

**THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE INFORMATION CONTAINED HEREIN, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE, TRANSMISSION, DISTRIBUTION, OR FORWARDING DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE, TRANSMISSION, DISTRIBUTION OR FORWARDING WOULD BE UNLAWFUL. PLEASE SEE THE IMPORTANT NOTICES AT THE END OF THIS ANNOUNCEMENT.**

**THIS ANNOUNCEMENT, INCLUDING THE APPENDIX, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT AND THE APPENDIX DO NOT CONSTITUTE OR CONTAIN ANY INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE TO ANY PERSON TO SUBSCRIBE FOR, OTHERWISE ACQUIRE OR DISPOSE OF ANY SECURITIES OF, THE FULHAM SHORE PLC IN ANY JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 (“MAR”). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN. IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION, THEREFORE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION RELATING TO THE COMPANY AND ITS SECURITIES.**

**06 August 2020**

**The Fulham Shore PLC**  
**("Fulham Shore", the "Company" or the "Group")**

**Trading update, new and revised £25.75 million bank facilities and proposed equity fundraise to raise £2.25 million**

## **Highlights**

### *Trading update*

- The majority of Franco Manca restaurants (49 of 51) and The Real Greek restaurants (14 of 18) have now re-opened, serving customers through a combination of dine-in, takeaway, click and collect and delivery – early signs in both businesses are promising.
- Since 4 July 2020, when dine-in started to recommence, Group sales have risen week on week.
- Due to social distancing requirements, the Board estimates that re-opened restaurants can operate at approximately 60 to 70 per cent of their previous dine-in capacity – this reduction in capacity has to some extent been compensated by an increase in delivery and takeaway sales.
- Effective cost saving measures implemented include rent reductions, deferrals and waivers negotiated with many landlords. Constructive dialogue with others is ongoing.
- One new Franco Manco pizzeria, next to the Old Vic near Waterloo station, due to open in September.

### *New banking arrangements and proposed Fundraise*

- The Fundraise and the New Facilities will position the Group on a sound financial footing, enabling it to continue its policy of best value menu pricing and providing substantial headroom over current net debt.

- Revision to and extension of existing RCF and new CLBIL facility provides the Company with £25.75 million of debt facilities.
- Proposed equity fundraise of £2.25 million at a price of 6.25 pence per share.
- Issue Price represents a 2 per cent. premium to the closing mid-market share price on 5 August 2020.
- Placing to be undertaken by way of an accelerated bookbuild, launching immediately.
- The Directors are all intending to subscribe for shares in the Fundraise for an aggregate amount of approximately £600,000.

## **Introduction**

Fulham Shore today provides a trading update and announces that it has entered into a new £10.75 million debt facility and agreed new terms for its existing £15 million banking facilities.

In addition, the Company intends to conduct a non-pre-emptive equity fundraise to raise gross proceeds of £2.25 million through the issue of New Ordinary Shares via a Placing and Subscription at an Issue Price of 6.25 pence per share. The Placing Shares will be offered by way of an accelerated bookbuild process (the "Bookbuild"), which will be launched immediately following this announcement, further details of which are set out below.

The Company has today entered into a Placing Agreement with Allenby Capital pursuant to which Allenby Capital is acting as broker and bookrunner in respect of the Placing and Bookbuild. The Placing is subject to the terms and conditions set out in the Appendix to this announcement (which forms part of this announcement, such announcement and its Appendix together being the "Announcement").

The Directors of the Company intend to subscribe for approximately £600,000 of Subscription Shares at the Issue Price pursuant to the Subscription.

Capitalised terms used in this Announcement and not separately defined shall have the meaning given to them in the Definitions section at the end of the Announcement.

## **Trading update and reasons for the Fundraise**

The Company announced on 23 March 2020 the temporary closure of the majority of its Franco Manca and The Real Greek restaurants, following direct instruction from the UK Government in relation to the COVID-19 pandemic. The Company also announced at that time that, as a result of decelerating trading in February and March 2020, it anticipated that the Company's results for the financial year ended 29 March 2020 would be marginally behind market expectations and this guidance remains unchanged.

Since the temporary closure of the restaurants in March, costs were reduced to a minimum and all but basic capital expenditure was halted in order to manage cash flow. To conserve further the Company's cash resources, all Directors of the Company and certain members of the senior management team agreed to waive 20 per cent of remuneration due to them with effect from 1 April 2020 and until such time as the majority of the Company's restaurants were back open and trading. The Company has also negotiated reductions, deferrals and waivers in relation to rent payable during this period with many of its landlords. The Company is continuing this process of constructive dialogue with the remainder of its landlords.

