



Mabel Mezzco Limited

**Interim report
as at and for the 39-week period to
September 27, 2020**

Third Quarter 2020 overview

Financial overview

- UK revenue decreased 20.8% from Q2 SY19 to £70.3 million in Q3 2020 with phased reopening of our restaurants for eat in dining from early July.
- The customer initiatives implemented together with the Government's 'Eat out to help out' scheme operating throughout August allowed us to drive strong footfall to our restaurants with UK LFL sales of 7.4% for the quarter.
- Adjusted EBITDA increased to £18.1 million in Q3 2020. Covid-19 continued to impact on trading, however the group continued to proactively manage costs during the quarter including the negotiation of a number of rent deals which have positively impacted the EBITDA position.

Operational overview

- The business effectively reopened the estate for eat in dining during the quarter, testing and learning, with customer and team member safety as a priority.

YTD Q3 2020 overview

Financial overview

- UK revenue decreased 37.4% to £158.9 million in YTD Q3 2020. Strong performance in early Q1 2020 was followed by Covid-19 significantly impacting trading in Q2 2020, ultimately resulting in the closure of all of our restaurants. This was followed by a phased reopening of our restaurants for delivery and click and collect in Q2 2020 followed by eat in dining in Q3 2020.
- Strong sales performance in the first 8 weeks of Q1 2020 delivered 8.4% UK like for like sales. Our reopening for eat in dining together with the Government's 'Eat out to help out' scheme significantly benefited the business with 7.4% UK LFL sales in Q3 2020.
- Adjusted EBITDA decreased to £20.6 million in YTD Q3 2020 with an EBITDA uplift in the first 8 weeks of Q1 being offset by the significant impact of Covid-19 on trading throughout Q2 2020. The reopening of our restaurants in Q3 2020 drove a significant uplift in sales from Q2 which converted well to adjusted EBITDA.

Operational overview

- Investment in our people, product and property continuing to drive key metrics pre Covid-19, including net promoter score (NPS), and low team turnover. Our strong focus on customer safety and experience post reopening continued to drive strong customer feedback and metrics.
- US joint venture agreement completed and becoming effective from 31 January 2020.

Emma Woods, CEO, commented

We are encouraged by the strong performance of the business in Q3, both for eat in and delivery. This was the last point we were able to trade in any sense normally and provides real confidence that the business can return to market leading performance when restrictions are again lifted.

Results of operations

Third Quarter 2020 compared with Second Quarter SY19

Note: Q2 SY19 was a 13 week period ended 29 September 2019. Q3 2020 is a 13 week period ended 27 September 2020 to align the reporting calendar with our parent company TRG Plc.

Turnover

Turnover decreased 23.7% to £71.2 million in Q3 2020 from £93.3 million in Q2 SY19. A geographic and business line analysis of our turnover follows:

£ million	Q3 2020 13 weeks	Q2 SY19 13 weeks	% change 13 weeks
Company-operated UK	70.3	88.8	-20.8%
Company-operated US	0.0	3.8	-100%
Franchise	0.9	0.9	1.3%
Total	71.2	93.5	-23.7%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom decreased -20.8% to £70.3 million in Q3 2020 from £88.8 million in Q2 SY19. Covid-19 continued to impact sales in the quarter with a phased reopening of the estate for eat in at the start of the quarter in line with government restrictions. The customer initiatives in place together with the 'Eat out to help out' scheme operating throughout August allowed the group to rebuild sales, however still at some shortfall to Q2 SY19.

No turnover is shown for the US business in Q3 2020. This reflects the commencement of the new joint venture arrangement in the USA effective from 31 January 2020. After this date, sales from the US business are no longer consolidated to group turnover.

International franchised restaurants

Turnover from our international franchised restaurants remained flat at £0.9 million in Q3 2020 and in Q2 SY19 with a number of markets continuing to see the impact of Covid-19 on their trading.

Cost summary

£ million	Q3 2020 13 weeks	Q2 2019 13 weeks	% change 13 weeks
Cost of sales	42.6	54.0	-21.0%
Administrative expenses before exceptional items	18.0	31.0	-41.7%
Exceptional items	0.9	1.8	-48.1%
Net interest payable	2.8	2.6	8.9%
Tax on loss on ordinary activities	(0.4)	1.3	-131.3%

Cost of sales

Gross profit has decreased 27.5% from £54.0 million in Q2 SY19 to £42.6 million in Q3 2020. This reflects the impact of the sales decline due to Covid-19 with the estate opening for eat in sales on a phased basis at the start of Q3 2020.

