

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

The Fulham Shore PLC

Unaudited interim results for the six months ended 27 September 2020

The Directors of The Fulham Shore PLC ("Fulham Shore", the "Company" or the "Group") are pleased to announce unaudited interim results for the six months ended 27 September 2020.

Financial Highlights

- Revenues decreased 44.9% to £19.9m (2019: £36.0m) as a result of national lockdown restrictions
- Headline EBITDA* of £3.7m (2019: £8.4m)
- Operating loss of £3.0m (2019: profit of £2.1m)
- Loss after tax of £3.9m (2019: profit of £0.4m)
- Operating cash inflow of £6.3m (2019: £9.4m)
- Raised further funds of £2.25m (before expenses) from an equity placing and subscription
- Agreed a new loan facility of £10.75m under the UK Government's CLIBIL scheme
- Extended the maturity date of the existing RCF loan facility by 12 months to March 2022
- Net debt (excluding lease liabilities) of £3.3m (2019: £8.8m); down from £9.5m as at 29 March 2020

* Definition of Headline EBITDA can be found in note 3 to the unaudited interim financial information.

Operational Highlights

- Restaurants across UK closed by UK Government for dine-in customers from 23 March 2020 to 4 July 2020
- Delivery and takeaway operations partially mitigated losses in the first quarter
- Opened 1 new Franco Manca pizzeria on The Cut, Waterloo, London
- Post the period end:
 - 1 further Franco Manca (to 53 operated) opened located at Borough Market, London
 - 1 further The Real Greek (to 19 operated) opened in The Lexicon, Bracknell
 - Restaurants in England closed by UK Government for dine in customers from 5 November 2020 to 2 December 2020
 - As at 17 December 2020, the Group had net debt (excluding lease liabilities) of £3.7m with undrawn debt facility of £11.5m out of total facilities of £25.75m

David Page, Chairman of Fulham Shore, said:

"We are pleased to have delivered a creditable performance during the first half of the current financial year despite all Franco Manca and The Real Greek restaurants being closed to dine-in customers for more than half the period. The Group generated positive Headline EBITDA during the second quarter (July to September) reflecting the popularity of our businesses and their great value proposition.

This performance was driven by the ability of our teams at both Franco Manca and The Real Greek to adapt quickly to the continuing changes implemented by the UK Government in their response to COVID-19. We continue to explore new opportunities and are encouraged by the positive customer response to our recently launched Franco Manca and The Real Greek "Meal at Home" kits and new e-gift cards, both of which were launched during the November lockdown.

The ongoing damage to the property and restaurant sectors will allow us to prospect for new sites at much reduced rents and lower capital costs per site. As such, over the next few years and once normal trading conditions return, we will target a higher return on capital than we have historically achieved.

Following the period end, on 5 November 2020 most of our restaurants closed again to dine-in customers following the UK Government's second national lockdown. These restaurants were then permitted to re-open on 2 December 2020 to dine-in customers, with certain restrictions. However, as at the date of this report and from 16 December 2020, the majority of our estate is once again closed to dine-in customers as London entered Tier 3 restrictions, while Surrey and Berkshire will enter Tier 3 restrictions from 19 December 2020. The situation is fluid and changes frequently and with little notice.

Despite the near-term uncertainty, the Board remains confident in the long-term strength of the Group and believes it is well positioned to both deliver strategic growth and capitalise on opportunities as a sense of normality resumes.”

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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's employees, customers and public the ability to share in the enterprise.

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

The Real Greek

Since its foundation in London in 1999, The Real Greek business has grown steadily, now offering modern Greek cuisine in 19 restaurants 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 53 restaurants, primarily in London, but also with restaurants across the UK (e.g. Edinburgh, Manchester, Leeds, Cambridge, Birmingham, Brighton, Bristol and Exeter). 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

Chairman's statement

Introduction

I am pleased to announce the unaudited interim results for the six months ended 27 September 2020 (the "Half Year") for Fulham Shore.