Since 4 July 2020, the date from which the UK Government determined that restaurants could reopen to serve dine-in customers if safe to do so, the Company has undertaken a gradual reopening of its restaurants. As at today's date, the majority of Franco Manca restaurants (49 of 51) and The Real Greek restaurants (14 of 18) have now re-opened, serving customers through a combination of dine-in, takeaway, click and collect and delivery services, including through Deliveroo and Uber Eats.

The Company remains focused on ensuring that its restaurants comply with the UK Government's health and safety guidance, including appropriate social distancing and the installation of protective

screens, hand sanitisers and signage in all restaurants. In addition, Franco Manca has introduced a bespoke intelligent virtual queue system to enable its customers to queue safely. The health and wellbeing of the Group's team members, customers and partners is paramount, and the Company will continue to adhere to Government guidance.

Due to social distancing requirements, the Board estimates that the re-opened restaurants will be capable of operating at approximately 60 to 70 per cent of their previous dine-in capacity. However, the reduced dine-in capacity has to some extent been compensated by an increase in delivery and takeaway sales. About 9 per cent. of the Group's restaurants will not be re-opened to dine-in customers until office workers and theatre-goers return to these locations, namely in the City and the West End of London. The continued closure of these restaurants is expected to negatively impact the Group's financial performance in the current financial year.

Trading at the Group's re-opened restaurants has started gradually, and the early signs in both businesses are promising. In the four weeks since 6 July 2020, like-for-like restaurant sales at reopened sites were approximately 72 per cent. of the equivalent weeks in the previous year.

The Group has shared approximately half the benefit of the new six month reduction in VAT on food with its customers. In addition, both Franco Manca and The Real Greek will be participating in the Government's Eat Out to Help Out initiative, where customers will enjoy a 50 per cent. discount (up to £10 per person) when dining from Monday to Wednesday in August. Both these measures are expected to have a positive impact on the Group's trading as sales rebuild to pre-COVID-19 levels.

The UK Government's help has been invaluable - the furlough scheme, together with the hospitality business rates relief, the Retail, Hospitality and Leisure Grant Fund and VAT deferral and reduction, have meant the difference between survival and failure for many companies in the hospitality sector. However, as the situation is ever-changing, in the Board's opinion there is still little certainty around the duration of the COVID-19 impact on the Group and, more widely for the sector, when and how many restaurants will re-open for dine-in across the UK.

The Directors therefore consider it prudent to take the opportunity to conduct the Fundraise and for the Company to enter into the New Facilities (details of which are set out below), which will together strengthen the Group's balance sheet and provide additional working capital. The Group's net debt as of 5 August 2020 was £8.9 million. As detailed further below, the new banking arrangements, together with the Fundraise, will give the Company substantial headroom over its current net debt.

Importantly, the Fundraise and the New Facilities will position the Group on a sound financial footing, enabling it to operate as normally as possible and to continue its policy of best value menu pricing. When the business returns to more normal trading conditions, hopefully over the next 12 to 18 months, the Fundraise and the New Facilities are expected to enable the Group to resume its expansion programme and potentially take advantage of attractive opportunities to acquire new sites once the pandemic recedes. The Board believes that lease acquisition prices and rents will be depressed for some time to come and that the Group may benefit as a result both in terms of acquisition opportunities and in respect of its own current operations.

## **Outlook**

Members of the Fulham Shore Board have been in the restaurant business for many years and have seen the effects of the 1979/81, 1989/93, 2001/03 and 2007/08 downturns in the sector. All were driven by poor economic conditions and various social disruptions. The current situation started with an oversupply of restaurants in the UK, followed by the COVID-19 pandemic.

In all of the previous downturns referred to above there were many casualties in the restaurant sector. In the Board's opinion, many of these businesses were those with poor products, overpriced menus and stretched balance sheets, sometimes combined with owners inexperienced in how to run restaurants, control costs and look after cash.

In the aftermath of all the above downturns, many good restaurant businesses survived and came out stronger. With the Company's two highly attractive restaurant businesses, prudent management

approach and reduced debt levels prior to COVID-19, the Directors believe that the Company is firmly in the “survive and prosper” group.

In addition, both Franco Manca’s and The Real Greek’s everyday low pricing policies, combined with high quality ingredients, provide great value for money. These are important factors, which will be particularly attractive to customers whilst household budgets are stretched.

The Company expects to announce its results for the year ended 29 March 2020 in late September 2020.

### **New sites**

The Company had two new Franco Manca locations agreed prior to the COVID-19 lockdown. A new site at The Cut, near to the Old Vic theatre and Waterloo Station in London, is now being built and will open in September. Franco Manca has delayed restarting work at its new Glasgow site on Mitchell Street and now plans to open this pizzeria after March 2021. There are no current plans for new restaurants until the Directors can see how the existing restaurants operate over the rest of the current financial year.

