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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the EU Market Abuse Regulation (596/2014). Upon the publication of the announcement via a regulatory information service, this information is considered to be in the public domain.

12 April 2019

Tasty plc

("Tasty" or the "Company")

Firm Placing and Open Offer to raise up to £3.25 million Share capital reorganisation Adoption of new articles of association Authority to allot shares and waiver of pre-emption rights and Notice of General Meeting

Tasty (AIM: TAST), the owner and operator of 57 restaurants in the casual dining sector, announces a conditional Firm Placing and Open Offer to raise up to £3.25 million before expenses. The Firm Placing has been undertaken with new and existing institutional investors in the Company.

Highlights:

- Proposed conditional Firm Placing to raise £3.0 million through the issue of 75,000,000 Firm Placing Shares to new and existing institutional and other investors at 4 pence per Firm Placing Share
- Proposed Open Offer to raise up to approximately £0.25 million through the issue of up to 6,294,262 Open Offer Shares to Qualifying Shareholders at 4 pence per Open Offer Share
- The net proceeds of the Transaction will be used to pay down debt and for general working capital purposes
- Transaction conditional on General Meeting to be held at 11.00 a.m. on 1 May 2019

Keith Lassman, Chairman of Tasty, said *"This is an important fundraise for Tasty as it will enable us to continue our strategic plans with vigour. We are delighted with the level of investor support for the Placing and we would like to thank our shareholders for their continued support."*

The Transaction is conditional, inter alia, upon Shareholder approval at the General Meeting of the Company that is scheduled to be held at the offices of the Company at 32 Charlotte Street, London, W1T 2NQ, at 11.00 a.m. on 1 May 2019.

A Circular containing the Notice of the General Meeting to approve, amongst other things, resolutions relating to the allotment of the New Ordinary Shares, is expected to be published by the Company and sent to Shareholders later today, together with a Form of Proxy and, in the case of Qualifying Shareholders, the Application Form. A copy of the Circular and Form of Proxy will be available on the Company's website at www.dimt.co.uk/investor-relations/profile/. Your attention is drawn to the letter from the Chairman of the Company that is set out in the Circular and which contains, amongst other things, the Directors' unanimous recommendation that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Capitalised terms used in this announcement have the meanings given to them in the Circular.

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Tasty plc

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Mark Connelly / Cameron MacRitchie

Important Notices

Cenkos Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated advisor and broker to the Company and no-one else in connection with the Firm Placing, the Open Offer and Admission. Cenkos Securities will not be responsible to anyone other than the Company for providing the regulatory and legal protections afforded to customers (as defined in the rules of the FCA) of Cenkos Securities nor for providing advice in relation to the contents of this announcement or any matter, transaction or arrangement referred to in it. The responsibilities of Cenkos Securities, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange and are not owed to the Company or any director of the Company or to any other person in respect of their decision to subscribe for or purchase Firm Placing Shares or Open Offer Shares.

Forward-looking statements

This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Introduction

The Company announces a conditional Firm Placing to raise £3.0 million (before expenses) by the issue and allotment by the Company of 75,000,000 Firm Placing Shares at the Issue Price of 4 pence per Firm Placing Share.

In addition, in order to provide Shareholders who have not taken part in the Firm Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Issue Price for an aggregate of up to 6,294,262 Open Offer Shares, to raise up to £0.25 million (before expenses), on the basis of 2 Open Offer Shares for every 19 Existing Ordinary Shares held on the Record Date, at the Issue Price, payable in full on acceptance.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the New Ordinary Shares whilst providing the Company with additional capital to invest in the business of the Group.

The Issue Price represents a discount of 32.8 per cent. to the closing middle market price of 5.95 pence per Existing Ordinary Share on 11 April 2019 (being the last practicable date before publication of the Circular).

The Firm Placing and the Open Offer are conditional, *inter alia*, on: (i) the approval of Shareholders of resolutions to re-organise the share capital of the Company that will have the effect of reducing the nominal value of each Existing Ordinary Share in the Company to a level below the Issue Price, and (ii) the granting of the necessary share allotment authorities to the Directors in accordance with the Companies Act in order for the Directors to allot the Firm Placing Shares and the Open Offer Shares and the power to disapply statutory pre-emption rights in respect of the Firm Placing Shares. The Resolutions are contained in the Notice of General Meeting which is set out at the end of the Circular.

The purpose of this announcement is to explain the background to and reasons for the Firm Placing and the Open Offer, the use of proceeds, details of the Firm Placing and the Open Offer and to recommend that Shareholders vote in favour of the Resolutions.

