



REVOLUTION BARS GROUP PLC

(Incorporated and registered in England and Wales with registered number 08838504)

APPENDIX TO SCHEDULE ONE ANNOUNCEMENT

FURTHER INFORMATION RELATING TO REVOLUTION BARS GROUP PLC IN CONNECTION WITH THE PROPOSED ADMISSION OF ITS ORDINARY SHARES TO TRADING ON AIM

This Appendix has been prepared in accordance with the requirements of Rule 2 of, and Schedule One (including the Supplement to Schedule One for a quoted applicant) to, the AIM Rules for Companies that, for a quoted applicant, all information that is equivalent to that required for an 'admission document' which is not currently public shall be made public. Information which is public includes, without limitation, all information available in respect of the Company accessed at the London Stock Exchange (available at www.londonstockexchange.com), all information available in respect of the Company on the FCA's National Storage Mechanism (available at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>), all information available in respect of the Company at the website of Companies House at www.beta.companieshouse.gov.uk/ and all information available on the Company's website (www.revolutionbarsgroup.com) (together comprising the "Company's Public Record").

Definitions used in this Appendix are set out on pages 3- 4.

AIM

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies ("AIM Rules for Companies") to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this Appendix.

Nominated Adviser and Broker

finnCap Ltd ("**finnCap**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker to the Company in connection with AIM Admission and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this Appendix or in connection with AIM Admission. finnCap has not authorised the contents of any part of this Appendix for the purposes of the AIM Rules for Companies. The responsibilities of finnCap as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange. finnCap does not accept any responsibility whatsoever for the contents of this Appendix, and no representation or warranty, express or implied, is made by finnCap with respect to the accuracy or completeness of this Appendix or any part of it.

Responsibility

The Company and the Directors, whose names and functions appear on page 2 of this Appendix, accept responsibility, individually and collectively, for the information contained in this Appendix including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Appendix, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

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| Directors | Keith Graeme Edelman (<i>Non-Executive Chairman</i>) Robert Antony Pitcher (<i>Chief Executive Officer</i>) Michael Raymond Foster (<i>Chief Financial Officer</i>) Jemima Chloe Bird (<i>Senior Independent Non-Executive</i>) William Patrick Tuffy (<i>Independent Non-Executive</i>) |
| Company Secretary | Michael Raymond Foster |
| Registered Office | 21 Old Street Ashton-under-Lyne Tameside OL6 6LA |
| Company website | https://www.revolutionbarsgroup.com/ |
| Company telephone number | +44 (0) 161 330 3876 |
| Nominated Adviser and Joint Broker | finnCap Ltd 1 Bartholomew Close London EC1A 7BL |
| Joint Broker | Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET |
| Solicitors to the Company | Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU |
| Solicitors to finnCap and Peel Hunt | Penningtons Manches Cooper LLP 125 Wood Street London EC2V 7AW |
| Financial Public Relations | Instinctif Partners Limited 65 Gresham Street London EC2V 7NQ |
| Auditors | PricewaterhouseCoopers LLP 1 Hardman Square Manchester M3 3EB |
| Registrar | Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU |
| Receiving Agent (Open Offer) | Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD |

DEFINITIONS

The following definitions apply throughout this Appendix, unless the context requires otherwise:-

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| “2015 Prospectus” | the Prospectus dated 27 February 2015 published by the Company in relation to, <i>inter alia</i> , the admission of the Company's ordinary shares to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange |
| “2019 Annual Report & Accounts” | the Company's annual report and accounts for the 52 weeks ended 29 June 2019 |
| “2020 Interim Results” | the Company's interim results for the 26 weeks ended 28 December 2019, announced on 26 February 2020 |
| “AIM” | AIM, the market of that name operated by the London Stock Exchange |
| “AIM Admission” | the admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies |
| “AIM Rules for Companies” | the 'AIM Rules for Companies' published by the London Stock Exchange from time to time |
| “Appendix” | this document |
| “Articles” | the articles of association of the Company (originally adopted on 16 February 2015, as amended by special resolutions of the shareholders of the Company passed on 26 June 2020) |
| “Board” or “Directors” | the directors of the Company whose names are set out on page 2 of this Appendix |
| “Business Day” | a day on which the clearing banks in London are open for business |
| “Companies Act” | the Companies Act 2006 (as amended) |
| “Company” | Revolution Bars Group plc, a company incorporated in England and Wales with registered no. 08838504 |
| “Company's Public Record” | information which is in the public domain and which includes, without limitation, all information available in respect of the Company accessed at the London Stock Exchange (available at www.londonstockexchange.com), all information available in respect of the Company on the FCA's National Storage Mechanism (available at https://data.fca.org.uk/#/nsm/nationalstoragemechanism), all information available in respect of the Company at the website of Companies House at www.beta.companieshouse.gov.uk/ and all information available on the Company's website at www.revolutionbarsgroup.com |
| “CSOP” | the Company Share Option Plan, the rules of which were adopted by the Company on 26 February 2015 |
| “Delisting” | the proposed cancellation of the listing of the Existing Ordinary Shares on the Official List and from trading on the Main Market |
| “Existing Ordinary Shares” | the 50,029,159 existing ordinary shares of 0.1 pence each in the capital of the Company as at 25 June 2020 (being the latest practicable date prior to the date of publication of this Appendix) |
| “FCA” | the Financial Conduct Authority |
| “finnCap” | finnCap Ltd, the Company's nominated adviser in connection with AIM Admission and joint broker to the Company |
| “Firm Placing” | the firm placing by finnCap and Peel Hunt on behalf of the Company of the Firm Placing Shares as described in the Fundraising & Transfer to AIM Circular |

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| “Firm Placing Shares” | the 45,000,000 new Ordinary Shares to be issued by the Company pursuant to the Firm Placing |
| “FSMA” | the Financial Services and Markets Act 2000 (as amended) |
| “Fundraising & Transfer to AIM Circular” | the circular dated 10 June 2020 to shareholders of the Company containing details of the Firm Placing and the Placing & Open Offer and the proposed Delisting and AIM Admission and also including notice of the General Meeting of the Company held on 26 June 2020 |
| “Group” | the Company and its subsidiary undertakings |
| “HMRC” | HM Revenue & Customs |
| “London Stock Exchange” | London Stock Exchange plc |
| “Main Market” | the London Stock Exchange’s main market for listed securities |
| “NatWest” | National Westminster Bank plc |
| “New Ordinary Shares” | together, the Firm Placing Shares and the Open Offer Shares |
| “Nominated Adviser & Broker Agreement” | the agreement dated 21 May 2020 entered into between the Company and finnCap, details of which are set out in paragraph 11.2 of this Appendix |
| “Official List” | the Official List of the FCA |
| “Open Offer” | the invitation to Qualifying Shareholders to subscribe for the Open Offer Shares as described in the Fundraising & Transfer to AIM Circular |
| “Open Offer Shares” | the 30,017,495 new Ordinary Shares to be issued by the Company pursuant to the Placing & Open Offer |
| “Ordinary Shares” | ordinary shares of 0.1 pence each in the share capital of the Company |
| “Peel Hunt” | Peel Hunt LLP, joint broker to the Company |
| “Placing” | the conditional placing by finnCap and Peel Hunt on behalf of the Company of the Open Offer Shares (subject to clawback to satisfy entitlements to Open Offer Shares taken up by Qualifying Shareholders under the Open Offer) as described in the Fundraising & Transfer to AIM Circular |
| “Placing & Open Offer” | together the Placing and the Open Offer |
| “Placing Agreement” | the placing and open offer agreement dated 5 June 2020 (and placing supplement) entered into between the Company, finnCap and Peel Hunt in respect of the Firm Placing and the Placing & Open Offer, details of which are set out in paragraph 11.1 of this Appendix |
| “PSP” | the Performance Share Plan, the rules of which were adopted by the Company on 26 February 2015 |
| “Schedule One Announcement” | the announcement by the Company pursuant to Rule 2 and Schedule One to the AIM Rules for Companies, to which this Appendix is attached, in connection with AIM Admission |
| “Shareholders” | the holders of Existing Ordinary Shares |
| “UK Corporate Governance Code” | the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time |
| “United Kingdom” or “UK” | the United Kingdom of Great Britain and Northern Ireland |