### **New banking facilities**

In light of the current trading environment, the Company has renegotiated its banking arrangements. On 5 August 2020 the Company entered into a conditional facility agreement for an increase in the amount available under its debt facilities with HSBC Bank plc (“HSBC”) and the waiver of certain banking covenants. Under the new arrangements, the term of the Company’s existing £14.25 million revolving credit facility will be extended by 12 months from March 2021 to March 2022 and the Company will increase its banking facilities with HSBC to a total of £25.75 million including the existing £0.75 million overdraft facility (from £15 million). This increase of £10.75 million is provided under the government backed Coronavirus Large Business Interruption Loan Scheme, which has a term of three years, with repayments due over the second and third years of the term.

These new banking arrangements, together with the Fundraise, will give the Company substantial headroom of at least £18 million over its current net debt.

### **Details of the Fundraise**

The Fundraise will comprise 26,140,000 Placing Shares, to be allotted and issued to new and certain existing investors pursuant to the Placing, and 9,816,000 Subscription Shares, to be allotted and issued to the Directors, their associated parties and members of senior management pursuant to the Subscription. The Fundraise is not being underwritten. Members of the public are not entitled to participate in the Fundraise.

Allenby Capital is acting as broker and bookrunner in connection with the Placing. The Bookbuild will commence immediately following the release of this Announcement. The Issue Price of the New Ordinary Shares will be 6.25 pence per share. Details of the allotment and issue of New Ordinary Shares will be announced as soon as practicable after the close of the Bookbuild.

The timing of the closing of the Bookbuild and allocations are at the absolute discretion of Allenby Capital and the Company. The Placing is subject to the terms and conditions set out in the Appendix to this Announcement.

The Issue Price of 6.25 pence per New Ordinary Share equates to a 2 per cent. premium to the mid-market closing price of an Ordinary Share on 5 August 2020, the latest practicable date prior to the date of this Announcement.

The New Ordinary Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing ordinary shares of the Company, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Upon completion of the Fundraise, and assuming that the New Ordinary Shares are subscribed in full pursuant to the Fundraise, the New Ordinary Shares will represent approximately 5.91 per cent. of the Company's issued share capital, as enlarged by the Fundraise.

An application will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. Settlement for the New Ordinary Shares and Admission are expected to take place on or around 8.00 a.m. on 20 August 2020.

By choosing to participate in the Placing and by making an oral and/or written legally binding offer to acquire Placing Shares, investors will be deemed to have read and understood this Announcement in its entirety, including the Appendix, and to be making such offer on the terms and subject to the conditions contained herein and to be making the representations, warranties, undertakings and acknowledgements contained in the Appendix to this Announcement.

### **The Placing Agreement**

Pursuant to the Placing Agreement, Allenby Capital, as agent for the Company, has conditionally agreed to use its reasonable endeavours to procure places for the Placing Shares at the Issue Price.

The Fundraise is conditional on, *inter alia*, Admission becoming effective, the Company raising gross proceeds of £2.25 million pursuant to the Fundraise and the Placing Agreement becoming or declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission.

The Placing Agreement contains customary warranties from the Company in favour of Allenby Capital in relation to (amongst other things) the accuracy of the information in this Announcement and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Allenby Capital and its affiliated entities, persons, and agents in relation to certain liabilities they may incur in undertaking the Fundraise. Allenby Capital has the right to terminate the Placing Agreement in certain limited circumstances prior to Admission, including in the event that there has been a breach of any of the warranties (which Allenby Capital considers to be material in the context of the Placing and/or Admission) or a Material Adverse Change (as defined in the Placing Agreement).

### **Directors' and senior management's intentions to participate in the Fundraise**

As a condition of the increased bank funding through the CLBIL, all of the Directors intend to participate in the Fundraise via the Subscription, as well as certain members of the Group's senior management team, for a total of £613,500 of New Ordinary Shares at the Issue Price.

The details of the Directors' and senior managers' participation in the Subscription and their resulting shareholdings will be announced as soon as practicable after the close of the Bookbuild.

### **Expected timetable**

Announcement of the Fundraise	<b>6 August 2020</b>
Announcement of closing and result of the Bookbuild	<b>6 August 2020</b>
Admission of the New Ordinary Shares to trading on AIM	<b>20 August 2020</b>

For further information, please contact:

#### **The Fulham Shore PLC**

David Page

[www.fulhamshore.com](http://www.fulhamshore.com)

via Hudson Sandler

#### **Allenby Capital Limited**

Nick Naylor / Jeremy Porter / James Reeve (Corporate Finance)

Jos Pinnington / Tony Quirke (Equity sales)

#### **Hudson Sandler - Financial PR**

Alex Brennan / Lucy Wollam

Tel: 020 3328 5656

[fulhamshore@hudsonsandler.com](mailto:fulhamshore@hudsonsandler.com)

Telephone: 020 7796 4133

## **Notes for editors**

### **Information on The Fulham Shore PLC**

Fulham Shore was incorporated in March 2012. The Directors believed that there were attractive investment opportunities within the restaurant sector in the UK and that, given their collective experience in the restaurant sector, they could take advantage of the opportunities which existed.

