	102.0	158.6
Bank fees	(3.2)	(2.5)
IFRS 16 lease liabilities	—	392.3
Other payables	26.1	1.3
Long-term financial liabilities	349.9	774.7
Total financial liabilities	548.1	982.9

(1) Total financial liabilities attracting interest were £327.0 million as at 29 December 2019 and £383.6 million as at 27 December 2020. Interest on certain of the Group's borrowings is payable at floating interest rates which fluctuate and are dependent on LIBOR and base rate. The average rate of interest charged during FY 2019 on TRG's debt was 3.50% and in FY 2020 was 3.98%

At 29 December 2019, TRG had £118.0 million of committed borrowing facilities in excess of gross borrowings and £0.1 million of undrawn overdraft. At 27 December 2020, TRG had £86.4 million of committed borrowing facilities in excess of gross borrowings.

The maturity profile of anticipated gross future cash flows, including interest, relating to TRG's non-derivative financial liabilities, on an undiscounted basis, are set out below:

		As at 29 December 2019					
(£ thousands)	Overdraft	Trade and other payables	Fixed rate loan	Floating rate loan	Finance lease payable	IFRS 16 lease liabilities	Total
Within 1 year.....	9,950	149,875	9,281	5,153	362	-	174,621
Within 2 to 5 years.....	-	-	239,062	111,780	1,307	-	352,149
After 5 years.....	-	-	-	-	12,951	-	12,951
Total	9,950	149,875	248,343	116,933	14,620	-	539,721
		As at 27 December 2020					
Within 1 year.....	-	116,727	9,562	13,995	-	94,082	234,366
Within 2 to 5 years.....	-	-	234,466	144,616	-	242,341	621,423
After 5 years.....	-	-	-	-	-	281,759	281,759
Total	-	116,727	244,028	158,611	-	618,182	1,137,548

5. Off balance sheet arrangements

TRG does not have any off balance sheet arrangements.

6. Qualitative and quantitative disclosures about market risk

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to TRG.

Counterparties for cash balances are large established financial institutions. TRG is exposed to credit related losses in the event of non-performance by the financial institutions but does not expect them to fail to meet their obligations.

As a retail business with trading receipts settled either by cash or credit and debit cards, there is very limited exposure from customer transactions. TRG is exposed to credit risk in respect of commercial discounts receivable. TRG's directors make regular assessments of the recoverability of commercial discount receivables based on their knowledge of the customer, historic payments and relevant macroeconomic factors. An appropriate provision will be made if TRG considers the amounts will not be recovered, either partially or in full. Receivables that are neither past due nor impaired are expected by TRG to be fully recoverable.

In addition, TRG has a number of subleases for properties sublet to other tenants recognised on its balance sheet as a net investment in subleases. TRG is exposed to credit risk in respect of these properties. Management make regular assessments of the recoverability of balances due under these subleases and make provisions as appropriate.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent TRG's maximum exposure to credit risk. The financial assets of TRG, all of which are classified as loans and receivables at amortised cost, comprise:

(£ millions)	As at 29 December 2019	As at 27 December 2020
Cash and cash equivalents	49.8	40.7
Net investment in subleases ⁽¹⁾	-	3.6
Other receivables	21.9	15.5
Total financial assets	71.7	59.8

(1) The Group has adopted IFRS 16 in its accounts for the year ended 27 December 2020 and so the FY 2020 results are the first annual reported period to include the impact of IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single on-balance sheet model and replaces the previous accounting of leases under IAS 17. The Group has decided to adopt IFRS 16 as at 30 December 2019 using the modified retrospective approach, which means that IFRS 16 is prospectively implemented and so only the results for periods commencing on or after 30 December 2019 are accounted for under IFRS 16, with the comparative period being reported under the previous accounting standard (IAS 17). As a result, periods commencing on or after 30 December 2019 are not directly comparable to periods commencing prior to such date. In this document, TRG presents its results for FY 2020 on both a pre- and post-IFRS 16 basis. For more information on IFRS 16, see “—Key Factors Affecting Comparability—Significant changes in accounting standards” and Note 1 to the consolidated financial statements for FY 2020 incorporated by reference into this document.

Liquidity risk

TRG's liquidity risk is managed through the maintenance of adequate cash reserves and bank facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The TRG Plc Revolving Credit Facility, which is due to mature in June 2022, and the Wagamama RCF, which is due to mature in December 2021 (as disclosed above) ensure continuity of funding, provided TRG continues to meet its covenant requirements (including, with respect to the TRG Plc Revolving Credit Facility, maintaining a minimum liquidity amount and, with respect to the Wagamama RCF, a revised minimum EBITDA amount).

Foreign currency risk

Although TRG reports results in Pounds Sterling, Wagamama is exposed to foreign currency risk on royalty payments from its franchisees and the US JV distributions that are determined on the basis of revenue in foreign currencies and that are denominated in a currency other than Pounds Sterling.

Given that the majority of the ingredients that the Group purchases are priced in Pounds Sterling, the continued weakness of the Pound Sterling may increase the Group's food costs when negotiating supplier contracts (see Risk Factor 2.5 above). Exchange rate fluctuations could therefore have an adverse effect on the business, financial condition and results of operations of TRG.

Interest rate risk

Exposure to interest rate movements has been controlled historically through the use of fixed and floating rate debt and interest rate swaps to achieve a balanced interest rate profile. TRG does not currently have any interest rate swaps in place as interest rates remain low and cash interest remains covered by cash generated. TRG's exposure will continue to be monitored and the use of interest rate swaps may be considered in the future.

On FY 2020 results, net interest excluding onerous lease interest was covered 2.5 times by earnings before interest, tax, depreciation and exceptional items. Based on debt and earnings for FY 2020, a 1% rise in interest rates would reduce interest cover to 2.0 times.

7. Significant accounting policies and critical accounting estimates and assumptions

TRG's consolidated financial statements, which comprise the consolidated balance sheets as at 27 December 2020, 29 December 2019 and 30 December 2018 and related consolidated statements of income, changes in equity, and cash flows for the 52 weeks ended 27 December 2020 and the 52 weeks ended 29 December 2019 and 30 December 2018 have been prepared in accordance with IFRS. The preparation of these financial statements requires TRG to make various estimates and assumptions that affect the reported results. Such estimates or assumptions are based on TRG's historical experience and currently available information, including expectations of future events that it believes are reasonable under the circumstances. Actual results may differ significantly from such estimates and assumptions in light of the uncertainty surrounding the conditions upon which they are based. There are certain significant accounting policies determined on the basis of such estimates and assumptions for which changes during a financial period could involve a significant risk of material change in the carrying amount of assets and liabilities. A list of critical accounting judgments and estimation uncertainty is included in Note 1 to TRG's consolidated financial statements for FY 2020 incorporated by reference into this document. These accounting policies applied during FY 2020 covered by this operating and financial review.

In respect of the audited consolidated financial statements for the Group for FY 2020, the Directors have concluded that the conditionality of the Capital Raising, requiring Shareholder approval, represents a material uncertainty to the Directors' going concern assessment. EY have brought attention to the Directors' conclusion by way of a material uncertainty related to going concern paragraph in their report. Their opinion is not modified in respect of this matter.

Ann 3,
11.2.1a

PART V HISTORICAL FINANCIAL INFORMATION

Ann 3,
11.1
Ann 3,
11.2.1

The audited consolidated financial statements for FY 2018, FY 2019 and FY 2020, together with the audit reports and notes in respect of each such financial year, contained in the Group's 2018 Annual Report and Accounts, 2019 Annual Report and Accounts and 2020 Annual Report and Accounts, respectively, are incorporated by reference into this Part V (*Historical Financial Information*), as described in Part VIII (*Documents Incorporated by Reference*) of this document.

The audited consolidated financial statements of the Group in the 2018 Annual Report and Accounts and 2019 Annual Report and Accounts have been prepared in accordance with IFRS and IFRS interpretations as adopted in the EU. The audited consolidated financial statements of the Group in the 2020 Annual Report and Accounts have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU. The audit reports on these financial statements were unqualified.

The consolidated annual financial statements contained in the Group's 2018 Annual Report, 2019 Annual Report and Accounts and 2020 Annual Report and Accounts were audited by Ernst & Young LLP. Ernst & Young LLP was and is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and have no material interest in the Company.

In respect of the 2020 Annual Report and Accounts, the following statement in relation to material uncertainty as to going concern was included therein.

Ann 3,
11.2.1a

“Going Concern

The directors have adopted the going concern basis in preparing the Annual Report and Accounts after assessing the Group's principal risks including the risks arising from Covid-19.

The outbreak of Covid-19 and its continuing impact on the economy, and specifically the hospitality sector, casts uncertainty as to the future financial performance and cash flows of the Group. When assessing the ability of the Group to continue as a going concern the Directors have considered the Group's financing arrangements, likely trading patterns through the recovery, and the possibility of future lockdowns or social restrictions.

The Principal Risks and Uncertainties are disclosed in the Risk Committee Report. These have been considered by Directors in forming their opinion. The Directors have reviewed financial projections to 31 March 2022 (the review period), containing both the base case and a severe stress case. In the severe stress case, the current national lockdown is forecast to continue until 17 May 2021, and the business is then operating under social restrictions (in line with October 2020) until the end of December 2021. Whilst this is 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. In addition, due to restrictions on international travel, the Concessions business is also forecast to be closed completely during 2021. The projections assume that whilst there are social restrictions which impact our ability to trade normally, the UK Government will continue to provide support via the Coronavirus Job Retention Scheme. Whilst this has currently been announced as ending in September 2021, the projections assume this will be extended to protect employment if required. The gross proceeds of the underwritten capital raise of approximately £175m as announced on 10 March 2021 and which is subject to shareholder approval have also been included in both forecasts. In both forecasts, the Group has sufficient liquidity, via its new facilities, to finance operations for at least the next twelve months to the end of March 2022. The Group will draw on the new term loan before the end of May 2021, by which time the Group is contracted to have made a single once-only drawdown of between £230m and £380m, simultaneously repaying the existing RCF, CLBILS and bond debt. In both base case and stress case scenarios it is assumed that £380m of term loan facility will be drawn down. The exact amount will be determined by the Board taking relevant factors into account on drawdown with the objective of ensuring a reasonable level of cash headroom throughout the review period, based on the forecast cash flows at the time. From signing of the new debt agreements the Group will be bound by the covenants in those new facilities which consist of a minimum liquidity of £40m until December 2022 followed by leverage covenants being tested on the super senior revolving credit facility from June 2022, and on the term loan from December 2022 (see Note 27 of the Annual Report for details of covenants). There are no leverage covenant tests in the review period.

The Directors have concluded that the conditionality of the capital raise, requiring shareholder approval at the General Meeting on 29 March 2021, represents a material uncertainty to the Directors' going concern assessment. For the

purposes of both the 'base' and 'stress' case, this capital raise is forecast to complete. Should it not complete, the Group's liquidity will be challenged. In the 'base case', the covenants and minimum liquidity requirements are not forecast to be breached, but in the 'stress case', the minimum liquidity covenant would be breached in the review period unless sufficient alternate strategies could be implemented. In pre-marketing the capital raise, Management has conducted a number of meetings with investors covering over 50% of the share register and expects to receive shareholder approval for the capital raise at the forthcoming General Meeting. However, this is not guaranteed, and the vote may not pass. If approval was not obtained, 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, further cost reduction programmes, or other commercial actions. The Board is confident that shareholder approval will be obtained and therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 March 2022, being at least the next twelve months from the date of approval of the Annual Report and Accounts. On this basis, the Directors continue to adopt the going concern basis in preparing these accounts. Accordingly, these accounts do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group were unable to continue as a going concern."

Further information on the Directors' going concern assessment is set out at Note 1 to the audited consolidated financial statements for FY 2020 contained in the Group's 2020 Annual Report and Accounts, incorporated by reference into this Part V (*Historical Financial Information*), as described in Part VIII (*Documents Incorporated by Reference*) of this document.

In their report on the audited consolidated financial statements for the Group for FY 2020, EY have brought attention to the Directors' conclusion by way of a material uncertainty related to going concern paragraph in their report, as reproduced below. Their opinion is not modified in respect of this matter.

"INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE RESTAURANT GROUP PLC

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the ability of the group and company to continue as a going concern is subject to a material uncertainty in relation to the capital raise, which is conditional on shareholder approval. As stated in note 1, this represents a material uncertainty that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

PART VI TAXATION

Ann 12, 4.5

PART A: UNITED KINGDOM TAXATION

1. General

The following statements:

- (A) do not constitute tax advice and are intended to apply only as a general guide to the position under current UK tax law and the published practice of HMRC (which may not be binding on HMRC) as at the date of this document, either of which is subject to change at any time (possibly with retrospective effect);
- (B) relate only to certain limited aspects of the UK taxation treatment of Shareholders and are intended to apply only to Shareholders who:
 - (i) are resident and (in the case of individuals) domiciled or deemed domiciled in (and only in) the UK for UK tax purposes (unless the context otherwise requires) and to whom split-year treatment does not apply;
 - (ii) hold their Ordinary Shares as investments (other than in an individual savings account, self-invested personal pension or as carried interest); and
 - (iii) are the absolute beneficial owners of their Ordinary Shares and any dividends paid on them; and
- (C) may not apply to certain classes of Shareholders such as, for example, dealers in securities, trustees, insurance companies, collective investment schemes and Shareholders who have (or who are deemed to have) acquired their Ordinary Shares by virtue of an office or employment.

Any person who is in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult an appropriate professional tax adviser without delay. Investors should note that tax law and interpretation can change and that, in particular, the level and basis of, and reliefs from, taxation may change and that may alter the benefits of investment.