Administrative expenses before exceptional items

Administrative expenses before exceptional items decreased 41.7% to £18.0 million in Q3 2020 from £31.0 million in Q2 SY19. This decrease results from the impact of Covid-19 on trading together with proactive measures taken by the business to manage and minimise the cost base. The reported charge for Q3 2020 includes the benefit of renegotiated rent charges which had previously been included at full contractual value at Q2 2020.

Exceptional items

Exceptional administrative expenses decreased from £1.8 million in Q2 SY19 to £0.9 million in Q3 2020. The charge in Q3 2020 related to costs to support the reopening of the wagamama business post closure. The charge in Q2 SY19 included costs to support the achievement of synergy savings.

Net interest payable and similar charges

Net interest payable and similar charges increased by 8.9% to £2.8 million in Q3 2020 from £2.6 million in Q2 SY19 reflecting the increased level of draw down under the group's revolving credit facility.

Tax on loss on ordinary activities

Tax on loss on ordinary activities decreased by 131.3% to a credit of £0.4 million in Q3 2020 from a £1.3 million charge in Q2 SY19 (13 weeks) reflecting a change in the group's underlying profitability.

YTD Q3 2020 compared with YTD Q2 SY19

Note: Q2 SY19 year to date was a 22 week period ended 29 September 2019. Q3 2020 year to date is however a 39 week period ended 27 September 2020 due to a change in the group's year end date to align the reporting calendar with our parent company TRG Plc. Equivalent 39 week profit and loss comparatives are therefore shown below together with the original 22 week comparative reported.

Turnover

Turnover decreased 39.5% to £160.1 million in YTD Q3 2020 from £253.9 million in YTD Q2 SY19 (39 weeks). A geographic and business line analysis of our turnover follows:

£ million	Q3 2020 YTD 39 weeks	Q2 SY19 YTD 22 weeks	Q2 SY19 YTD 39 weeks	% change 39 weeks
Company-operated UK	158.9	146.4	253.9	-37.4%
Company-operated US	1.2	6.2	10.8	-88.4%
Franchise	1.9	1.4	2.5	-24.1%
Total	162.0	154.0	267.2	-39.5%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom decreased 37.4% to £158.9 million in YTD Q3 2020 from £253.9 million in YTD Q2 SY19 (39 weeks). Strong LFL growth in the first 8 weeks of the YTD Q3 2020 period was followed by the impact of Covid-19 resulting in the closure of our full estate for eat in dining throughout the second quarter in line with government restrictions. The phased reopening of eat in in early Q3 2020 was followed by the successful 'Eat out to help out' scheme in August 2020.

No turnover is shown for the US business beyond the first month of Q1 2020. This reflects the commencement of the new joint venture arrangement in the USA effective from 31 January 2020. After this date, sales from the US business are no longer consolidated to group turnover.

International franchised restaurants

Turnover from our international franchised restaurants decreased from £2.5 million in YTD Q2 SY19 (39 weeks) to £1.9 million in YTD Q3 2020 with Covid-19 impacting trading in most markets from the later part of Q1 2020.

Cost summary

£ million	YTD Q2 2020 39 weeks	YTD Q2 SY19 22 weeks	YTD Q2 SY19 39 weeks	% change 39 weeks
Cost of sales	99.5	90.2	156.9	-36.6%
Administrative expenses before exceptional items	65.2	51.2	90.0	-27.6%
Exceptional items	19.8	2.0	4.3	364.8%
Net interest payable	8.2	4.4	7.8	5.5%
Tax on loss on ordinary activities	(1.1)	2.2	3.4	-130.8%

Cost of sales

Gross profit has decreased 43.4% from £110.4 million in YTD Q2 SY19 (39 weeks) to £62.5 million in YTD Q3 2020. The growth in the estate in the first weeks of the YTD Q3 2020 period together with benefit of synergy savings as part of the wider TRG group were subsequently countered by the impact of the significant sales decline due to Covid-19 resulting in initially the full closure followed by phased reopening of the restaurant estate.

Administrative expenses before exceptional items

Administrative expenses before exceptional items decreased 27.6% to £65.2 million in YTD Q3 2020 from £90.0 million in YTD Q2 SY19 (39 weeks). An increase in overhead costs and depreciation commensurate with the addition of new restaurants in the first weeks of the YTD period were countered by the impact of Covid-19. During the period of full closure and reduced trading, the business took proactive actions to manage and minimise the cost base. The reported charge for YTD Q3 2020 includes the benefit of renegotiated rent charges which had previously been included at full contractual value at YTD Q2 2020.