The ordinary shares of the Company were admitted to trading on AIM in October 2014 in order to capitalise on such opportunities and to give the company employees, customers and public the ability to share in the enterprise.

Today, Fulham Shore owns and operates "The Real Greek" ( [www.therealgreek.com](http://www.therealgreek.com) ) and "Franco Manca" ( [www.francomanca.co.uk](http://www.francomanca.co.uk) ) restaurants.

### **The Real Greek**

Since its foundation in London in 1999, The Real Greek group has grown steadily, now offering modern Greek cuisine in 18 restaurants (14 of which have so far reopened) across London and Southern England.

The Real Greek food centres on the delicious, healthy diet of the Eastern Mediterranean, staying true to the Greek ethos of food, family and friends. Dishes are created using premium ingredients sourced from Greece and Cyprus whenever possible, and developed by Tonia Buxton, the face of Greek food in the UK.

The Real Greek's menu and atmosphere retain the spirit of eating in Greece, encouraging diners to take their time eating amongst friends and family, be it a relaxed dinner, family get-together, or a fully catered party.

### **Franco Manca**

Franco Manca opened its first restaurant in 2008 and now has 51 restaurants (49 of which have so far reopened), primarily in London, but also with restaurants across the UK (e.g. Edinburgh, Manchester, Leeds, Cambridge, Bath, Oxford and Bristol). Franco Manca also has a franchised pizzeria on the island of Salina in Italy.

Franco Manca's pizza is made from slow-rising sourdough and is baked in an oven that produces high heat. The slow levitation and blast cooking process lock in the flour's natural aroma and moisture, giving a soft and easily digestible crust. Where possible, locally sourced and organic ingredients are used. Pizza prices start from £5.20.

Franco Manca has received the following accolades:

Winner of the Casual Dining Best Family Dining Experience Award 2020

Winner of the R200 Best Value Restaurant Operator- Over 20 Sites Award 2019 and 2017

Winner of the CGA Peach Hero and Icon Awards Best Concept award 2016

## **IMPORTANT NOTICES**

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Allenby Capital or by any of their affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

This Announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company. In particular, the Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa, Japan or New Zealand and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, Japan or New Zealand.

The distribution or transmission of this Announcement and the offering of the Placing Shares in certain jurisdictions other than the UK may be restricted or prohibited by law or regulation. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken by the Company that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company to inform themselves about, and to observe, such restrictions. In particular, this announcement may not be distributed, directly or indirectly, in or into the United States, Canada, the Republic of South Africa, Australia, Japan or New Zealand. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "ANNOUNCEMENT") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN THE UNITED KINGDOM OR A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO EITHER (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") (INVESTMENT PROFESSIONALS); (B) FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS OR OTHER PERSONS FALLING WITHIN ARTICLE 49(2)(A) OF THE ORDER); OR (C) PERSONS TO WHOM IT MAY LAWFULLY OTHERWISE BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT AND THE INFORMATION IN IT ARE FOR INFORMATION PURPOSES ONLY AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

This Announcement includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in

which the Company will operate in the future. These forward-looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

Allenby Capital, which is authorised and regulated by the FCA in the United Kingdom, is acting as Bookrunner, Broker and nominated adviser to the Company for the purposes of the AIM Rules for Companies in connection with the Placing and Admission and, as nominated adviser, its responsibilities are owed solely to the London Stock Exchange and are not owed to the Company and the Directors or to any other person or entity. Allenby Capital will not be responsible to any person other than the Company for providing the protections afforded to clients of Allenby Capital or for providing advice to any other person in connection with the Placing or any acquisition of shares in the Company.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the 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 the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, investors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; New Ordinary Shares offer no guaranteed income and no capital protection; and 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 Fundraise. Furthermore, it is noted that, notwithstanding the Target Market Assessment, only investors who have met the criteria of professional clients and eligible counterparties have been procured. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

### **DEFINITIONS**

The following terms apply throughout this Announcement unless the context requires otherwise:

<b>“Admission”</b>	admission of the New Ordinary Shares to trading on AIM becoming effective
<b>“Affiliate”</b>	a person controlling, controlled by or under common control with that person