2. Taxation of chargeable gains

(A) Open Offer

As a matter of UK tax law, the acquisition of the Open Offer Shares pursuant to the Open Offer may not strictly speaking constitute a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. The published practice of HMRC to date has been to treat any subscription of shares by an existing shareholder which is equal to or less than the shareholder's minimum entitlement pursuant to the terms of an open offer as a reorganisation, but it is not certain that HMRC will apply this practice in circumstances where an open offer is not made to all shareholders. HMRC's treatment of the Open Offer cannot therefore be guaranteed and specific confirmation has not been requested in relation to the Open Offer.

To the extent that the acquisition of the Open Offer Shares is regarded as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains, a Qualifying Shareholder should not be treated as making a disposal of any part of their Existing Holding by reason of taking up all or part of their Open Offer Entitlements. No liability to UK taxation on chargeable gains should arise in respect of the issue of the Open Offer Shares if a Qualifying Shareholder takes up all of their Open Offer Entitlements. The Open Offer Shares issued to the Qualifying Shareholder and their Existing Ordinary Shares should be treated as the same asset, acquired at the same time they acquired their Existing Holding. The amount of subscription monies paid for the Open Offer Shares should be added to the base cost of their Existing Ordinary Shares when computing any gain or loss on any subsequent disposal.

If, or to the extent that, the acquisition of Open Offer Shares under the Open Offer is not regarded as a reorganisation of the Company's share capital, the Open Offer Shares acquired by each Qualifying Shareholder under the Open Offer

should, for the purposes of the UK taxation of chargeable gains, be treated as a separate acquisition of New Ordinary Shares and the price paid for those Open Offer Shares should constitute their base cost. For both corporate and individual Qualifying Shareholders, the Open Offer Shares should be pooled with their Existing Ordinary Shares and the share identification rules should apply on a future disposal.

(B) Firm Placing

The issue of Firm Placing Shares to Firm Placees pursuant to the Firm Placing should not be regarded as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains. Accordingly such an acquisition of New Ordinary Shares should instead be treated as a separate acquisition of New Ordinary Shares.

(C) Placing

Similarly, the issue of Placing Shares to Conditional Placees pursuant to the Placing should not constitute a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains and, accordingly, any acquisition of New Ordinary Shares by a Conditional Placee pursuant to the Placing should be treated as a separate acquisition of New Ordinary Shares.

3. Subsequent disposal of New Ordinary Shares

(A) Individual Shareholders

A disposal of New Ordinary Shares may, depending on the circumstances and subject to any available exemption or relief, give rise to a chargeable gain (or an allowable loss) for the purposes of UK capital gains tax.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given tax year, including any gains made on the disposal or deemed disposal of their New Ordinary Shares, are less than or equal to the upper limit of the income tax basic rate band applicable to them in respect of that tax year (the "**Band Limit**") will generally be subject to capital gains tax at the flat rate of 10% (for the tax year 2021-2022) in respect of any gain (after taking advantage of the annual exemption (described below) and deducting any available capital losses) arising on a disposal or deemed disposal of their New Ordinary Shares.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given tax year, including any gains made on the disposal or deemed disposal of their New Ordinary Shares, are more than the Band Limit will generally be subject to capital gains tax at the flat rate of 10% (for the tax year 2021-2022) in respect of any gain (after taking advantage of the annual exemption (described below) and deducting any available capital losses) arising on a disposal or deemed disposal of their New Ordinary Shares (to the extent that, when added to the Shareholder's other taxable gains and income in that tax year, the gain is less than or equal to the Band Limit) and at the flat rate of 20% (for the tax year 2021-2022) in respect of the remainder.

Most UK resident individuals have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2021-2022.

Individuals who are temporarily non-resident may, in certain circumstances, be subject to tax in respect of gains realised while they are not resident in the UK.

(B) Corporate Shareholders

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

Corporation tax is charged on chargeable gains at the rate of corporation tax applicable to that company (currently 19%). It should be noted for the purposes of calculating any indexation allowance available on a disposal of New Ordinary Shares that generally the expenditure incurred in acquiring the New Ordinary Shares will be treated as incurred only when the Shareholder made, or became liable to make, payment, and not at the time those shares are otherwise deemed

to have been acquired. For disposals on or after 1 January 2018, indexation allowance will be calculated only up to and including December 2017, irrespective of the date of disposal of New Ordinary Shares.

4. Taxation of dividends

The Company is not required to withhold tax at source from dividend payments it makes.

(A) Individuals

The general tax treatment of dividends paid by the Company to Shareholders who are individuals will be as follows.

- All dividends received by such a Shareholder will, except to the extent that they are earned through an individual savings account, self-invested pension plan or other regime that exempts the dividends from tax, form part of that Shareholder's total income for income tax purposes and will represent the highest part of that income.
- A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by such a Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.
- Any taxable dividend income received by such a Shareholder in a tax year in excess of the Nil Rate Amount will be taxed at the rates set out below. That tax will be applied to the amount of the dividend income actually received by the Shareholder.

Where such a Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will, subject to the availability of any income tax personal allowance, be liable to income tax at the following rates for the 2021-2022 tax year:

- at the rate of 7.5%, to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- at the rate of 32.5%, to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and
- at the rate of 38.1%, to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the Shareholder's total income for income tax purposes.

(B) Companies

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from the Company, provided certain conditions are met. In general dividends paid where: (i) at the time of the payment the payer is resident in the UK or a qualifying territory; (ii) no deduction for the payment of the dividend is allowed; (iii) the dividend is not in respect of any non-commercial or special securities; and (iv) the dividend is not made as part of a tax advantage scheme, should fall within the exemption.

Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general dividends paid to a person holding less than 10% of the issued share capital of the payer (or, if there is more than one class of share, the same class of that share capital in respect of which the distribution is made) and who is entitled to less than 10% of the profits available for distribution to holders of the same class of shares and would be entitled to less than 10% of the assets available for distribution to holders of the same class of shares on a winding-up, are examples of dividends that should fall within an exempt class, subject to certain targeted and general anti-avoidance rules.

5. Stamp duty and SDRT

The following statements are intended as a general and non-exhaustive guide to the current UK stamp duty and SDRT position for holders of New Ordinary Shares and apply regardless of whether or not a Shareholder is resident in the UK.

(A) Issue of New Ordinary Shares

No stamp duty or SDRT will generally be payable on the issue of the New Ordinary Shares by the Company (whether in certificated form outside CREST or credited in uncertificated form to an account in CREST).

The issue of the New Ordinary Shares into a clearance service or depositary receipt service should not give rise to a 1.5% SDRT charge, following the decision of the European Court of Justice in *HSBC Holdings and Vidacos Nominees (Case 569/07)* and the First-tier Tax Tribunal decision in *HSBC Holdings and The Bank of New York Mellon*, as confirmed by HMRC guidance. In January 2021, HMRC confirmed that this remains the position under the terms of the EUWA following the end of the transition period.

(B) Subsequent dealings in New Ordinary Shares

Except in relation to depositary receipt systems and clearance services (to which the special rules outlined below apply), any subsequent dealings in New Ordinary Shares will be subject to stamp duty or SDRT in the normal way. Subject to an exemption for certain low value transactions, the transfer on sale of New Ordinary Shares effected outside CREST will generally be liable to stamp duty at the rate of 0.5% of the amount or value of the consideration payable (rounded up to the nearest multiple of £5) or, if an unconditional agreement to transfer New Ordinary Shares whether or not the transfer is effected in CREST, SDRT at the rate of 0.5% of the amount or value of the consideration payable. However, where a transfer is executed in pursuance of the agreement (which gave rise to the SDRT) and the document is duly stamped within 6 years of the date of the agreement the SDRT should be cancelled and any SDRT paid should be repaid.

Where New Ordinary Shares are transferred: (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services; or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the New Ordinary Shares. There is an exception from the 1.5% charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer of shares in the Company into such an account and on subsequent agreements to transfer such shares within such account. Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system. Specific professional advice should be sought before transferring shares to a person within (a) or (b) of this paragraph.

In cases where New Ordinary Shares are transferred to a connected company (or its nominee), SDRT (or stamp duty) may be chargeable on the higher of: (a) the amount or value of the consideration payable; and (b) the market value of the New Ordinary Shares, subject to any relief which may be available for intragroup transfers.

PART B: UNITED STATES TAXATION

1. US federal income tax considerations

The following is a summary of US federal income tax considerations that are generally applicable to the receipt, exercise and expiration of the Open Offer Entitlements (for the purposes of this Part B of this Part VI (*Taxation*) only, the “**Entitlements**”) and the acquisition, ownership and disposition of New Ordinary Shares, in each case, by a US Holder (as defined below). This summary deals only with US Holders that receive Entitlements or New Ordinary Shares through the exercise of Entitlements, and hold those New Ordinary Shares, in each case, as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (for the purposes of this Part B of this Part VI (*Taxation*) only, the “**Code**”). The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have

on, the receipt, exercise or expiration of Entitlements or the acquisition, ownership or disposition of New Ordinary Shares by particular investors in light of their individual investment circumstances. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10% or more of the stock of the Company (by vote or value), nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under US federal income tax law (such as banks, financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, regulated investment companies or real estate investment trusts, tax-exempt organisations, brokers or dealers in securities or currencies or traders in securities that elect to use a mark-to-market method of accounting, investors that will hold the New Ordinary Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, US expatriates, investors whose functional currency is not USD, S corporations and persons holding Entitlements or New Ordinary Shares in connection with a permanent establishment or fixed base outside the United States). This summary does not address any tax consequences arising under any state, local or non-US tax laws, the Medicare tax on “net investment income”, the alternative minimum tax, or any other US federal tax laws.

This summary is based on the tax laws of the United States, including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the United Kingdom (the “**Treaty**”), all as of the date of this document. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in US federal income tax consequences different from those discussed below. The Company has not requested, and will not request, a ruling from the United States Internal Revenue Service (“**IRS**”) with respect to any of the US federal income tax consequences described below, and as a result there can be no assurance that the IRS will not disagree with or challenge any of the conclusions the Company has reached and described herein, or that such contrary positions will not be sustained by a court.

For purposes of this discussion, a “**US Holder**” is a beneficial owner of the Entitlements or New Ordinary Shares that is, for US federal income tax purposes: (1) an individual who is a citizen or resident of the United States; (2) a corporation that is organised in or under the laws of the United States, any state thereof or the District of Columbia; (3) a trust if all of the trust’s substantial decisions are subject to the control of one or more US persons and the primary supervision of the trust is subject to a US court, or if a valid election is in effect with respect to the trust to be taxed as a US person; or (4) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds the Entitlements or New Ordinary Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for US federal income tax purposes and persons holding Entitlements or New Ordinary Shares through such partnerships should consult their tax advisers concerning the US federal income tax consequences to them and their partners of the receipt, exercise and expiration of the Entitlements or the acquisition, ownership and disposition of New Ordinary Shares by the partnership.

THE SUMMARY OF US FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE RECEIPT, EXERCISE AND EXPIRATION OF THE ENTITLEMENTS AND THE ACQUISITION, OWNERSHIP AND DISPOSITION OF NEW ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

2. Taxation in respect of Entitlements

(A) Receipt of Entitlements

Based on the particular facts relating to the Entitlements, the Company believes that the distribution of Entitlements should not be treated as a taxable stock dividend under Section 305(a) of Code. The application of Section 305 of the Code to the Entitlements is not clear in several respects, and it is possible that the IRS will take a contrary view. If the IRS takes such contrary view and Section 305 of the Code is applied to the distribution, a US Holder who receives an Entitlement could, in certain circumstances, be treated as having received a taxable distribution in an amount equal to the value, if any, of such Entitlement. One such instance would be where, as a result of the Capital Raising, a Shareholder’s proportionate interest in the earnings and profits or assets of the Company is increased while any other Shareholder (or deemed Shareholder) receives a distribution (or deemed distribution) of cash or other property from the Company. If some holders of Existing Ordinary Shares are treated as receiving cash from the Company, the receipt of

Entitlements by others (to the extent it results in an increase in such other holders' proportionate interest in the assets or earnings and profits of the Company) could be treated as a taxable stock dividend. For further discussion of taxation of dividends, see "*Taxation in Respect of New Ordinary Shares-Dividends*" below. US Holders are strongly urged to consult their tax advisers regarding the risk of having a taxable distribution as a result of the receipt of an Entitlement. The remainder of this discussion assumes that the receipt of the Entitlements will not be a taxable stock dividend for US federal income tax purposes.

(B) Tax basis and holding period of Entitlements

If, on the date of distribution, the fair market value of the Entitlements is less than 15% of the fair market value of the Existing Ordinary Shares with respect to which the Entitlements are received, the Entitlements will be allocated a zero tax basis unless the US Holder affirmatively elects to allocate a portion of such US Holder's adjusted tax basis in its Existing Ordinary Shares to the Entitlements in proportion to the relative fair market values of the US Holder's Existing Ordinary Shares and the Entitlements received determined on the date of distribution. This election must be made in the US Holder's timely filed US federal income tax return for the taxable year in which the Entitlements are received and is irrevocable. The election will apply to all of the Entitlements received by the US Holder pursuant to the Capital Raising. US Holders should consult their own tax advisers regarding the advisability of making such an election and the specific procedures for doing so.

If, on the date of distribution, the fair market value of the Entitlements is 15% or more of the fair market value of the Existing Ordinary Shares with respect to which Entitlements are received, then, except as discussed below under "*Expiration of Entitlements*", the US Holder's adjusted tax basis in its Existing Ordinary Shares must be allocated between the Existing Ordinary Shares and Entitlements received in proportion to their fair market values determined on the date of distribution.

A US Holder's holding period for Entitlements will include the US Holder's holding period in the underlying Existing Ordinary Shares with respect to which the Entitlements were distributed (whether or not basis is allocated to the Entitlements).