Exceptional items

Exceptional administrative expenses increased from £4.3 million in YTD Q2 SY19 (39 weeks) to £19.8 million in YTD Q3 2020. The charge in YTD Q3 2020 included costs related to the sale of the US business, charges arising as a result of Covid-19 closure, costs to subsequently support the reopening of the wagamama business post closure, and non-cash charges relating to the group's onerous lease and impairment provisions. The charge in YTD Q2 SY19 (39 weeks) included costs to support the achievement of synergy savings and non-cash charges relating to the group's impairment provisions.

Net interest payable and similar charges

Net interest payable and similar charges increased by 5.5% to £8.2 million in YTD Q3 2020 from £7.8 million in YTD Q2 SY19 (39 weeks) reflecting the increased level of draw down under the group's revolving credit facility.

Tax on loss on ordinary activities

Tax on loss on ordinary activities decreased by 130.8% to a credit of £1.1 million in Q3 2020 from a £3.4 million charge in Q2 SY19 (13 weeks) reflecting a change in the group's underlying profitability.

Cash flow

The cash balance at the end of Q3 2020 was £26.8 million compared to a balance of £22.4 million at the end of Q2 SY19.

The cash inflow of £9.3 million in Q3 2020 increased from an inflow of £3.7 million in Q2 SY19. This resulted from an increased level of adjusted EBITDA in Q3 2020 together with an increased level of working capital inflow and lower capital expenditure.

Net cash inflow from operating activities

Net cashflow from operating activities increased to a £21.7 million inflow in Q3 2020 from a £19.3 million inflow in Q2 SY19. This resulted from an increased level of adjusted EBITDA in Q3 2020 together with an increased level of working capital inflow based on the group's cash management actions.

Taxation cash outflow decreased to £0.0 million in Q3 2020 from £1.2 million in Q2 SY19. No further tax payments have been made in the quarter in light of the impact of Covid-19 on underlying profitability.

Net cash outflow from investing activities

Net cash outflow from capital expenditure decreased to £2.7 million in Q3 2020 from £9.6 million in Q2 SY19. No new expansionary capital expenditure was committed during Q3 2020 with the outflow relating to the completion of works committed earlier in the year, essential maintenance expenditure and expenditure on restaurant safety initiatives. Q2 SY19 included higher levels of both expansion and refurbishment expenditure.

Net cash inflow/outflow from financing

Net cashflow from financing remained flat at £4.7 million in Q3 2020 and Q2 SY19 with the semi-annual interest payment on the Group's bond debt falling due during the period.

Capital expenditure

The following table shows our capital expenditures for the periods indicated:

	For the period ended		For the period ended	
	Sept 27, 2020 13 weeks	Sept 29, 2019 13 weeks	Sept 27, 2020 39 weeks	Sept 29, 2019 22 weeks
New site capital expenditures	1.0	5.3	4.7	7.9
Refurbishment expenditures	0.3	1.7	2.6	3.2
Maintenance expenditures	1.0	1.5	3.3	2.5
Other capital expenditures*	0.4	1.2	2.1	1.3
Total capital expenditures	2.7	9.7	12.7	14.9
Corporate expenses	-	-	0.1	0.1

*other capital expenditure: office, systems and central kitchen

Estate summary

We opened no new restaurants in Q3 2020 and seven in Q2 SY19.

The table below shows the number of our company-operated and franchised restaurants as at the following dates:

	For the period ended		For the period ended	
	Sept 27, 2020 13 weeks	Sept 29, 2019 13 weeks	Sept 27, 2020 39 weeks	Sept 29, 2019 22 weeks
Company-operated restaurants⁽¹⁾.....	146	147	146	147
<i>United Kingdom restaurants</i>	146	142	146	142
<i>United States restaurants</i>	-	5	-	5
<i>Company-operated restaurant openings during the period</i>	-	7	3	7
<i>Company-operated restaurants closures during the period</i>	-	-	(5)	-
Franchised ⁽²⁾	54	57	54	57
United States joint venture	6		6	
Total.....	206	204	206	204

(1) Company-operated restaurants include all of our restaurants in the United Kingdom.