<b>“Allenby Capital”</b>	Allenby Capital Limited, the Company’s nominated adviser and broker and bookrunner for the Placing
<b>“Allenby Capital Person”</b>	any person being Allenby Capital, its Affiliates or its and their respective directors, officers, agents or employees (in each case whether present or future)
<b>“Announcement”</b>	this announcement
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“Bookbuild”</b>	the accelerated bookbuild process to be launched immediately following the release of this Announcement and conducted by Allenby Capital to determine demand for the Placing Shares at the Issue Price
<b>“CLBIL”</b>	Coronavirus Large Business Interruption Loan Scheme
<b>“Company” or “Group”</b>	The Fulham Shore plc
<b>“Enlarged Share Capital”</b>	the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares
<b>“Fundraise”</b>	together, the Placing and the Subscription
<b>“Issue Price”</b>	6.25 pence per New Ordinary Share
<b>“New Facilities”</b>	the £10.75 million CLBIL facility entered into on 5 August 2020 and the revised revolving credit and overdraft facilities
<b>“New Ordinary Shares”</b>	the 36,000,000 new Ordinary Shares to be issued pursuant to the Fundraise
<b>“Ordinary Shares”</b>	ordinary shares of 1 penny each in the capital of the Company
<b>“Placees”</b>	subscribers for Placing Shares pursuant to the Placing
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Issue Price by Allenby Capital pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 5 August 2020 between the Company and Allenby Capital in relation to the Placing
<b>“Placing Shares”</b>	the 26,184,000 New Ordinary Shares to be issued pursuant to the Placing
<b>“RCF”</b>	revolving credit facility
<b>“Subscription”</b>	the proposed subscription direct with the Company for the Subscription Shares at the Issue Price
<b>“Subscription Shares”</b>	the 9,816,000 New Ordinary Shares to be issued pursuant to the Subscription

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### For Invited Placees only - Important Information

## 1. Introduction

**THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE TERMS AND CONDITIONS CONTAINED HEREIN, (TOGETHER, THIS "ANNOUNCEMENT") IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, CANADA, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA, JAPAN, NEW ZEALAND OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) COMES ARE REQUIRED BY THE COMPANY AND ALLENBY CAPITAL TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.**

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN THE UNITED KINGDOM AND MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 ("QUALIFIED INVESTORS"); AND (B) PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (C) ARE PERSONS WHO ARE OTHERWISE LAWFULLY PERMITTED TO RECEIVE IT WITHOUT REQUIRING THE COMPANY TO ISSUE A PROSPECTUS APPROVED BY COMPETENT REGULATORS (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C), TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.**

**THE CONTENT OF THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED). RELIANCE ON THIS ANNOUNCEMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.**

**EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION FOR OR PURCHASE OF THE PLACING SHARES.**

**THE PLACING SHARES 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 JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES 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. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.**

**This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.**

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Bookbuild and the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

**Members of the public are not eligible to take part in the Placing.**

In this Appendix:

- (a) "you" or "Placee" means any person who becomes committed through the Bookbuild to subscribe for Placing Shares; and
- (b) terms defined elsewhere in this Announcement have the same meanings, unless the context requires otherwise.

Various dates referred to in this Announcement are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. References to time in this Announcement are to London time, unless otherwise stated.

It is expected that Admission of the Placing Shares will occur on 20 August 2020, or, in any case, by such later time and/or date as the Company and Allenby Capital may agree, being not later than 3 September 2020 (**Long Stop Date**).

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

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

**2. Details of the Placing**

Allenby Capital has today entered into the Placing Agreement with the Company pursuant to which, subject to the conditions set out in such agreement, it has agreed, as agent for and on behalf of the Company, to use its reasonable endeavours to procure Placees for the Placing Shares at the Issue Price with certain institutional and other investors.

No element of the Placing is underwritten.

The Placing of the Placing Shares is conditional upon the Placing Agreement becoming unconditional in all respects.

The Placing Shares will, when issued, be subject to the articles of association of the Company, be credited as fully paid and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared or made following Admission.

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM. Admission is conditional upon, amongst other things, the conditions in the Placing Agreement being satisfied and the Placing Agreement not having been terminated in accordance with its terms. It is expected that Admission will occur at 8.00 a.m. on 20 August 2020 and that dealings in the Placing Shares will commence at that time.

### **3. Bookbuild**

Allenby Capital is proceeding with a share placing bookbuild process for the purpose of assessing demand from institutional and other investors for subscribing for the Placing Shares and determining the Issue Price and the Company then issuing those shares under the Placing to raise together with funds raised pursuant to the Subscription approximately £2.25 million for the Company before expenses.

Allenby Capital is acting as the Company's agent in respect of the Bookbuild.