(C) Expiration of Entitlements

If a US Holder allows the Entitlements to expire without exercising them, the US Holder will not recognize any loss upon the expiration of the Entitlements. Upon expiration, if the US Holder had previously allocated to the Entitlements a portion of the basis in the underlying Existing Ordinary Shares held by the US Holder, that basis will be reallocated to such Existing Ordinary Shares.

(D) Exercise of Entitlements

A US Holder will generally not recognize taxable income upon the receipt of New Ordinary Shares pursuant to the exercise of Entitlements. A US Holder's basis in the New Ordinary Shares will equal the sum of the USD value of the Offer Price and the US Holder's basis, if any, in the Entitlements exercised to obtain the New Ordinary Shares (as determined pursuant to the rules discussed above in "*Taxation in Respect of Entitlements-Tax Basis and Holding Period of Entitlements*"). A US Holder's holding period for the New Ordinary Shares received will not include the US Holder's corresponding holding period for its Entitlements.

A US Holder that exercises Entitlements received in the Capital Raising within 30 days of disposing of the Existing Ordinary Shares with respect to which the Entitlements were received at a loss is urged to consult a tax adviser regarding the potential application of the "wash sale" rules under Section 1091 of the Code.

3. Taxation in Respect of New Ordinary Shares

(A) Dividends

Subject to the discussion of the passive foreign investment company ("PFIC") rules below, distributions paid by the Company out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received

deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the New Ordinary Shares and thereafter as capital gain. However, the Company does not maintain and does not intend to maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution made by the Company with respect to the New Ordinary Shares will be reported as a dividend. A dividend distribution will generally be treated as foreign source "passive" income for US foreign tax credit purposes. US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

With respect to individuals and certain other non-corporate US Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that: (1) the Company is eligible for benefits of the Treaty (which the Company believes to be the case); (2) the Company is not a PFIC with respect to the US Holder for either the taxable year in which the dividend is paid or the preceding taxable year; (3) certain holding period requirements are met; and (4) the US Holder is not under an obligation to make a related payment with respect to positions in substantially similar or related property.

Dividends paid in a currency other than USD will be included in income in a USD amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder, regardless of whether the foreign currency dividends are converted into USD at that time. If dividends received in a currency other than USD are converted into USD on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If instead the foreign currency is converted at a later date, any currency gains or losses resulting from the conversion of the foreign currency will be treated as US source ordinary income or loss.

(B) Sale or other taxable disposition

Subject to the discussion of the PFIC rules below, a US Holder generally will recognise capital gain or loss on a sale or other taxable disposition of New Ordinary Shares equal to the difference, if any, between the amount of cash plus the fair market value of other consideration received on the sale or other taxable disposition and the US Holder's adjusted tax basis in the New Ordinary Shares, in each case as determined in USD. This capital gain or loss generally will be long-term capital gain or loss if the US Holder's holding period in the New Ordinary Shares exceeds one year. As discussed above, if the US Holder is not a corporation, long-term capital gains for taxable dispositions of New Ordinary Shares are generally eligible for reduced rates of taxation. Any capital gain or loss will generally be US source gain or loss for US foreign tax credit purposes. The deductibility of capital losses is subject to limitations. US Holders should consult their own tax advisors about how to account for proceeds received on the sale or other taxable disposition of New Ordinary Shares that are not paid in USD.

4. Passive Foreign Investment Company considerations

The Company believes that it was not a PFIC for US federal income tax purposes in its previous taxable year and does not expect to become a PFIC in its current taxable year or in the foreseeable future. A non-US corporation is a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either: (i) at least 75% of its gross income is "passive income"; or (ii) at least 50% of the average value of its assets is attributable to assets that produce passive income or are held for the production of passive income. The determination of PFIC status must be made annually, is fact specific and may be affected by changes in the Company's activities, revenue and assets subsequent to the Capital Raising, and there can be no assurance in this regard. Accordingly, it is possible that the Company may become a PFIC in the current taxable year or in future years. If the Company were to be treated as a PFIC for any taxable year when a US Holder owns or owned the New Ordinary Shares, materially adverse consequences could result to such US Holders for that year and all future years during which such US Holder retains such shares, regardless of whether the Company continues to meet the PFIC test. The discussion above assumes that the Company is not, has not been and will not become, a PFIC.

5. Information Reporting and Backup Withholding

Distributions of dividends on New Ordinary Shares and other proceeds with respect to the sale or other taxable disposition of New Ordinary Shares paid by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply

with applicable certification requirements. Certain US Holders are not subject to backup withholding. US Holders should consult their tax advisors about the information reporting and backup withholding rules.

6. Transfer Reporting Requirements

A US Holder who acquires New Ordinary Shares may be required to file Form 926 (or similar form) with the IRS in certain circumstances. A US Holder who fails to file any such required form could be required to pay a penalty equal to 10% of the gross amount paid for the New Ordinary Shares (subject to a maximum penalty of \$100,000, except in cases of intentional disregard). US Holders should consult their tax advisors with respect to this or any other reporting requirement that may apply to the receipt or exercise of the Entitlements or the acquisition, ownership or disposition of the New Ordinary Shares, including the requirements related to the holding of certain “specified foreign financial assets”.

PART VII
ADDITIONAL INFORMATION

Ann 12, 1.1

Ann 12, 1.2

Ann 3, 1.1

Ann 3, 1.2

1. RESPONSIBILITY STATEMENT

The Directors, whose names appear in the section of this document titled “*TRG Directors, Company Secretary, Registered Office and Advisers*”, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2. INCORPORATION AND ACTIVITY OF TRG

The Company was incorporated and registered in Scotland on 22 October 1954 with registered number SC030343, as a private company limited by shares under the Companies Act 1948, with the name Clydesdale & County Hotels Limited. The Company’s name was changed on 2 November 1970 to Clydesdale Commonwealth Hotels Limited, on 16 November 1972 to C.C.H. Investments Limited, and on 5 December 1977 to Belhaven Brewery Group Limited. On 27 October 1981, the Company was re-registered as a public limited company and changed its name to Belhaven Brewery Group Plc. Its name was changed further on 30 January 1987 to Belhaven plc, on 3 August 1989 to City Centre Restaurants Plc and on 14 January 2004 to The Restaurant Group Plc.

Ann 3,

4.1

Ann 3,

4.2

LR

13.6.1(1)

(a)

LR

13.6.1(1)

(b)

The legal entity identifier of the Company is 213800V4LJ2FXMQKKA46. The principal activity of the Company is to act as the ultimate holding company of the Group.

The Company is domiciled in the United Kingdom and its registered and head office is 1 George Square, Glasgow G2 1AL. The telephone number of the Company’s registered office is +44 (0) 203 3117 5001.

3. INFORMATION ABOUT THE NEW ORDINARY SHARES

3.1 Description of type of securities

The New Ordinary Shares will be fully paid ordinary shares with a nominal value of 28.125 pence each. On Admission, the New Ordinary Shares will be registered with an ISIN of GB00B0YG1K06 and a SEDOL of B0YG1K0. The New Ordinary Shares will be traded on the main market for listed securities of the London Stock Exchange under the ticker symbol “RTN”. It is expected that Admission of the New Ordinary Shares will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares will commence at 8.00 a.m. on 30 March 2021.

Ann 12, 4.1

Ann 12, 6.1

Ann 12, 6.2

The New Ordinary Shares will be issued under the Companies Act.

Ann 12, 4.4

On Admission, 175,000,000 New Ordinary Shares will be issued. The New Ordinary Shares will be freely transferable and there will be no restrictions on the transfer of New Ordinary Shares in the United Kingdom.

All New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares. The capital and assets of the Company on a winding-up or other return of capital shall be applied first in repaying to the holders of Ordinary Shares the amounts paid up or credited as paid up on such shares and subject thereto shall belong to and be distributed according to the number of such Ordinary Shares held by them respectively. However, they have no rights of redemption.

Ann 12, 4.7

LR

13.3.1(9)(b)

LR

13.3.1(9)(c)

On a show of hands at general meetings of the Company, every Shareholder who is present in person and every person holding a valid proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per New Ordinary Share.

3.2 Form and currency of the New Ordinary Shares

The New Ordinary Shares will be in registered form and will be capable of being held in certificated and uncertificated form. The Registrar of the Company is Equiniti.

The New Ordinary Shares are, and on Admission will be, denominated in Pounds Sterling.

Ann 12, 4.2

Title to the certificated New Ordinary Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Ordinary Shares will be evidenced by entry in the operator register maintained by Equiniti (which will form part of the register of members of the Company).

No share certificates will be issued in respect of New Ordinary Shares in uncertificated form. No temporary documents of title have been or will be issued in respect of the New Ordinary Shares.

It is currently anticipated that the New Ordinary Shares will be eligible to join CREST, the computerised, paperless system for settlement of sales and purchases of shares in the London securities market, with effect immediately upon Admission of the New Ordinary Shares and the commencement of dealings on the London Stock Exchange.

4. EXISTING SHAREHOLDER AUTHORITIES

At the 2020 Annual General Meeting, the following resolutions were passed by Shareholders:

Ann 12, 4.3

(A) an ordinary resolution was passed that in substitution for any existing authority under section 551 of the Companies Act 2006, the Directors of the Company be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (i) up to a nominal amount of £55,293,326 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and
- (ii) comprising equity securities (as defined in section 560 of the Companies Act 2006) up to a nominal amount of £110,586,652 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (a) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (b) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any exclusions, limits or restrictions and make any other arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory, or the requirements of any regulatory body or stock exchange, or any other matter, such authority to expire at midnight on 19 August 2021 or, if earlier at the conclusion of the next annual general meeting of the Company, unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or relevant rights to subscribe for or convert securities into shares to be granted after the expiry of this authority and the Directors of the Company may allot shares or grant relevant rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired;

(B) a special resolution that, subject to the passing of the resolution set out at 4(A) above, the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the general authority conferred by that resolution be empowered pursuant to section 573 of the Companies Act 2006 to sell ordinary shares (as defined in section 560 of the Companies Act 2006) held by the Company as treasury shares (as defined in section 724 of the Companies Act 2006) for cash, as if section 561(1) of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:

- (i) in connection with an offer of equity securities (but in the case of the authority conferred by paragraph (ii) of the resolution set out at 4(A), by way of rights issue only):
 - (a) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (b) to holders of other equity securities in the capital of the Company, as required by the rights of those securities in the capital of the Company, as required by the rights of those securities or subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange; and

- (ii) otherwise than pursuant to sub-paragraph (i) above up to an aggregate nominal amount of £8,293,999,

and such power shall expire at midnight on 19 August 2021 or, if earlier, at the conclusion of the next annual general meeting of the Company, but so that this power shall enable the Company to make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred; and

- (C) a special resolution that, subject to the passing of the resolution set out at 4(A), the Directors be empowered, in addition to any authority granted under the resolution set out at 4(B), pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the general authority conferred by the resolution set out at 4(A) and be empowered pursuant to section 573 of the Companies Act 2006 to sell ordinary shares (as defined in section 560 of the Companies Act 2006) held by the Company as treasury shares (as defined in section 724 of the Companies Act 2006) for cash, as if section 561(1) of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:

- (i) up to an aggregate nominal amount of £8,293,999; and
- (ii) be used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, and such power shall expire at midnight on 19 August 2021 or, if earlier, at the conclusion of the next annual general meeting of the Company, but so that this power shall enable the Company to make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

At the General Meeting, Shareholders will be asked to consider and vote on the Resolutions, which (inter alia) authorises the TRG Directors to allot New Ordinary Shares up to an aggregate nominal amount of £50,000,000, representing approximately 30.14% of the Company's current issued share capital. This authority and power will expire at the close of business on 24 June 2022. The authority granted under the Resolutions is in addition to the authority to allot Ordinary Shares which was granted to the TRG Directors at the 2020 Annual General Meeting.

Accordingly, the New Ordinary Shares to be issued in connection with the Capital Raising will be created, allotted and issued pursuant to the authority conferred on the Company under the Resolutions proposed at the General Meeting.

5. MAJOR SHAREHOLDERS

Ann 3, 9.1
Ann 3, 9.2

As at the Latest Practicable Date, the Company had been notified in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules of the following interests in its issued share capital:

Ann 12, 3.1
LR
13.6.1(1)(c)

<u>Name of Shareholder</u>	<u>As at the Latest Practicable Date⁽¹⁾</u>	
	<u>Number of shares</u>	<u>Percentage of Total Voting Rights (%)</u>
Columbia Threadneedle Investments	107,149,670	18.17%
Fidelity Management & Research Company	45,646,441	7.74%
Aberforth Partners LLP	27,958,579	4.74%
Coltrane Asset Management LP	21,977,000	3.73%
Royal London Asset Management Ltd	21,636,301	3.67%
BlackRock Inc	20,723,592	3.52%
The Vanguard Group Inc	18,263,587	3.09%
Wellington Management Company	15,955,796	2.71%
J O Hambro Capital Management	15,734,851	2.67%
Fidelity International Limited	14,978,243	2.54%

(1) Based on the total number of Existing Ordinary Shares in issue at the Latest Practicable Date, which was 589,795,475.

None of the Company's major shareholders has different voting rights from any other holder of Ordinary Shares.

6. DIRECTORS AND SENIOR MANAGEMENT

Ann 3, 1.1,
Ann 3, 8.1

6.1 Directors

Ann 12, 1.1

The Directors and their principal functions within the Company and principal business activities outside the Company, are set out below. The business address of each of the Directors (in such capacity) is 5-7 Marshalsea Road, London SE1 1EP.