(2) Franchised restaurants as at the dates listed were located in Austria, Bahrain, Belgium, Cyprus, Denmark, Gibraltar, Greece, Ireland, Italy, Malta, The Netherlands, Northern Ireland, Oman, Qatar, Saudi Arabia, Slovakia, Sweden, Turkey and United Arab Emirates,

Key performance indicators

	For the period ended		For the period ended		LTM
	Sept 27, 2020 13 weeks	Sept 29, 2019 13 weeks	Sept 27, 2020 39 weeks	Sept 29, 2019 22 weeks	Sept 27, 2020 52 weeks
	(£ millions)				
Like-for-like sales growth (%)	7.4%	6.3%	3.5% ⁽³⁾	8.9%	5.1% ⁽³⁾
EBITDAR	19.5	22.8	34.8	36.3	61.7
Rent Expense.....	1.5	7.1	14.8	11.7	22.5
EBITDA	18.0	15.7	20.0	24.5	39.2
EBITDA Margin (%).....	25.6%	17.0%	12.5%	16.1%	14.9%
Adjusted EBITDA ⁽¹⁾	18.1	16.7	20.6	25.7	40.2
Adjusted EBITDA margin (%).....	25.7%	18.1%	12.9%	16.9%	15.3%
Net total indebtedness ⁽²⁾					210.5
Ratio of net total indebtedness to Adjusted EBITDA					5.2x

(1) Please find below a reconciliation calculation from profit for the financial period to EBITDA and Adjusted EBITDA and adjustments made to calculate Adjusted EBITDA for the periods indicated:

(2) Net total indebtedness represents total debt less cash.

(3) LFL for 39 weeks to 27 September 2020 is Q1 2020 and Q3 2020 only, no LFL reported for Q2 2020. Similarly LTM LFL to 27 September 2020 excludes Q2 2020.

	For the period ended		For the period ended		LTM
	Sept 27, 2020 13 weeks	Sept 29, 2019 13 weeks	Sept 27, 2020 39 weeks	Sept 29, 2019 22 weeks	Sept 27, 2020 52 weeks
	(£ millions)				
Profit/loss for the financial period ..	7.3	2.8	(30.2)	4.0	(25.9)
Tax on profit/loss on ordinary activities.....	(0.4)	1.3	(1.1)	2.2	0.4
Net interest payable and similar charges.....	2.8	2.6	8.2	4.4	10.5
Exceptional ^(a) expenses/(income) ..	0.9	1.8	19.8	2.0	23.2
Amortisation	2.4	2.5	7.5	4.2	9.9
Depreciation and impairment of tangible assets	5.0	4.7	15.2	7.7	20.1
Loss on disposal of assets	-	-	-	-	0.4
Share of profit/loss of JV	0.0	-	0.6	-	0.6
EBITDA	18.0	15.7	20.0	24.5	39.2
Pre-opening costs ^(b)	-	0.9	0.3	1.0	0.6
Share based payment charge ^(c)	0.0	-	0.1	0.1	0.2
Corporate expenses ^(d)	0.1	0.1	0.2	0.1	0.2
Adjusted EBITDA	18.1	16.7	20.6	25.7	40.2
Adjustment (to 13/39 week period)	n/a	-	n/a	17.5	-
Adjusted EBITDA (13/39 week comparable)	18.1	16.7	20.6	43.2	40.2

(a) For the 39 weeks ended 27 September 2020, exceptional expenses related to costs to support the achievement of synergy savings, costs related to the sale of the US business, non-cash movements in onerous lease provision and fixed asset impairments, and exceptional charges arising as a result of Covid-19. For the 22 week period ended 29 September 2019 exceptional expenses related to costs to support the achievement of synergy savings.

(b) Pre-opening costs represents costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

(c) The share based payment charge is non-recurring and in respect of the Group's management share based incentive scheme.

(d) Corporate expenses represent fees paid to our principal shareholders and security agent under our bond and RCF agreement, professional fees incurred relating to syndication and listing of loan notes under that agreement and fees in respect of our corporate status.

General information

Wagamama operates popular award-winning pan-Asian inspired noodle restaurants based in the United Kingdom. In addition to our Company-operated restaurants across the United Kingdom and the United States, we have franchised restaurants operating in 22 markets around the world spread across Northern Europe, Mediterranean Europe, and the Middle East.

Wagamama offers fresh, pan-Asian cuisine in a friendly, vibrant setting. Our menu features a wide variety of noodle and rice dishes, as well as salads and side dishes, juices, hot drinks, wine, sake and Asian beers. Freshness and quality are two ingredients that we believe go into every dish. Many Wagamama signature dishes can be found in all of our restaurants across the globe and we also have local specialties that take advantage of regional produce and tastes.

Presentation of financial information

Unless otherwise indicated, the financial information presented in this report is the historical consolidated financial information of Mabel Mezzco Limited and its subsidiaries (the "Group").