The Bookbuild is expected to close by midday today, but may be closed earlier or later subject to the agreement of Allenby Capital and the Company. The Company will then release an announcement through the London Stock Exchange's Regulatory Information Service confirming the Issue Price, the number of Placing Shares to be issued and the amount to be raised under the Placing. Allenby Capital will determine the basis for allocating Placing Shares to bids submitted to it in the Bookbuild and may at its discretion (i) accept bids, either in whole or in part, (ii) accept bids that are received after the Bookbuild has closed, and/or (iii) scale down all or any bids on such basis as it considers appropriate. Allenby Capital may carry out the Placing by any alternative method to the Bookbuild as it chooses. Neither Allenby Capital nor any other Allenby Capital Person will have any liability to Placees (subject to applicable law) or to anyone else other than the Company in respect of the Placing or in respect of its conduct of the Bookbuild or of any alternative method that they may adopt for carrying out the Placing.

The Company and Allenby Capital may, by agreement with each other, increase the amount to be raised through the Placing. The Company also reserves the right to allow officers of the Company and/or Group employees to subscribe for some of the Placing Shares at the Issue Price, with Allenby Capital's agreement, on substantially the same or similar terms as apply to other Placees subscribing for shares under the Placing.

### **4. Participation and settlement**

**Participation in the Bookbuild is only available to persons who are invited to participate in it by Allenby Capital.**

If you are invited to participate in the Bookbuild and wish to do so, you should communicate your bid by telephone to your usual broking contact at Allenby Capital. Each bid should state the number of Placing Shares which you wish to subscribe for at the Issue Price. If your bid is successful, in whole or in part, your allocation will be confirmed orally following the close of the Bookbuild. Oral confirmation of your allocation by Allenby Capital will constitute a legally binding commitment on your part to subscribe for the number of Placing Shares allocated to you at the Issue Price on the terms and subject to the conditions set out or referred to in this Appendix and subject to the Company's articles of association.

**A person who submits a bid in the Bookbuild will not be able, without the agreement of Allenby Capital, to vary or revoke the bid before the close of the Bookbuild. Such a person will not be able, after the close of the Bookbuild, to vary or revoke a submitted bid in any circumstances.**

If you are allocated Placing Shares in the Bookbuild, you will be sent a written confirmation stating (i) the number of Placing Shares allocated to you, (ii) the aggregate amount you will be required to pay for those Placing Shares at the Issue Price, (iii) relevant settlement information, and (iv) settlement instructions. Settlement instructions will accompany each written confirmation and, on receipt, should be confirmed back to Allenby Capital by the date and time stated in it. Settlement of transactions in the Placing Shares will take place within the CREST system, subject to certain exceptions, on a "delivery versus payment" (or "DVP") basis. Allenby Capital reserves the right to require settlement for and/or

delivery to any Placee of any Placing Shares to be made by such other means as it may deem appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement. If your Placing Shares are to be delivered to a custodian or settlement agent, you should ensure that the written confirmation is copied and delivered promptly to the appropriate person within that organisation.

Each Placee's obligations to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and Allenby Capital. No commissions will be paid to or by Placees in respect of their agreement to subscribe for any Placing Shares.

**Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this Announcement and on the terms contained in it. No admission document for the purposes of the AIM Rules nor any prospectus is required to be published, or has been or will be published, in relation to the Placing or the Placing Shares.**

## **5. Placing conditions**

Under the terms of the Placing Agreement, the Allenby Capital has agreed, as agent for and on behalf of the Company, to use its reasonable endeavours to procure Placees for Placing Shares at the Issue Price.

The Placing is conditional on *inter alia* (i) Allenby Capital's obligations under the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, (ii) the Company receiving irrevocable and binding commitments from Placees and Subscribers in order to raise in aggregate not less than £2,250,000 pursuant to the Fundraise; and (iii) the Company having entered into the amended and restated facility agreement with HSBC Bank plc in relation to the New Facilities and all conditions under such agreement having been satisfied (save for any condition relating to Admission); and (iv) Admission taking place not later than 8.00 a.m. on 20 August 2020 or such later date (being not later than the Long Stop Date) as the Company and Allenby Capital may agree. Allenby Capital may extend the time and/or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 8.00 a.m. on the Long Stop Date. If any such condition is not fulfilled (and, if capable of waiver under the Placing Agreement, is not waived by Allenby Capital) by the relevant time, the Placing will lapse and your rights and obligations in respect of the Placing will cease and terminate at such time (save in respect of accrued rights and obligations).

