

## ELECTRONIC TRANSMISSION DISCLAIMER

**IMPORTANT:** You must read the following before continuing. This electronic transmission applies to the attached Prospectus, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Prospectus. In accessing this electronic transmission and the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from ProCook Group Limited (to be re-registered as ProCook Group plc) (the "Company") or Peel Hunt LLP ("Peel Hunt"). The Prospectus has been prepared solely in connection with the proposed offer to certain institutional investors (the "Offer") of ordinary shares (the "Shares") of the Company. The Prospectus has been published in connection with the admission of the Shares to the premium listing segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on London Stock Exchange plc's main market for listed securities (together, "Admission"). The Prospectus has been approved by the FCA as a prospectus prepared in accordance with the Prospectus Regulation Rules made under section 73A of the Financial Services and Markets Act 2000 ("FSMA"). The Prospectus is available on the Company's website at [www.procookgroup.co.uk](http://www.procookgroup.co.uk). Pricing information and other related disclosures are expected to be published on this website. Prospective investors are advised to access such information prior to making an investment decision.

If you are not the intended recipient of this message, please do not distribute, disseminate or copy the information contained in this electronic transmission, but instead delete and destroy all copies of this electronic transmission and the attached Prospectus.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITHIN THE UNITED STATES TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN RULE 144A, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission and the attached Prospectus and the Offer when made are only directed at and being distributed to: (A) in the United Kingdom, "qualified investors" (within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (ii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are such other persons to whom it may otherwise be lawful to communicate it to, including persons or entities who fall within Article 43 (Members or creditors of a relevant body corporate) and Article 60 (participants in a relevant employee share scheme) of the Order ("UK Relevant Persons"); (B) in any member state of the European Economic Area, "qualified investors" (within the meaning of Article 2 of Regulation (EU) 2017/1129) ("EU Qualified Investors"); and (C) in Hong Kong, are "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that ordinance ("HK Relevant Persons"), (each of (A), (B) and (C), a "Relevant Person"). Any investment or investment activity to which the Prospectus relates is only available to Relevant Persons and will be engaged in only with such persons. Persons who are not Relevant Persons should not rely on or act upon the Prospectus. By accepting this Prospectus and not immediately deleting it, you warrant, represent, acknowledge and agree that you are a Relevant Person and you have read, agree to and will comply with the contents of this notice.

Neither this Prospectus nor any copy of it may be taken or transmitted into or distributed in any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, the Republic of South Africa, New Zealand or the United States or to any resident thereof, or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this Prospectus in other jurisdictions may be restricted by law and the persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions

None of Peel Hunt, or any of its affiliates accepts any responsibility whatsoever for the contents of this transmission or the attached Prospectus or for any offer statement made or purported to be made by any of them or on behalf of any of them, in connection with the Company or the securities or the offer referred to therein. Apart from the responsibilities, if any, which Peel Hunt may have under FSMA or the regulatory regime established thereunder, Peel Hunt accordingly disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of such electronic transmission, the Prospectus or any such statement. No representation or warranty, express or implied, is made by Peel Hunt or any of its respective affiliates as to the accuracy, completeness or sufficiency of the information set out in this electronic transmission or the attached Prospectus.

The attached Prospectus has been sent to you or accessed by you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Company, Peel Hunt and their respective affiliates, directors, partners, officers, employees, representatives, advisers and agents or any other person controlling such persons accepts any liability or responsibility whatsoever, whether arising in

tort, contract or otherwise which they might have in respect of this electronic transmission, the attached Prospectus or the contents thereof, or in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Company or Peel Hunt which arise as a result of electronic transmission. Please ensure that your copy is complete.

If you receive the attached Prospectus by electronic transmission, you should not reply to this electronic transmission. Any reply to electronic transmissions, including those you generate by using the "Reply" function on your electronic transmission software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your receipt of the attached Prospectus by electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Confirmation Of Your Representation:** By accepting the electronic transmission and accessing the attached Prospectus, you shall be deemed to have represented to the Company and Peel Hunt that (1) you have understood and agree to the terms set out herein; (2) save as set out in (3), you and any customers you represent are outside the United States and the electronic mail address to which this electronic transmission and the attached Prospectus have been delivered is not located in the United States; (3) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB or (b) acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S under the US Securities Act; (4) if you are located in the United Kingdom, you and any customers you represent are UK Relevant Persons; (5) if you are located in any member state of the European Economic Area, you and any customers you represent are EU Qualified Investors; (6) if you are located in Hong Kong, you and any customers you represent are HK Relevant Persons; (7) you consent to delivery of the attached Prospectus and any amendments or supplements thereto by electronic transmission; and (8) you acknowledge that this electronic transmission and the attached Prospectus are confidential and intended only for you and you will not transmit the attached Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person.