Current Trading and Outlook

Tasty is a restaurant operator in the UK casual dining market, which trades under two brands 'dim-t' and 'Wildwood'. The Group currently trades from 57 sites, consisting 6 dim t and 51 Wildwood restaurants. The Wildwood brand is aimed at a wide market, with the 'Pizza, Pasta, Grill' offering continuing to be the main focus. The Wildwood restaurants are situated on the high street as well as in leisure, retail and tourist locations, highlighting the broad appeal and scalability of the offering. Dim t is a pan-Asian restaurant serving a wide range of dishes including, dim sum, noodles, soup and curry.

As set out in the preliminary results of the Company for the 52 weeks ended 30 December 2018 announced on 20 March 2019 (the "2018 Final Results"), the Company generated revenue of £47.28 million (2017: £50.31 million) and adjusted EBITDA of

£1.58 million (2017: £3.5 million). The reduction in revenue and EBITDA in 2018 was principally due to the closure of sites and like-for-like revenue decline.

As mentioned in the 2018 Final Results, market conditions have become increasingly challenging throughout the year and the Board's expectation is that there will be no significant improvement in 2019. Accordingly, the Company intends to focus on sales and cost control to ensure that the impact of the challenging economic environment is minimised. Furthermore, and in-line with the agreed strategy, the Board has no plans to open any new sites in 2019 and will continue to monitor underperforming sites as well as the success of its turnaround strategies. The Group will make further disposals in 2019 if and when appropriate.

Background and Reasons for the Firm Placing

As announced in the Company's unaudited interim results for the 26 weeks ended 1 July 2018 and in the 2018 Final Results, given the poor trading environment across the casual dining market and throughout the retail sector in 2018, and following a review of the Group's estate, 4 sites were closed in the year, 3 of which have been sold. Pending an improvement in trading conditions, the Board has no plans to open any new sites at the current time. During 2018, funding costs were reduced by approximately £35,000 per annum by cancelling the Company's unutilised £5 million revolving credit facility, that was previously earmarked for new restaurant openings. In addition, the Company's operational team has been restructured to improve efficiency and reduce costs leading to annualised cost savings of approximately £300,000.

As announced on 22 November 2018, the Company entered into an agreement to revise its £7.0 million term loan facility with its existing lender Barclays plc (the "**Revised Loan Facility**"), which amended the Company's previous £7.0 million term loan facility. The key effects of the Revised Loan Facility were to extend the final repayment date from July 2021 to March 2022 and to significantly reduce the quarterly repayments with effect from July 2019.

Under the terms of the Revised Loan Facility agreement, the Company pays interest on the amount drawn down (of which £6.42 million was outstanding at the year-end) of between 2.5% and 4.0% over LIBOR with the interest rate payable dependent upon the ratio of the amount drawn down to adjusted EBITDA.

In addition to the quarterly repayments referred to above, the Company undertook to reduce the amount drawn down under the Revised Loan Facility by an aggregate of £1.1 million on or before 30 June 2019. Of this £1.1 million, certain of the Directors undertook to provide, in aggregate, £0.5 million. This new capital is to be in the form of either new subordinated loan or equity capital, or a combination of the two. Those Directors propose to meet that undertaking by participating in the Firm Placing in the amount of, in aggregate, £700,000, on the terms and subject to the conditions set out in further detail in the Circular.

The net proceeds of the Firm Placing and the Open Offer are to be used to reduce the Revised Loan Facility as described above and to support the operating cash flow of the Group.

The Board is continuously assessing the Company's estate to identify where improvements can be made. Where sites are underperforming, turnaround strategies have been implemented and, in many instances, significant improvements in performance have been made. Where the Board believes that it is in the shareholders' interest, sites will be sold and the proceeds used to pay down debt.

The Firm Placing

Subject to, *inter alia*, Admission, the Company will issue 75,000,000 Firm Placing Shares which will raise approximately £3.0 million, before expenses, and approximately £2.8 million after the expenses of the Firm Placing (which are estimated to be approximately £0.2million (excluding VAT in total)). The Firm Placing Shares have been conditionally placed by Cenkos, as agent for the Company, with institutional and other investors, including members of the Board. Application will be made for the Firm Placing Shares to be admitted to trading on AIM and dealings are expected to become effective on 2 May 2019.

The Firm Placing is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 2 May 2019 or such later time and/or date (being no later than 8.00 a.m. on 30 May 2019) as Cenkos and the Company may agree.