<i>Name</i>	<i>Current position in respect of TRG</i>
Executive Directors:	
Andy Hornby	Chief Executive Officer
Kirk Davis	Chief Financial Officer
Non-Executive Directors:	
Debbie Hewitt	Independent Non-Executive Chairman
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

6.2 Senior Managers

The senior managers, in addition to the Executive Directors listed above, are as follows:

<i>Name</i>	<i>Current position in respect of TRG</i>
Emma Woods	CEO Wagamama
Mark Chambers	CEO Leisure & Concessions

6.3 Directorships and partnerships outside TRG

The details of those companies and partnerships outside the Group in which the TRG Directors are, or have been, members of the administrative, management and supervisory bodies or partners at any time during the five (5) years prior to the date of this document are as follows:

	Interests	Status
Debbie Hewitt	BGL (Holdings) Limited	Current
	Comparethemarket.com	Current
	White Stuff Group Limited	Current
	White Stuff Limited	Current
	Visa Europe Limited	Current
	Douw Steyn Property (Pty) Ltd	Current
	Steyn City Properties (Pty) Ltd	Current
	BGL Group Limited	Previous
	Galaxy Midco 1 Limited (Domestic & General Group)	Previous
	Redrow plc	Previous
	NCC Group plc	Previous
	Evander Glazing and Locks Limited	Previous
	Moss Bros Group Limited (formerly Moss Bros Group plc)	Previous
	Visa UK Limited (dormant)	Previous
	Highway Windscreens (UK) Limited (dormant)	Previous
	Highway Glass Limited (dissolved)	Previous
	Evander Group Limited (dissolved)	Previous
	Evander Limited (dissolved)	Previous
	Evander Group Trustee Limited (dissolved)	Previous
	Cherry Midco 2 Limited (dissolved)	Previous
	Cherry Midco 1 Limited (dissolved)	Previous
	Cherry Bidco Limited (dissolved)	Previous
	Cherry Topco (dissolved)	Previous
Kirk Davis	J D Wetherspoon plc	Previous
	Spirit (Faith) Limited	Previous
	Spirit SLB Limited	Previous
	Spirit Group Retail Limited	Previous
	Spirit Parent Limited	Previous
	Spirit Group Equity Limited	Previous
	Spirit Managed Holdings Limited	Previous
	Cleveland Place Holdings Limited	Previous
	Spirit Group Holdings Limited	Previous
	Spirit Group Parent Limited	Previous
	Spirit Retail Bidco Limited	Previous
	Spirit Pubs Debenture Holdings Limited	Previous
	Spirit Managed Funding Limited	Previous
	Spirit Managed Inns Limited	Previous
	The Chef & Brewer Group Limited	Previous
Spirit Pub Company (Holdco) Limited	Previous	

Interests	Status
Spirit Pub Company (SGE) Limited	Previous
Spirit Acquisition Properties Limited	Previous
Spirit (SGL) Limited	Previous
Tom Cobleigh Limited	Previous
Spirit Pub Company (Supply) Limited	Previous
Spirit Pub Company (Leased) Limited	Previous
Spirit Pub Company (Managed) Limited	Previous
Spirit Pub Company (Derwent) Limited	Previous
Spirit Pub Company (Services) Limited	Previous
Spirit Pub Company (Trent) Limited	Previous
Allied Kunick Entertainments Limited	Previous
Spirit Pub Company Limited	Previous
Realpubs Limited	Previous
The Capital Pub Company Limited	Previous
Sapphire Food North West No. 3 Limited	Previous
Sapphire Food South East No. 4 Limited	Previous
Rushmere Sports Club Limited	Previous
Belhaven Pubs Limited	Previous
Sapphire Rural Destination No. 5 Limited	Previous
Sapphire Food South West No. 2 Limited	Previous
Realpubs Development Limited	Previous
Sapphire Food North East No. 1 Limited	Previous
Capital Pub Company Trading Limited	Previous
Greene King Investments Limited	Previous
G.K. Holdings No. 1 Limited	Previous
Greene King Properties Limited	Previous
Greene King Acquisitions No. 2 Limited	Previous
Greene King Retail Services Limited	Previous
Greene King Services Limited	Previous
Greene King Developments Limited	Previous
Greene King Leasing No. 1 Limited	Previous
Realpubs II Limited	Previous
Premium Casual Dining Limited	Previous
Greene King Leasing No. 2 Limited	Previous
Greene King Retailing Limited	Previous
Greene King Brewing and Retailing Limited	Previous
Belhaven Brewery Company Limited	Previous
Greene King Pubs Limited	Previous
Premium Dining Restaurants and Pubs Limited	Previous
Greene King plc	Previous
Holyoakes Lane Management Company Limited	Previous
City Hotels Group Limited (dormant)	Previous
Barshelf 2 Limited (in liquidation)	Previous
Spirit Pub Company (Inns) Limited (in liquidation)	Previous
Aspect Ventures Limited (dormant)	Previous
Spirit Group Retail Hotels Limited (in liquidation)	Previous
Narnain (dormant)	Previous

Interests	Status
Spirit Group Retail Pubs and Restaurants Limited (in liquidation)	Previous
The Nice Pub Company Limited (dormant)	Previous
Springtarn Limited (dormant)	Previous
AVL (Pubs) No. 1 Limited (dormant)	Previous
The Host Group Limited (in liquidation)	Previous
Freehouse Limited (in liquidation)	Previous
AVL (Pubs) No. 2 Limited (dormant)	Previous
Telscombe Tavern Limited (in liquidation)	Previous
Spirit Intermediate Holdings Limited (dormant)	Previous
Spirit Acquisitions Guarantee Limited (dormant)	Previous
City Limits Limited (dormant)	Previous
Cheshire Hotels Limited (in liquidation)	Previous
Spirit Group Retail (South) Limited (dormant)	Previous
Spirit Pubs Parent Limited (dormant)	Previous
Chef & Brewer Limited (dormant)	Previous
CPH Palladium Limited (dormant)	Previous
Spirit (Redwood Bidco) Limited (dormant)	Previous
Spirit Pub Company (Investments) Limited (dormant)	Previous
Southern Inns Limited (in liquidation)	Previous
Whitegate Taverns Limited (dormant)	Previous
London Pub-Restaurants Limited (in liquidation)	Previous
Spirit Acquisitions Holdings Limited (dormant)	Previous
Dearg Limited (dormant)	Previous
CPH (R&L) No. 2 Limited (in liquidation)	Previous
Chef & Brewer Hotels Limited (in liquidation)	Previous
Steward and Patteson Limited (in liquidation)	Previous
Spirit (Lodges Holdings) Limited (in liquidation)	Previous
R.V. Goodhew Limited (dormant)	Previous
New Pubco Holdings Limited (in liquidation)	Previous
Spirit (CCR) Limited (in liquidation)	Previous
London Tourist Pubs Limited (in liquidation)	Previous
Tom Cobleigh (Inns) Limited (in liquidation)	Previous
Aspect Leisure Activities Limited (in liquidation)	Previous
Spirit (OOL) Limited (in liquidation)	Previous
Catertour Limited (in liquidation)	Previous
Spirit Group Retail (North) Limited (in liquidation)	Previous
Readystripe Limited (in liquidation)	Previous
Homespread Limited (in liquidation)	Previous
Partstripe Limited (in liquidation)	Previous
John Barras & Co Limited (in liquidation)	Previous
Front Page Holdings Limited (dormant)	Previous
Spirit (PSC) Limited (dormant)	Previous
Spirit (AKE Holdings) Limited (dormant)	Previous
Mountloop Limited (dormant)	Previous
Freshwild Limited (dormant)	Previous
Spirit Group Retail (Pubs) No. 1 Limited (in liquidation)	Previous
Huggins and Company Limited (dormant)	Previous

	Interests	Status
	Barnaby's Carvery Limited (in liquidation)	Previous
	Spirit Financial Holdings Limited (dormant)	Previous
	Spirit Group Retail (Pubs) No. 2 Limited (in liquidation)	Previous
	Cheshire Hotels (Developments) Limited (in liquidation)	Previous
	Spirit (BRB) Limited (in liquidation)	Previous
	CPH (R&L) No. 1 Limited (in liquidation)	Previous
	Spirit Group Retail (Northampton) Limited (dormant)	Previous
	Tom Cobleigh Group Limited (dormant)	Previous
	Tom Cobleigh Holdings Limited (dormant)	Previous
	Country Grill Restaurants Limited (in liquidation)	Previous
	Open House Limited (dormant)	Previous
	Country Fayre Restaurants Limited (in liquidation)	Previous
	Stickpad Limited (in liquidation)	Previous
	Schooner Inns Limited (in liquidation)	Previous
	Cloverleaf Restaurants Limited (dormant)	Previous
	Greene King Debt Acquisitions Limited (in liquidation)	Previous
	LFR Group Limited (dormant)	Previous
	Belhaven Group Properties Limited (in liquidation)	Previous
	Beards of Sussex Limited (in liquidation)	Previous
	Greene King Acquisitions (No. 3) Limited (dormant)	Previous
	Old English Inns Limited (dormant)	Previous
	Greene King Retailing Parent Limited (dormant)	Previous
	Greene King Neighbourhood Estate Pubs Limited (dormant)	Previous
	Hardy & Hansons Limited (dormant)	Previous
	Greene King GP Limited (dormant)	Previous
	Morrells of Oxford Limited (in liquidation)	Previous
	Belhaven Finance Limited (dormant)	Previous
	J D Wetherspoon (Scot) Limited (dormant)	Previous
	J D Wetherspoon Property Holdings Limited (dormant)	Previous
	Little London Pubs Limited (in liquidation) Previous	Previous
Graham Clemett	Glebe Three Limited	Current
	Workspace 11 Limited	Current
	Workspace 12 Limited	Current
	Workspace Holdings Limited	Current
	Workspace Newco 1 Limited	Current
	Workspace Management Limited	Current
	L I Property Services Limited	Current
	Anyspacedirect.co.uk Limited	Current
	Workspace Group plc	Current
	Workspace 15 Limited	Current
	Workspace 14 Limited	Current
	Workspace 13 Limited	Current
	Workspace Glebe Limited	Current
	Workspace 1 Limited (dormant)	Current
	Workspace 10 Limited (dormant)	Current
	Workspace 16 (Jersey) Limited	Current
	Workspace 17 (Jersey) Limited	Current

	Interests	Status
	Workspace Salisbury Limited	Current
	GSL London Limited	Previous
	Workspace Newco 2 Limited (dormant)	Previous
	Rawside Limited (dormant)	Previous
	Energet Limited	Previous
	Workspace Essentials Limited	Previous
	Three Mills Film and Television	Previous
	Workspace 5 Limited	Previous
	Redhill Workspace Limited	Previous
	Small.co.uk Limited	Previous
	London Industrial (Kingsland Viaduct) Limited	Previous
	Workspace 3 Limited	Previous
	Workspace Plus limited	Previous
	Workspace 2 Limited	Previous
	Workspace 6 Limited	Previous
	Tradelink (Workspace) Limited	Previous
	Workspace 7 Limited	Previous
	Workspace 8 Limited	Previous
	Workspaces Limited	Previous
	Workspace 4 Limited	Previous
	Midlands Workspace Limited	Previous
	Vylan Limited	Previous
	Workspace 9 Limited	Previous
Alex Gersh	Sportradar AG	Current
	Cazoo Ltd	Previous
	Moss Bros Group Limited (formerly Moss Bros Group plc)	Previous
	Flutter Entertainment (formerly Paddy Power Betfair plc)	Previous
	Betfair Group Limited	Previous
	Betfair Limited	Previous
	The Sporting Exchange (Clients) Limited	Previous
	TSE Holdings Limited	Previous
	The Sporting Exchange Limited	Previous
Zoe Morgan	Kintel Limited	Previous
	Finsbury Foods PLC	Previous
	Moss Bros PLC	Previous
	Kind Consumer Limited	Previous
	Burbridge Limited	Previous
	The Good Care Group Ltd	Previous
Emma Woods	The Gym Group PLC	Current
Mark Chambers	Coral Racing Limited	Previous
	Ladbrokes Betting & Gaming Limited	Previous

6.4 Conflicts of interest

There are:

Ann 12, 3.1

Ann 3, 8.2

- (A) save for their capacities as persons legally and beneficially interested in Ordinary Shares, the duties they owe to the entities (if any) opposite his or her name in the table in Section 6.3 above, and other than as described below, no actual or potential conflicts of interest between the duties owed by the Directors or the Senior Managers to the Company and their private interests and/or other duties that they may also have;
- (B) no arrangements or understandings with major Shareholders, customers, suppliers or others, pursuant to which any Director or Senior Manager was selected; and
- (C) no restrictions agreed by any Director or Senior Manager on the disposal within a certain period of time of their holdings of Ordinary Shares (other than as described below).

Debbie Hewitt acts as Chair of the board for BGL (Holdings) Limited, which promotes Meerkat Meals, a campaign that TRG's Leisure brands participated in during 2020, but no longer does. She took no part in any board discussions concerning Meerkat Meals throughout the year. Debbie is also Chair of the board of Visa Europe Limited, which is used by TRG as the network of payment ecosystem.

TRG's shareholding policy requires the Executive Directors to build and maintain a shareholding in TRG. Executive Directors must build up and maintain a shareholding equivalent to 250% of base salary and are required to retain at least 50% of the Ordinary Shares (net of tax) vesting under the RSP (or Group LTIP) award until the required shareholding is achieved.

TRG's post-cessation shareholding policy requires all Executive Directors to retain 50% of the Ordinary Shares (net of tax) vesting under an RSP (or Group LTIP) award for two years post-cessation of employment (with such Ordinary Shares valued at the higher of the share price on departure and subsequently), unless the Remuneration Committee exceptionally determines otherwise. To enforce such requirement, vesting from RSP awards will be lodged in escrow until sufficient shares are held.