**Restriction:** Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# ProCook®

Prospectus

November 2021



This document, which comprises a prospectus relating to ProCook Group Limited prepared in accordance with the Prospectus Regulation and the Prospectus Regulation Rules made under section 73A of FSMA, has been approved by the FCA and has been made available to the public in accordance with paragraph 3.2.1 of the Prospectus Regulation Rules. This document does not constitute a prospectus for the purposes of any offer of shares in any EEA member state and has not been approved by a competent authority in any EEA member state for the purposes of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation").

This document has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is, or the quality of the Shares that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the Shares.

The Company and the Directors, whose names appear on page 44 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

Applications will be made to (i) the FCA for all of the Shares to be admitted to the premium listing segment of the Official List and (ii) the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together "Admission"). Admission to trading on the London Stock Exchange's main market for listed securities constitutes admission to trading on a regulated market situated or operating in the United Kingdom. Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 November 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares on the London Stock Exchange will commence, at 8.00 a.m. on 12 November 2021. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued basis" and of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

**Investing in the Company's securities involves risks. See "Risk factors" beginning on page 14 of this document.**



**PROCOOK GROUP LIMITED**

*(incorporated under the Companies Act 2006 and registered in England and Wales with number 13679248)*

**Offer of up to 43,666,658 Offer Shares at an Offer Price expected to be between 137 pence and 185 pence per Offer Share and admission of the Shares to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange**

**Sponsor, bookrunner and intermediaries co-ordinator  
Peel Hunt LLP**

**Issued ordinary share capital immediately following Admission (assuming the Offer Price is set at 161 pence per Offer Share)**

<b>Number</b>	<b>Nominal value</b>
<b>108,599,196</b>	<b>£0.01</b>

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The Selling Shareholders are collectively offering up to 43,666,658 Offer Shares, in aggregate, for sale under the Offer. The Company will not receive any of the proceeds from the sale of the Offer Shares, all of which will be paid to the Selling Shareholders.

It is currently expected that the Offer Price will be set within the Price Range. However, the Price Range is indicative only; it may change during the course of the Offer and the Offer Price may be set within, above or below the Price Range. The number of Offer Shares to be sold by the Core

Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) may be increased or decreased during the course of the Offer. The Offer Price will be determined by the Company and the Core Selling Shareholders following a book-building process and after having received a recommendation from, and having consulted with, the Sponsor. A number of factors will be considered in determining the Offer Price, the amount to be raised by the Selling Shareholders pursuant to the Offer and the basis of allocations to the investors, including the level and nature of the demand for the Offer Shares during the book-building process, the level of demand in the REX Intermediaries Offer, prevailing market conditions and the objective of establishing an orderly and liquid after-market in the Shares. A pricing statement containing the Offer Price, confirming the number of Offer Shares which are the subject of the Offer and containing any other outstanding information (the "Pricing Statement") is expected to be published on or about 10 November 2021. See Part 8 (Details of the Offer) of this document for further information.

The number of Offer Shares to be made available by the Core Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) pursuant to the Offer is indicative only and the selling indications of the Selling Shareholders described in, assumed in or implied by this document are non-binding.

Unless required to do so by law or regulation, the Company does not envisage publishing a supplementary prospectus or an announcement triggering the right to withdraw applications for the Shares pursuant to Article 23 of the Prospectus Regulation on determination of the Offer Price or the Offer Size. If the Offer Price is set within the Price Range and the Offer Size is set within the Offer Size Range, a Pricing Statement containing the Offer Price and confirming the number of Offer Shares which are comprised in the Offer and related disclosures are expected to be published on or about 10 November 2021 and will be available on the Company's website at [procookgroup.co.uk](http://procookgroup.co.uk). If (i) the Offer Price is set above the Price Range or the Price Range is revised higher and/or (ii) the Offer Size is set above or below the Offer Size Range, the Company would make an announcement via an RIS and prospective investors would have a statutory right to withdraw their application for Offer Shares pursuant to Article 17 of the Prospectus Regulation on determination of the Offer Price or the new Offer Size. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to purchase Offer Shares would be made clear in such announcement.