This report includes or derives information from the following financial sources:

- the unaudited consolidated financial information of the Group as of and for the 13 weeks ended September 27, 2020 ("Third Quarter 2020", "Q3 2020", or "the quarter"), and the comparative period as of and for the 13 weeks ended September 29, 2019 ("Second Quarter SY19" or "Q2 SY19"), prepared in accordance with FRS 102.
- the unaudited consolidated financial information of the Group as of and for the 39 weeks ended September 27, 2020 ("YTD Third Quarter 2020", "YTD Q3 2020"), and the comparative period as of and for the 22 weeks ended September 29, 2019 ("YTD Second Quarter SY19" or "YTD Q2 SY19"), prepared in accordance with FRS 102.

The guidance set out in the Amendment to FRS 102 in respect of Covid-19 rent concessions has been applied in the preparation of these financial statements.

The financial year for the Group runs to a Sunday within seven days of 31 December each year. Accordingly, from time to time, the financial accounting period covers a 53-week period, which impacts the comparability of results.

Further information for noteholders

This report was prepared in accordance with the indenture dated July 10, 2017 among Wagamama Finance plc, as Issuer, the guarantors named therein, U.S. Bank Trustees Limited, as Trustee and Security Agent and Elavon Financial Services DAC, UK Branch, as paying agent.

This interim report may include forward-looking statements. All statements other than statements of historical facts included in this interim report, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this interim report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The quarterly financial results presented in this report include calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent

chartered accounting firm. This financial data should not be viewed as a substitute for full financial statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods.

In this report, we present turnover of our US business in US dollars as well as Pounds Sterling equivalent. To present this information, current and comparative prior period results are converted using the average exchange rates of the respective quarters.

Use of non-FRS 102 financial information

Certain parts of this report contain non-FRS 102 measures and ratios, including EBITDAR, rent expense, EBITDA, EBITDA margin, Adjusted/(Adj.) EBITDA, Adjusted/(Adj.) EBITDA margin, new site capital expenditures, refurbishment expenditures, maintenance capital expenditures, other capital expenditures, total capital expenditures, like-for-like sales growth, working capital and leverage ratios that are not required by, or presented in accordance with, FRS 102. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this interim report. In particular, EBITDAR, EBITDA, Adjusted / (Adj.) EBITDA are not measures of our financial performance or liquidity under FRS 102 and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under FRS 102.

Our non-FRS 102 measures are defined by us as follows:

- We define “EBITDAR” as EBITDA plus rent expense.
- We define “rent expense” as the aggregate fees incurred for the period indicated pursuant to our property lease obligations.
- We define “EBITDA” as profit for the financial period plus tax on profit on ordinary activities, net interest payable and similar charges, exceptional administrative (expenses)/income, gain/(loss) on disposal of fixed assets, goodwill amortisation and depreciation and impairment of tangible assets.
- We define “EBITDA margin” as EBITDA divided by company operated sales.
- We define “Adjusted/(Adj.) EBITDA” as EBITDA adjusted for the impact of restaurant pre-opening costs and corporate expenses. We define LTM performance as SY 2019 audited full year results plus YTD Q3 2020 less YTD Q2 SY19.
- We define “Adjusted/(Adj.) EBITDA margin” as Adjusted EBITDA divided by turnover.
- We define “sales” as income generated from company operated restaurants. We define “turnover” as income generated from company operated restaurants and franchise income.
- We define “new site capital expenditure” as the capital expenditures we incur in order to purchase and outfit a new restaurant in preparation for its opening.
- We define “refurbishment expenditure” as expansion capital expenditure in existing restaurants.
- We define “maintenance capital expenditure” as the capital expenditures we incur to maintain our restaurants.
- We define “other capital expenditure” as the capital expenditures we incur for overhead costs relating to our central kitchen and other centralised capital expenditures relating primarily to training and IT.
- We define “total capital expenditure” as the purchase of tangible fixed assets as reflected in our cash flow statements.
- We define “like-for-like sales growth” as sales from our United Kingdom and/or United States restaurants that traded for at least 65 full weeks. Restaurants are included on a rolling basis as each new restaurant is included in the like-for-like comparison once it has traded for 65 full

weeks. Any week in which a restaurant did not have revenue and the preceding and following week are excluded both in the period considered and in the comparative period.