INFORMATION RELATING TO REVOLUTION BARS GROUP PLC

1. INCORPORATION AND STATUS OF THE COMPANY

- 1.1 The Company was incorporated and registered in England and Wales on 9 January 2014 with registered number 08838504 as a private limited company with the name 'New Inventive Bar Company Limited'. The Company changed its name to 'Revolution Bars Group Limited' on 5 December 2014 and was subsequently re-registered as a public company under the name 'Revolution Bars Group plc' on 17 February 2015.
- 1.2 The principal legislation under which the Company operates and which the Existing Ordinary Shares have been, and the New Ordinary Shares will be, issued is the Companies Act and regulations made thereunder. The Company is a public limited company and, accordingly, the liability of its members is limited to the amount paid up or to be paid up on their shares.
- 1.3 The Company is domiciled in the United Kingdom.
- 1.4 The business of the Group and its principal activity is the operation of premium bars throughout the UK trading under the 'Revolution' and 'Revolución de Cuba' brands.
- 1.5 The legal entity identifier ('LEI') of the Company is 213800QG159LSTF5IH69.
- 1.6 The Company is the holding company for a number of subsidiaries, all of which are wholly-owned (directly or indirectly) and details of which are set out in Note 5 (Investments) on page 116 of the 2019 Annual Report & Accounts, which form part of the Company's Public Record. In addition, the Company is the holding company of Revolution Bars (Number Two) Limited which was incorporated in England and Wales on 23 December 2019 and which is also wholly-owned by the Company.

2. SHARE CAPITAL OF THE COMPANY

- 2.1 The Company has no authorised share capital.
- 2.2 The issued fully paid up share capital of the Company: (i) as at 25 June 2020 (being the latest practicable date prior to the date of this Appendix); and (ii) as it is expected to be immediately following AIM Admission, is as set out below:-

| | Number of Ordinary Shares | Nominal Amount |
|------------------------------|----------------------------------|-----------------------|
| At the date of this Appendix | 50,029,159 | £50,029.16 |
| On AIM Admission | 125,046,654 | £125,046.65 |

- 2.3 All Ordinary Shares in the capital of the Company are registered and may be held in either certificated or uncertificated form.
- 2.4 The ISIN number for the Ordinary Shares is GB00BVDPPV41.
- 2.5 The Directors were given the authority and power to allot and issue all the New Ordinary Shares pursuant to the Firm Placing and the Placing & Open Offer pursuant to resolutions of shareholders of the Company passed on 26 June 2020. The New Ordinary Shares will, on completion of the Firm Placing and the Placing & Open Offer (including AIM Admission), rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.
- 2.6 The Company's Existing Ordinary Shares are currently admitted to listing on the FCA's Official List (premium listing segment) and to trading on the London Stock Exchange's Main Market, having first been so admitted on 18 March 2015. Application will be made to the London Stock Exchange for both the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the Existing Ordinary Shares and the New Ordinary Shares will become effective and trading in the Existing Ordinary Shares and the New Ordinary Shares will commence on AIM on or around 27 July 2020 and that admission of the Existing Ordinary Shares to listing on the FCA's Official List (premium listing segment) and to trading on the London Stock Exchange's Main Market will simultaneously be cancelled on the same date. The Existing Ordinary Shares and the New Ordinary Shares will not be admitted to trading on any other investment exchange.

- 2.7 There are no shares in the Company which are held by, or on behalf of, the Company and the Company's subsidiaries do not hold any shares in the Company.
- 2.8 Save for awards and options granted by the Company under the PSP and CSOP as disclosed in the Company's Public Record, no person has any rights to purchase the unissued share capital of the Company.

3. SHARE SCHEMES OF THE COMPANY

- 3.1 The Company operates the PSP and the CSOP, summaries of the rules of each of which are set out paragraph 11 (*Employee incentives*) of Part 16 (*Additional Information*) of the 2015 Prospectus, which forms part of the Company's Public Record. The 2015 Prospectus may be accessed at: <https://www.revolutionbarsgroup.com/media/1077/revolution-bars-group-plc-prospectus-website-1.pdf>.
- 3.2 Details of all outstanding options as at 29 June 2019 granted under the PSP and CSOP are set out in note 20 (Share-Based Payments (Equity Settled)) on pages 102 to 105 of the 2019 Annual Report & Accounts, which form part of the Company's Public Record. Since 29 June 2019, options over an aggregate of a further 916,269 Ordinary Shares at an exercise price of 0.1 pence per share were granted under the PSP on 23 October 2019 to Directors and other persons discharging managerial responsibility ("**PDMRs**") as announced by the Company on 24 October 2019.

4. ARTICLES OF ASSOCIATION

- 4.1 A summary of the principal provisions of the Articles (adopted on 16 February 2015) is contained in paragraph 7 (*Summary of the Articles of Association*) of Part 16 (*Additional Information*) of the 2015 Prospectus, which forms part of the Company's Public Record, and which may be accessed at: <https://www.revolutionbarsgroup.com/media/1077/revolution-bars-group-plc-prospectus-website-1.pdf>.

4.2 *General Meetings*

- (a) The notice period required by the Companies Act (and the Articles) for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. At each annual general meeting held by the Company since (and including) the annual general meeting held on 6 November 2015, a resolution has been put to (and passed by) shareholders of the Company allowing general meetings (other than annual general meetings) to be called on not less than 14 clear days' notice. Annual general meetings may only be called on at least 21 clear days' notice.

The Companies Act provides that, in order for the Company to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that general meeting.

- (b) Pursuant to a special resolution passed at the General Meeting of the Company held on 26 June 2020, the Articles were amended to permit 'hybrid' general meetings (i.e. allowing participation at a physical general meeting by electronic facilities) to be held.

- 4.3 A complete copy of the Articles (as amended at the General Meeting of the Company held on 26 June 2020) may be accessed at: https://www.revolutionbarsgroup.com/media/1076/revolution_bars_group_plc_articles.pdf.

5. RISK FACTORS

In addition to the risk factors contained in Part II of the Fundraising & Transfer to AIM Circular issued to shareholders of the Company, the following specific risk factors relating to the business and operations of the Group, to companies operating in the Leisure sector and to the Ordinary Shares should be considered carefully in evaluating whether to make an investment in the Company. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. **If you are in any doubt as to the action you should take, you should consult a professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. This summary of risk factors is not intended to be exhaustive.**

5.1 Risks relating to the Business and Operations of the Group

5.1.1 Material loss may arise in excess of any insurance proceeds or from uninsured events

The Group's properties could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose its capital invested in the affected property as well as anticipated future revenue from that property. Material uninsured losses could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

5.1.2 The Group may not be able to protect its intellectual property adequately, which could harm the value of its brands and adversely affect its operating results, financial condition and prospects

The Group depends in large part on its brands and believes that they are very important to its business. The Group relies on its trademarks to protect its brands. The success of the Group's business depends, in part, on its continued ability to use its existing trademarks in order to increase brand awareness.