If any of the conditions are not satisfied, the Firm Placing Shares (and the Open Offer Shares) will not be issued and all monies received from the Placees and Qualifying Shareholders will be returned to them (at the Placees' and Qualifying Shareholders' risk and without interest) as soon as possible thereafter. The purpose of the General Meeting is to seek approval from Shareholders of the Resolutions to enable the Transaction to proceed.

The Firm Placing Shares to be issued pursuant to the Firm Placing will represent approximately 53.2 per cent. of the Enlarged Share Capital assuming full take-up of the Open Offer. The Firm Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued ordinary share capital of the Company after the date of their issue and will otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares. The Issue Price is at a 32.8 per cent. discount to the closing mid-market price of 5.95 pence per Ordinary Share as at 11 April 2019 (being the latest practicable date prior to the announcement of the Firm Placing and the Open Offer).

Cenkos, as agent for the Company, has conditionally agreed to use its reasonable endeavours to procure subscribers for the Firm Placing Shares at the Issue Price under the terms of the Firm Placing and Open Offer Agreement. The Firm Placing is not underwritten and is not subject to clawback. The obligations of Cenkos under the Firm Placing and Open Offer Agreement are conditional, inter alia, upon Admission having occurred by not later than 2 May 2019 (or such later date as may be agreed, being no later than 30 May 2019), there being prior to Admission no material breach of the warranties given to Cenkos, and Shareholders passing the Resolutions at the General Meeting.

The Firm Placing and Open Offer Agreement contains warranties from the Company in favour of Cenkos (for itself and as agent for each of the Placees) and in relation to, inter alia, the accuracy of the information contained in this announcement and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities that it might occur in respect of the Firm Placing and the Open Offer. The Firm Placing and Open Offer Agreement also contains certain warranties given by the Directors who are members of the Concert Party in relation to the Concert Party.

Cenkos may terminate the Firm Placing and Open Offer Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by Cenkos to be material in the context of the Firm Placing and the Open Offer). If the conditions of the Firm Placing and Open Offer Agreement are not fulfilled on or before the relevant date in the Firm Placing and Open Offer Agreement, application monies will be returned to applicants without interest as soon as possible thereafter.

Details of the Open Offer

The Company is proposing to raise up to £0.25 million before expenses from existing shareholders in the Company under the Open Offer. A total of, in aggregate, up to 6,294,262 Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to Placees under the Firm Placing.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

2 Open Offer Shares for every 19 Existing Ordinary Shares

registered in their name on the Record Date.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of the Circular.

Valid applications by Qualifying Non-CREST Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements *pro rata* to the number of excess shares applied for by Qualifying Shareholders under the Excess Application Facility.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 15 April 2019. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 30 April 2019. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be

paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 30 April 2019.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of the Circular and on the accompanying Application Form.

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). The principal conditions to the Firm Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become unconditional in all respects (save for the condition relating to Admission); and
- (c) Admission becoming effective by no later than 8.00 a.m. on 2 May 2019 or such later time and/or date (being no later than 8.00 a.m. on 30 May 2019) as Cenkos and the Company may agree.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by Computershare will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares (and the Firm Placing Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the Admission of the Open Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 2 May 2019 at which time it is also expected that the Open Offer Shares will be enabled for settlement in CREST.

Firm Placing and Open Offer Agreement

Pursuant to the Firm Placing and Open Offer Agreement, Cenkos Securities has agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the Firm Placing Shares at the Issue Price.

The Firm Placing and Open Offer Agreement provides, *inter alia*, for payment by the Company to Cenkos Securities of a corporate finance fee and commissions based on certain percentages related to the number of Firm Placing Shares placed by Cenkos Securities and issued Open Offer Shares, multiplied by the Issue Price.

The Company will bear all other expenses of and incidental to the Firm Placing and the Open Offer, including printing costs, Registrar's and Receiving Agent's fees, all legal and accounting fees of the Company and of Cenkos Securities, all stamp duty and other taxes and duties where payable.

The Firm Placing and Open Offer Agreement contains certain warranties and indemnities from the Company in favour of Cenkos Securities, all of which are customary for a document of this nature, and is conditional, *inter alia*, upon:

- (a) Shareholder approval of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- (c) Admission becoming effective not later than 8.00 a.m. on 2 May 2019 or such later time and/or date as the Company and Cenkos Securities may agree, being not later than 30 May 2019.