Unless the Remuneration Committee determines otherwise, TRG's Executive Directors will normally either: (i) not be permitted to exercise or otherwise receive the Ordinary Shares on vesting; or (ii) be expected to retain a number of Ordinary Shares equal in number to the total number of Ordinary Shares acquired on the vesting or exercise of an award under the RSP (less a number of shares that have an aggregate market value on vesting or (in the case of an option) exercise equal to the tax liability due on the vesting or exercise of the award) until the fifth anniversary of the date of grant of that award or, if earlier, the expiry of the period of two years starting on the date which the award vests.

The holding period shall end early on or shortly prior to the occurrence of a takeover or winding up of the Company, the death of a participant or on such other date determined by the Remuneration Committee. A participant shall not be restricted or prevented during the holding period from taking up any shareholder rights that they may have in relation to Ordinary Shares. The terms and basis upon which Ordinary Shares must be held during the holding period shall be determined by the Remuneration Committee from time to time.

Each of the Directors has a statutory duty under the Companies Act to avoid conflicts of interests with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles and, as permitted by the Companies Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deems appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles.

6.5 Directors' and Senior Managers' confirmations

- (A) As at the date of this document, no Director or Senior Manager has during the last five (5) years:
 - (i) had any convictions in relation to fraudulent offences;

- (ii) save for as detailed below or otherwise disclosed,¹⁸ has been associated with any bankruptcy, receivership, liquidation or companies put into administration while acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager of any company;
- (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- (iv) has been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of any company.

Kirk Davis and Andy Hornby were both directors of Cygnet, now dissolved.

Zoe Morgan was a director of Kind Consumer Limited until May 2019. Kind Consumer Limited went into administration in December 2020.

Emma Woods was a director of a Wagamama subsidiary (Wagamama NY 1001 3rd LLC) which is now dissolved.

- (B) No Director or Senior Manager was selected to act in such capacity pursuant to any arrangement or understanding with any Shareholder, consumer, supplier or any other person having a business connection with the Group.
- (C) There are no family relationships between any of the Directors and/or the Senior Managers.
- (D) There are no outstanding loans or guarantees granted or provided by any member of the Group for the benefit of any of the Directors or Senior Managers.

7. FRUSTRATING ACTIONS

Ann 12, 4.8

The Company is subject to the City Code. Other than as provided by the City Code and Chapter 3 of Part 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Ordinary Shares.

8. RELATED PARTY TRANSACTIONS

Ann 10.1 3,

No member of the Group entered into any Related Party Transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) between 27 December 2020 and the Latest Practicable Date.

9. MATERIAL CONTRACTS

Ann 3, 14.1

The contracts listed below have been entered into by the Company or another member of the Group: (i) within the two years immediately preceding publication of this document which are material to the Company or any member of the Group; or (ii) at any time and contain any provision under which the Company or any member of the Group has any obligation or entitlement which is material to the Company or any member of the Group as at the date of this document, in each case not including contracts entered into in the ordinary course of business.

9.1 Placing Agreement

Ann 12, 5.4.3

On the date of this document, the Company entered into the Placing Agreement with J.P. Morgan Cazenove (in its capacity as Joint Sponsor, Global Co-ordinator, Bookrunner and Underwriter) and Investec (in its capacity as Joint Sponsor, Global Co-ordinator, Bookrunner and Underwriter). Pursuant to the terms and conditions of the Placing Agreement, the Joint Bookrunners have agreed severally, subject to certain conditions, to use reasonable endeavours to

Ann 12, 6.4
LR
13.6.1(1)(e)

¹⁸ Andy Hornby, Kirk Davis and Mary Wilcock were directors of certain subsidiary entities in the Group which went into administration or were dissolved pursuant to the Leisure CVA, Food & Fuel Limited and Chiquito Limited administrations, as disclosed elsewhere in this document.

procure placees for the New Ordinary Shares at the Offer Price (to the extent not already procured prior to the date of Placing Agreement). To the extent that any Placee (as defined in the Placing Agreement) 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, or for Placing Shares for which no Placee has been procured, 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.

In consideration of their services under the Placing Agreement, and subject to their obligations under the Placing Agreement having become unconditional and the Placing Agreement not being terminated, the Company has agreed to pay to the Joint Bookrunners an aggregate commission of 3 per cent. of the amount equal to the product of the Offer Price and the number of New Ordinary Shares.

The Placing Agreement is conditional only upon certain requirements being satisfied and obligations not being breached including, among others:

- (i) the passing of the Resolutions at the General Meeting;
- (ii) the warranties and representations given by the Company in the Placing Agreement being true and accurate and not misleading on the date of the Placing Agreement and at the time of Admission as if they had been given and made at such date or time by reference to the facts and circumstances then subsisting, save to the extent in the good faith opinion of the Joint Bookrunners not materially adverse in the context of the Group taken as a whole and/or the Capital Raising, and/or the underwriting of the New Ordinary Shares and/or Admission of the New Ordinary Shares;
- (iii) there having been no material adverse change in the Group at any time prior to Admission; and
- (iv) Admission occurring by not later than 8.00 a.m. on 30 March 2021 or such later time and/or date as the Company and the Joint Bookrunners may agree.

The Joint Bookrunners may terminate the Placing Agreement in its entirety in certain circumstances prior to Admission, including, among other things, if there has been in the good faith opinion of the Joint Bookrunners a material adverse change in the Group, or if any of the warranties and representations given by the Company were untrue, inaccurate or misleading as at the date they were given (save to the extent in the good faith opinion of the Joint Bookrunners not materially adverse in the context of the Group taken as a whole and/or the Capital Raising and/or the underwriting of the New Ordinary Shares, and/or Admission).

Ann 12, 5.1.9

The Company has given a customary indemnity in favour of the Joint Bookrunners and certain indemnified persons, and has also given certain customary undertakings, including that, during a period of 180 days from the latest date for acceptance by Shareholders under the Open Offer (except with the consent of the Joint Bookrunners, such consent not to be unreasonably withheld or delayed) it will not issue any Ordinary Shares or enter into any agreement or arrangement having a similar effect, other than pursuant to the Capital Raising or the exercise of options under share option schemes or incentive plans.

Neither the Company nor the Joint Bookrunners may terminate the Placing Agreement following Admission.

9.2 Subscription and Transfer Agreement and Option Agreement

In connection with the Capital Raising, the Company, J.P. Morgan Cazenove and JerseyCo have entered into several agreements, each dated the date of this document, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in JerseyCo.

Under the terms of these agreements:

- the Company and J.P. Morgan Cazenove will acquire ordinary shares in JerseyCo and enter into certain put and call options in respect of the ordinary shares in JerseyCo subscribed for by J.P. Morgan Cazenove that are exercisable if the Capital Raising does not proceed;
- J.P. Morgan Cazenove will apply monies received under the Capital Raising, and held by or on behalf of J.P. Morgan Cazenove until Admission, to subscribe for redeemable preference shares in JerseyCo to an aggregate value equal to such monies, after deduction of the amount of certain commissions and expenses; and
- the Company will allot and issue the New Ordinary Shares to those persons entitled thereto in consideration of J.P. Morgan Cazenove transferring its holding of redeemable preference shares and ordinary shares in JerseyCo to the Company.

Accordingly, instead of receiving cash as consideration for the issue of New Ordinary Shares, at the conclusion of the Capital Raising the Company will own the entire issued share capital of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Capital Raising.

Placees and Qualifying Shareholders are not party to these arrangements and so will not acquire any direct right against J.P. Morgan Cazenove pursuant to these arrangements. The Company will be responsible for enforcing the obligations of J.P. Morgan Cazenove and JerseyCo thereunder.

9.3 TRG Plc Revolving Credit Facility

TRG is party to a revolving credit facility agreement originally dated 30 October 2018 and as most recently amended and restated on 9 July 2020 with RBC Europe Limited as agent and Royal Bank of Canada, Coöperatieve Rabobank U.A. trading as Rabobank London and Lloyds Bank PLC as arrangers (the “**TRG Plc Revolving Credit Facility Agreement**”). In addition, TRG is also a party to a revolving credit facilities agreement dated 9 July 2020 with Lloyds Bank Plc as agent and arranger (the “**CLBILS Facility Agreement**”), which is an ancillary facility of the TRG Plc Revolving Credit Facility Agreement. The TRG Plc Revolving Credit Facility and CLBILS Facility mature on 30 June 2022.

Under the terms of the TRG Plc Revolving Credit Facility Agreement, the lenders have a total commitment of £210,000,000, of which £160,000,000 is made available as a revolving credit facility (the “**TRG Plc Revolving Credit Facility**”) and £50,000,000 is made available as a revolving credit facility pursuant to the CLBILS Facility Agreement (the “**CLBILS Facility**”). The TRG Plc Revolving Credit Facility was put in place to provide TRG with access to funding for general corporate purposes, other than refinancing or redemption of the Wagamama Notes (see Section 9.5 of this Part VII (*Additional Information*) below). The CLBILS Facility is to be used to provide economic benefit to the business of the Group, including investment and working capital and refinancing outstanding loans. On 9 July 2020, TRG entered into the CLBILS Facility Agreement, pursuant to which the CLBILS Facility was made available to TRG in an amount of £50.0 million, and TRG also agreed with the lenders under the TRG Plc Revolving Credit Facility Agreement to reduce the total commitments under the TRG Plc Revolving Credit Facility to £160.0 million, with the ancillary overdraft facility being cancelled. As at 27 December 2020, TRG had drawn £100.0 million under the TRG Plc Revolving Credit Facility and £50.0 million under the CLBILS Facility.

Advances made pursuant to the TRG Plc Revolving Credit Facility and CLBILS Facility are to be repaid on the last day of the interest period relating to the relevant advance, with no sums being able to be drawn or outstanding on or after 30 June 2022. The TRG Plc Revolving Credit Facility incurs interest at a rate of LIBOR (or in relation to a loan in euro, EURIBOR) plus a margin of between 1.50% and 3.00% per annum (depending on the ratio of consolidated Net Debt to Consolidated EBITDA). The CLBILS Facility incurs interest at a rate of LIBOR plus a margin of 2.60% per annum.

TRG has the right to cancel the whole or (subject to a *de minimis* threshold) any part of the undrawn amount of the TRG Plc Revolving Credit Facility or CLBILS Facility and is permitted to voluntarily prepay any outstanding loans. The TRG Plc Revolving Credit Facility Agreement and CLBILS Facility Agreement also contains standard representations, undertakings and events of default as well as financial and general covenants that TRG must observe. In accordance with the terms of the TRG Plc Revolving Credit Facility Agreement and CLBILS Facility Agreement, an event of default under the Wagamama RCF or in relation to the Wagamama Notes shall not trigger cross default under the TRG Plc Revolving Credit Facility Agreement and CLBILS Facility Agreement.

The TRG Plc Revolving Credit Facility and CLBILS Facility are guaranteed by the TRG Obligors. In addition, security has been granted over the shares in, and substantially all the assets of the TRG Obligors (excluding the shares in TRG) in favour of RBC Europe Limited as security agent on behalf of, among others, TRG Plc Revolving Credit Facility and CLBILS Facility lenders. The UK Government have also provided Lloyds Bank plc a guarantee of 80% of the amount it makes available to TRG under the CLBILS Facility as part of the CLBILS scheme.

Due to the UK Government’s mandated closure of all cafes, pubs and restaurants in connection with the Covid-19 pandemic, the Group has experienced a sharp decline in its revenue, earnings and, consequently, its Consolidated EBITDA. As a result, there was a risk that TRG would not have been in compliance with the TRG Financial Covenants as at the relevant test dates. Therefore, TRG secured waivers from the relevant lenders such that the TRG Financial Covenants were waived for the test dates falling in the financial year for FY 2020 and FY 2021 under both the TRG Plc Revolving Credit Facility Agreement and the CLBILS Facility Agreement, and therefore until the maturity of the two facilities. In addition, the TRG Plc Revolving Credit Facility and the CLBILS Facility contain an event of default in

respect of the suspension or cessation of all or substantially all of the business of any TRG Obligor. As a result of the UK Government's closure of cafes, pubs and restaurants and nationwide lockdowns, TRG has obtained a three-month waiver until 30 April 2021 of this event of default from lenders.

9.4 Wagamama RCF

The Wagamama Finance Group is party to a revolving credit facility originally dated 28 January 2015, as most recently amended and restated on 23 June 2017, as amended on 21 December 2018, 5 April 2020 and 15 February 2021 with, among others, Abbey National Treasury Services Plc as arranger, Santander UK Plc as agent and U.S. Bank Trustees Limited as security agent (the "**Wagamama RCF**"). TRG is not a party to the Wagamama RCF.

Under the terms of the Wagamama RCF, the lenders currently have a total commitment of £35,000,000 (which will reduce to £32,500,000 with effect from 1 July 2021 and to £20,000,000 with effect from 1 October 2021) to be used for general corporate purposes. As at 27 December 2020 £8.6 million had been drawn down under the Wagamama RCF. The Wagamama RCF currently incurs interest at rate of LIBOR plus a margin of between 2.50% and 3.00% per annum (depending on the ratio of consolidated Net Debt to Consolidated EBITDA). The Wagamama Finance Group have the right to cancel the whole or (subject to a *de minimis* threshold) any part of the undrawn amount of the Wagamama RCF and is permitted to voluntarily prepay any outstanding loans.

The Wagamama RCF is guaranteed by Wagamama Finance Group. TRG is not a guarantor under the Wagamama RCF. The Wagamama RCF is secured by first ranking security over substantially all of the assets of the Wagamama Finance Group, including the shares of the Wagamama Finance Group. This collateral also secures the liabilities under the Wagamama Notes. In accordance with the terms of an intercreditor agreement entered into on 28 January 2015 between, among others, the Wagamama Finance Group, Santander UK Plc (as agent) and U.S. Bank Trustees Limited (as security agent for the Wagamama Notes), the lenders under the Wagamama RCF will receive the proceeds of the enforcement of the collateral in priority to the holders of the Wagamama Notes.