Although the Group has registered the 'Revolution' and 'Revolucion de Cuba' brand names, trademarks and logos that distinguish its bars for trademark protection in the United Kingdom, the actions taken by the Group may be inadequate to prevent imitation of the Group's brands and concepts by others or to prevent others from claiming violations of their trademarks and proprietary rights by the Group. If the Group's efforts to protect its intellectual property prove to be inadequate, the value of the Group's brands could be harmed, which could adversely affect the Group's operating results, financial condition and prospects.

5.1.3 Financial controls and internal reporting procedures

The Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail the Group may be unable to produce financial statements accurately or on a timely basis or expose the Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Group has in place could adversely affect the price of an Ordinary Share.

5.1.4 Computer and/or information systems breakdowns

If any of the Group's operational, financial, human resources, communication or other systems were to be disabled or did not operate properly (including as a result of computer viruses, problems with the internet, sabotage or cyber-attack) notwithstanding the controls put in place by the Group to prevent such disablement or failure to operate, the Group could suffer disruption to its business, loss of revenues, loss of data, regulatory intervention or reputational damage. This could have an adverse impact on the Group's operating results, financial condition and prospects.

5.1.5 Increases in operating and other expenses

The Group's operating and other expenses could increase without a corresponding increase in revenues. Factors which could increase operating and other expenses include:-

- increases in the rate of inflation;
- increases in taxes and other statutory charges;
- changes in laws, regulations or government policies and the increased costs of compliance with such laws, regulations or policies;
- significant increases in insurance premiums;
- unforeseen capital expenditure arising as a result of defects affecting the Group's properties which need to be rectified or failure to perform by sub-contractors;
- increases in borrowing costs; and
- increase in national minimum wage.

5.1.6 Taxation and legislative changes

This Circular has been prepared on the basis of current legislation, regulation, rules and practices in the UK and the Directors' interpretation thereof. Such interpretation may not be correct and legislation, regulation, rules and

practice may change, possibly with retrospective effect. The taxation of an investment in the Group depends on the individual circumstances of Shareholders.

Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders or alter post tax returns to Shareholders.

Any change in legislation, regulation, rules or practice may have an adverse effect on the returns available on an investment in the Group.

5.2 Risks relating to Companies operating in the Leisure Sector

5.2.1 The UK's Withdrawal from the European Union

The UK formally left the European Union on 31 January 2020 ("**Brexit**"). The implications of Brexit for the Group are and will continue to be uncertain during the negotiation of the UK's ongoing trading relationship with the EU, including any potential regulatory or tax changing. The business of the Group is dependent on being able to source skilled labour, some of which comes from the EU.

5.2.2 Changing consumer habits

The Group's financial results can be materially impacted by any other material change in consumer habits within the United Kingdom. Examples of other changes in consumer habits that may impact the Group's financial performance include increasing emphasis on healthier lifestyles (and the corresponding reduction in alcohol consumption) and the increasing breadth of choice of leisure amenities in the United Kingdom. Changes in consumer tastes, increased demand for gluten free, allergen free and other specialist foods or methods of preparation, any minimum price for alcohol and demographic trends may also affect the appeal of the Group's bars to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its offering adequately and sufficiently promptly, which could have a negative impact on the Group's financial performance.

5.2.3 The Group's revenues are affected by adverse weather conditions, peak trading times, and by disruption to public transport systems

Attendance levels at the Group's bars are affected by the weather and by the operation of urban public transport systems. This is largely due to the location of the Group's bars in town and city centres, which gives rise to a higher degree of customer reliance on public transport than may be the case in rural areas. If adverse weather conditions (such as persistent rain or snow) and/or public transport failures prevent or inhibit the ability of customers to travel, or discourage them from travelling, to the Group's bars, this could have a negative effect on the revenue generated by those bars, which in turn could have a material adverse effect on the Group's operating results, financial condition and prospects. In addition, the Group's 'peak' trading periods are typically December (which the Directors attribute to Christmas trade) and September/October (which the Directors attribute to students starting at or returning to university). If adverse weather conditions and/or public transport failures were to occur during these periods, the negative effects described above could be exacerbated.

5.2.4 Attitudes towards alcohol consumption

In the United Kingdom, consumption of alcoholic beverages has become the subject of considerable social and political attention in recent years due to increasing public concern over adverse health consequences associated with the misuse of alcohol (including alcoholism) and alcohol-related social problems (including drink-driving, binge drinking and under-age drinking). Changes in consumer tastes in both food and drink may adversely affect the appeal of the Group's bars to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its brands, formats, offerings and premises. This, in turn, would have an adverse effect on the Group's operating results, financial condition and prospects.

5.2.5 Food related health concerns and liability

The food and beverage industries can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health concerns or other issues stemming from one product or a number of products including products provided by the Group. Furthermore, food safety, traceability (including in respect of product origins, ingredients and their attributes, through all stages of production, processing and distribution), allergens, hygiene and the perception by customers that products are safe are key to the reputation and business of the Group. As a result, the Group is subject to food safety risks, in particular relating to food-borne illnesses, allergen reactions, new illnesses resistant to preventative measures, contamination or spoilage of fresh produce as a result of inadequate storage or refrigeration, the risk of fraudulent activities in the food chain and counterfeit products, and the potential cost and disruption of a product recall or withdrawal.

The COVID-19 pandemic is expected to lead to increased consumer awareness about health and hygiene, which means the impact of any of the risks described above is likely to be heightened in the current environment and going forward. Additionally, reliance on third-party food suppliers and distributors increases the risk that such incidents could be caused by factors outside the Group's control. Regardless of the source or cause, any report of food-borne illness or other food safety issue, such as food tampering or contamination at one of the Group's bars, could adversely impact the Group's reputation more generally, particularly in light of the considerable increase in the use of social media in recent years, which has compounded the potential scope for negative publicity to be generated by such incidents or allegations of them. The occurrence of food-borne illnesses or food safety issues, as well as potential food products recalls and other health concerns associated with food contamination, could negatively impact the price and availability of affected ingredients - potentially resulting in disruptions in the supply chain, increased costs and reduced margins - as well as causing reputational damage. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition, results and prospects. Furthermore, if any person becomes ill, or alleges becoming ill, as a result of eating food at one of the Group's bars, the Group may be liable for damages, or be subject to regulatory action. Such litigation concerns and complaints and any adverse publicity surrounding such issues may have a material adverse effect on the Group's business, financial condition, results and prospects.

5.2.6 Competitive Risk

The Group's bars compete for customers with a wide variety of other bars and restaurants as well as pubs, off-licences, supermarkets and takeaways, some of which may offer higher amenity levels or lower prices and be backed by greater financial and operational resources. The Group also faces competition from other leisure activity providers and home entertainment providers. Continuing and increased competition from other operators, off-licences, restaurants, retailers, alternative leisure activity providers and home entertainment providers could adversely affect the Group's operating results, financial condition and prospects.

The bar industry in the UK has undergone periods of consolidation through joint ventures, mergers and acquisitions. Further consolidation in the bar industry in the UK could lead to the emergence of larger competitors, who may have greater financial and operational resources than the Group. The Group may not be able to respond to the pricing pressures that may result from further consolidation of the bar industry in the UK and may not be able to compete successfully for the acquisition of bars and bar-owning companies with larger competitors.

5.2.7 Increasing food, drink, labour and other costs

An increase in any of the Group's operating costs may negatively affect the Group's profitability. Factors such as increased labour and employee benefit costs and goods costs and inflation may adversely affect the Group's operating costs. Many of the factors affecting costs are beyond the Group's control, such as increases in food and drink prices, and increases in distribution cost due to fuel price increases. Certain ingredients are subject to price fluctuations as a result of seasonality weather, demand and other factors. The Group has no control over fluctuations in price and the availability of products caused by these factors.

In addition, the Group is dependent upon a pool of employees being available, many of whom are hourly employees whose pay is subject to the UK national minimum wage.