The Group has had an eventful first half of the financial year.

During the Half Year, revenue decreased by 44.9% to £19.9m (2019: £36.0m) as the Group's restaurants closed completely for a month during lockdown and subsequently only traded in a limited number of locations through takeaway and delivery services.

Trading performance

Headline EBITDA* decreased to £3.7m (2019: £8.4m). Our Headline EBITDA** for the Half Year under IAS 17 rather than IFRS 16 would have been £0.0m (2019: £5.0m). During the Half Year, we opened 1 new restaurant (2019: 7) in The Cut, Waterloo, London, leading to pre-opening costs of £0.1m (2019: £0.5m). As a result of the ongoing financial difficulties at Debenhams, we have prudently recognised an impairment charge of £0.5m (2019: £Nil) against property, plant and equipment of the one remaining Franco Manca located as a concession within a Debenhams store.

Strategic progress

In light of the global pandemic, we are pleased to have delivered a creditable performance during the first half of the current financial year. Our second quarter (July to September) generated Headline EBITDA mitigating much of the losses made in the first quarter, when our restaurants were either fully closed or closed to dine-in customers.

This performance and recovery were driven by the ability of our teams at both Franco Manca and The Real Greek to adapt quickly to the continuing instructions directed towards us by the UK Government in their response to COVID-19. We continue to explore new opportunities and are encouraged by the positive customer response to our recently launched Franco Manca and The Real Greek "Meal at Home" kits and new e-gift cards, both of which were launched during the November lockdown.

The safety of all customers and staff has been our top priority since the onset of COVID-19, and to that end we have invested heavily in PPE, screens, outside seating areas and other public safety procedures, which we believe our customers have appreciated. Whenever allowed to by the UK Government, our customers have returned to us in great numbers, demonstrating the strength of our brand and loyalty of our expanding customer base.

We have, during the Half Year, benefited from certain UK Government support schemes including, amongst others, the Coronavirus Job Retention Scheme ("CJRS"), Coronavirus Large Business Interruption Loan Scheme ("CLBILS"), VAT deferral, hospitality business rates relief at applicable locations and the Eat Out to Help Out Scheme.

Cash flow

During the period, the Group generated positive cash inflow from operating activities of £6.3m (2019: £9.4m).

The Group reduced its capital expenditure during the national lockdown, investing £0.6m (2019: £4.6m), the majority of which was utilised for one new restaurant opening.

During the Half Year, the Group increased its banking facilities with HSBC by agreeing a £10.75m additional facility issued under the Coronavirus Large Business Interruption Loan Scheme. Fulham Shore further raised £2.25m (before expenses) from the issue of 36,000,000 new ordinary shares. These new funds, together with the new banking facilities, have given the Group substantial headroom over its net debt at a time of uncertainty of the ongoing impact from COVID-19.

Overall, net cash inflow for the period was a positive £13.0m (2019: net cash inflow of: £0.1m) due primarily to the drawdown of new bank loan facilities and the proceeds of the equity fundraise in August 2020. As at 27 September 2020, Group net debt (excluding lease liabilities recognised under IFRS 16) was £3.3m (2019: £8.8m), down from £9.5m as at 29 March 2020.

Dividends

No dividends are being proposed by the Board in line with its policy that, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so.

Current trading and outlook

Following the Half Year, on 5 November 2020 most of our restaurants closed again to dine-in customers following the UK Government's second national lockdown, although takeaway and delivery services continued in most of our restaurants. Most of our restaurants were then permitted to re-open on 2 December 2020 to dine-in customers, with certain restrictions. However, as at the date of this report and from 16 December 2020, the majority of our estate is once again closed to dine-in customers as London entered Tier 3 restrictions, while Surrey and Berkshire will enter Tier 3 restrictions from 19 December 2020. The situation is fluid and changes frequently and with little notice.