Mabel Mezzco Limited

Interim financial information
For the 39 weeks ended 27 September 2020

Registered number: 07556501

Mabel Mezzco Limited

Group profit and loss account for the period ended 27 September 2020

	Note	Unaudited 39 weeks to 27 Sep 2020 £'000	Unaudited 22 weeks to 29 Sep 2019 £'000	Audited 35 weeks to 29 Dec 2019 £'000
Turnover	2	162,015	154,001	258,504
Cost of sales		(99,515)	(90,202)	(150,638)
Gross profit		62,500	63,799	107,866
Administrative expenses before exceptional items		(65,165)	(51,236)	(83,760)
Operating profit before exceptional items	3	(2,665)	12,563	24,106
Exceptional administrative expenses	3	(19,790)	(1,984)	(5,348)
Operating (loss)/profit after exceptional items		(22,455)	10,579	18,758
Share of profit of investments accounted for using the equity method		(629)	-	-
Interest receivable and similar income		48	38	388
Interest payable and similar charges before exceptional items	4	(8,240)	(4,428)	(7,094)
Net interest and similar charges		(8,192)	(4,390)	(6,706)
(Loss)/profit on ordinary activities		(31,276)	6,189	12,052
Tax on profit/(loss) on ordinary activities		1,072	(2,150)	(3,669)
(Loss)/profit after tax for the financial period		(30,204)	4,039	(8,383)

All of the activities of the Group are continuing.

Mabel Mezzco Limited

Group statement of comprehensive income for the period ended 27 September 2020

	Unaudited	Unaudited	Audited
	39 weeks to	22 weeks	35 weeks to
	27 Sep	to 29 Sep	29 Dec
	2020	2019	2019
	£'000	£'000	£'000
(Loss)/profit for the financial period	(30,204)	4,039	8,383
Foreign exchange differences arising on consolidation	(157)	(484)	282
Total comprehensive (expense)/income for the period	(30,361)	3,555	8,665

Group statement of changes in equity for the period ended 27 September 2020

	Unaudited	Unaudited	Audited
	39 weeks to	22 weeks to	35 weeks to
	27 Sep	29 Sep	to 29 Dec
	2020	2019	2019
	£'000	£'000	£'000
(Loss)/profit for the financial period	(30,204)	4,039	8,383
Other comprehensive income for the period	(157)	(484)	282
Total comprehensive (expense)/income for the period	(30,361)	3,555	8,665
Share based payments	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Net change in shareholders' (deficit)/ funds	(30,361)	3,555	8,665
Opening shareholders' deficit	(28,522)	(37,187)	(37,187)
Closing shareholders' deficit	(58,883)	(33,632)	(28,522)

Mabel Mezzco Limited

Group balance sheet as at 27 September 2020

		Unaudited 27 Sep 2020 £'000	Unaudited 29 Sep 2019 £'000	Audited 29 Dec 2019 £'000
	Note			
Fixed assets				
Intangible assets	5	98,038	107,376	105,445
Tangible assets	6	111,091	122,014	123,176
		209,129	229,390	228,621
Current assets				
Stocks		1,908	2,680	2,986
Debtors	7	44,052	22,105	38,197
Cash at bank and in hand		26,785	22,358	28,204
		72,745	47,143	69,387
Creditors: amounts falling due within one year	8	(98,058)	(65,765)	(84,644)
Net current liabilities		(25,313)	(18,622)	(15,257)
Total assets less current liabilities		183,816	210,768	213,364
Creditors: amounts falling due after more than 1 year	9	(226,184)	(225,575)	(225,716)
		(42,368)	(14,807)	(12,352)
Provisions for liabilities and charges		(16,515)	(18,825)	(16,170)
Net liabilities		(58,883)	(33,632)	(28,522)
Capital and reserves				
Called-up share capital		20,000	20,000	20,000
Other reserves		4,933	4,933	4,933
Profit and loss account		(83,816)	(58,565)	(53,455)
Total shareholders' deficit		(58,883)	(33,632)	(28,522)

Mabel Mezzco Limited

Group cash flow statement for the period ended 27 September 2020

		Unaudited	Unaudited	Audited
	Note	27 Sep 2020	29 Sep 2019	29 Dec 2019
		£'000	£'000	£'000
Net cash inflow from operating activities	10	18,927	20,181	27,901
Taxation		(1,124)	(2,195)	(3,616)
Net cash generated from operating activities		17,803	17,986	24,285
Cash flow from investing activities				
Interest received		44	41	62
Payments to acquire tangible fixed assets		(12,724)	(14,923)	(25,260)
Investment in joint venture		(629)	-	-
Net cash used in investing activities		(13,309)	(14,882)	(25,198)
Cash flow from financing activities				
Interest paid		(9,523)	(4,830)	(4,934)
Receipts from revolver loan facility		3,611	-	10,000
Net cash used in financing activities		(5,912)	(4,830)	5,066
Net decrease in cash and cash equivalents	11	(1,418)	(1,726)	4,153
Cash and cash equivalents at the beginning of the period		28,204	24,058	24,058
Exchange adjustments		(1)	26	(7)
Cash and cash equivalents at the end of the period		26,785	22,358	28,204