5.2.8 National Living Wage

In July 2015, it was announced that the existing national minimum wage in the UK would be replaced from April 2016 by a new national living wage for over 25s. The national living wage increased to £8.72 in April 2020 for over 25's, to £8.20 for those aged between 21 and 24, and to £6.45 for those aged between 18 and 20, with corresponding increases in National Minimum Wage for younger age groups.

While it is possible that a proportion of any increased costs could be passed on to the Group's customers, any increases in food, labour or other costs could have a material adverse effect on the Group's business, profitability and results of operations.

5.2.9 Leasehold properties

The Group's leaseholds are subject to rent reviews. Increases in the rents, service charges, rates and other costs associated with leasehold premises and termination of leasehold interests could all adversely affect the Group's operating results, financial condition and prospects.

5.2.10 Negative publicity

Negative publicity relating to one of the Group's sites, food quality, food contamination, health inspection scores, or employee relationships may have a negative impact on the trading performance of the relevant bar and potentially the Group's other sites, regardless of whether the allegations are valid or whether the Group is at fault.

Incidents involving the abuse of alcohol, use of illegal drugs and violence on the Group's premises may occur. Such activity may directly interrupt the operations of the Group and could result in litigation or regulatory action, either of which could adversely affect the Group's operating results, financial condition and prospects.

5.2.11 Force Majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics including the COVID-19 outbreak or quarantine restrictions.

5.3 Risks relating to the Ordinary Shares

5.3.1 The market of the Ordinary Shares may fluctuate significantly

The market price of the Ordinary Shares may, in addition to being affected by the Group's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Group's control, including among others:-

- changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- fluctuations in stock market prices and volumes, and general market volatility; and
- the introduction of new legislation affecting bars, restaurants and the leisure industry.

Any or all of these events could result in a material decline in the market price of the Ordinary Shares, regardless of the actual performance of the Group. Shareholders should be aware that the value of the Ordinary Shares may go down as well as up and may not reflect the underlying asset values or prospects of the Group.

5.3.2 Future issues of Ordinary Shares will result in immediate dilution

The Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute Shareholders' proportionate ownership in the Group. The Group may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding Ordinary Shares. If the Group raises significant amounts of capital by these or other means, it could cause dilution for the Group's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on and/or increase the volatility of the market price of the Ordinary Shares.

Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Firm Placing and the Placing & Open Offer.

The Group may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a dilution in the value of the Ordinary Shares and the proportion of the Group's share capital in which investors are interested.

In addition, the issue of additional Ordinary Shares by the Group, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

The proposed issue of the New Ordinary Shares also dilutes existing shareholdings of Shareholders. Qualifying Shareholders will be able to partially mitigate the extent of this dilution by applying for Ordinary Shares in the Open Offer.

5.3.3 Future sale of Ordinary Shares

The Group is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material fall in the market price of the Ordinary Shares. The ability of an investor to sell Ordinary Shares will also depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise their investment in the Group and they may lose all of their investment.

6. INFORMATION ON THE DIRECTORS

6.1 As at the date of this Appendix and immediately following AIM Admission becoming effective in accordance with the AIM Rules for Companies, the interests (including related financial products as defined in the AIM Rules for Companies) of the Directors (including persons connected with the Directors within the meaning of

section 252 of the Companies Act and any member of the Director's family (as defined in the AIM Rules for Companies)) in the issued share capital of the Company are as follows:-

| <i>Name of Director / connected person</i> | <i>Beneficial/Non-beneficial</i> | <i>Number of Ordinary Shares held at the date of this Appendix</i> | <i>Percentage of issued Ordinary Share capital at the date of this Appendix</i> | <i>Number of Ordinary Shares to be held immediately following AIM Admission</i> | <i>Percentage of issued Ordinary Share capital immediately following AIM Admission</i> |
|--|----------------------------------|--|---|---|--|
| Keith Edelman | Beneficial | 45,000 | 0.09% | 170,000 | 0.13% |
| Rob Pitcher | Beneficial | 150,000 | 0.30% | 400,000 | 0.32% |
| Mike Foster | Beneficial | - | - | 250,000 | 0.20% |
| Jemima Bird | Beneficial | 7,500 | 0.01% | 7,500 | 0.01% |
| William Tuffy | Beneficial | 10,000 | 0.02% | 52,111 | 0.04% |
| | Total: | 212,500 | 0.42% | 879,611 | 0.70% |

6.2 Directors' share options

Options have been granted to the Executive Directors under the Company's Performance Share Plan ("PSP") and Company Share Option Plan ("CSOP"), all of which remain outstanding at the date of this Appendix, as follows:-

| <i>Director</i> | <i>Plan/Scheme</i> | <i>Grant date</i> | <i>No. of options</i> | <i>Exercise price (per share)</i> | <i>Vesting date</i> |
|-----------------|------------------------|-------------------|-----------------------|-----------------------------------|---------------------|
| Rob Pitcher | Performance Share Plan | 18.10.18 | 585,154 | £0.001 | 18.10.21 |
| | CSOP | 18.10.18 | 26,200 | £1.145 | 18.10.21 |
| | Performance Share Plan | 23.10.19 | 531,269 | £0.001 | 23.10.22 |
| Mike Foster | Performance Share Plan | 14.11.17 | 240,000 | £0.001 | 14.11.20 |
| | CSOP | 14.11.17 | 18,518 | £1.62 | 14.11.20 |

6.3 As set out under the heading 'Policy on Executive Share Ownership' (in the Remuneration Report) on page 52 of the 2019 Annual Report & Accounts, the Remuneration Policy requires Executive Directors to invest in the Company to a level of at least 100 per cent of annual salary over time, save that under such Policy, Executive Directors may build to this level using 50 per cent of net awards under the Company's long-term incentive plans. 50 per cent of any awards which vest under the Company's PSP and CSOP (net of any taxes due) must be retained until the requirement has been met.

6.4 Save as stated above:-

6.4.1 none of the Directors (nor any person connected with any of them within the meaning of section 252 of the Companies Act) has any interest, whether beneficial or non-beneficial, in the share or loan capital in the Company or any company in the Group or in any related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares;

6.4.2 there are no outstanding loans granted or guarantees provided by any member of the Group to or for the benefit of the Directors or provided by any Director to any member of the Group;

6.4.3 none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group;

6.4.4 none of the Directors has any option or warrant to subscribe for any shares in the Company; and

6.4.5 none of the Directors has any interest, direct or indirect, in any contract or arrangement which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole, which were effected by any member of the Group and which remains in any respect outstanding or unperformed.