In Tier 3, we are continuing to offer delivery and takeaway services in the majority of our affected restaurants. From tomorrow, Fulham Shore will have: Tier 3 – 58 restaurants (of which 7 are temporarily fully closed); Tier 2 (or equivalent) - 12 restaurants; Tier 1 – 0 restaurants; and closed possibly until Spring 2021 – 2 restaurants.

As at 17 December 2020, the Group had net debt (excluding lease liabilities) of £3.7m with undrawn debt facility of £11.5m (increased from £7.5m as at 27 September 2020) out of total facilities of £25.75m. Our post Half Year trading, despite a second lockdown, and our significant debt headroom continue to demonstrate the Group's ability to emerge from this period as a successful survivor in an albeit reduced UK restaurant sector.

Since the end of the Half Year, we have taken advantage of the current property market and opened two new restaurants: a Franco Manca next to Borough Market, London, and a further The Real Greek in the Lexicon shopping centre in Bracknell, Berkshire.

This brings the current group total to 72 restaurants in the UK, comprising 53 Franco Manca (49 currently trading) and 19 The Real Greek (14 currently trading). We hope to reopen 7 of our restaurants when Central London comes out of Tier 3 restrictions and our Franco Manca in Aldwych and The Real Greek on the Strand as footfall in the London's West End improves in the new year.

The ongoing damage to the property and restaurant sectors will allow us to prospect for new sites at much reduced rents and with lower capital costs per site. The two restaurants we have recently opened cost us less than half of the typical outlay of a year ago.

As such, over the next few years and once normal trading conditions return, we will target a higher return on capital than we have historically achieved.

We are close to agreeing terms on further sites due to open in calendar year 2021 in London and around the UK for both of our businesses, and look forward to welcoming new customers through our doors when we are able to do so.

Despite the near-term uncertainty, the Board remains confident in the long-term strength of the Group and believes it is well-positioned to both deliver strategic growth and capitalise on opportunities as a sense of normality resumes.

David Page
Chairman

18 December 2020

* Definition of Headline EBITDA can be found in note 3 to the unaudited interim financial information.

** Headline EBITDA calculated before application of IFRS 16 can be found in note 3 to the unaudited interim financial information

The Fulham Shore PLC
Unaudited Consolidated Statement of Comprehensive Income
for the six months ended 27 September 2020

		Six months ended 27 September 2020	Six months ended 29 September 2019	Year ended 29 March 2020
	Notes	Unaudited £'000	Unaudited £'000	Audited £'000
Revenue		19,869	36,034	68,565
Cost of sales		(12,854)	(21,035)	(40,628)
Gross profit		7,015	14,999	27,937
Administrative expenses		(8,828)	(11,905)	(23,500)
Headline operating (loss)/profit		(1,813)	3,094	4,437
Share based payments		(75)	(82)	(157)
Pre-opening costs		(61)	(532)	(683)
Amortisation of brand		(411)	(411)	(821)
Exceptional costs				
– cost of acquisition		-	(14)	(3)
– impairment of property, plant and equipment		(461)	-	(260)
– change in fair value of investment		-	-	(248)
– COVID-19 costs		(4,550)	-	(718)
– COVID-19 grants received against costs		4,366	-	285
Operating (loss)/profit		(3,005)	2,055	1,832
Finance income		1	6	10
Finance costs	4	(1,323)	(1,318)	(2,596)
(Loss)/profit before taxation		(4,327)	743	(754)
Income tax	5	389	(357)	(421)
(Loss)/profit for the period		(3,938)	386	(1,175)
Profit for the period attributable to:				
Owners of the company		(3,938)	369	(1,193)
Non-controlling interests		-	17	18
		(3,938)	386	(1,175)
Earnings per share				
Basic	6	(0.7p)	0.1p	(0.2p)
Diluted	6	(0.7p)	0.1p	(0.2p)
Headline Basic	6	(0.5p)	0.2p	0.2p
Headline Diluted	6	(0.5p)	0.2p	0.2p

There were no other comprehensive income items.

