

23 December 2020

**Tasty plc**  
("Tasty" or the "Company")

**Approval of waiver of obligations under Rule 9 of the Takeover Code  
Related Party Transaction  
Approval of Growth Shares Scheme  
Adoption of New Articles  
and  
Notice of General Meeting**

Tasty (AIM: TAST), the owner and operator of restaurants in the casual dining sector, announces that it will be posting a circular to shareholders (the "**Circular**") today including notice convening a general meeting ("**Notice of General Meeting**") to be held at 12.00 p.m. on 15 January 2021 at the Company's offices at 32 Charlotte Street, London W1T 2NQ (the "**General Meeting**").

**General Meeting**

The Directors are asking all Shareholders not to attend the General Meeting in light of the UK Government's current restrictions on gatherings and the rules regarding social distancing which have been imposed in response to the Covid-19 pandemic. Shareholders who attempt to attend the GM in person in breach of any stay at home measures which are in place on the date of the GM will not be admitted. Instead, please vote by proxy on the Resolutions in advance of the General Meeting by one of the methods described in the Circular. Voting will be taken on a poll for all of the Resolutions. Given the current restrictions on attendance in person at the GM, Shareholders are encouraged to appoint the chairman of the GM as their proxy rather than a named person who will not currently be permitted to attend the GM unless the UK Government's restrictions in place at the date of this announcement are relaxed or lifted prior to the GM.

Shareholders are requested to vote as soon as possible and, in any event, to be valid so as to be received by the Company's registrars, Computershare Investor Services, by not later than 12.00 p.m. on 13 January 2021. Hard copies of the Forms of Proxy should be returned to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

In addition, Shareholders can also submit questions relating to the business of the General Meeting at any time from the date of this announcement by email to [info@dimt.co.uk](mailto:info@dimt.co.uk) and the Company will answer such questions on a regular basis up until 12.00 p.m. on 13 January 2021. If the restrictions on gatherings and social distancing are relaxed or lifted by the UK Government prior to the date of the GM, the Company will notify Shareholders of any resulting change which may affect the ability of Shareholders to attend the GM by issuing a further announcement through a Regulatory Information Service and on its website at <https://dimt.co.uk/investor-relations/news/>.

The Circular is available to view on the Company's website at <https://dimt.co.uk/investor-relations/>. Capitalised terms in this announcement shall have the same meaning as in the Circular to be posted to shareholders today.

**Growth Shares Scheme**

As announced on 15 September 2020 and 23 December 2020, the composition of the Board of Directors has changed with Adam Kaye stepping down from the Board, Sam Kaye changing his role from Joint Chief Executive Officer to Non-executive Director and Jonny Plant becoming sole Chief

Executive Officer. As part of these changes, Jonny Plant's role and responsibility has increased significantly and it was therefore deemed appropriate, given his current lack of equity incentive, aside from his interest in Ordinary Shares, to incentivise him in the form of the Growth Shares Scheme to which Jonny Plant will be invited to join as the first participant. A summary of those proposed incentive arrangements in the form of the Growth Shares Scheme is set out below.

Following consultation with certain major shareholders it is proposed to introduce the Growth Shares Scheme to vary Jonny Plant's incentive arrangements so that he may be issued the B Ordinary Shares pursuant to the Growth Shares Scheme. These B Ordinary Shares are convertible into new Ordinary Shares subject to certain performance criteria being achieved as summarised below. Should all the B Ordinary Shares be converted into new Ordinary Shares these new Ordinary Shares will represent a maximum of 10% of the Existing Ordinary Shares. In addition, Jonny Plant currently holds 7,091,902 Ordinary Shares, representing 5.03% of the Existing Ordinary Shares.

Following the issue of the B Ordinary Shares and their subsequent conversion into Ordinary Shares (should the performance criteria above be achieved); Jonny Plant will hold (together with his existing holding of Ordinary Shares) an interest in the Company of up to a total of 22,768,542 Ordinary Shares representing 14.52% of the Enlarged Ordinary Share Capital and the Concert Party will hold, in aggregate, 67,593,410 Ordinary Shares, representing 43.12% of the Enlarged Ordinary Share Capital.