6.5 The Directors hold, or have during the five years preceding the date of this Appendix held, the following directorships or partnerships:-

| Director | Age | Current Directorships/Partnerships | Past Directorships/Partnerships |
|------------------------|------------|--|--|
| Keith Graeme Edelman | 69 | Revolution Bars Group plc Headlam Group plc J E Beale PLC (<i>in administration</i>) Beale Limited (<i>in administration</i>) Altitude Group plc Pennpetro Energy plc Stonebury Properties Limited D III LLP D IV LLP Jewellery Quarter Bullion Limited | Revolution Bars Limited Revolution de Cuba Limited New Inventive Bar Company Limited Rev Bars Limited Inventive Leisure Limited Inventive Service Company Limited Inventive Leisure (Services) Limited Inventive Guaranteeco Limited Superdry PLC Safestore Holdings PLC N.I.R.A.H. Holdings Limited (<i>dissolved</i>) N.I.R.A.H. Limited (<i>dissolved</i>) Phoenix Capital Advisors Limited Goals Soccer Centres plc (<i>in administration</i>) Long Hill Capital Ltd (<i>dissolved</i>) Appetise Ltd (<i>dissolved</i>) |
| Robert Antony Pitcher | 45 | Revolution Bars Group plc Revolution Bars Limited Revolucion de Cuba Limited Rev Bars Limited New Inventive Bar Company Limited Inventive Service Company Limited Inventive Leisure Limited Inventive Leisure Service Limited Inventive Guaranteeco Limited Revolution Bars (Number Two) Limited | |
| Michael Raymond Foster | 62 | Revolution Bars Group plc Revolution Bars Limited Revolucion de Cuba Limited Rev Bars Limited New Inventive Bar Company Limited Inventive Service Company Limited Inventive Leisure Limited Inventive Leisure (Services) Limited Inventive Guaranteeco Limited Revolution Bars (Number Two) Limited | Intertain Limited Intertain (Bars) Limited Intertain (Bars) II Limited Intertain (Bars) III Limited Intertain (Bars) IV Limited |
| Jemima Chloe Bird | 47 | Revolution Bars Group plc Hello Finch Limited The Football Foundation | Carpetright PLC (now Limited) Vontsira LLP Vontsira Group Limited Vontsira Trademark Holdings Limited Vontsira Investments (Jersey) LLP Vontsira GP Directorship Limited Jemima Bird Limited (<i>dissolved</i>) Valuyoo Limited |

| Director | Age | Current Directorships/Partnerships | Past Directorships/Partnerships |
|-----------------------|------------|---|---|
| William Patrick Tuffy | 57 | Revolution Bars Group plc Miromore Limited | Modiga Limited (<i>dissolved</i>) The W1 London Limited Wone International Services Limited Landorder Limited (<i>dissolved</i>) Art Estates Limited Royalton Group Holdings Limited Royalton Limited Royalton RS Limited FREP 3 (Salford) Limited Putney Plaza Management Company Limited |

6.6 Save as referred to in paragraphs 6.7 - 6. 10 below, none of the Directors has:-

6.6.1 any unspent convictions relating to indictable offences;

6.6.2 had a bankruptcy order made against him or entered into any individual voluntary arrangements;

6.6.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;

6.6.4 been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;

6.6.5 had any asset belonging to him placed in receivership or been a partner of a partnership any of whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or

6.6.6 been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.7 Keith Edelman:-

6.7.1 was a director of N.I.R.A.H. Holdings Limited whilst it went into administration from 11 November 2014 to 4 November 2015 before it was then dissolved on 11 February 2016; and

6.7.2 was appointed a non-executive director of both J E Beale plc and Beale Limited on 6 December 2019 (having previously been a director of both companies from 23 September 2008 to 12 September 2013) and both companies went into administration on 20 January 2020.

6.8 As announced by the Company on 8 February 2018 in connection with his appointment as a Director of the Company, Rob Pitcher was, until 28 May 2013, a director of Bramwell Pubs and Bars Limited, which subsequently went into administration on 31 October 2013. The company was dissolved on 9 May 2017.

6.9 As announced by the Company on 2 June 2017 in connection with his appointment as a Director of the Company, Mike Foster has been a director of the following companies which have been placed into administration, liquidation or entered into a company voluntary arrangement:-

6.9.1 Regent Inns plc – he was appointed as a director on 17 July 2008, which company was placed into pre-pack administration on 20 October 2009 and was sold to Intertain Limited and was then dissolved on 21 January 2014;

6.9.2 RIBR Realisations 2009 Limited - he was appointed as a director on 24 April 2007, which company was placed into administration on 20 October 2009 as a subsidiary of Regent Inns plc and was then dissolved on 21 January 2014;

- 6.9.3 RIW Realisations 2009 Limited - he was appointed as a director on 24 April 2007, which company was placed into administration on 20 October 2009 as a subsidiary of Regent Inns plc and was then dissolved on 4 February 2014;
- 6.9.4 OOL Realisations 2009 Limited - he was appointed as a director on 28 August 2008, which company was placed into administration on 20 October 2009 as a subsidiary of Regent Inns plc, was placed into compulsory liquidation on 24 September 2013 and was then dissolved on 27 April 2015;
- 6.9.5 Intertain (Bars) Limited – he was appointed as a director on 30 September 2009 and resigned as a director on 7 December 2016, during which time the company completed a company voluntary arrangement with its creditors on 24 August 2016 pursuant to which a small number of landlords were compromised by changes to the company's lease terms and, in some cases, by surrender of the leases.

Mike Foster was also a director of Stratus Holdings plc from 2 October 2000 to 20 September 2001, which company was placed into administration on 20 September 2001 and was then dissolved on 27 December 2005.

- 6.10 As announced by the Company on 10 October 2018 in connection with his appointment as a Director of the Company, William Tuffy was a director of Modiga Limited, which was placed into members' voluntary liquidation on 22 December 2014 and was then dissolved on 14 January 2020.

7 MAJOR SHAREHOLDERS

- 7.1 The names and shareholdings in the Company held by 'significant shareholders' (being persons holding 3% or more of the Ordinary Shares in the Company), with such shareholdings expressed as a percentage of the Company's issued share capital both before and upon AIM Admission are set out in the Schedule One Announcement.
- 7.2 As at the date of this Appendix, no major shareholder has any different voting rights to the other holders of ordinary shares in the capital of the Company.
- 7.3 The Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise(s) or could exercise control of the Company or any arrangements the operation of which may, at a subsequent date, result in a change in the control of the Company.

8. DIRECTORS' TERMS OF EMPLOYMENT/APPOINTMENT

8.1 Executive Directors

(a) *Rob Pitcher (Chief Executive Officer)*

The Company has entered into a service agreement dated 25 June 2018 with Rob Pitcher in respect of his appointment as the Chief Executive Officer of the Company as from 25 June 2018, at a basic annual salary of £350,000, a pension allowance of 15% of his salary, private medical insurance (for him and his family), life assurance at a level of four times his salary, an annual car allowance of £15,000 and participation in such bonus arrangements as the Board may specify from time to time. The service agreement is terminable by Rob Pitcher or the Company on not less than 12 months' prior written notice. The Company can, however, terminate the service agreement immediately, provided that such termination is effected together with payment of a cash sum in lieu of notice equivalent to the basic salary, pension allowance, car allowance and the value of his insured benefits to which he would have been entitled for the remainder of his notice period. The service agreement is terminable by the Company with immediate effect without notice in certain circumstances.

(b) *Mike Foster (Chief Financial Officer)*

The Company has entered into an employment letter dated 31 May 2017 with Mike Foster in respect of his appointment as the Chief Financial Officer of the Company (and Company secretary) as from 1 June 2017, at a current basic annual salary (since 1 April 2019) of £204,000, private medical insurance (for him and his wife), an annual car allowance of £15,000 and membership of the Company's annual performance bonus scheme. The appointment letter is terminable by Mike Foster or the Company on not less than 6 months' prior written notice.

Further details of the Executive Directors' remuneration arrangements are set out in the Remuneration Report on pages 44 - 57 of the 2019 Annual Report & Accounts.

8.2 Non-Executive Directors

(a) **Keith Edelman (Non-Executive Chairman)**

The Company has entered into an appointment letter dated 16 February 2015 with Keith Edelman in respect of his appointment as a Non-Executive Director and Chairman of the Company as from 16 February 2015, at an annual fee of £90,000 and which appointment is terminable by either party giving to the other not less than 6 months' notice in writing.

(b) **Jemima Bird (Senior Independent Non-Executive Director)**

The Company has entered into an appointment letter dated 9 December 2016 with Jemima Bird in respect of her appointment as a Non-Executive Director of the Company as from 19 December 2016 and a further appointment letter dated 8 October 2018 in respect of her appointment as Senior Independent Director (and Chair of the Remuneration Committee) with effect from 27 November 2018, at a current annual fee (since 27 November 2018) of £35,000 and which appointment is terminable by either party giving to the other not less than 3 months' notice in writing.