The Fulham Shore PLC
Unaudited Consolidated Balance Sheet
as at 27 September 2020

	Notes	As at 27 September 2020 Unaudited £'000	As at 29 September 2019 Unaudited £'000	As at 29 March 2020 Audited £'000
Non-current assets				
Intangible assets		24,583	25,401	25,017
Property, plant and equipment		97,177	102,937	100,606
Investments		-	203	-
Trade and other receivables		1,081	1,116	1,081
Deferred tax assets		325	319	9
		<u>123,166</u>	<u>129,976</u>	<u>126,713</u>
Current assets				
Inventories		2,013	1,932	1,906
Trade and other receivables		5,541	5,055	2,342
Cash and cash equivalents	7	15,039	1,709	2,056
		<u>22,593</u>	<u>8,696</u>	<u>6,304</u>
Total assets		<u>145,759</u>	<u>138,672</u>	<u>133,017</u>
Current liabilities				
Trade and other payables		(18,603)	(15,656)	(12,480)
Borrowings	8	(8,909)	(5,215)	(5,163)
Income tax payables		(135)	(474)	(135)
		<u>(27,647)</u>	<u>(21,345)</u>	<u>(17,778)</u>
Net current liabilities		<u>(5,054)</u>	<u>(12,649)</u>	<u>(11,474)</u>
Non-current liabilities				
Borrowings	8	(79,312)	(74,961)	(74,591)
Deferred tax liabilities		(1,768)	(1,676)	(1,888)
		<u>(81,080)</u>	<u>(76,637)</u>	<u>(76,479)</u>
Total liabilities		<u>(108,727)</u>	<u>(97,982)</u>	<u>(94,257)</u>
Net assets		<u>37,032</u>	<u>40,690</u>	<u>38,760</u>
Equity				
Share capital		6,096	5,736	5,736
Share premium account		8,639	6,911	6,911
Merger relief reserve		30,459	30,459	30,459
Reverse acquisition reserve		(9,469)	(9,469)	(9,469)
Retained earnings		1,307	7,053	5,123
Total equity attributable to owners of the company		<u>37,032</u>	<u>40,690</u>	<u>38,760</u>
Non-controlling interest		-	-	-
Total equity		<u>37,032</u>	<u>40,690</u>	<u>38,760</u>

The Fulham Shore PLC
Unaudited Consolidated Statement of Changes in Equity
for the six months ended 27 September 2020

Six months ended 27 September 2020
Unaudited

	Attributable to owners of the Company							
	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Equity Shareholders' Funds £'000	Non-Controlling Interests £'000	Total equity £'000
At 29 March 2020	5,736	6,911	30,459	(9,469)	5,123	38,760	-	38,760
Loss for the period	-	-	-	-	(3,938)	(3,938)	-	(3,938)
Total comprehensive income for the period	-	-	-	-	(3,938)	(3,938)	-	(3,938)
Transactions with owners:								
Share based payments	-	-	-	-	75	75	-	75
Deferred tax on share based payments	-	-	-	-	47	47	-	47
Issue of new ordinary shares	360	1,728	-	-	-	2,088	-	2,088
Total transactions with owners	360	1,728	-	-	122	2,210	-	2,210
At 27 September 2020	6,096	8,639	30,459	(9,469)	1,307	37,032	-	37,032

Six months ended 29 September 2019
Unaudited

	Attributable to owners of the Company							
	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Equity Shareholders' Funds £'000	Non-Controlling Interests £'000	Total equity £'000
At 31 March 2019	5,714	6,889	30,459	(9,469)	5,025	38,618	125	38,743
Profit for the period	-	-	-	-	369	369	17	386
Total comprehensive income for the period	-	-	-	-	369	369	17	386
Transactions with owners:								
Share based payments	-	-	-	-	82	82	-	82
- Lease incentives on adoption of IFRS 16	-	-	-	-	2,062	2,062	-	2,062
Acquisition of non-controlling interests	-	-	-	-	(485)	(485)	(142)	(627)
Exercise of share options	22	22	-	-	-	44	-	44
Total transactions with owners	22	22	-	-	1,659	1,703	(142)	1,561
At 29 September 2019	5,736	6,911	30,459	(9,469)	7,053	40,690	-	40,690