Allenby Capital may terminate the Placing Agreement prior to Admission in certain circumstances including, *inter alia*, following a material breach of the Placing Agreement by the Company. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by Allenby Capital whether or not to extend the time for satisfaction of any condition in the Placing Agreement are within Allenby Capital's absolute discretion (as is the exercise of any right or power of Allenby Capital under the terms of this Appendix). Allenby Capital will have no liability to you or to anyone else in respect of any such termination, waiver or extension or any decision to exercise or not to exercise any such right of termination, waiver or extension.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

## **6. Placees' warranties and undertakings**

By communicating a bid to Allenby Capital under the Bookbuild you will irrevocably acknowledge and confirm and warrant and undertake to, and agree with, each of the Company and Allenby Capital, in each case as a fundamental term of your application for Placing Shares, that:

- (a) you agree to and accept all the terms set out in this Announcement;
- (b) your rights and obligations in respect of the Placing will terminate only in the circumstances referred to in this Announcement and will not be subject to rescission or termination by you in any circumstances;

- (c) your obligations under the Placing are valid, binding and enforceable and that you have all necessary capacity and authority, and have obtained all necessary consents and authorities to enable you to commit to participation in the Placing and to perform your obligations in relation thereto and will honour its obligations;
- (d) this Announcement, which has been issued by the Company, is within the sole responsibility of the Company;
- (e) you have not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of its Group in connection with the Placing, other than by the Company as included in this Announcement or to the effect that the Company is not now in breach of its obligations under the London Stock Exchange's AIM Rules for Companies or under the EU Market Abuse Regulation (596/2014) to disclose publicly in the correct manner all such information as is then required to be so disclosed by the Company;
- (f) you have not relied on any representation or warranty in reaching your decision to subscribe for Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (g) you are not a client of Allenby Capital in relation to the Placing and Allenby Capital is not acting for you in connection with the Placing and will not be responsible to you in respect of the Placing for providing protections afforded to its clients;
- (h) you have not been, and will not be, given any warranty or representation by Allenby Capital or any Allenby Capital Person in relation to any Placing Shares, the Company or any other member of its Group and neither Allenby Capital nor any Allenby Capital Person will have any liability to you for any information contained in this Announcement, the content of which is exclusively the responsibility of the Company, or which has otherwise been published by the Company or for any decision by you to participate in the Placing based on any such information or on any other information provided to you;
- (i) you will pay the full subscription sum at the Issue Price as and when required in respect of all Placing Shares finally allocated to you and will do all things necessary on your part to ensure that payment for such shares and their delivery to you or at your direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that you have in place with Allenby Capital or that you put in place with Allenby Capital;
- (j) should any stamp duty or stamp duty reserve tax be payable on a Placee's subscription of shares under the Placing, this will be to the account of the Placee and neither the Company nor Allenby Capital will be responsible in respect thereof and if any such person is obliged by law to pay any such tax, they shall be entitled to recover it from the Placee;
- (k) you are permitted to subscribe for Placing Shares in accordance with the laws of all relevant jurisdictions which apply to you and you have complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by The Money Laundering and Terrorist Financing (Amendment) Regulations 2019)) and have obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and you will provide promptly to each of Allenby Capital and the Company such evidence, if any, as to the identity or location or legal status of any person which either of Allenby Capital or the Company may request from you (for the purpose of its complying with any such laws or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by either of Allenby Capital or the Company on the basis that any failure by you to do so may result in the number of Placing Shares that are to be allotted and/or issued to you

or at your direction pursuant to the Placing being reduced to such number, or to nil, as Allenby Capital and the Company may decide;

- (l) you have complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (**FSMA**) with respect to anything done or to be done by you in relation to any Placing Shares in, from or otherwise involving the United Kingdom and you have not made or communicated or caused to be made or communicated, and you will not make or communicate or cause to be made or communicated, any “financial promotion” in relation to Placing Shares in contravention of section 21 of FSMA;
- (m) you are a Relevant Person or a person to whom this Announcement may otherwise be lawfully communicated;
- (n) in the case of a Relevant Person who acquires any Placing Shares pursuant to the Placing acquired by it as a financial intermediary, as that term is used in Article 5(1) of Regulation (EU) 2017/1129, known as the “Prospectus Regulation”, it represents and warrants that:
  - (i) the Placing Shares acquired by it in the Placing will not be and have not been acquired on behalf of, nor will they be or have they been acquired with a view to their offer or resale to, persons other than Relevant Persons or in circumstances in which the prior consent of Allenby Capital has been given to the offer or resale; or
  - (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom or any member state of the EEA other than Relevant Persons, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (o) you are acting as principal only in respect of the Placing or, if you are acting for any other person (i) you are duly authorised to do so, (ii) you are and will remain liable to the Company and/or Allenby Capital for the performance of all your obligations as a Placee in respect of the Placing (regardless of the fact that you are acting for another person), (iii) you are both an “authorised person” for the purposes of FSMA and a “qualified investor” as defined at Article 2(e) of the Prospectus Regulation acting as agent for such person, and (iv) such person is either (1) a FSMA qualified investor or (2) a “client” (as defined in section 86(2) of FSMA) of yours that has engaged you to act as his agent on terms which enable you to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- (p) where you are acquiring Placing Shares for one or more managed accounts, you represent and warrant that you are authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgments, undertakings and agreements in this Announcement; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by Allenby Capital;
- (q) nothing has been done or will be done by you in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the UK Prospectus Regulation Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (r) you will not treat any Placing Shares in a manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of your participation in the Placing will contravene any legislation applicable in any territory or jurisdiction or cause the Company or Allenby Capital to contravene any such legislation;
- (s) (in this paragraph “US person” and other applicable terms have the meanings that they have in Regulation S made under the Securities Act) (i) none of the Placing Shares have been or will be registered under that Act or under the securities laws of any State of or other jurisdiction