The Wagamama RCF contains standard representations, undertakings and events of default as well as financial and general covenants that the Wagamama Finance Group must observe. In accordance with the terms of the Wagamama RCF, an event of default under the TRG Plc Revolving Credit Facility Agreement and CLBILS Facility Agreement shall not trigger a cross default under the Wagamama RCF. The Wagamama RCF contains an event of default in respect of the suspension or cessation of all or a material part of any Wagamama Obligor's business. The Wagamama Finance Group obtained a waiver in respect of this event of default if it occurs as a consequence of the Wagamama Finance Group complying with any restrictions, lockdowns or advice given by the UK government in relation to Covid-19, which is not time limited. The Wagamama Finance Group also obtained waivers in respect of the Wagamama Financial Covenant for the Q1 and Q2 test dates. In relation to the Q3 test date, the Wagamama Finance Group has obtained a reduction in the covenant level to £20,000,000. In addition, the Wagamama Finance Group has agreed to the inclusion of a minimum liquidity covenant of £7,000,000 which will be tested at the end of each calendar month from 15 February 2021 to September 2021.

9.5 Wagamama Notes

On or about 10 July 2017, Wagamama Finance Plc (as issuer) issued £225,000,000, 4.125% Senior Secured Notes due 2022 (the "**Wagamama Notes**"). The Wagamama Notes were initially issued in registered form in minimum denominations of £100,000. The Wagamama Notes are listed on the official list of the Luxembourg stock exchange and admitted to trading on the Euro MTF Market.

The Wagamama Notes are guaranteed by the Wagamama Finance Group. TRG is not a guarantor of the Wagamama Notes. The Wagamama Notes are secured by a first-priority debenture over the bank accounts and intra-group receivables of Wagamama Finance Plc and substantially all of the assets of the Wagamama Finance Group. This collateral also secures the liabilities under the Wagamama RCF. In accordance with the terms of an intercreditor agreement entered into on 28 January 2015 between, among others, the Wagamama Finance Group, U.S. Bank Trustees Limited (as security agent) and Santander UK Plc (as agent under the Wagamama RCF), the lenders under the Wagamama RCF will receive the proceeds of the enforcement of the collateral in priority to the holders of the Wagamama Notes.

The Wagamama Notes include a right for Wagamama Finance Plc to optionally redeem all or part of the Wagamama Notes after 1 January 2019 at a price equal to:

- 101.031% of the Wagamama Notes if redeemed in 2020; or
- 100.000% of the Wagamama Notes if redeemed in 2021 or thereafter.

The Wagamama Notes include a right for the holders to require redemption of the Wagamama Notes in the event of a change of control of Mabel Mezzco Limited.

The Wagamama Notes contains certain events of default (subject in certain cases, to grace periods and materiality thresholds), including, without limitation, with respect to failure to make payments of principal under the Wagamama Notes, cross-acceleration of the Wagamama RCF and other debt obligations in excess of specified amounts (not including default under the TRG Plc Revolving Credit Facility Agreement or CLBILS Facility Agreement) and certain insolvency events or proceedings. Upon the occurrence of an event of default, the trustee may, or the holders of at least 30% in aggregate of the principal amount of the Wagamama Notes, then outstanding, may direct the trustee to declare that the Wagamama Notes are immediately due and payable.

The Wagamama Notes are governed by the laws of the State of New York.

9.6 Forward Start Term Facility Agreement

TRG is party to a forward start term facility agreement dated 9 March 2021 with certain funds (or subsidiaries of such funds) and/or accounts, in each case, managed, advised or controlled by HPS Investment Partners, LLC or an affiliate or subsidiary thereof as original lenders and Global Loan Agency Services Limited as agent and GLAS Trust Corporation Limited as security agent (the “**Forward Start Term Facility Agreement**”).

Under the terms of the Forward Start Term Facility Agreement the Term Loan lenders have a total commitment of £380,000,000 which is made available as a unitranche term loan facility (the “**Term Loan Facility**”). The Forward Start Term Facility Agreement was put in place alongside the Forward Start Super Senior RCF Agreement to repay the TRG Finance Group’s and Wagamama Finance Group’s existing financing arrangements and, thereafter, for general corporate purposes. The Term Loan Facility is available for drawing prior to 31 May 2021 by delivery of a utilisation request 13 business days prior to the proposed utilisation date.

Interest on the Term Loan Facility is to be paid quarterly and the Term Loan Facility will be repaid in one bullet payment on the date falling on the fifth anniversary of the Refinancing Date. The Term Loan Facility incurs interest at a rate of LIBOR (with 0.5% LIBOR floor) plus a margin of between 6.75% and 6.00% per annum (depending on the Senior Secured Net Leverage Ratio), subject to a PIK toggle.

TRG has the right to cancel the whole or (subject to a de minimis threshold) any part of the undrawn amount of the Term Loan Facility subject to a minimum utilisation amount of £230,000,000. For the first 18 months after the utilisation of the Term Loan Facility, TRG is not permitted to voluntarily prepay the Term Loan Facility unless such repayment is funded using only free cash generated from operations or the proceeds of disposals or any equity raise (in ease case, provided that such amounts are generated or raised following the Refinancing Date), up to an aggregate amount not to exceed 27% of the Term Loan Facility. Following the date falling 18 months after the utilisation of the Term Loan Facility, TRG is permitted to voluntarily prepay the outstanding loan (subject to make whole).

The Forward Start Term Facility Agreement also contains standard representations, undertakings and events of default as well as financial and general covenants that TRG must observe. In accordance with the terms of the Forward Start Term Facility Agreement, an event of default under the Forward Start Super Senior RCF Agreement will trigger a cross default under the Forward Start Term Facility Agreement. The Forward Start Term Facility Agreement contains an event of default in respect of the suspension or cessation of all or substantially all of any Obligor’s business, however, the terms of this covenant exclude any suspension or cessation of all or substantially all of any Obligor’s business as a result of it restaurants being closed as a consequence of Covid-19.

The Forward Start Term Facility Agreement is guaranteed by the Obligors. In addition, TRG has agreed to grant security in favour of GLAS Trust Corporation Limited as security agent (on behalf of, among others, the Term Loan Facility lenders) over (i) the shares in the Obligors (excluding the shares in TRG), (ii) a fixed charge over any material IP held by the Obligors, (iii) a legal mortgage over certain freehold and long-leasehold properties held by certain of the Obligors and (iv) a floating charge over substantially all the assets of the Obligors.

9.7 Forward Start Super Senior RCF Agreement

TRG is party to a forward start super senior revolving credit facility agreement dated 9 March 2021 with, among others, Cooperative Rabobank U.A. trading as Rabobank London, Lloyds Bank PLC and Santander UK PLC as arrangers, the financial institutions listed therein as original lenders, Lloyds Bank plc as agent and GLAS Trust Corporation Limited as security agent (the “**Forward Start Super Senior RCF Facility Agreement**”).

The total commitments made available to the Company under the Forward Start Super Senior RCF Agreement is £120,000,000 which is made available as a revolving credit loan facility (the “**Super Senior RCF**”). The Forward Start Super Senior RCF Agreement was put in place alongside the Forward Start Term Facility Agreement to repay the TRG Finance Group’s and Wagamama Finance Group’s existing financing arrangements and, thereafter, for general corporate purposes. The Super Senior RCF is available for drawing at any time prior to one week before its maturity date, being the date falling on the fourth anniversary of the Refinancing Date. However, as the Super Senior RCF is made available to the combined Group, it shall only be available for drawing for the purposes of or following the repayment of the TRG Finance Group’s and Wagamama Finance Group’s existing financing arrangements.

Advances made pursuant to the Super Senior Facility are to be repaid on the last day of the interest period relating to the relevant advance. The Super Senior Facility incurs interest at a rate of LIBOR (or in relation to a loan in euro, EURIBOR (in each case subject to a floor of zero and rate switch mechanics following the discontinuation of such benchmarks)) plus a margin of between 3.5% and 2.0% per annum (depending on the Senior Secured Net Leverage Ratio).

TRG has the right to cancel the whole or (subject to a de minimis threshold) any part of the undrawn amount of the Super Senior RCF and is permitted to voluntarily prepay any outstanding loans.

The Forward Start Super Senior RCF Agreement also contains standard representations, undertakings and events of default as well as financial and general covenants that TRG must observe. In accordance with the terms of the Forward Start Super Senior RCF Agreement, an event of default under the Forward Start Term Facility Agreement will trigger a cross default under the Forward Start Super Senior RCF Agreement. The Forward Start Super Senior RCF Agreement contains an event of default in respect of the suspension or cessation of all or substantially all of any Obligor’s business. As a result of the UK Government’s closure of cafes, pubs and restaurants and nationwide lockdowns, TRG has obtained a waiver until 30 June 2021 of this event of default from lenders.

The Forward Start Super Senior RCF Agreement is guaranteed by the Obligors. In addition, TRG has agreed to grant security in favour of GLAS Trust Corporation Limited as security agent (on behalf of, among others, the Super Senior RCF lenders) over (i) the shares in the Obligors (excluding the shares in TRG), (ii) a fixed charge over any material IP held by the Obligors, (iii) a legal mortgage over certain freehold and long-leasehold properties held by certain of the Obligors and (iv) a floating charge over substantially all the assets of the Obligors.

9.8 US JV Agreement

On 31 January 2020, TRG entered into a joint-venture with Conversion Venture Capital as financial partners, pursuant to the terms of, *inter alia*, the contribution and exchange agreement between Conversion Venture Capital, Wagamama Inc. and Wagamama USA LLC dated 31 January 2020, the amended and restated limited liability company agreement of Wagamama USA LLC dated 31 January 2020, the license agreement between Wagamama Limited and Wagamama USA LLC dated 31 January 2020, the service agreement between Wagamama Limited and Wagamama USA LLC dated 31 January 2020 and other documents.

Through Wagamama Inc., TRG holds approximately 20% of units in the US JV, with Conversion Venture Capital holding approximately 80% of units. The US JV has full rights to the existing operations of the US business. The US JV is expected to provide local US operational expertise and expansionary capital with the aim to further develop the brand in the United States. The Group expects the US JV to open approximately 30 restaurants in the United States within five to six years. Through Wagamama Inc., the Group retains the option to purchase the remaining approximately 80% of the business at a future date. Wagamama Limited provided customary indemnification to Wagamama USA LLC, including, but not limited to, for breach of certain fundamental representations.

9.9 Intercreditor Agreement

In connection with the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement, on 9 March 2021 TRG entered into an intercreditor agreement between, amongst others, GLAS Trust Corporation Limited as security agent, the lenders under the Forward Start Term Facility Agreement and the lenders under the Forward Start

Super Senior RCF Agreement. The Intercreditor Agreement governs the relationships and relative priorities between: (i) the Senior Lenders (being the lenders under the Forward Start Term Facility Agreement and any future senior hedge counterparties or senior lenders); (ii) the Super Senior Lenders (being, the lenders under the Forward Start Super Senior RCF Agreement and any future super senior hedging counterparties or super senior lenders); and (iii) the intragroup creditors and debtors.

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Forward Start Term Facility Agreement and/or the Forward Start Super Senior RCF Agreement and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

The Intercreditor Agreement provides that the Super Senior Liabilities (being the liabilities owed to the Super Senior Lenders) and the Senior Lender Liabilities (being the liabilities owed to the Senior Lenders) shall rank (subject to the terms of the Intercreditor Agreement) *pari passu* in right and priority of payment and without any preference between them. The Intercreditor Agreement further provides that the Transaction Security (being the security created in connection with the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement) shall rank and secure the Super Senior Liabilities and the Senior Lender Liabilities (subject to the terms of the Intercreditor Agreement) *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those liabilities). However, the Super Senior Liabilities shall rank in priority to the Senior Lender Liabilities with respect to the proceeds of any enforcement of the guarantees or Transaction Security.

Prior to the date on which all of the liabilities of the Senior Lenders are discharged (the “**Senior Discharge Date**”), the Majority Senior Lenders (being those who combined hold more than 66⅔ of the total commitments) are (without the consent of the Super Senior Lenders) able to instruct the security agent to enforce the Transaction Security. The enforcement rights of the Majority Senior Lenders are subject to certain permitted enforcement rights of the Super Senior Lenders prior to the Senior Discharge Date including, without limitation: (i) where an acceleration event has occurred in respect of the Senior Lender Liabilities (in which case the Super Senior Lenders may take the same enforcement action as constitutes that acceleration event); (ii) where a Super Senior Step-In Event has occurred (being, the occurrence of a material event of default (and the material event of default is continuing and no enforcement action has been directed by the Majority Senior Lenders) and the passing of a standstill period (being 90 days for material events of default in relation to non-payment, breach of the Group RCF Financial Covenants and/or failure to comply with any information undertaking and 120 days for any other material event of default) without the Super Senior RCF being repurchased or repaid, in full and in cash); or (iii) where consent is given by the Majority Senior Lenders. The Super Senior Lenders may also exercise any rights to accelerate the debt or make a demand on a guarantee upon the occurrence of an insolvency event.

9.10 April 2020 Placing agreement

On 8 April 2020, in connection with the placing and subscription announced by the Company on 9 April 2020, the Company and J.P. Morgan Cazenove entered into a placing agreement pursuant to which J.P. Morgan Cazenove was appointed to act as sole global coordinator and bookrunner and placed, as agent for the Company, 98,199,245 new ordinary shares in connection with the placing, at the placing price of 58 pence per placing share.

In connection with their services under the placing agreement, the Company agreed to pay J.P. Morgan Cazenove a base commission of 2.75 per cent. of the amount equal to the product of the placing and the number of placing shares.