Year ended 29 March 2020
Audited

	Attributable to owners of the Company							
	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Reverse Acq- uisition Reserve £'000	Retained Earnings £'000	Equity Share- holders ' Funds £'000	Non- Control- ling Interests £'000	Total Equity £'000
At 31 March 2019	5,714	6,889	30,459	(9,469)	5,025	38,618	125	38,743
Adjustment on adoption of IFRS 16	-	-	-	-	1,872	1,872	-	1,872
At 1 April 2019	-	-	-	-	6,897	40,490	125	40,615
Loss for the year	-	-	-	-	(1,193)	(1,193)	18	(1,175)
Total comprehensive income	-	-	-	-	(1,193)	(1,193)	18	(1,175)
Transactions with owners:								
Share based payments	-	-	-	-	157	157	-	157
Deferred tax on share based payments	-	-	-	-	(253)	(253)	-	(253)
Acquisition of non- controlling interests	-	-	-	-	(485)	(485)	(143)	(628)
Exercise of share options	22	22	-	-	-	44	-	44
Total transactions with owners	22	22	-	-	(581)	(537)	(143)	(680)
At 29 March 2020	5,736	6,911	30,459	(9,469)	5,123	38,760	-	38,760

The Fulham Shore PLC
Unaudited Consolidated Cash Flow Statement
for the six months ended 27 September 2020

		Six months ended 27 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
Net cash from operating activities	9	6,284	9,356	14,842
Investing activities				
Acquisition of property, plant and equipment		(554)	(4,615)	(7,214)
Acquisition of intangible assets		(25)	(75)	(145)
Acquisition of investments		-	(2)	(47)
Acquisition of non-controlling interest		-	(642)	(641)
Net cash flow used in investing activities		(579)	(5,334)	(8,047)
Financing activities				
Proceeds from issuance of new ordinary shares (net of expenses)		2,088	44	44
Capital received from bank borrowings		6,750	-	1,000
Capital repaid on bank borrowings		-	(700)	(700)
Principal element for lease payments		(238)	(2,180)	(4,332)
Interest received		1	6	10
Interest paid		(1,323)	(1,318)	(2,596)
Net cash used in financing activities		7,278	(4,148)	(6,574)
Net increase/(decrease)in cash and cash equivalents		12,983	(126)	221
Cash and cash equivalents at beginning of the period		2,056	1,835	1,835
Cash and cash equivalents at end of period	7	15,039	1,709	2,056

The Fulham Shore PLC
Notes to the Unaudited Interim Financial Information
for the six months ended 27 September 2020

1. General information

The Fulham Shore PLC is a public limited company incorporated and domiciled in England and Wales. The address of the registered office is 1st Floor, 50-51 Berwick Street, London, W1F 8SJ, United Kingdom. Copies of this Interim Statement may be obtained from the above address or the investor section of the Group's website at <http://www.fulhamshore.com>.

2. Basis of preparation

The unaudited interim financial information for the six months ended 27 September 2020 has been prepared under the recognition and measurement principles of International Financial Reporting Standards as adopted by the EU ("IFRS") based on the accounting policies consistent with those used in the financial statements for the period ended 29 March 2020, but does not contain all the information necessary for full compliance with IFRS.

The unaudited interim financial information was approved and authorised for issue by the Board on 18 December 2020.

The unaudited interim financial information for the six months ended 27 September 2020 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and should be read in conjunction with the statutory accounts for the period ended 29 March 2020. The information for the year ended 29 March 2020 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain a statement under sections 498(2)-(3) of the Companies Act 2006.