The Company consents to the use of this document by the Intermediaries in connection with the REX Intermediaries Offer to persons located in the United Kingdom (i) in respect of Intermediaries who have been appointed prior to the date of this document, from the date of this document and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are approved to participate in the REX Intermediaries Offer, in each case, until the closing of the REX Intermediaries Offer. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the REX Intermediaries Offer to any prospective investor who has expressed an interest in participating in the REX Intermediaries Offer to such Intermediary at the time the offer by such Intermediary is made. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.** The Company accepts responsibility for the content of this document with respect to the subsequent resale or final placement of Offer Shares in connection with the REX Intermediaries Offer by any Intermediary given consent to use this document by the Company. The offer period within which any subsequent resale or final placement of Offer Shares by Intermediaries can be made shall commence immediately following the publication of this document and close at 4.00 p.m. on 9 November 2021, unless closed prior to that date (any such prior closure to be announced via an RIS).

Peel Hunt LLP ("Peel Hunt") has been appointed as sponsor, bookrunner and intermediaries co-ordinator to the Company in connection with the arrangements described in this document. Peel Hunt is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the arrangements described in, or information contained in, this document and will not regard any other person (whether or not a recipient of this document) as a client in relation to the arrangements described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients

nor for giving advice in relation to the arrangements described in this document, the contents of this document or any transaction or arrangement referred to in this document. Peel Hunt and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company for which they would have received customary fees. Peel Hunt and its affiliates may provide such services to the Company or members of the Group in the future.

Recipients of this document are authorised solely to use this document for the purpose of considering an acquisition of Shares and may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information in it for any purpose other than considering an investment in Shares. Recipients of this document agree to the foregoing by accepting delivery of this document. This document is personal to each recipient and does not constitute an offer to any other person or to the public generally to acquire Shares.

This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful or restricted by law and, in particular, this document is not for distribution in Australia, Canada, Japan, the Republic of South Africa, New Zealand or the United States. The Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or jurisdiction of the United States or under applicable securities laws in Australia, Canada, Japan, the Republic of South Africa or New Zealand.

The Offer Shares offered by this document may not be offered or sold, directly or indirectly, in or into the United States except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Offer Shares are being offered and sold outside the United States in "offshore" transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S. Within the United States, the Offer Shares are being offered only to QIBs, as defined in Rule 144A under the Securities Act.

The Offer Shares offered by this document have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Unless otherwise determined by the Company in its sole discretion and permitted by applicable law and regulation, this document is not being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent outside of the United Kingdom, including in or into the United States or any of the other Excluded Territories, and persons receiving this document (including, without limitation, trustees, nominees or custodians) must not send it outside of the United Kingdom, including in or into the United States or any of the other Excluded Territories, as to do so may constitute a violation of the securities laws of any such jurisdictions. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Apart from the responsibilities and liabilities, if any, that may be imposed on Peel Hunt by FSMA or the regulatory regime established under it, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Peel Hunt nor any of its affiliates, directors, officers, employees or representatives accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of, this document, including its accuracy and completeness, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Peel Hunt and its affiliates, directors, officers, employees and representatives accordingly disclaim, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement. No representation or warranty, express or implied, is made by Peel Hunt or any of its affiliates, directors, officers, employees or representatives as to the accuracy, completeness,

verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

Prior to making any decision as to whether to invest in Shares, prospective investors should read this document in its entirety. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company, the Shares and the terms of the Offer, including the merits and risks involved. Prospective investors also acknowledge that (i) they have not relied on Peel Hunt or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this document or their investment decision and (ii) they have relied only on the information contained in this document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised by, or on behalf of, the Company, the Selling Shareholders, Peel Hunt, the officers or employees of the Company or any other person. Neither the delivery of this document nor any subscription, sale or purchase made under it shall, under any circumstances, create any implication that there has been no change in the business affairs of the Company or the Group since the date of this document or that the information in this document is correct as of any time subsequent to its date.