within the United States, (ii) subject to certain exceptions, no Placing Shares may be offered or sold, resold, or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US person, (iii) you are (unless otherwise expressly agreed with Allenby Capital) neither within the United States nor a US person, (iv) you have not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (v) neither you, your affiliates, nor any persons acting on your behalf, have engaged or will engage in any directed selling efforts with respect to the Placing Shares, (vi) you will not be subscribing Placing Shares with a view to resale in or into the United States, and (vii) you will not distribute this Announcement or any offering material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;

- (t) Allenby Capital may satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other Allenby Capital Person or any person associated with any Allenby Capital Person to do so or by allowing officers of the Company and/or Group employees to subscribe for Placing Shares under the Placing at the Issue Price;
- (u) time is of essence as regards your obligations under this Appendix;
- (v) this Appendix and any contract which may be entered into between you and Allenby Capital and/or the Company pursuant to this Appendix or the Placing, and all non-contractual obligations arising between you and Allenby Capital and/or the Company in respect of the Placing, will be governed by and construed in accordance with the laws of England, for which purpose you submit (for yourself and on behalf of any person on whose behalf you are acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and Allenby Capital will have the right to bring enforcement proceedings in respect of any judgment obtained against you in the English courts or in the courts of any other relevant jurisdiction;
- (w) each right or remedy of the Company or Allenby Capital provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy;
- (x) any document that is to be sent to you in connection with the Placing will be sent at your risk and may be sent to you at any address provided by you to any of Allenby Capital;
- (y) if you have received any confidential price sensitive information about the Company in advance of the Placing, you have not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
- (z) you irrevocably appoint any duly authorised officer of Allenby Capital as your agent for the purpose of executing and delivering to the Company and/or its registrars any documents on your behalf necessary to enable you to be registered as the holder of any of the Placing Shares for which you agree to subscribe upon the terms of this Announcement;
- (aa) by participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Allenby Capital and each Allenby Capital Person harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by any of Allenby Capital, any Allenby Capital Person, or the Company arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing; and

- (bb) you acknowledge that the Company and Allenby Capital will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

## **7. Payment default**

Your entitlement to receive any Placing Shares will be conditional on Allenby Capital's receipt of payment in full for such shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Allenby Capital may decide, and otherwise in accordance with that confirmation's terms. Allenby Capital may waive this condition, and will not be liable to you for any decision to waive it or not.

If you fail to make such payment by the required time for any Placing Shares (i) the Company may release itself, and (if it decides to do so) will be released from, all obligations it may have to allot and/or issue any such Placing Shares to you or at your direction which are then unallotted and/or unissued, (ii) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its articles of association or by law and to the extent that you then have any interest in or rights in respect of any such shares, (iii) the Company or Allenby Capital may sell (and each of them is irrevocably authorised by you to do so) all or any of such shares on your behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Allenby Capital (A) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares and (B) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale and (iv) you will remain liable to the Company and to Allenby Capital for the full amount of any losses and of any costs which it may suffer or incur as a result of it (A) not receiving payment in full for such Placing Shares by the required time, and/or (B) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Allenby Capital for value by the required time referred to above at the rate of two percentage points above the base rate of National Westminster Bank plc.

## **8. Overseas jurisdictions**

The distribution of this Announcement and the offering and/or issue of shares pursuant to the Placing in certain jurisdictions is restricted by law. FSMA qualified investors who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this document does not constitute or form part of any offer or invitation, nor a solicitation of any offer or invitation, to subscribe for or acquire or sell or purchase or otherwise deal in Ordinary Shares in the United States, Canada, Japan, the Republic of South Africa, Australia or New Zealand or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful. The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any State of or other jurisdiction within the United States and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly, in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under that Act). No public offering of Placing Shares is being or will be made in the United States.