8 March 2022

Tasty plc
("Tasty", the "Company" or the "Group")

Trading Update

Tasty (AIM: TAST), the owner and operator of restaurants in the casual dining sector, announces the following unaudited trading update for the 52 week period ended 26 December 2021.

- Revenue of £34.9m (2020: £24.2m), an increase of 44% year-on-year with 33 weeks dine-in trading, driven by strong sales post re-opening despite weaker trading for the peak December period than anticipated, due to the onset of the Omicron variant
- 2021 revenue represented 78% of the Company's 2019 revenues of £44.6m despite fewer operating sites
- Adjusted EBITDA[1] is expected to be approximately £8.0m (2020: £2.7m)
- Pre IFRS 16 adjusted EBITDA[1] is expected to be approximately £3.9m (2020: £1.5m loss)
- Cash at the year-end was £11.0m. After allowing for deferred HMRC payments, creditors and bank loan our net cash position was approximately £6.8m

Tasty is now trading out of 50 venues, with four restaurants currently closed but at different stages of re-opening planning. There are still ongoing negotiations to dispose of, or re-gear, two or three of the restaurant leases within the Group.

Since re-opening for dine-in in May 2021, the Group was EBITDA positive and cash generative for the remainder of 2021. The strong trading post full re-opening of the estate up until the outbreak of Omicron in late November 2021 was encouraging, however, this has been tempered by the challenges which the Company expects as a result of the end of Government support including VAT and business rates. There is also an expectation of a reduction in pent-up demand, disposable income and staycations as well as a steep rise in inflation in relation to wages, utilities and input supplier costs as the UK adjusts to Brexit, the aftermath of the pandemic and the current war in Ukraine.

Well publicised industry employee shortages and supply issues are being managed and will continue to be a focus for the Company. During the last twelve months, the Company has invested in refreshing some of the older sites and increasing and renewing the outside seating across the estate, and this programme will continue throughout this year.

In addition, there has been a recruitment drive to strengthen the head office team and operational structure. This increase in head count will facilitate a measured expansion plan for a pipeline of five to six new units this year and a refocus on takeaway and delivery which, following the lifting of Covid restrictions, due to employee shortages has once again become secondary to the dine-in trade.

1 Adjusted for depreciation, amortisation and highlighted items including share-based payments and impairments. Note the adjusted EBITDA figure includes £1.9m of exceptional Government grant income.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, this inside information is now considered to be in the public domain.

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