Cenkos Securities may terminate the Firm Placing and Open Offer Agreement in certain circumstances, if, *inter alia*, the Company is in material breach of any of its obligations under the Firm Placing and Open Offer Agreement; if there is a material adverse change in the condition, earnings, business, operations or solvency of the Company; or if there is a material adverse change in the financial, political, economic or stock market conditions, which in their respective reasonable opinion makes it impractical or inadvisable to proceed with the Firm Placing and the Open Offer.

Rule 9 of the Takeover Code and Jonny Plant

Adam and Sam Kaye are brothers and are members of a wider Concert Party comprising a number of their extended family members who have an existing shareholding in the Company (as well as interests in other Kaye family related quoted companies including Everyman Media Group plc, Comptoir Group plc and Richoux Group plc, and, prior to its sale to TPG Capital LLC, Prezzo plc). Due to their close family link, Adam and Sam Kaye and members of their extended family are presumed to be acting in concert for the purposes of the Takeover Code and accordingly their beneficial interests in the Company are

required to be aggregated for consideration of Rule 9 of the Takeover Code. The Kaye family members presumed to be acting in concert with Adam Kaye and Sam Kaye are Jonathan Kaye, Philip Kaye, Anne Kaye, Samantha Sanson and Doreen Kaye.

Adam Kaye and Sam Kaye and Jonny Plant, are the joint founders of the business that became Tasty plc, and they are close friends, having known each other for thirty years. In addition to Mr. Plant's interest in the Company, he too has interests in other Kaye family related quoted companies including Everyman Media Group plc, Comptoir Group plc and Richoux Group plc. Save for Adam Kaye's appointment as an executive director of Everyman Media Group plc, Jonny Plant, Adam Kaye and Sam Kaye have no involvement in the management of these companies and their interests in them as shareholders are held purely as investments. In light of the relationships outlined above, Mr. Plant is being treated as acting in concert with the Kaye family members referred to above for the purposes of the Takeover Code.

As at 11 April 2019, the latest practicable date prior to the posting of the Circular, Jonny Plant had an interest in 4,154,579 Existing Ordinary Shares, representing approximately 6.9 per cent. of the issued share capital of the Company. On 5 April 2018, Mr. Plant acquired 311,250 Existing Ordinary Shares at a price of 14 pence per Existing Ordinary Share (the "Market Purchase") such shares representing 0.52 per cent. of the then issued ordinary share capital of the Company.

The Market Purchase would normally have given rise to an obligation for Mr. Plant to make a mandatory offer for Tasty pursuant to Rule 9.1 (b) of the Takeover Code. However, the Panel has acknowledged that the Existing Ordinary Shares acquired by him by way of the Market Purchase were purchased inadvertently as regards his obligations pursuant to Rule 9 of the Takeover Code. The Panel has therefore granted a dispensation from the requirement for Mr. Plant to make an offer in accordance with Rule 9 of the Takeover Code as long as his resultant holding following completion of the Firm Placing and the Open Offer is reduced from what it would otherwise have been by 0.52 per cent. Assuming that the Placing and Open Offer proceed, due to the dilutive effect of the Firm Placing and Open Offer on Mr. Plant's overall shareholding his interest in Ordinary Shares will be reduced by the requisite 0.52 per cent.

Concert Party Shareholdings

Name	As at the date of this announcement		On Admission		Interest in Ordinary Shares of the Company including the Firm Placing Shares*	Maximum % of Enlarged Issued Share Capital assuming each Concert Party member subscribes for their pro rata entitlement in the Open Offer and no other Shareholders participate
	Number of Existing Ordinary Shares	% of Existing Issued Share Capital	Number of Firm Placing Shares being subscribed for	Amount Subscribed		
Sam Kaye	10,750,588	17.98%	10,000,000	£400,000	20,750,588	15.87%
Adam Kaye	7,236,560	12.10%	5,000,000	£200,000	12,236,560	9.43%
Jonny Plant	4,154,579	6.95%	2,500,000	£100,000	6,654,579	5.14%
Philip Kaye	3,319,390	5.55%	2,500,000	£100,000	5,819,390	4.48%
Jonathan Kaye	3,065,811	5.13%	2,500,000	£100,000	5,565,811	4.27%
Anne Kaye	394,828	0.66%	-	-	394,828	0.32%
Samantha Sanson	38,461	0.06%	-	-	38,461	0.03%
Doreen Kaye	19,230	0.03%	-	-	19,230	0.02%
Total	28,979,447	48.5%	22,500,000	£900,000	51,479,447	39.6%

*Excludes any Open Offer Shares that may be subscribed. Details of Open Offer Shares subscribed will be announced in due course once final acceptances have been received.