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020

1. Basis of preparation

The unaudited interim financial information contains consolidated financial information for Mabel Mezzco Limited and its subsidiary undertakings (the "Group") for the 39 weeks ended 27 September 2020.

The unaudited interim financial information has been prepared using consistent accounting policies, presentation and a method of computation to those applied in the latest annual audited financial statements of the Group for the 35 week period ended 29 December 2019.

The statutory accounts for the 35 week period ended 29 December 2019 have been approved by the Board of Directors. The auditors reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Turnover

The turnover and operating profit for the period was derived from the Group's continuing activity which was carried out primarily in the UK. The analysis of turnover is as follows:

	Unaudited 39 weeks to 27 Sep 2020 £'000	Unaudited 22 weeks to 29 Sep 2019 £'000	Audited 35 weeks to 29 Dec 2019 £'000
UK location analysis			
Town	76,252	73,766	122,202
Shopping centre	63,723	52,989	91,044
Other location	18,903	19,671	33,008
Total UK company operated	158,878	146,426	246,254
Franchise revenue	1,887	1,387	2,301
Total UK revenue	160,765	147,813	248,555
US revenue	1,250	6,188	9,949
Total Revenue	162,015	154,001	258,504

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

3. Operating profit

Operating profit is stated after charging:

	Unaudited 39 weeks to 27 Sep 2020 £'000	Unaudited 22 weeks to 29 Sep 2019 £'000	Audited 35 weeks to 29 Dec 2019 £'000
Amortisation	7,423	4,264	6,795
Depreciation of owed fixed assets	15,203	7,716	12,429
Impairment	4,518		-
Auditors' remuneration as auditors (current auditors)	96	60	86
for taxation services (previous auditors)	-	31	-
for other advisory services (previous auditors)	-	-	-
Loss on disposal of fixed assets	-	-	406
Operating lease costs - land & buildings	14,797	11,742	19,275
Exceptional administrative expenses/(income)	15,272	1,984	5,348

For the period ended 27 September 2020 exceptional expenses related to costs to support the achievement of synergy savings, costs related to the sale of the US business, movements in onerous lease provision and fixed asset impairments, and exceptional charges arising as a result of Covid-19.

For the period ended 29 September 2019 exceptional expenses related to costs to support the achievement of synergy savings.

For the period ended 29 December 2019, the exceptional administrative expenses incurred comprised of costs of achieving synergy savings, movements in onerous lease provision and fixed asset impairments, costs related to executive restructuring, and legal provisions.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

4. Interest payable and similar charges

	Unaudited 39 weeks to 27 Sep 2020 £'000	Unaudited 22 weeks to 29 Sep 2019 £'000	Audited 35 weeks to 29 Dec 2019 £'000
Interest payable on bond	6,961	3,927	6,247
Interest payable on bank borrowings	774	218	398
Amortisation of loan fees	505	283	449
Interest payable and similar charges	8,240	4,428	7,094

Interest payable on bank borrowings relates to fees on bank facilities and interest charged on the drawn down revolver loan. The Group had drawn down on its revolver loan facility as at 27 September 2020.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

5. Intangible Assets

	Goodwill £'000	Trademarks £'000	Software and IT Development £'000	Total £'000
Cost				
As at 29 December 2019	181,989	540	3,634	186,163
Additions	-	-	374	374
Disposals	-	(358)	-	(358)
As at 27 September 2020	181,989	182	4,008	186,179
Accumulated amortisation				
At 29 December 2019	79,017	157	1,544	80,718
Disposals	-	-	-	-
Charge for the period	6,825	1	597	7,423
As at 27 September 2020	85,842	158	2,141	88,141
Net book value				
As at 27 September 2020	96,147	24	1,867	98,038
At 29 December 2019	102,972	383	2,090	105,445