The Takeover Panel has agreed, subject to the passing of the Whitewash Resolution by Independent Shareholders (being Shareholders other than the members of the Concert Party), to waive the obligation on the Concert Party to make a general offer to Shareholders under Rule 9 of the Code that could otherwise arise on the grant to Jonny Plant of B Ordinary Shares and their subsequent conversion into new Ordinary Shares (should performance criteria be met).

Accordingly, the Company is seeking the approval at the General Meeting of, amongst other things, the Whitewash Resolution and the implementation of the Growth Shares Scheme (which will also necessitate the adoption of new articles of association of the Company).

The Growth Shares Scheme will not be implemented if the Whitewash Resolution is not passed at the General Meeting.

### **Related Party Transaction**

The issue of the B Ordinary Shares to Jonny Plant (and any subsequent conversion representing a maximum of 10% of the Existing Ordinary Shares) could be deemed to fall outside of usual remuneration parameters and is therefore classified as a related party transaction under AIM Rule 13. The Directors (excluding Jonny Plant), having consulted with the Company's nominated adviser, Cenkos Securities, believe that the terms of the new incentive arrangements are fair and reasonable insofar as shareholders are concerned.

### **For further information, please contact:**

**Tasty plc**  
Jonny Plant, Chief Executive

Tel: 020 7637 1166

**Cenkos Securities plc** (Nominated adviser and broker)  
Mark Connelly / Katy Birkin

Tel: 020 7397 8900

## **1. Background to, and reasons, for the proposed implementation of the Growth Shares Scheme**

As announced on 15 September 2020 and 23 December 2020, the composition of the Board of Directors has changed with Adam Kaye stepping down from the Board, Sam Kaye changing his role from Joint Chief Executive Officer to Non-executive Director and Jonny Plant becoming sole Chief Executive Officer. As part of these changes, Jonny Plant's role and responsibility has increased significantly and it was therefore deemed appropriate, given his current lack of equity incentive, aside from his interest in Ordinary Shares, to incentivise him in the form of the Growth Shares Scheme. A summary of those proposed incentive arrangements in the form of the Growth Shares Scheme is set out below.

### *The Growth Shares Scheme*

It is proposed that the Company establishes the Growth Shares Scheme to which Jonny Plant will be invited to join as the first participant. The object of the Growth Shares Scheme is to entitle the employee to participate only in the future capital growth of the Company as well as permit the employee to convert their B Ordinary Shares into the Company's Ordinary Shares, whilst retaining many of the commercial benefits of an option scheme.

Following consultation with certain major shareholders it is proposed to introduce a new incentive arrangement to vary Jonny Plant's incentive arrangements so that he may be issued the B Ordinary Shares pursuant to the Growth Shares Scheme. These B Ordinary Shares are convertible into new Ordinary Shares subject to certain performance criteria being achieved as summarised below (and detailed further in paragraph 7 of Part III of the Circular). Should all the B Ordinary Shares be converted into new Ordinary Shares these new Ordinary Shares will represent a maximum of 10% of the Existing Ordinary Shares. In addition, Jonny Plant currently holds 7,091,902 Ordinary Shares, representing 5.03% of the Existing Ordinary Shares.

The 90 day VWAP of an Ordinary Share as at the Last Practicable Date was 2.30 pence. The level of participation that the B Ordinary Shares are entitled to, and the maximum number of Ordinary Shares into which the B Ordinary Shares can convert is referenced to the following share price performance targets of the Company being met:

- if, at any time, within 12 months, the 90 day VWAP of the Ordinary Shares is 6 pence or more, up to 3.33%;
- if, at any time, within 24 months, the 90 day VWAP of the Ordinary Shares is 8 pence or more, up to 6.67%;
- if, at any time, within 48 months, the 90 day VWAP of the Ordinary Shares is 16 pence or more, up to 10%;

The maximum percentage that the new Ordinary Shares will represent, as a result of the conversion of B Ordinary Shares, will be no more than 10% of the Existing Ordinary Shares.