Directors' participation in the Firm Placing

Certain Directors intend to subscribe for New Ordinary Shares in the Firm Placing may also subscribe for additional Offer Shares in the Open Offer at the Issue Price. Details of Firm Placing Shares for which the Directors will be subscribing and their maximum potential interests as they would be on Admission (assuming that no other Shareholder save for the Directors participating in the Firm Placing and Open Offer takes up their Basic Entitlements to Open Offer Shares and that none of the Directors participating in the Firm Placing and Open Offer applies for Excess Shares under the Excess Application Facility) are as follows:

Name	As at the date of this announcement				On Admission	
	Number of Existing Ordinary Shares	% of Existing Issued Share Capital	Number of Firm Placing Shares intended to be subscribed for	Amount Subscribed	Interest in Ordinary Shares of the Company including the Firm Placing Shares *	Percentage of Ordinary Shares held following the Firm Placing and Open Offer assuming the Open Offer is fully subscribed and the Directors subscribe for their pro rata entitlement in the Open Offer
Sam Kaye	10,750,588	18.0%	10,000,000	£400,000	20,750,588	15.5%
Adam Kaye	7,236,560	12.1%	5,000,000	£200,000	12,236,560	9.2%
Jonny Plant	4,154,579	6.9%	2,500,000	£100,000	6,654,579	5.0%
Keith Lassman	333,185	0.6%	-	-	333,185	0.3%
Total	22,474,912	37.6%	17,500,000	£700,000	39,974,912	30.0%

*Excludes any Open Offer Shares that may be subscribed. Details of Open Offer Shares subscribed will be announced in due course once final acceptances have been received.

Related parties' participation in the Firm Placing

As part of the Firm Placing, Gresham House, an existing Shareholder, has agreed to subscribe for 10,000,000 Firm Placing Shares pursuant to the Firm Placing at the Issue Price. Following Admission, and on the assumption that Gresham House takes up their Basic Entitlement and that the Open Offer is fully subscribed, Gresham House will have an interest in 20,130,609 Ordinary Shares, representing 14.3 per cent. of the Enlarged Share Capital.

The participation in the Firm Placing by Gresham House (or funds managed by Gresham House) (as a substantial shareholder) constitutes a related party transaction pursuant to the AIM Rules. The Independent Director considers, having consulted with Cenkos, the Company's Nominated Adviser, that the terms of the related party subscription are fair and reasonable insofar as Shareholders are concerned.

	Number of Ordinary Shares held	Number of Ordinary Shares held as a percentage of the Existing Ordinary Shares	Number of Firm Placing Shares	Amount Subscribed	Number of Ordinary Shares held including the Firm Placing Shares	Percentage of Ordinary Shares held following the Firm Placing and Open Offer assuming the Open Offer is fully subscribed
Gresham House	10,088,133	16.9%	10,000,000	£400,000	20,088,133	14.3

Furthermore, as detailed in paragraph 8 of Part I of the Circular, certain Directors have either committed or indicated their intentions to subscribe for Firm Placing Shares. The aggregate participation by the Directors in the Firm Placing would constitute a related party transaction pursuant to the AIM Rules. The Independent Director considers, having consulted with Cenkos, the Company's Nominated Adviser, that the terms of the proposed related party transaction by the relevant Directors are fair and reasonable insofar as Shareholders are concerned.

Share Capital Reorganisation

As at the date of the Circular, the Company has 59,795,496 Existing Ordinary Shares in issue. The Existing Ordinary Shares currently trade below their nominal value of 10 pence. As a consequence, the Company is prohibited by the Companies Act from issuing shares at a price below their nominal value. Accordingly, the Board proposes to sub-divide each Existing Ordinary Share into one ordinary share of 0.1 pence each and one Deferred Share of 9.9 pence each. The effect of this will be to reduce

the nominal value of an Existing Ordinary Share from 10 pence to 0.1 pence, which is well below the Issue Price and therefore enable the Company to proceed with the Transaction.

On completion of the Share Capital Reorganisation, Shareholders would own one Existing Ordinary Share of 0.1 pence (nominal value) and one Deferred Share for every Existing Ordinary Share of 10 pence that they owned prior to the Share Capital Reorganisation. By way of example a Shareholder who owns 100 Existing Ordinary Shares of 10 pence each will, on completion of the Share Capital Reorganisation, own 100 Existing Ordinary Shares of 0.1 pence each and 100 Deferred Shares of 9.9 pence each. As explained below, the Deferred Shares will effectively be worthless and approval to cancel them will likely be sought at a later date. Percentage holdings of individual Shareholders will not change as a result of the Share Capital Reorganisation. It is not anticipated that the Share Capital Reorganisation will have any impact on the market price of an Ordinary Share and the Existing Ordinary Shares of 0.1 pence each are expected to trade at the same price as the Existing Ordinary Shares of 10 pence each, assuming normal market conditions.