The interim financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the company operates. All values are rounded to the nearest one thousand Pounds (£'000) except when otherwise indicated.

Changes in accounting policies and disclosures:

There were no changes in accounting policies and disclosures during the period.

3. Segment information

For management purposes, the Group was organised into two operating divisions during the 6 months ended 27 September 2020. These divisions, The Real Greek and Franco Manca, are the basis on which the Group reports its primary segment information as identified by the chief operating decision maker which is the Group's board of directors.

For the six months ended 27 September 2020 (Unaudited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
External revenue	5,080	14,599	190	19,869
Headline EBITDA*	789	3,380	(459)	3,710
Depreciation and amortisation	(1,520)	(3,989)	(14)	(5,523)
Headline operating loss	<u>(731)</u>	<u>(609)</u>	<u>(473)</u>	<u>(1,813)</u>
Pre-opening costs	(49)	(483)	-	(532)
Operating loss	(873)	(1,653)	(479)	(3,005)
Finance income	-	-	1	1
Finance costs	(347)	(781)	(195)	(1,323)
Segment loss before taxation	<u>(1,220)</u>	<u>(2,434)</u>	<u>(673)</u>	<u>(4,327)</u>
Income tax credit				389
Loss for the period				<u>(3,938)</u>
Assets	34,946	103,782	7,031	145,759
Liabilities	(26,762)	(61,122)	(20,843)	(108,727)
Net assets	<u>8,184</u>	<u>42,660</u>	<u>(13,812)</u>	<u>37,032</u>
Capital expenditure excluding right of use assets	<u>23</u>	<u>531</u>	<u>-</u>	<u>554</u>

For the six months ended 29 September 2019 (Unaudited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
External revenue	10,951	25,083	-	36,034
Headline EBITDA*	2,245	6,791	(606)	8,430
Depreciation and amortisation	(1,429)	(3,891)	(16)	(5,336)
Headline operating profit/(loss)	<u>816</u>	<u>2,900</u>	<u>(622)</u>	<u>3,094</u>
Pre-opening costs	(49)	(483)	-	(532)
Operating profit/(loss)	733	1,956	(634)	2,055
Finance income	1	5	-	6
Finance costs	(371)	(786)	(161)	(1,318)
Segment profit/(loss) before taxation	<u>363</u>	<u>1,175</u>	<u>(795)</u>	<u>743</u>
Income tax expense				(357)
Profit for the period				<u>386</u>
Assets	34,792	103,193	687	138,672
Liabilities	(26,722)	(59,154)	(12,106)	(97,982)
Net assets	<u>8,070</u>	<u>44,039</u>	<u>(11,419)</u>	<u>40,690</u>
Capital expenditure excluding right of use assets	<u>461</u>	<u>4,149</u>	<u>5</u>	<u>4,615</u>

For the year ended 29 March 2020 (Audited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue from external customers	20,004	48,525	36	68,565
Headline EBITDA*	3,655	12,229	(690)	15,194
Depreciation and amortisation	(2,898)	(7,828)	(31)	(10,757)
Headline operating profit/(loss)	<u>757</u>	<u>4,401</u>	<u>(721)</u>	<u>4,437</u>
Pre-opening costs	(120)	(563)	-	(683)
Change in fair value of investments	-	(248)	-	(248)
Operating profit/(loss)	275	2,292	(735)	1,832
Finance income	4	6	-	10
Finance costs	(724)	(1,564)	(308)	(2,596)
Segment profit/(loss) before taxation	<u>(445)</u>	<u>743</u>	<u>(1,043)</u>	<u>(754)</u>
Income tax expense				(421)
Loss for the year from continuing operations				<u>(1,175)</u>
Assets	32,712	98,972	1,333	133,017
Liabilities	(25,254)	(55,982)	(12,021)	(94,257)
Net assets	<u>7,458</u>	<u>42,990</u>	<u>(10,688)</u>	<u>38,760</u>
Capital expenditure excluding right of use assets	<u>1,650</u>	<u>5,555</u>	<u>9</u>	<u>7,214</u>

In addition to the revenues generated from external customers, The Real Greek segment also generated internal revenues from another segment to the value of £643,000 (2019: £1,250,000).