### *Example*

*By way of an example of the above rights, if in 20 months' time the 90 day VWAP is more than 8p, Jonny Plant's B Ordinary Shares are entitled to convert into and up to 10,451,093 new Ordinary Shares, being 6.67% of the Existing Ordinary Shares.*

Further details of the Growth Shares Scheme are set out in paragraph 7 of Part III of the Circular.

The Growth Shares Scheme will not be implemented if the Whitewash Resolution is not passed at the General Meeting.

Following the issue of the B Ordinary Shares and their subsequent conversion into Ordinary Shares (should the performance criteria above be achieved); Jonny Plant will hold (together with his existing holding of Ordinary Shares) an interest in the Company of up to a total of 22,768,542 Ordinary Shares representing 14.52% of the Enlarged Ordinary Share Capital and the Concert Party will hold, in aggregate, 67,593,410 Ordinary Shares, representing 43.12% of the Enlarged Ordinary Share Capital.

## **2. Background to and reasons for the Rule 9 Waiver**

The purpose of issuing the B Ordinary Shares to Jonny Plant pursuant to the Growth Shares Scheme is to incentivise him for the benefit of Shareholders to reflect his new role and responsibility as sole Chief Executive Officer.

As described above, the Company proposes to issue the B Ordinary Shares to Jonny Plant following the passing of the Whitewash Resolution (subject to all of the other Resolutions also being passed at the General Meeting).

The increase in the percentage shareholding of the Concert Party as a result of the conversion of B Ordinary Shares into new Ordinary Shares by Jonny Plant without a waiver of the obligations under Rule 9 of the Takeover Code (commonly referred to as a “**Whitewash**”), would oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code. The Panel has agreed to a waiver of this obligation, subject to the Whitewash Resolution being approved at the General Meeting (on a poll) by Independent Shareholders who hold in excess of 50% of the Independent Shares. The Rule 9 Waiver is therefore conditional upon Independent Shareholders approving the Whitewash Resolution. If the Whitewash Resolution is not approved by Independent Shareholders, the Growth Shares Scheme will not be implemented.

### ***The Takeover Code***

The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies, *inter alia*, to all public companies which have their registered office in the United Kingdom and are considered by the Takeover Panel to have their place of central management and control in the United Kingdom. The Company is such a company and Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as such term is defined in the Takeover Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30% or more of the voting rights in a company that is subject to the Takeover Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30% of the voting rights but does not hold shares carrying more than 50% of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired which increases the percentage of shares carrying voting rights by any such person. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer.

As the Concert Party is currently beneficially interested in 51,916,770 Ordinary Shares, representing approximately 36.80% of the Existing Ordinary Shares and the members of the Concert Party are presumed by the Panel to be acting in concert, the proposed issue of the B Ordinary Shares and their subsequent conversion into new Ordinary Shares would result in the Concert Party being obliged, under Rule 9 of the Takeover Code, to make a Rule 9 Offer for the remaining Ordinary Shares then in issue and not already owned by them.

Under Note 1 of the Notes on Dispensations from Rule 9, the Panel will normally waive the requirement for a Rule 9 Offer if, *inter alia*, those shareholders of the Company who are independent of the person who would otherwise be required to make an offer pass an ordinary resolution on a poll at a general meeting approving such a waiver.

The Takeover Panel has agreed, subject to the passing of the Whitewash Resolution by Independent Shareholders (being Shareholders other than the Concert Party) voting by way of a poll, to waive the obligation on the Concert Party to make a general offer to Shareholders under Rule 9 of the Code that could otherwise arise on any conversion of the B Ordinary Shares into new Ordinary Shares that the Company is intending to issue to Jonny Plant.