The rights attached to the Existing Ordinary Shares of 0.1 pence each will be identical in all respects to those of the Existing Ordinary Shares of 10 pence each. The Share Capital Reorganisation will not affect the voting or other rights of holders of Existing Ordinary Shares of 10 pence each who receive Existing Ordinary Shares of 0.1 pence each.

The Deferred Shares will have the minimal rights described in the paragraph headed "Amendment to the Articles", below. No application will be made to the London Stock Exchange for admission of the Deferred Shares to trading on AIM nor will any such application be made to any other exchange. As a consequence, the Deferred Shares will effectively be worthless and approval to cancel the Deferred Shares will likely be sought at a later date.

Application will be made to the London Stock Exchange for the Existing Ordinary Shares of 0.1 pence each (assuming the Share Capital Reorganisation resolution is approved at the General Meeting) in addition to the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares and Existing Ordinary Shares (assuming the Share Capital Reorganisation resolution is approved at the General Meeting) will commence on 2 May 2019.

Amendment to the Articles

It is proposed to adopt new Articles at the General Meeting which will amend the current Articles to create a new class of shares, being the Deferred Shares and to set out the rights of the holders of the Deferred Shares with regard to their dividend, capital, voting and conversion rights, the maintenance of share funds and the distribution of profits, as follows:

Dividends and Capital

The holders of Deferred Shares shall not be entitled to receive any dividend or other distribution or to participate in any return of capital on a winding up.

Voting

The Deferred Shares will not carry any right to receive notice of or attend and vote at any general meeting of the Company.

Conversion Rights

The Deferred Shares will have no conversion rights.

General Meeting

A notice is set out at the end of the Circular convening the General Meeting to be held at the offices of the Company 32 Charlotte Street, London, W1T 2NQ at 11.00 a.m. on 1 May 2019 at which the following Resolutions will be proposed:

- (A) Resolution 1 which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2, seeks approval for the sub-division of each of the Existing Ordinary Share of 10 pence each into one Existing Ordinary Share of 0.1 pence each and 1 Deferred Share of 9.9 pence each;
- (B) Resolution 2, which will be proposed as an ordinary resolution, and which is subject to the passing of Resolution 1, is to adopt new articles of association;
- (C) Resolution 3, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of (i) £81,294.26 in connection with the Firm Placing and the Open Offer and (ii) £47,029.92 otherwise than in connection with the Transaction; and

- (D) Resolution 4 which will be proposed as a special resolution and which is subject to the passing of Resolution 3, disapplies statutory pre-emption rights, provided that such authority shall be limited to, *inter alia*, the allotment of equity securities in connection with the Firm Placing and the Open Offer, and otherwise the allotment of equity securities up to an aggregate nominal amount of £14,108.98.

Resolutions 1, 2, and 3 are ordinary resolutions and require a simple majority of those voting to vote in favour of those Resolutions. Resolution 4 is a special resolution and will require not less than 75 per cent. of those voting in person or on a poll by proxy to vote in favour of those Resolutions.

Resolution 3 authorises the allotment of such number of New Ordinary Shares as are necessary for the Firm Placing and the Open Offer, as well as providing the Directors with a standing authority to allot equity securities up to an aggregate nominal value of £47,029.92 (representing one-third of the Enlarged Share Capital). Similarly, Resolution 4 authorises the disapplication of statutory pre-emption rights in respect of such number of New Ordinary Shares as are necessary for the Firm Placing and the Open Offer as well as providing the Directors with a standing authority to allot equity securities otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £14,108.98 (representing ten per cent. of the Enlarged Share Capital).

Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward the Circular or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part III of the Circular.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

Recommendation

The Directors consider the Firm Placing and the Open Offer to be in the best interests of the Company and the Shareholders as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 22,474,912 Existing Ordinary Shares, representing approximately 37.6 per cent. of the Existing Ordinary Shares.

The Firm Placing and the Open Offer are conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Firm Placing and the Open Offer will not proceed and the Company will need to secure alternative sources of capital in order to meet its obligations to the provider of its debt facilities.