Head office and PLC costs are not related to the Group's two business segments and are therefore included in other unallocated and are not part of a business segment.

The Group's two business segments primarily operate in one geographical area which is the United Kingdom.

*Headline EBITDA is a key measure for the Group as well as industry analysts as it is indicative of ongoing EBITDA generation of the businesses. Headline EBITDA is defined as EBITDA before share based payments and pre-opening costs, where EBITDA is defined as operating profit before depreciation and amortisation, amortisation of brand, impairment of property, plant and equipment, impairment of goodwill and intangible assets, impairment and changes in fair value of investments, temporary closure costs and associated grants received relating to COVID-19, restructuring costs, costs of reverse acquisition, cost of acquisition and loss on disposal of property, plant and equipment.

	Six months ended 20 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
(Loss)/profit before taxation	(4,327)	743	(754)
Finance costs	1,323	1,318	2,596
Finance income	(1)	(6)	(10)
Operating (loss)/profit	(3,005)	2,055	1,832
Depreciation and amortisation	5,523	5,336	10,757
Amortisation of brand	411	411	821
Exceptional costs:			
– impairment of property, plant and equipment	461	-	260
– change in fair value of investments	-	-	248
– cost of acquisition	-	14	3
– COVID-19 costs	4,550	-	718
– COVID-19 grants received against costs	(4,366)	-	(285)
EBITDA	3,574	7,816	14,354
Share based payments	75	82	157
Pre-opening costs	61	532	683
Headline EBITDA	3,710	8,430	15,194
<i>Rent</i>	<i>(3,691)</i>	<i>(3,408)</i>	<i>(6,909)</i>
<i>Headline EBITDA (under IAS17)</i>	<i>19</i>	<i>5,022</i>	<i>8,285</i>

4. Finance costs

	Six months ended 27 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
Interest expenses on bank loans and overdrafts	196	162	309
Interest on lease liabilities recognised under IFRS16	1,127	1,156	2,287
	<u>1,323</u>	<u>1,318</u>	<u>2,596</u>

5. Income Tax Expense

	Six months ended 27 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
Income tax expense on continuing operations			
Based on the result for the period:			
UK Corporation tax at 19% (2019: 19%)	-	431	446
Adjustment in respect of prior periods	-	-	(28)
Total current tax	<u>-</u>	<u>431</u>	<u>418</u>
Deferred taxation:			
Current year	(389)	(74)	3
Total deferred tax	<u>(389)</u>	<u>(74)</u>	<u>3</u>
Total taxation (credit)/expense on profit from continuing operations	<u>(389)</u>	<u>357</u>	<u>421</u>
The above is disclosed as:			
Income tax (credit)/expense – current year	<u>(389)</u>	<u>357</u>	<u>421</u>

6. Earnings per share

	Six months ended 27 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
(Loss)/profit for the purposes of basic and diluted earnings per share (continuing operations):	(3,938)	369	(1,193)
Share based payments	75	82	157
Deferred tax on share based payments	(11)	(18)	39
Pre-opening costs	61	532	683
Amortisation of brand	411	411	821
Deferred tax on amortisation of brand	(68)	(68)	(137)
Exceptional costs			
– change in fair value of investments	-	-	248
– impairment of property, plant and equipment	461	-	260
– cost of acquisition	-	14	3
– COVID-19 costs (net)	184	-	433
Headline (loss)/profit for the period for the purposes of Headline basic and diluted earnings per share	<u>(2,825)</u>	<u>1,322</u>	<u>1,314</u>
	Six months ended 27 September 2020 Unaudited No. '000	Six months ended 29 September 2019 Unaudited No. '000	Year ended 29 March 2020 Audited No. '000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	581,175	572,150	572,885
Effect of dilutive potential ordinary shares:			
- Share options	-	13,529	1,030
Weighted average number of shares for the purpose of diluted earnings per share	<u>581,175</u>	<u>585,679</u>	<u>573,915</u>

As the Group reported a loss for the period ended 27 September 2020, under IAS33, the share options in issue during the period are not considered dilutive and basic and diluted earnings per share are, therefore, the same.