(c) **William Tuffy (Independent Non-Executive Director)**

The Company has entered into an appointment letter dated 8 October 2018 with William Tuffy in respect of his appointment as a Non-Executive Director of the Company (and Chair of the Audit Committee) as from 27 November 2018, at an annual fee of £35,000 and which appointment is terminable by either party giving to the other not less than 3 months' notice in writing.

8.3 Temporary changes to Directors' terms & conditions of employment/appointment – COVID-19

- (a) By letters from the Company dated 1 April 2020, each of the Executive Directors and the Non-Executive Directors agreed voluntarily to a 50% reduction in their salary or fee (as relevant) with effect from 29 March 2020, on a temporary basis, whilst the Board deals with the extreme trading environment brought about by the COVID-19 virus and the UK Government's advice to close the Group's estate.
- (b) By letters from the Company dated 25 June 2020, it was confirmed that the salaries or fees (as relevant) of each of the Executive Directors and the Non-Executive Directors will be increased to 80% of full contractual amounts with effect from 1 August 2020 and will revert to their full 100% contractual amounts with effect from 1 October 2020.
- (c) Each of the Directors has confirmed that he/she was prepared to continue to execute his/her Director's responsibilities and fully support the Group's business in their normal manner notwithstanding the temporary reduction in his/her salary or fee (as relevant).

8.4 Benefits on termination of employment

None of the service agreement, employment letter or letters of appointment referred to in paragraphs 8.1 and 8.2 above contain any provision for benefits on termination of employment.

9 DIVIDEND POLICY

- 9.1 The Board's dividend policy was most recently stated on page 25 in the Financial Review contained in the 2019 Annual Report & Accounts which forms part of the Company's Public Record: *"As notified in the interim announcement, the Board has suspended payments of dividends until there has been a sustained recovery in the Group's underlying sales performance and debt has been materially reduced from current levels."*
- 9.2 However, as referred to in paragraph 11.3.2(d) below, the terms of the CLBILS Term Loan Facilities include a prohibition on the Company paying dividends or making other distributions or repurchasing any of its Ordinary Shares until the CLBILS Term Loan Facilities have been repaid or refinanced. The Company's does not therefore intend to declare any dividends until such point as the CLBILS Term Loan Facilities have been repaid or refinanced.

10 LITIGATION AND ARBITRATION

Neither the Company nor any member of the Group is, nor has it been at any time during the 12 months immediately preceding the date of this Appendix, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability and there are no such proceedings of which the Company is aware which are pending or threatened.

11 MATERIAL CONTRACTS

Save as set out in the Company's Public Record, the following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Group in the two years prior to the date of this Appendix and are, or may be, material to the Group or have been entered into by any member of the Group at any time and contain obligations or entitlements which are, or may be, material to the Group, in each case as at the date of this Appendix:-

11.1 Placing Agreement

11.1.1 On 5 June 2020, the Company entered into a placing and open offer agreement with finnCap and Peel Hunt (the "**Brokers**") under which the Brokers agreed to use reasonable endeavours to procure subscribers for the New Ordinary Shares at a subscription price of 20p per share (and in the case of the Open Offer Shares conditional upon such shares not being taken up by Qualifying Shareholders under the Open Offer) (the "**Placing Agreement**"). As announced by the Company on 5 June 2020 (and as confirmed in the placing supplement dated 5 June 2020 signed by the Brokers and the Company), the Brokers procured subscribers for all 45,000,000 Firm Placing Shares and all 30,017,495 Open Offer Shares (to the extent not taken up by Qualifying Shareholders under the Open Offer), but completion of the Firm Placing and the Placing remains conditional on, *inter alia*, AIM Admission.

11.1.2 Under the Placing Agreement, the Company has given customary warranties to the Brokers in relation to the Group and its business and customary indemnities in favour of the Brokers in respect of liabilities arising out of the Firm Placing and the Placing. Each of the Brokers is entitled to terminate its obligations under the Placing Agreement in certain circumstances prior to AIM Admission including circumstances where any of the warranties are found not to be true or accurate in any material respect or were misleading in any material respect or the occurrence, in the opinion of the Brokers, of a material adverse change (as defined in the Placing Agreement) or the occurrence of certain *force majeure* events (including a significant worsening in the UK in the spread or rate of infection of, or deaths directly due to, the COVID-19 coronavirus pandemic), the effect of which is such as to make it, in the opinion of the Brokers, impracticable or inadvisable to proceed with the Firm Placing and the Placing & Open Offer in the manner contemplated in the Placing Agreement or AIM Admission.

11.1.3 The Company has agreed to pay corporate finance fees and commission to the Brokers in relation to the Firm Placing and the Placing & Open Offer on (and subject to) AIM Admission and to reimburse the Brokers for costs, charges and expenses incurred by the Brokers on behalf of the Company in relation to the Firm Placing and the Placing & Open Offer.

11.2 Nominated Adviser & Broker Agreement

On 21 May 2020, the Company entered into an engagement letter with finnCap under which finnCap agreed to act as nominated adviser and joint broker to the Company with effect from AIM Admission, as required by the AIM Rules for Companies, and to provide various agreed services in connection with those roles (the "**Nominated Adviser & Broker Agreement**"). Following AIM Admission, the Nominated Adviser and Broker Agreement may be terminated by either party on 3 months' prior written notice to the other, such prior written notice not to expire earlier than 12 months from AIM Admission or immediately on the occurrence of certain events, including if there has been a material breach by the Company of its obligations under the Nominated Adviser & Broker Agreement, the Company has failed to comply with finnCap's advice, if the Ordinary Shares cease to be admitted to or are suspended from trading on AIM or if finnCap is of the opinion that its name or reputation is likely to be prejudiced by continuing to act as the Company's nominated adviser or broker. Under the Nominated Adviser & Broker Agreement, the Company has agreed to pay an annual retainer fee to finnCap as from AIM Admission. The Company has given customary undertakings and indemnities to finnCap.

11.3 NatWest Facilities

11.3.1 Revolving credit facility

- (a) The Company entered into an agreement dated 13 June 2017 with National Westminster Bank Plc (“**NatWest**”) for the provision by NatWest of a credit facility (“**RCF**”) of up to £25,000,000 on a revolving basis for the Company's general business purposes and under which the Company can draw sterling loans for fixed periods of 3, 6 and 12 months, such facility to expire on 31 December 2021 and with interest to be payable by the Company on any such drawings at an interest rate of 2.05% p.a. over LIBOR (the “**RCF Agreement**”). The RCF Agreement has been varied by supplemental agreements dated 28 December 2018, 27 February 2019, 27 September 2019, 25 February 2020 and 14/15 April 2020 and most recently by an amendment and waiver letter dated 5 June 2020 (entered into at the same time as the agreements for the CLBILS Term Loan Facilities described below).
- (b) The expiry date of the RCF (as supplemented and varied) is now 30 June 2022 and the facility limit is now £30,000,000 (reducing to £21,000,000 on the date of draw down under the CLBILS Term Loan Facilities (referred to in paragraph 11.3.2. below), which will reduce by £1,000,000 on 30 June 2021 and on 30 June 2022 (with the Company being obliged to make any necessary prepayment to ensure that any outstanding loans do not exceed the available commitment of the RCF after such reduction). In addition, conditional on completion of the Firm Placing and Placing & Open Offer taking place on or before 27 July 2020, the available commitment under the RCF will be reduced by £4,200,000 on 31 March 2021 (with the Company being obliged to make any necessary prepayment to ensure that outstanding loans drawn down under the RCF do not exceed the available commitment under the RCF).
- (c) Under the RCF Agreement (as supplemented and amended), the sole financial covenant test is a minimum liquidity test requiring minimum liquidity to be £15,400,000 until 31 March 2021 and £3,100,000 after 31 March 2021 (both limits assuming completion of the Firm Placing and the Placing & Open Offer) and the RCF Agreement contains capital expenditure covenants requiring NatWest consent for new site capital expenditure; other capital expenditure in each financial year not to exceed £4,620,000.
- (d) The Company also agreed not, without the consent of NatWest, to propose any lease terminations or lease buyouts which require funding unless these are funded by new equity contributions.