**Shareholders should be aware that if the Whitewash Resolution is passed, the Concert Party will, in aggregate, hold an interest in Ordinary Shares carrying 30% or more of the Company's voting rights but will not hold Ordinary Shares carrying more than 50% of such voting rights and, as long as they continue to be treated as acting in concert, any further increase in the Concert Party's aggregate interest in Ordinary Shares will be subject to Rule 9 of the Takeover Code.**

**In the event that the Whitewash Resolution is approved at the General Meeting, the Concert Party, or individual members thereof, will not be restricted from making an offer for the Company.**

### ***The Concert Party***

Under the Takeover Code, a concert party arises when persons, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, the Company. Control means an interest or interests in shares carrying in aggregate 30% or more of the voting rights of a company irrespective of whether the interest or interests give *de facto* control.

As set out in the circular to shareholders dated 12 April 2019, 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, Phillip Kaye, Samantha Sanson and Doreen Kaye.

Adam Kaye, 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 Jonny Plant's interest in the Company, he too has historically had interests in other Kaye family related quoted companies including Everyman Media Group plc and Comptoir Group plc and has a current interest

in Richoux Group plc. Save for Adam Kaye's appointment as an executive director of Everyman Media Group plc, 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. Similarly, Jonny Plant has no involvement in the management of Richoux Group plc and his interest as a shareholder is held purely as an investment. In light of the relationships outlined above, Jonny Plant is treated as acting in concert with the Kaye family members referred to above for the purposes of the Takeover Code.

Should Jonny Plant convert his B Ordinary Shares into new Ordinary Shares in full, and assuming no other Ordinary Shares are issued by the Company following the date of this announcement, then the Concert Party would have an interest in the Company of 67,593,410 Ordinary Shares representing 43.12% of the Enlarged Ordinary Share Capital. Full details of the Concert Party's interests in Ordinary Shares on 22 December 2020 (being the Last Practicable Date) and percentage interest in Ordinary Shares if Jonny Plant converted his B Ordinary Shares into new Ordinary Shares in full are set out below:

<i>Name</i>	<i>Number of Ordinary Shares held on the Last Practicable Date</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Proposed number of B Ordinary Shares</i>	<i>Maximum number of new Ordinary Shares upon conversion of the B Ordinary Shares</i>	<i>Resulting holding as a percentage of the Enlarged Ordinary Share Capital assuming conversion of all the B Ordinary Shares and assuming no further issue of Ordinary Shares</i>
Adam Kaye	12,236,560	8.67%	-	-	7.81%
Sam Kaye	20,750,588	14.71%	-	-	13.24%
Phillip Kaye	6,214,218	4.40%	-	-	3.96%
Jonathan Kaye	5,565,811	3.94%	-	-	3.55%
Samantha Sanson	38,461	0.03%	-	-	0.02%
Doreen Kaye	19,230	0.01%	-	-	0.01%
Jonny Plant	7,091,902	5.03%	15,676,640	15,676,640	14.52%
<b>Total</b>	<b>51,916,770</b>	<b>36.80%</b>	<b>15,676,640</b>	<b>15,676,640</b>	<b>43.12%</b>

### ***Rule 9 Waiver***

The Panel has agreed to waive the obligation on the Concert Party to make a general offer that would otherwise arise as a result of the conversion of B Ordinary Shares into new Ordinary Shares under the Growth Shares Scheme, subject to the approval of the Independent Shareholders, (to be taken on a poll). Accordingly, the Whitewash Resolution is being proposed at the General Meeting to approve the Rule 9 Waiver in respect of the Concert Party for the future conversion of B Ordinary Shares into new Ordinary Shares. Members of the Concert Party will not be entitled to vote on the Whitewash Resolution.