FIRM PLACING STATISTICS

Number of Existing Ordinary Shares of 10 pence each as at the date of this announcement	59,795,496
Number of Existing Ordinary Shares of 0.1 pence each on Admission *	59,795,496
Number of Firm Placing Shares	75,000,000
Issue Price	4 pence
Number of Ordinary Shares in issue immediately following Admission of the Firm Placing Shares**	134,795,496

Firm Placing Shares as a percentage of the Existing Ordinary Shares in issue immediately following the Firm Placing Shares**	55.6%
Percentage of the Enlarged Share Capital held by the Concert Party following Admission of the Firm Placing Shares**	38.2%
Gross Proceeds of the Firm Placing	Approximately £3.0 million
ISIN Code of the Existing Ordinary Shares of 10 pence each	GB00B17MN067
ISIN Code for the Existing Ordinary Shares of 0.1 pence each	GB00B17MN067

OPEN OFFER STATISTICS

Number of Open Offer Shares	up to 6,294,262
Issue Price	4 pence
Basis of Open Offer	2 Open Offer Shares for every 19 Existing Ordinary Shares
Gross proceeds from the Open Offer***	up to £0.5 million
Enlarged Share Capital following the Firm Placing and the Open Offer***	up to 141,089,758
Open Offer Shares as a percentage of the Enlarged Share Capital***	up to 4.5%
Percentage of the Enlarged Share Capital held by the Concert Party following the allotment and issue of the Firm Placing Shares and Open Offer Shares***	up to 38.6%
ISIN Code for Open Offer Entitlements	GB00BJ5K3195
ISIN Code for the Excess CREST Open Offer Entitlements	GB00BJ5K3203

* *assuming the Share Capital Reorganisation has completed*

** *prior to the issue of the Open Offer Shares*

*** *on the assumption that the Open Offer is fully subscribed*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 10 April 2019
Announcement of the Firm Placing and the Open Offer, publication and posting of the Circular, the Application Form and Form of Proxy	12 April 2019
Ex-entitlement Date	8.00 a.m. on 12 April 2019
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	15 April 2019
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 24 April 2019
Recommended latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 25 April 2019
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 26 April 2019
Latest time and date for receipt of completed Forms of Proxy to be valid at the General	11.00 a.m. on 29 April 2019

Meeting

Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (if appropriate)	11.00 a.m. on 30 April 2019
General Meeting	11.00 a.m. on 1 May 2019
Announcement of result of General Meeting and the Open Offer	1 May 2019
Record Date for the Share Capital Reorganisation	6:00pm 1 May 2019
Admission and commencement of dealings in the New Ordinary Shares on AIM and in the Existing Ordinary Shares (as sub-divided)	8.00 a.m. on 2 May 2019
New Ordinary Shares and (if applicable) Existing Ordinary Shares (as sub-divided) credited to CREST members' accounts	2 May 2019
Despatch of definitive share certificates in certificated form	9 May 2019

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.

All references are to London time unless stated otherwise.

DEFINITIONS

The following words and expressions shall have the following meanings in this announcement unless the context otherwise requires:

"Admission"	the admission to trading on AIM of the New Ordinary Shares and Existing Ordinary Shares of 0.1 pence each becoming effective in accordance with Rule 6 of the AIM Rules
"AIM"	AIM, the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time
"Application Form"	the non-CREST Application Form
"Articles"	the articles of association of the Company
"Basic Entitlement"	the number of Open Offer Shares which Qualifying Holders are entitled to subscribe for at the Issue Price pro rata to their holding of Existing Ordinary Shares pursuant to the Open Offer as described in Part III of the Circular
"Board" or "Directors"	the directors of the Company
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
"Cenkos" or "Cenkos Securities"	Cenkos Securities plc (company number: 05210733) whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST)
"Circular"	the circular to be posted to Shareholders on 12 April 2019
"Companies Act"	the Companies Act 2006, as amended

"Company" or "Tasty"	Tasty plc, a company incorporated in England and Wales with registered number 5826464
"Computershare"	Computershare Investor Services PLC
"Concert Party"	together, Adam Kaye, Jonny Plant, Sam Kaye, Jonathan Kaye, Philip Kaye, Anne Kaye, Samantha Sanson and Doreen Kaye
"CREST"	the computerised settlement system to facilitate transfer of title to, or interests in, securities in uncertificated form operated by Euroclear UK & Ireland Limited
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
"CREST member account ID"	the identification code or number attached to a member account in CREST
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
"CREST participant ID"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"CSOP"	the Company Share Option Plan established by the Company on 27 February 2014
"Deferred Shares"	the Deferred Shares of 9.9 pence each in the capital of the Company having the rights set out in paragraph 11 of Part 1 of this Circular
"Enlarged Share Capital"	the entire issued ordinary share capital of the Company immediately following Admission of the New Ordinary Shares
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
"Excess CREST Open Offer"	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full
"Excess CREST Open Offer Entitlement"	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of the Circular
"Excess Shares"	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
"Existing Ordinary Shares" or "Existing Issued Share Capital"	the 59,795,496 ordinary shares of 10 pence each in issue at the date of this announcement and, as from the passing of the Share Capital Reorganisation resolution, 59,795,496 ordinary shares of 0.1 pence each