The Company gave certain customary undertakings, representations and warranties to J.P. Morgan Cazenove, in relation to the issue and/or sale of Ordinary Shares, including a 180 day lock-up on issues of new shares from the date of admission of the placing shares (subject to certain customary exceptions), and in relation to other matters relating to the Group and its business. In addition, the Company gave customary indemnities to J.P. Morgan Cazenove and certain indemnified persons connected with them.

9.11 April 2020 subscription and transfer agreement and option agreement

In connection with the placing and subscription announced by TRG on 9 April 2020, the Company, J.P. Morgan Cazenove and Cygnet entered into several agreements, each dated 8 April 2020, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in Cygnet.

Under the terms of these agreements:

- the Company and J.P. Morgan Cazenove acquired ordinary shares in Cygnet and entered into certain put and call options in respect of the ordinary shares in Cygnet subscribed for by J.P. Morgan Cazenove that were exercisable if the placing did not proceed;
- J.P. Morgan Cazenove applied monies received under the placing, and held by J.P. Morgan Cazenove until admission of the shares issued pursuant to the placing, to subscribe for redeemable preference shares in Cygnet to an aggregate value equal to such monies, after deduction of the amount of certain commissions and expenses; and
- the Company allotted and issued the placing shares to those persons entitled thereto in consideration of J.P. Morgan Cazenove transferring its holding of redeemable preference shares and ordinary shares in Cygnet to the Company.

10. REGULATORY DISCLOSURES

Ann 3,
13.1

Below is a summary of the information disclosed in accordance with the Company's obligations under the UK Market Abuse Regulation over the last 12 months which is relevant as at the date of this document.

Covid-19

On 18 March 2020, the Company gave a trading update in light of the ongoing Covid-19 pandemic. In this trading update, the Company announced that while Group LFL Sales for the first eight weeks of FY 2020 were up 4.5%, trading in the period subsequent to the year-end had been materially adversely affected by the Covid-19 pandemic. In a further update provided on 8 April 2020, the Company outlined the cash preservation activities which the Group had completed since the 18 March 2020 update, which were as follows:

- capital expenditure had been reduced to no more than £30,000,000 for the financial year 2020;
- costs had been reduced to a minimum and (excluding payroll costs supported by the UK Government), ongoing cash expenditure was now approximately £3,000,000 per four-week period;
- the Group had accessed the UK Government furlough scheme to ensure the ongoing employment of over 20,000 employees and included the Business Rates Holiday for three quarters of 2020;
- the Food & Fuel and Chiquito statutory entities had been placed into administration; and
- the Group was working with landlords across all business areas to ensure that no minimum guarantees would be enforced within Concessions, where rents are largely turnover based; and to ensure that the rent roll for 2020 across the Company's other businesses reflected the slow and gradual return of trade following the lockdown period.

On 8 April 2020, the Company provided a further trading update in light of the rapidly changing developments regarding Covid-19, which modelled a pessimistic scenario for the current financial year. It took account of management actions taken to conserve cash, the benefit from the UK Government announced initiatives and updated financing arrangements with the Group's lending group. The scenario assumed that all TRG restaurants and pubs would remain closed until the end of June 2020 and that there would be a slow recovery in footfall during the rest of the financial year. TRG stated it would therefore be extremely disciplined in the phased reopening of the Group's restaurants through July to December 2020 and stated that it would expect to reopen around 400 of TRG's 600 restaurants and pubs across that period, potentially with some restrictions on operations immediately following lockdown.

Placing

On 9 April 2020, the Company announced the successful completion of the placing of ordinary shares in the capital of the Company (the "**April 2020 Placing**").

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A total of 98,199,245 new ordinary shares in the capital of the Company (the "**April 2020 Placing Shares**") were placed by J.P. Morgan Cazenove at a price of 58.00 pence per April 2020 Placing Share (the "**April 2020 Placing Price**"). Concurrently with the April 2020 Placing, certain Directors of the Company subscribed for an aggregate of 100,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**"), at the April 2020 Placing Price (the "**Subscription**").

Together, the April 2020 Placing and Subscription of 98,299,245 new ordinary shares raised gross proceeds of approximately £57 million. The April 2020 Placing Price of 58.00 pence represented a discount of 3.2% to the closing share price of 59.90 pence on 8 April 2020. The April 2020 Placing Shares and the Subscription Shares being issued together represented approximately 19.9% of the existing issued ordinary share capital of TRG prior to the April 2020 Placing and Subscription.

CVA

On 10 June 2020, the Company announced a proposal to reduce the size of its Leisure estate and rental cost base by the implementation of a CVA. The CVA related to the statutory entity TRG UK Ltd which principally comprised the Frankie & Benny's estate.

The CVA provided a mechanism to restructure the Leisure estate in line with the plan outlined in the Group's market update (on 8 April 2020) in order to reduce its portfolio by exiting 128 trading sites as well as seeking improved rental terms on a portion of the remaining trading estate.

On 29 June 2020, the Company announced that at a meeting of creditors the CVA process announced on 10 June 2020, relating to the Frankie & Benny's estate, was successfully approved:

- over 82% of all creditors voted in favour of the proposal (75% approval required); and
- over 65% of the unconnected creditors voted in favour of the proposal (50% approval required).

Planned Refinancing

On 1 March 2021, the Group announced it had successfully signed commitments to provide £500 million of debt facilities to the Group, through a £380 million Term Loan Facility, and a £120 million Super Senior RCF. It noted that the Group's financing arrangements going forwards are expected to be simplified, as the Term Loan Facility and, as required, an initial simultaneous drawing of the Super Senior RCF, will repay and refinance the Group's current facilities so that there will be only one finance group.

11. LITIGATION

Ann 3, 11.3

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

12. WORKING CAPITAL

Ann 12, 3.3

Ann 12, 8.1

PR Ann 11, 3.1

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.

13. NO SIGNIFICANT CHANGE

Other than as described below, there has been no significant change in the financial position or financial performance of the Group in the period since 27 December 2020, the date to which the Company's latest audited year-end financial information was prepared.

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Ann 3, 11.4
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On 1 March 2021, the Group announced it had successfully signed commitments to provide £500 million of debt facilities to the Group, through a £380 million Term Loan Facility, and a £120 million Super Senior RCF, following which the Group entered into the full form Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement on 9 March 2021. The announcement noted that the Group's financing arrangements going forwards are expected to be simplified, as the Forward Start Term Loan Facility and, as required, an initial simultaneous drawing of the Forward Start Super Senior RCF, will repay and refinance the Group's current facilities so that there will be only one finance group.

14. GROUP PROFIT FORECAST

The Company, in its interim results for HY 2020 published in October 2020, stated that the restructured Group as it stood at that day would be capable of delivering annualised EBITDA of between £110 million to £125 million (on an IAS 17 basis) if its retained estate were to achieve 2019 sales levels (the "**Original Guidance**").

Ann 3, 7.1

Although the Original Guidance was not intended to be a profit forecast at the time it was given, the Company has been informed that the Original Guidance is considered a profit forecast under the applicable rules and, as a result, this document is required to include a statement on the Original Guidance and an explanation of why the Original Guidance is no longer valid, if that is the case.

The Original Guidance acknowledged that in these uncertain times, it is incredibly challenging to accurately predict when or if delivering such an annualised EBITDA would happen, and that the Original Guidance was purely illustrative in nature. The Directors consider that:

- 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 therefore on the earnings of the Group in FY 2020, beyond what was contemplated at the time of the Original Guidance.
- Since the Original Guidance was released there has been a further two national lockdowns (in November 2020, and January 2021) and, since 6 January 2021, all of the Group's outlets in the UK remain closed for dine-in customers. Therefore the Group's underlying assumptions have changed since the Original Guidance.

Given the above, the Directors consider that the Original Guidance is no longer valid and confirm that neither the Original Guidance nor any other statement in this document is intended to be a profit forecast.

The Directors remain confident of the prospects for the Group and have provided an update on current trading and future prospects of the Group in Part I (*Letter from the Chairman*) of this document.

15. EXPENSES

Ann 12, 8.1

The total costs and expenses payable by the Company in connection with the Capital Raising (including the listing fees of the FCA and the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) are estimated to amount to approximately £8.9 million (including VAT).

Each New Ordinary Share is expected to be issued at a premium of 71.875 pence to its nominal value of 28.125 pence.

16. AUDITOR

EY was appointed auditor of the Company on 9 October 2018 and was the auditor of the Company for FY 2018, FY 2019 and FY2020. EY's registered office is at 1 More London Place, London SE1 2AF. EY is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and has no material interest in the Company.

Ann 3, 1.3

Ann 3, 2.1

Ann 12, 1.3

17. CONSENTS

Ann 3, 1.3

Each of the Joint Bookrunners has given and not withdrawn their consent to the inclusion in this document of their name in the form and in the context in which they appear.

Ann 12, 1.3

Ann 12, 3.1

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13.3.1(10)

18. THIRD-PARTY INFORMATION

Where third-party information has been used in this document, the source of such information has been identified. The Company confirms that such information has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by such third-parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Ann 3, 1.4

Ann 12, 1.4

The Company has not independently verified any of the data from third-party sources, nor has the Company ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which the Company believes to be reliable based upon the Directors' knowledge of the industry, have not been independently verified. Statements as to the Group's market position are based on recently available data.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Ann 3,

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Copies of the following documents may be inspected on the Company's website at www.trgplc.com/investors/capitalraising for a period of twelve months from the date of publication of this document:

- the Articles;
- the J.P. Morgan Cazenove and Investec consent letters;
- the documents incorporated by reference into this document, as described in Part VIII (*Documents Incorporated by Reference*); and
- a copy of this document.

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Ann 3,
4.2

For the purposes of Rule 3.2 of the Prospectus Regulation Rules, this document will be published in printed form and available free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of publication of this document at the head offices of the Company at 5-7 Marshalsea Road, London SE1 1EP and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY.

In addition, the document will be published in electronic form and will be available on the Company's website at www.trgplc.com/investors/capitalraising.

PART VIII
DOCUMENTS INCORPORATED BY REFERENCE

The table below sets out the documents of which certain parts are incorporated by reference into, and form part of, this document. Only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any information incorporated by reference itself incorporates any information by reference, either expressly or by implication, such information will not form part of this document for the purposes of the Prospectus Regulation Rules, except where such information is stated within this document as specifically being incorporated by reference or where the document is specifically defined as including such information.

<i>Reference document</i>	<i>Information incorporated by reference into this document</i>	<i>Page number in reference document</i>
2020 Annual Report and Accounts	Independent Auditor's Report	72
	Consolidated Income Statement	83
	Consolidated Statement of Changes in Equity	86
	Consolidated Balance Sheet	84
	Consolidated Cash Flow Statement	87
	Notes to the Consolidated Accounts	88
2019 Annual Report and Accounts	Independent Auditor's Report	61
	Consolidated Income Statement	71
	Consolidated Statement of Changes in Equity	73
	Consolidated Balance Sheet	72
	Consolidated Cash Flow Statement	74
	Notes to the Consolidated Accounts	75
2018 Annual Report and Accounts	Independent Auditor's Report	59
	Consolidated Income Statement	69
	Consolidated Statement of Changes in Equity	71
	Consolidated Balance Sheet	70
	Consolidated Cash Flow Statement	72
	Notes to the Consolidated Accounts	73

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Group's 2018 Annual Report and Accounts, 2019 Annual Report and Accounts and 2020 Annual Report and Accounts can be accessed at <https://www.trgplc.com/investors/reports-presentations/>.

**PART IX
DEFINITIONS**

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

“2018 Annual Report and Accounts”	the annual report and accounts of the Group for FY 2018;
“2019 Annual Report and Accounts”	the annual report and accounts of the Group for FY 2019;
“2020 Annual Report and Accounts”	the annual report and accounts of the Group for FY 2020;
“2021 Budget”	the budget, or financial statement, statement made to the House of Commons by the Chancellor of the Exchequer on the nation’s finances and the Government’s proposals for changes to taxation, made on 3 March 2021;
“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;
“Adjusted Operating Profit”	consists of earnings before interest, tax and Exceptional Items;
“Adjusted PBT”	is calculated by taking the profit before tax of the business pre-exceptional items;
“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;
“Application Letter”	the application letter set out on page 3 of the Application Form;
“April 2020 Placing”	the placing and subscription announced by the Company on 9 April 2020, as further detailed in Sections 9.10 and 9.11 (<i>Material Contracts</i>) and Section 10 (<i>Regulatory Disclosures</i>) of Part VI (<i>Additional Information</i>);
“Articles”	the articles of association of TRG;
“Banks”	has the meaning given to it in Section 9(D)(vi) of Part II (<i>Details of the Capital Raising</i>) of this document;
“Board”	the board of directors of the Company from time to time;
“Brexit”	the withdrawal of the United Kingdom from the European Union on 31 January 2020;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for business in London;