11.3.2 CLBILS facilities

- (a) The Company entered into term loan facility agreements dated 5 June 2020 with NatWest under the UK Government's 'Coronavirus Large Business Interruption Loan Scheme' (“**CLBILS**”), pursuant to which NatWest agreed to make available to the Company separate term loan facilities of £3,000,000 (the “**CLBILS £3 million Term Loan Facility**”) and £13,500,000 (the “**CLBILS £13.5 million Term Loan Facility**”) at an interest rate of 3.25% over base rate until 5 June 2021 and thereafter 3.75% over base rate.
- (b) Draw down of the £3,000,000 and £13,500,000 loans made available under the £3 million CLBILS Term Loan Facility and the £13.5 million CLBILS Term Loan Facility (together the “**CLBILS Term Loan Facilities**”) is available for 30 days. The Company is required:-
 - (i) to repay the £3,000,000 loan drawn down under the £3 million CLBILS Term Loan Facility over the period of 36 months from draw down of the loan, by making monthly repayment instalments of £83,333.33 and a final repayment instalment of £83,333.45 (with the first monthly repayment due on the date which is 1 month after the drawdown date); and
 - (ii) to repay the £13,500,000 loan drawn down under the £13.5 million CLBILS Term Loan Facility in full on the date which is 36 months after draw down of the loan, but conditional on completion of the Firm Placing and Placing & Open Offer taking place on 27 July 2020, the Company is required to make a prepayment of £3,300,000 on 31 March 2021.
- (c) The terms of the CLBILS Term Loan Facilities include a sole financial covenant from the Company as to minimum liquidity in the same form as referred to in paragraph 11.3.1(c) above in relation to the RCF.
- (d) Under the terms, and for the duration, of the CLBILS Term Loan Facilities, the Company is prohibited from, *inter alia*, paying dividends or making other distributions or repaying any share premium reserve.

11.3.3 Guarantees & security

- (a) The Company and certain of the Company's subsidiaries (Revolution Bars (Number Two) Limited, Revolution De Cuba Limited, Revolution Bars Limited, Inventive Service Company Limited and Inventive

Guaranteeco Limited executed an unlimited cross company guarantee dated 15 January 2020 in favour of NatWest (the “**Corporate Guarantee**”) in respect of each company's liabilities to NatWest.

- (b) The Company and certain of its subsidiaries (Revolution Bars Limited and Revolución De Cuba Limited) have also executed separate debentures in favour of NatWest dated 12 March 2015 and Revolution Bars (Number Two) Limited and Inventive Guaranteeco Limited have executed separate debentures in favour of NatWest dated 15 January 2020, in each case creating fixed and floating security in favour of NatWest.
- (c) The Company and the Charging Subsidiaries entered into a deed of confirmation dated 5 June 2020 with NatWest confirming that the existing security documents and the guarantee and indemnity created pursuant to the Corporate Guarantee will remain in full force and effect and secure the liabilities under the CLBILS Term Loan Facilities (as well as under the RCF).

11.4 Leases Surrenders, Assignments & Reversionary Leases

11.4.1 On 14 January 2020, Kiboko Limited (as landlord) (1) Revolution Bars Limited (as tenant) (2) Inventive Guaranteeco Limited (as the tenant's guarantor) (3) Revolution Bars (Number Two) Limited (as assignee) (4) the Company (as first guarantor) (5) and Revolución de Cuba Limited (as second guarantor) (6) entered into an agreement (the “**Original Surrender Agreement**”) pursuant to which:-

- (a) Revolution Bars Limited (as tenant) agreed to surrender to Kiboko Limited (as landlord) the leases of premises at (i) 107, Penny Street, Lancaster, LA1 1XN (ii) 10 Park Street, Lincoln LN1 1UF (iii) 18-22 Wood Street, Liverpool L1 4AQ (iv) 311-313 Wilmslow Road, Fallowfield, Manchester M14 6NW and (v) 10-12 Princes Street, Wolverhampton WV1 1HW (the “**Surrendered Properties**”) for an aggregate premium of £3,850,000 payable in three tranches – the first tranche of £208,000 (effectively representing the delayed rent payment for the quarter date ended 24 March 2020) paid on 14 January 2020, the second tranche of £3,352,000 payable on or before 24 March 2020 and the third tranche of £290,000 payable on or before 22 June 2020 - for completion on 24 March 2020; and
- (b) Kiboko Limited (as landlord) gave consent to the assignment by Revolution Bars Limited (as tenant) to Revolution Bars (Number Two) Limited (as assignee) of the leases of (i) 28 Cross Church Street, Huddersfield HD1 2PT (ii) 6B New Walk, Leicester LE1 6TF (iii) 90-94 Oxford Road, Manchester M1 5HW and (iv) 7 Hassall Street, Newcastle Under Lyme ST5 1AH (the “**Continuing Properties**”) and agreed a net decrease in the aggregate rent payable on the Continuing Properties and Kiboko Limited (as landlord) agreed to grant to Revolution Bars (Number Two) Limited reversionary leases of the Continuing Properties (executed on 14 January 2020) in each case for the period from 17 October 2032 to 13 January 2045 with rent reviews every 5 years commencing with 17 October 2032 (with the initial rent equal to the principal rent reserved by the original lease of the relevant Continuing Property at the expiry of such original lease until the rent review of 17 October 2032 is determined) and otherwise on the same terms as the original lease.

11.4.2 On 25 March 2020, the parties to the Original Surrender Agreement entered into a deed of variation pursuant to which:-

- (a) the outstanding second and third tranches of the aggregate premium payable by Revolution Bars Limited for the surrender of the leases of the Surrendered Properties were reduced to £1,000,000 payable on or before 24 March 2020 and £1,250,000 payable on or before 23 December 2020; and
- (b) if Revolution Bars Limited has not paid either the second tranche or the third tranche by 24 December 2021, Kiboko Limited or Revolution Bars Limited may terminate the Original Surrender Agreement (as varied) by serving written notice on the other.

12 CORPORATE GOVERNANCE

12.1 The recognised corporate governance code that at the date of this Appendix the Board has been applying is the UK Corporate Governance Code . As set out in the Corporate Governance Report on pages 40 - 43 of the 2019 Annual Report & Accounts, the Directors consider that the Group has complied with those provisions of the UK Corporate Governance Code applicable to a company of its size.

12.2 As set out in paragraph 15 of the Chairman's letter in Part I of the Fundraising & Transfer to AIM Circular, the Board will continue to adopt the UK Corporate Governance Code following AIM Admission.

12.3 As also set out in paragraph 15 of the Chairman's letter in Part I of the Fundraising & Transfer to AIM Circular, the Company's Audit, Remuneration and Nomination Committees will continue to be composed as follows following AIM Admission:-

- (a) Audit Committee: William Tuffey (Chair), Keith Edelman and Jemima Bird;
- (b) Remuneration Committee: Jemima Bird (Chair), Keith Edelman and William Tuffey; and
- (c) Nomination Committee: Keith Edelman (Chair), Jemima Bird, William Tuffey and Rob Pitcher.