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

6. Tangible fixed assets

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 29 December 2019	139,746	65,729	205,475
Additions	3,392	8,427	11,819
Disposals	(20,747)	(5,722)	(26,469)
Foreign exchange differences	(81)	(22)	(103)
As at 27 September 2020	122,310	68,412	190,722
Accumulated depreciation			
At 29 December 2019	55,858	27,467	83,325
Charge for the period	6,762	8,441	15,203
Impairment	2,929	1,589	4,518
Disposals	(17,589)	(4,708)	(22,297)
Foreign exchange difference	(85)	(23)	(108)
As at 27 September 2020	47,875	32,766	80,641
Net book value			
As at 27 September 2020	74,435	35,646	110,081
at 29 December 2019	83,888	38,262	122,150

Assets held under finance leases

Net book value	
At 27 September 2020	1,010
At 29 December 2019	1,026

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

7. Debtors

	Unaudited 27 Sep 2020 £'000	Unaudited 29 Sep 2019 £'000	Audited 29 Dec 2019 £'000
Trade debtors	2,657	3,556	3,248
Other debtors and prepayments	17,791	15,518	15,171
Amounts receivable from Group undertakings	23,604	3,031	19,778
	44,052	22,105	38,197

8. Creditors: amounts falling due within one year

	Unaudited 27 Sep 2020 £'000	Unaudited 29 Sep 2019 £'000	Audited 29 Dec 2019 £'000
Revolver loan	13,611	-	10,000
Trade creditors	27,978	20,322	24,332
Amounts owed to parent undertakings	3,222	669	637
Corporation tax	3,790	984	1,730
Other taxation & social security	9,909	11,416	12,576
Other creditors	9,916	6,728	10,552
Accruals	29,632	25,646	24,817
	98,058	65,765	84,644

9. Creditors: amounts falling due after more than one year

	Unaudited 27 Sep 2020 £'000	Unaudited 29 Sep 2019 £'000	Audited 29 Dec 2019 £'000
Bond	223,690	223,019	223,185
Other creditors	2,494	2,556	2,531
	226,184	225,575	225,716

The bond is stated net of unamortised issued costs of £1,310,000. The issue costs are being amortised over the five year term of the bond.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

10. Reconciliation of operating profit to net cash inflow from operating activities

	Unaudited	Unaudited	Audited
	39 weeks to	22 weeks	35 weeks
	27 Sep	to 29 Sep	to 29 Dec
	2020	2019	2019
	£'000	£'000	£'000
Operating profit	(22,455)	10,579	18,758
Amortisation	7,423	4,264	6,795
Depreciation	15,203	7,716	12,429
Loss on disposal of fixed assets	4,673	-	406
Impairment	4,518	-	738
Increase in stocks	1,077	(143)	(449)
Increase/(decrease) in debtors	(2,022)	(3,323)	(2,705)
(Decrease)/increase in creditors	5,966	1,191	(3,668)
Onerous lease	4,544	(104)	(4,403)
Net cash inflow from operating activities	18,927	20,180	27,901

11. Reconciliation of net cash flow to movement in net debt

	Unaudited	Unaudited	Audited
	39 weeks to	22 weeks	35 weeks to
	27 Sep	to 29 Sep	29 Dec
	2020	2019	2019
	£'000	£'000	£'000
Increase/ (decrease) in cash in the period	(1,418)	(1,726)	4,153
(Increase) / decrease in revolver loan	(3,611)	-	(10,000)
Exchange adjustments	(1)	26	(7)
Amortisation of loan issue fees	(505)	(283)	(449)
Change in net debt	(5,535)	(1,983)	(6,303)
Opening net debt	(204,981)	(198,678)	(198,678)
Closing net debt	(210,516)	(200,661)	(204,981)

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 27 September 2020 (continued)

11. Analysis of changes in net debt (continued)

Non-cash changes

	Unaudited 39 weeks to 27 Sep 2020 £'000	Audited 22 weeks to 29 Sep 2019 £'000	Audited 35 weeks to 29 Dec 2019 £'000
Amortisation of loan issue fees	(505)	(283)	(449)
Currency translation	(1)	26	(7)
	(506)	(257)	(456)

12. Analysis of changes in net debt

39 weeks ended 27 Sep 2020

	At 29 Dec 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 27 Sep 2020 £'000
Net cash:				
Cash in hand and at bank	28,204	(1,418)	(1)	26,785
Debt:				
Debt due within 1 year	(10,000)	(3,611)	-	(13,611)
Debt due after 1 year	(223,185)	-	(505)	(223,690)
	(233,185)	(3,611)	(505)	(237,301)
Net debt	(204,981)	(5,029)	(503)	(210,516)
Financing issue costs	(1,815)			(1,310)
Net debt before financing issue costs	(206,796)			(211,826)