“Business Rates Holiday”	a temporary measure announced by the UK Government in response to the Covid-19 pandemic on 18 March 2020, and as further extended, which introduced a business rates holiday for eligible retail, hospitality and leisure and businesses for the 2020-2021 tax year and until the end of June 2021, meaning that no business rates are payable for the period by those businesses;
“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);
“CGUs”	cash generating units;
“Chancellor”	the Chancellor of Her Majesty’s Exchequer;
“City Code”	the UK City Code on Takeovers and Mergers;
“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;
“CLBILS”	the UK Government’s Coronavirus Large Business Interruption Loan Scheme;
“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 EBIT”	the total consolidated operating profit of the Group for that before taking into account: (a) the net finance charges in respect of the Group; (b) tax; (c) Exceptional Items; and (d) any share of the profit of any associated company or undertaking, except for dividends received in cash by any member of the Group, as determined from the financial statements;
“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, on 17 December 2020 and as part of the 2021 Budget;
“ Covid-19 ”	a new strain of coronavirus, SARS-CoV-2, Covid-19, identified as the cause of the Covid-19 disease;
“ CREST Deposit Form ”	the CREST deposit form set out on page 4 of the Application Form;
“ CREST Manual ”	the rules governing the operation of CREST as published by Euroclear;
“ CREST member ”	a person who has been admitted by Euroclear as a system member (as defined in the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755), as amended);
“ CREST Proxy Instruction ”	the message used for a proxy appointment made by means of CREST;
“ CREST ”	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
“ Cygnnet ”	Cygnnet Funding Limited;
“ CVA ”	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;
“ Disclosure Guidance and Transparency Rules ”	the disclosure guidance and transparency rules made by the FCA acting under Part VI of FSMA (as set out in the FCA Handbook of Rules and Guidance, as amended from time to time), as amended from time to time;
“ DP Brexit Regulations ”	the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419), as amended;
“ Due Underwriting Proportions ”	in the case of J.P. Morgan Cazenove, 50%, and in the case of Investec, 50%;
“ EBITDA ”	consists of earnings before interest, tax, depreciation, amortisation and impairment (on a pre-IFRS 16 basis);
“ EEA States ”	the member states of the European Economic Area (and EEA State shall be construed accordingly);
“ Enlarged Share Capital ”	the expected issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares;
“ EPS ”	earnings per share before goodwill, amortisation and Exceptional Items;
“ Equiniti ”	Equiniti Limited, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
“ ESMA Recommendations ”	ESMA update of the CESR recommendations: The consistent Implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive;

“EU General Data Protection Regulation” or “EU GDPR”	the General Data Protection Regulation (EU 2016/679);
“EU Market Abuse Regulation”	the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time;
“EU Prospectus Regulation”	the Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended from time to time;
“EU”	the European Union;
“EUR”, “euro” or “€”	the lawful currency of the EU;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“EUWA”	the European Union (Withdrawal) Act 2018, as amended;
“Exceptional Items”	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;
“Exchange Act”	US Securities Exchange Act of 1934, as amended;
“Excluded Territories”	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;
“Executive Directors”	collectively, the Chief Executive Officer and the Chief Financial Officer of TRG, and Executive Director shall mean any one of them;
“Ex-Entitlements Date”	the date on which the New Ordinary Shares are expected to commence trading ex-entitlements, being 8.00 a.m. on 10 March 2021;
“Existing Holding”	a Qualifying Shareholder’s holding of Ordinary Shares on the Record Date;
“Existing Ordinary Shares”	the Ordinary Shares of 28.125 pence each in the capital of TRG in issue immediately prior to the Capital Raising;
“EY”	Ernst & Young LLP;
“FCA”	the Financial Conduct Authority;
“Firm Placee”	any person that has conditionally agreed to subscribe for Firm Placing Shares;

“Firm Placing Shares”	the 95,299,430 New Ordinary Shares which are to be issued by the Company pursuant to the Firm Placing;
“Firm Placing”	the conditional placing of the Firm Placing Shares on the terms and subject to the conditions contained in the Placing Agreement;
“Form of Proxy”	the form of proxy enclosed with this document for use in connection with the General Meeting;
“Forward Start Super Senior RCF Agreement”	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;
“Forward Start Super Senior RCF Suspension of Business Event of Default”	under the terms of the Forward Start Super Senior RCF Agreement, the event of default in respect of the suspension or cessation of all or substantially all of an Obligor’s business;
“Forward Start Term Facility Agreement”	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;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“FY 2018”	the 52-week period ended 30 December 2018;
“FY 2019”	the 52-week period ended 29 December 2019;
“FY 2020”	the 52-week period ended 27 December 2020;
“General Meeting”	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;
“Group Liquidity Covenant”	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;
“Group LTIP”	the TRG Group 2015 Long-Term Incentive Plan;
“Group RCF Financial Covenants”	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;
“Group Term Financial Covenants”	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;
“Group”	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);
“H1 2018”	the 26-week period ended 1 July 2018;
“H1 2019”	the 26-week period ended 30 June 2019;
“H1 2020”	the 26-week period ended 28 June 2020;
“Historical Financial Information”	the information provided in Part V (<i>Historical Financial Information</i>) of this document;
“HMRC”	HM Revenue & Customs, the UK tax authority;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Intercreditor Agreement”	the intercreditor agreement to be entered into by TRG on 9 March 2021 governing the relationship between, among others, the Super Senior Lenders, the Senior Lenders and any intercompany debtors;
“Investec”	Investec Bank plc;
“Investor Representation Letter”	the letter executed by QIBs and delivered to TRG, certifying that, among other things: (i) it is a QIB and (ii) it will only offer, sell, transfer, assign, pledge or otherwise dispose of the New Ordinary Shares in transactions exempt from the registration requirements of the Securities Act and in compliance with applicable securities laws;
“IRS”	US Internal Revenue Service;
“ISIN”	international securities identification number;
“J.P. Morgan Cazenove”	J.P. Morgan Securities plc (which conducts its United Kingdom investment banking activities under the marketing name J.P. Morgan Cazenove);
“Jerseyco”	Project Ruby Funding Limited;
“Job Support Scheme”	a temporary measure introduced by the UK Government on 24 September 2020 and commencing on 1 November 2020 for six months, eligible for employers whose employees work at least 33% of their usual hours and are paid as normal for those hours, the UK Government and the employer will each pay one third of their equivalent salary for the hours not worked, capped at £697.92 per month;
“Joint Bookrunners”	J.P. Morgan Cazenove and Investec;
“Latest Practicable Date”	8 March 2021, being the latest practicable date prior to publication of this document;

“LIBOR”	the London interbank offered rate;
“Like-For-Like Sales” or “LFL Sales”	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;
“Listing Rules”	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“member account ID”	the identification code or number attached to any member account in CREST;
“Money Laundering Regulations”	the Money Laundering Regulations 2017, as amended;
“Net Debt”	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;
“New Ordinary Shares”	the new Ordinary Shares proposed to be issued by TRG pursuant to the Capital Raising;
“Nominated Person”	has the meaning given to it in the notes to the Notice of the General Meeting;
“Non-Executive Directors”	the TRG Directors who hold the position of Chairman or non-executive director, and Non-Executive Director shall mean any one of them;
“Non-Taken Up Shares”	has the meaning given to it in Section 2 of Part II (<i>Details of the Capital Raising</i>) of this document;
“Notice of General Meeting”	the notice of General Meeting contained in this document;
“Obligor”	TRG, TRG UK Ltd, TRG Holdings, Blubeckers Limited, TRG Concessions Limited, Brunning and Price Limited, Wagamama Group Limited and Wagamama Limited;
“Offer Price”	100 pence per New Ordinary Share;
“Official List”	the official list of the FCA pursuant to FSMA;
“Open Offer Entitlements”	entitlements to subscribe for Open Offer Shares allocated to a Qualifying Shareholder pursuant to the Open Offer;
“Open Offer Shares”	the 79,700,570 New Ordinary Shares which are to be issued by the Company pursuant to the Open Offer;
“Open Offer”	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 set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;
“Ordinary Shares”	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;
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, and Overseas Shareholder shall be construed accordingly;
“Permitted US Placees”	persons that are QIBs and whom TRG determines, in its sole discretion, are able, based on such procedures and certifications as it deems appropriate, to participate in the Placing or Firm Placing pursuant to an applicable exemption from the registration requirements of the Securities Act;
“Permitted US Shareholders”	Qualifying Shareholders that are QIBs and whom TRG determines, in its sole discretion, are able, based on such procedures and certifications as it deems appropriate, to participate in the Open Offer pursuant to an applicable exemption from the registration requirements of the Securities Act;
“Placing Agreement”	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 is contained in Section 9.1 of Part VII (<i>Additional Information</i>) of this document;
“Placing Shares”	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);
“Placing”	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;
“Placee”	a Conditional Placee or a Firm Placee;
“Planned Refinancing”	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;
“PLC Suspension of Business Event of Default”	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;
“PLC Suspension of Business Waiver”	the waiver obtained by TRG in respect of the PLC Suspension of Business Event of Default;
“Pounds Sterling”, “pence” or “£”	the lawful currency of the United Kingdom;
“PRA”	Prudential Regulation Authority;
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time;

“Prospectus” or this “document”	means this document, comprising a circular and a prospectus relating to the Company for the purpose of the Capital Raising and Admission;
“QIB”	qualified institutional buyers within the meaning of Rule 144A under the Securities Act;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in certificated form;
“Qualifying Shareholders”	holders of Ordinary Shares who are on TRG’s register of members at the Record Date;
“Receiving Agent”	Equiniti;
“Record Date”	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;
“Refinancing Date”	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;
“Registrar”	Equiniti;
“Regulation S”	Regulation S under the Securities Act;
“regulatory authority”	any central bank, ministry, governmental, quasi-governmental (including the EU), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger control authority), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including for the avoidance of doubt, the takeover panel, the FCA and the London Stock Exchange;
“Regulatory Information Service”	any one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
“Related Party Transaction”	has the meaning ascribed to it in paragraph 9 of IAS 24, being the standard adopted according to Regulation (EC) No. 1606/2002;
“Remuneration Committee”	the Company’s remuneration committee;
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting;

“Revised Wagamama Financial Covenant”	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;
“SDRT”	UK stamp duty reserve tax;
“SEC”	the US Securities and Exchange Commission;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SEDOL”	Stock Exchange Daily Official List;
“Senior Lenders”	the senior lenders under the Intercreditor Agreement;
“Senior Secured Net Leverage Ratio”	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;
“Shareholder”	any holder of Ordinary Shares registered on the register of members of the Company;
“Sponsor” or “Joint Sponsor”	J.P. Morgan Cazenove and Investec;
“Super Senior Lenders”	the super senior creditors under the Intercreditor Agreement, including the lenders under the Forward Start Super Senior RCF Agreement;
“Super Senior RCF”	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;
“Term Loan Facility”	the £380,000,000 term loan facility made available to the Company pursuant to the terms of the Forward Start Term Facility Agreement;
“Threadneedle”	Columbia Threadneedle Investments;
“Trade and Cooperation Agreement”	the trade and cooperation agreement between the EU and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, dated 24 December 2020;
“Trading Business”	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;
“Transaction Security”	the security granted to GLAS Trust Agency Services Limited as security agent in connection with the liabilities of the Obligors under the Forward Start Term Facility Agreement and the Forward Start Super Senior RCF Agreement;

“TRG Directors” or “Directors”	the directors of the Company, and TRG Director or Director shall mean any one of them;
“TRG Finance Group Liquidity Covenant”	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;
“TRG Finance Group”	the Group, excluding the Wagamama Finance Group;
“TRG Financial Covenants”	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;
“TRG Holdings”	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;
“TRG Obligor”	TRG, TRG UK Ltd, TRG Holdings, Blubeckers Limited, TRG Concessions Limited and Brunning and Price Limited;
“TRG Plc Revolving Credit Facility Agreement”	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;
“TRG Plc Revolving Credit Facility”	the £160,000,000 revolving facility provided pursuant to the TRG Plc Revolving Credit Facility Agreement;
“TRG UK Ltd”	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;
“UK DP Laws”	the EU GDPR, which was implemented in the UK by the Data Protection Act 2018, as it forms part of UK domestic law by virtue of the EUWA, subject to certain changes to ensure that the onshored legislation and the Data Protection Act 2018 operates effectively in the UK, including changes made by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419), as amended;
“UK Market Abuse Regulation”	the EU Market Abuse Regulation as it forms part of UK domestic law by virtue of the EUWA;
“UK Prospectus Regulation”	the Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2018 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of UK domestic law by virtue of the EUWA;

“Uncertificated Securities Regulations”	the Uncertificated Securities Regulations 2001 as amended from time to time;
“uncertificated” or in “uncertificated 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 uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	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;
“US JV”	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;
“USD”, “US\$” or “US dollar”	the lawful currency of the United States;
“USE Instructions”	Unmatched Stock Event instructions, as defined in the CREST Regulations;
“VAT”	(a) within the UK, any value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto; (b) within the EU, any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (c) any other tax of a similar nature to the taxes referred to in paragraph (a) or paragraph (b) above, whether imposed in the UK or a member state of the EU State in substitution for, or levied in addition to, the taxes referred to in paragraph (a) or paragraph (b) above or imposed elsewhere;
“Wagamama Acquisition”	the acquisition of the entire issued share capital of Wagamama pursuant to the Share Purchase Agreement dated 30 October 2018;
“Wagamama Debt”	the Wagamama RCF and the Wagamama Notes;
“Wagamama Finance Group Liquidity Covenant”	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;
“Wagamama Finance Group”	Mabel Mezzco Limited, a company incorporated under the law of England Wales with registered number 7556501, and its subsidiaries;
“Wagamama Financial Covenant”	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;

“Wagamama Notes”	the £225,000,000 4.125% Senior Secured Notes due 2022 issued by Wagamama Finance Plc;
“Wagamama Obligor”	Mabel Mezzco Limited, Wagamama Finance PLC, Mabel Bidco Limited, Wagamama Group Limited, Wagamama Limited, Ramen USA Limited, Wagamama USA Holdings, Inc, Wagamama, Inc.;
“Wagamama RCF”	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;
“Wagamama Suspension of Business Event of Default”	the terms of the Wagamama RCF contain an event of default in respect of the suspension or cessation of all or a material part of a Wagamama Obligor’s business;
“Wagamama”	Mabel Topco Limited, a company incorporated in England and Wales with registered number 07556481, whose registered office is 76 Wardour Street, London, W1F 0UR;
“Working Capital Statement”	the working capital statement in Section 10 of Part I (<i>Letter from the Chairman</i>) and Section 12 of Part VII (<i>Additional Information</i>) of this document.

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).

LR 13.6.1(6)

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.

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 vote on Resolution 1.

LR 13.6.1(6)

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 notorially 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. 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. 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). 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 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.