"Ex-entitlement Date"	the date on which the Existing Ordinary Shares are marked "ex" for entitlement under the Open Offer, being 12 April 2019
"FCA"	the Financial Conduct Authority of the UK
"Firm Placing"	the placing by the Company of the Firm Placing Shares with certain institutional investors and existing Shareholders (or their associated investment vehicles), otherwise than on a pre-emptive basis, at the Issue Price
"Firm Placing and Open Offer Agreement"	the agreement dated 11 April 2019 entered into between the Company, Adam Kaye, Sam Kaye, Jonny Plant and Cenkos Securities in respect of the Firm Placing and the Open Offer, as described in the Circular
"Firm Placing Shares"	the 75,000,000 New Ordinary Shares of 0.1 pence each to be issued by the Company pursuant to the Firm Placing
"Form of Proxy"	the form of proxy for use at the General Meeting which accompanies the Circular
"FSMA"	Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the General Meeting of the Company, convened for 11.00 a.m. on 1 May 2019 or at any adjournment thereof, notice of which is set out at the end of the Circular
"Gresham House"	the Gresham House funds formerly managed by Livingbridge VP LLP including LF Gresham House UK Micro Cap Fund and/or LF Gresham House UK Multi Cap Income Fund and /or Baronsmead Venture Trust plc and /or Baronsmead Second Ventures Trust plc
"Group"	the Company and its subsidiary undertakings
"Independent Director"	Keith Lassman, who is deemed to be an Independent Director by virtue of his not participating in the Firm Placing
"ISIN"	International Securities Identification Number
"Issue Price"	4 pence per Firm Placing Share and Open Offer Share
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	30 May 2019
"Money Laundering Regulations"	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
"New Ordinary Shares"	together, the Firm Placing Shares and the up to 6,294,262 Open Offer Shares
"Notice of General Meeting"	the notice of the General Meeting, which is set out at the end of the Circular
"Open Offer"	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of the Circular and, where relevant, in the Application Form
"Open Offer Shares"	up to 6,294,262 new Ordinary Shares of 0.1 pence each being made available to Qualifying Shareholders pursuant to the Open Offer
"Open Offer Entitlement"	the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer

"Overseas Shareholders"	a Shareholder with a registered address outside the United Kingdom
"Panel"	the Panel on Takeovers and Mergers
"Placees"	subscribers for Firm Placing Shares
"Prospectus Rules"	the Prospectus Rules by the FCA under section 73A of FSMA, as amended from time to time
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any other Restricted Jurisdiction)
"Receiving Agents"	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6AH
"Record Date"	6.00 p.m. on 10 April 2019 in respect of the entitlements of Qualifying Shareholders under the Open Offer
"Registrars"	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE
"Regulatory Information Service"	has the meaning given in the AIM Rules for Companies
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting which is set out at the end of the Circular
"Restricted Jurisdiction"	United States of America, Canada, Australia, Japan, New Zealand, the Republic of South Africa, Cayman Islands, Singapore, Barbados, Switzerland or the State of Kuwait and any other jurisdiction where the extension or availability of the Firm Placing and the Open Offer would breach any applicable law
"Securities Act"	US Securities Act of 1933 (as amended)
"Shareholder(s)"	holder(s) of Existing Ordinary Shares
Share Capital Reorganisation	the proposal to sub-divide each Existing Ordinary Share into 1 ordinary share of 0.1 pence each and one Deferred Share of 9.9 pence each as set out in paragraph 10 of Part 1 of this Circular
"Takeover Code"	the City Code on Takeovers and Mergers
"Transaction"	the Firm Placing and the Open Offer
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"Uncertificated" or "in Uncertificated form"	recorded on the relevant register or other record of the Ordinary Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US" or "United States"	the United States of America
"USE"	has the meaning given in paragraph 3.2 (c) of Part III of the Circular
"USE Instruction"	has the meaning given in paragraph 3.2 (c) of Part III of the Circular