13 SHARE DEALING CODE

The Directors will comply with, and seek to procure compliance by applicable employees with, the relevant provisions of the AIM Rules for Companies and the Market Abuse Regulation relating to dealings by Directors and applicable employees in the securities of the Company. The Company will maintain its existing Share Dealing Code adopted on 1 December 2016 which is in conformity with the requirements of Rule 21 of the AIM Rules for Companies and will continue to take all reasonable steps to ensure compliance by the Board and all applicable employees with the terms of the Share Dealing Code.

14 UK TAXATION

The following summary is intended as a general guide only for holders of shares in the Company ("Shareholders") who are UK tax resident as to their tax position under current UK tax legislation and HMRC practice as at the date of this Appendix. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time.

The Company is at the date of this Appendix resident for tax purposes in the United Kingdom and the following is based on that status.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the United Kingdom (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Ordinary Shares (as applicable) and who hold their Ordinary Shares as an investment and not as party to an arrangement that would produce a return that is economically equivalent to interest or which has the main purpose, or one of the main purposes, the obtaining of a tax advantage. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 10 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a self-invested personal pension or an individual savings account or are 'employment related securities' as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003.

Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his or her professional advisers immediately as to the taxation consequences of his or her ownership and disposition of Ordinary Shares.

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

14.1 Taxation of Dividends

Under current UK taxation legislation, there is no UK withholding tax on dividends, including cases where dividends are paid to a Shareholder who is not resident (for tax purposes) in the United Kingdom.

UK tax resident and domiciled or deemed domiciled individual shareholders

All dividends received from the Company by an individual shareholder who is resident and domiciled (or deemed domiciled) in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the shareholder's total income for income tax purposes and will represent the highest part of that income.

A nil rate of income tax applies to the first £2,000 of dividend income received by an individual shareholder in a tax year (the “**Nil Rate Amount**”), regardless of what tax rate would otherwise apply to that dividend income. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 7.5 per cent. (for individuals not liable to tax at a rate above the basic rate), 32.5 per cent. (for individuals subject to the higher rate of income tax) and 38.1 per cent. (for individuals subject to the additional rate of income tax) for 2019/20.

To the extent that total income exceeds any remaining standard rate band (maximum £1,000), trustees of discretionary trusts receiving dividends from shares are liable to account for income tax at the dividend trust rate, currently 38.1 per cent (a rate of 7.5 per cent applies to dividend income within the standard rate band). Trustees do not qualify for the £2,000 dividend allowance available to individuals. This is a complex area and trustees of such trusts should consult their own tax advisers.

UK pension funds and charities are generally exempt from tax on dividends which they receive.

Corporate Shareholders within the charge to UK corporation tax

Shareholders within the charge to UK corporation tax which are 'small companies' for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate shareholder (which is not a 'small company' for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 17 per cent as from 1 April 2020) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are 'ordinary shares' (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not 'redeemable', and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to various conditions and anti-avoidance rules.

Non-resident shareholders

Non-UK resident corporate shareholders are not generally subject to UK tax on dividend receipts.

Non-UK resident individual shareholders who receive a dividend from the Company are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident individual shareholder. A non-UK resident individual shareholder is not generally subject to further UK tax on dividend receipts.

Non-UK resident shareholders may however be subject to taxation on dividend income under local law, in their country or jurisdiction of residence and/or citizenship. Non-UK resident shareholders should consult their own tax advisers in respect of the application of such provisions, their liabilities on dividend payments and/or what relief or credit may be claimed in the jurisdiction in which they are resident.

14.2 Taxation of Chargeable Gains

Individual Shareholders

If an individual shareholder is within the charge to UK capital gains tax, a disposal (or deemed disposal) of all or some of his or her Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax, depending on his or her circumstances. The rate of capital gains tax on disposal of shares is 10 per cent. (2020/2021) for individuals who are subject to income tax at the basic rate and 20 per cent. (2020/2021) for individuals who are subject to income tax at the higher or additional rates. An individual shareholder is entitled to realise an annual exempt amount (£12,300 from 6 April 2020).

Corporate Shareholders

For a corporate shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that shareholder (currently 19 per cent) or an allowable loss for the purposes of UK corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index from the month of acquisition up to 31 December 2017. Indexation allowance is currently 'frozen' so that it does not increase the chargeable gains

tax base cost for any period from 1 January 2018 onwards, even if the date of disposal occurs at a later point in time.

Non-resident shareholders

A shareholder who is not resident in the United Kingdom for tax purposes, but who carries on a trade, profession or vocation in the United Kingdom through a permanent establishment (where the shareholder is a company) or through a branch or agency (where the shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) may be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, holders of Ordinary Shares who are individuals and who dispose of Ordinary Shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the United Kingdom.

14.3 Inheritance Tax

Individual and trustee Shareholders domiciled or deemed to be domiciled in any part of the United Kingdom may be liable on occasions to inheritance tax (“IHT”) on the value of any Ordinary Shares held by them. Under current law, the primary occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder (which will also be brought into account when calculating the IHT on the death of the Shareholder), and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as business property relief (“BPR”) may apply to ordinary shares or preference shares in trading companies once these have been held for two years by the Shareholder. This relief may apply notwithstanding that a company’s shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent. for IHT purposes which means that there will be no IHT to pay.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK IHT and an equivalent tax in another country.

14.4 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- 15.4.1 the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term 'listed' being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- 15.4.2 AIM continues to be accepted as a 'recognised growth market' (as construed in accordance with section 99A of the Finance Act 1986). In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances, at the rate of 0.5 per cent. of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

14.5 AIM

Companies whose shares trade on AIM are deemed unlisted for the purposes of certain areas of UK taxation. Following AIM Admission, Ordinary Shares held by individuals for at least two years from AIM Admission may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those Ordinary Shares. Shareholders should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them.

The comments set out above are intended only as a general guide to the current tax position in the United Kingdom at the date of this Appendix. The rates and basis of taxation can change and will be dependent on a Shareholder’s personal circumstances.

Neither the Company nor its advisers warrant in any way the tax position outlined above which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

Any person who is in any doubt as to his tax position or who may be subject to tax in any other jurisdiction should consult his professional adviser.

15 RELATED PARTY TRANSACTIONS

- 15.1 Details of related party transactions are set out in note 24 to 2019 Annual Report & Accounts, in note 23 to the Company's annual report & accounts for the 52 weeks ended 30 June 2018 and in note 24 to the Company's annual report & accounts for the 52 weeks ended 1 July 2017.
- 15.2 As disclosed in paragraph 5 (*Directors Participation in the Fundraising*) in the Chairman's letter in Part I of the Fundraising & Transfer to AIM Circular, each of Keith Edelman, Rob Pitcher, Mike Foster and Will Tuffy have agreed to subscribe for certain numbers of New Ordinary Shares in the Firm Placing.

16 GENERAL

- 16.1 It is estimated that the total costs and expenses payable by the Company in connection with or incidental to the Firm Placing, the Placing & Open Offer, the Delisting and AIM Admission including London Stock Exchange fees, printing, advertising and distribution costs, legal, accounting and corporate finance fees and commissions are estimated to amount to approximately £1.2 million (excluding any VAT payable thereon).
- 16.2 finnCap has given and not withdrawn its written consent to the issue of this Appendix with the inclusion of its name and references to it in the form and context in which it is included.
- 16.3 No public takeover bids have been made by third parties in respect of the Company's issued share capital during the 52 weeks accounting period ended 29 June 2019 or during the current accounting period up to the date of this Appendix.
- 16.4 Save as set out in this Appendix or as disclosed in the Company's Public Record (including the 2020 Interim Results and the Fundraising & Transfer to AIM Circular), the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

Date: 26 June 2020