### **3. Intentions of the Concert Party**

The Concert Party has confirmed that, if the Whitewash Resolution is passed by the Independent Shareholders on a poll, there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares to any third party. Save as set out below, the Concert Party is not intending to seek any changes in respect of: (i) the composition of the Board, nor the Company's plans with

respect to the continued employment of employees and management of the Company and its subsidiaries (including any material change in conditions of employment) or any material change to the balance of skills and functions of the employees and management; (ii) the Company's future business and its strategic, research and development plans; (iii) the location of the Company's headquarters or headquarter functions or the location of the Company's place of business; (iv) employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; (v) redeployment of the Company's fixed assets; or (vi) the continuation of the Ordinary Shares being admitted to trading on AIM.

In the event that the Whitewash Resolution is passed by the Independent Shareholders at the GM, the Concert Party will not be restricted from making an offer for the Company.

#### **4. Current trading**

On 15 December 2020, the Company issued the following trading update:

"Further to the Company's most recent Trading Update on 6 November 2020 detailing the closure of all of its restaurants for in-store dining due to the second UK COVID-19 lockdown, the Company confirms that it had re-opened 38 restaurants with an additional 5 units providing takeaway and delivery services only, due to the Government restrictions. It is expected that a further 9 units will move to providing takeaway and delivery services only with the additional tier 3 restrictions being introduced in London and Essex on 16 December 2020.

Certain restaurants within the Company's estate have remained closed due to poor trading conditions in their locality. The Company continues to monitor developments affecting both the open and closed restaurants in line with the continually changing UK tier restrictions. The Company intends to continue to offer takeaway and delivery services across the 43 open units, until such time as the Government announces that it is prohibited from doing so or it is not viable to continue those services.

Trading across the business continues to be challenging with Christmas parties cancelled and the differing levels of restrictions significantly reducing the number of customers eating out and related restaurant capacity restrictions.

The Company has now been successful in achieving rent reductions and lease concessions on more than half of the estate. The Company is continuing consensual negotiations with landlords and other creditors in respect of outstanding rents and anticipates that this process will now be completed in January 2021. The Company will again be relying on Government support for employees' pay and VAT, and business rate holidays and grants, where available."

The Company currently has open approximately 22 restaurants for in-dining with an additional 19 units providing takeaway and delivery services only.

#### **5. Independent advice provided to the Board and Related Party Transaction**

The Takeover Code requires the Board to obtain competent independent advice regarding the merits of the Rule 9 Waiver which is the subject of the Whitewash Resolution, the increase of the Concert Party's controlling position on conversion of the B Ordinary Shares into new Ordinary Shares and the effect it will have on Shareholders generally. Accordingly, Cenkos, as the Company's financial adviser, has provided formal advice to the Board regarding the Proposals. Cenkos confirms that it is independent of the Concert Party and has no commercial relationship with them.

The issue of the B Ordinary Shares to Jonny Plant (and any subsequent conversion representing a maximum of 10% of the Existing Ordinary Shares) could be deemed to fall outside of usual remuneration parameters and is therefore classified as a related party transaction under AIM Rule 13. The Directors (excluding Jonny Plant), having consulted with the Company's nominated adviser, Cenkos Securities, believe that the terms of the new incentive arrangements are fair and reasonable insofar as shareholders are concerned.

## **6. Recommendations**

The Independent Directors, being Keith Lassman and Mayuri Vachhani, who have been so advised by Cenkos, consider that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, Cenkos has taken into account the Independent Directors' commercial assessments.

The Independent Directors unanimously recommend that Shareholders vote in favour of the Whitewash Resolution, as the Independent Directors who are Shareholders have undertaken to do in respect of their own beneficial holdings, representing approximately 0.57% in aggregate of the Existing Ordinary Shares. Jonny Plant and Sam Kaye, who are members of the Concert Party, are not deemed to be independent for the purpose of this recommendation and are therefore not entitled to vote on the Whitewash Resolution.

The Directors believe that the Resolutions (excluding the Whitewash Resolution) to be considered at the General Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend that Shareholders vote in favour of each of the Resolutions, as the Directors who are Shareholders intend to do in respect of their beneficial shareholdings representing, in aggregate, over 14.71% of the Existing Ordinary Shares.