	Six months ended 27 September 2020 Unaudited	Six months ended 29 September 2019 Unaudited	Year ended 29 March 2020 Audited
Earnings per share:			
Basic earnings per share	(0.7p)	0.1p	(0.2p)
Diluted earnings per share	(0.7p)	0.1p	(0.2p)
Headline basic	<u>(0.5p)</u>	<u>0.2p</u>	<u>0.2p</u>
Headline diluted	<u>(0.5p)</u>	<u>0.2p</u>	<u>0.2p</u>

7. Cash and cash equivalents

	As at 27 September 2020 Unaudited £'000	As at 29 September 2019 Unaudited £'000	As at 29 March 2020 Audited £'000
Cash at bank and in hand	15,039	1,709	2,056

Bank balances comprise cash held by the Group on a short term basis with maturity of three months or less. The carrying amount of these assets approximates their fair value.

8. Borrowings

	As at 27 September 2020 Unaudited £'000	As at 29 September 2019 Unaudited £'000	As at 29 March 2020 Audited £'000
Short term borrowings:			
Bank loans	1,480	-	-
Lease liabilities	7,429	5,215	5,163
	<u>8,909</u>	<u>5,215</u>	<u>5,163</u>
Long term borrowings:			
Bank loans	16,810	10,540	11,540
Lease liabilities	62,502	64,421	63,051
	<u>79,312</u>	<u>74,961</u>	<u>74,591</u>
	<u>88,221</u>	<u>80,176</u>	<u>79,754</u>

As at 27 September 2020, the Group's committed Sterling borrowing facilities comprised a revolving credit facility of £14,250,000, expiring within 2 years, a Coronavirus Large Business Interruption Loan facility ("CLBIL") of £10,750,000, expiring within 3 years and a bank overdraft facility of £750,000 repayable on demand, all of which are secured by a mortgage debenture in favour of HSBC Bank PLC representing fixed or floating charges over the assets of the Group. As at 27 September 2020, the Group had £7,460,000 undrawn headroom across its banking facilities.

9. Reconciliation of net cash flows from operating activities

	Six months ended 27 September 2020 Unaudited £'000	Six months ended 29 September 2019 Unaudited £'000	Year ended 29 March 2020 Audited £'000
(Loss)/profit for the period	(3,938)	386	(1,175)
Adjustments:			
Income tax (credit)/expense	(389)	357	421
(Loss)/profit before tax for the period	<u>(4,327)</u>	<u>743</u>	<u>(754)</u>
Finance income	(1)	(6)	(10)
Finance costs	1,323	1,318	2,596
Operating (loss)/profit for the period	<u>(3,005)</u>	<u>2,055</u>	<u>1,832</u>
Depreciation and amortisation	5,934	5,746	11,577
Cost of acquisition	-	14	14
Impairment of property, plant and equipment	461	-	263
Change in fair value of investments	-	-	245
Loss on disposal of property, plant and equipment	-	-	23
Share based payments expense	75	82	157
Operating cash flows before movement in working capital	<u>3,465</u>	<u>7,897</u>	<u>14,111</u>
Increase in inventories	(107)	(168)	(142)
Increase in trade and other receivables	(3,198)	(2,806)	(59)
Increase in trade and other payables	6,124	4,483	1,307
Cash generated from operations	<u>6,284</u>	<u>9,406</u>	<u>15,217</u>
Income taxes paid	-	(50)	(375)
Net cash from operating activities	<u><u>6,284</u></u>	<u><u>9,356</u></u>	<u><u>14,842</u></u>