None of the Company, Peel Hunt, the Selling Shareholders or any of their respective affiliates or representatives is making any representation to any prospective investor in Shares regarding the legality of an investment in Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this document should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

In connection with the arrangements described in this document, Peel Hunt and/or any of its or their affiliates acting as an investor for its or their own account(s) may subscribe for or purchase Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in Shares, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed, sold, purchased, placed or otherwise dealt with should be read as including any issue, offer or sale to, or subscription, purchase, placement or dealing by, Peel Hunt or any of its affiliates acting as an investor for its or their own account(s). Peel Hunt does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Without limitation, the contents of the Group's websites do not form part of this document (including the contents of any websites accessible from the hyperlinks of such website).

Capitalised terms have the meanings ascribed to them in the section entitled "Definitions" of this document.

#### **NOTICE TO CERTAIN INVESTORS**

The Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective investors should read the restrictions described in Part 8 (Details of the Offer) of this document. Each investor in Shares will be deemed to have made the relevant representations described in that paragraph.

The distribution of this document, any other offering or publicity material relating to the Offer and/or the offer or transfer of the Shares in certain jurisdictions other than the United Kingdom may be restricted by law or regulation and, therefore, persons into whose possession this document and/or accompanying documents come should inform themselves of such restrictions. Other than in the United Kingdom, no action has been or will be taken by the Company, the Selling Shareholders or Peel Hunt to permit a public offering of Shares or to permit the possession or distribution of this document (or any other offering or publicity materials in connection therewith). In particular, no actions have been taken to allow for a public offering of Shares under the applicable securities laws of Australia, Canada, Japan, the Republic of South Africa, New Zealand or the United States. Accordingly, neither this document nor any advertisement or any other offering material may be

distributed or published in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Offer Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, "distributors" should note that (i) the price of the Shares may decline and investors could lose all or part of their investment, (ii) the Shares offer no guaranteed income and no capital protection and (iii) and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The date of this document is 1 November 2021.



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# SUMMARY

## 1. Introduction, containing warnings

Ordinary shares of £0.01 each in the Company ("Shares") with ISIN GB00BNRR8331.

The issuer's name is ProCook Group Limited, a private limited company incorporated in England and Wales with registered number 13679248 (to be re-registered as a public limited company before Admission) and can be contacted by writing to its registered office, ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY, or by calling within business hours +44 (0)330 100 1010. The Company's LEI is 213800RWZMK3ARHMUN52.

This document was approved on 1 November 2021 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, as competent authority under the Prospectus Regulation. Contact information for the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

This summary should be read as an introduction to this document and any decision to invest in Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of their invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Shares.

### ***Consent for intermediaries***

The Company consents to the use of this document by the Intermediaries in connection with the REX Intermediaries Offer to persons located in the United Kingdom (i) in respect of Intermediaries who have been appointed prior to the date of this document, from the date of this document and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are approved to participate in the REX Intermediaries Offer, in each case, until the closing of the REX Intermediaries Offer. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the REX Intermediaries Offer to any prospective investor who has expressed an interest in participating in the REX Intermediaries Offer to such Intermediary at the time the offer by such Intermediary is made. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.** The Company accepts responsibility for the content of this document with respect to the subsequent resale or final placement of Offer Shares in connection with the REX Intermediaries Offer by any Intermediary given consent to use this document by the Company. The offer period within which any subsequent resale or final placement of Offer Shares by Intermediaries can be made shall commence immediately following the publication of this document and close at 4.00 p.m. on 9 November 2021, unless closed prior to that date (any such prior closure to be announced via an RIS).

Prospective investors interested in participating in the REX Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures by no later than 9 November 2021.

## 2. Key information on the issuer

### 2.1 ***Who is the issuer of the securities?***

ProCook Group Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006 (the "2006 Act") with registered number 13679248 to be re-registered as a public limited company on or before Admission and is domiciled in the United Kingdom. The Company's LEI is 213800RWZMK3ARHMUN52.

The Company's principal activities are as follows:

The Directors believe that ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. Since the ProCook brand was first established in 2008, it has operated a direct-to-consumer proposition, designing, sourcing and retailing a high-quality range of cookware, kitchen accessories and tableware with a pricing architecture which aims to provide customers with significant value for money. In FY21 ProCook's revenue grew by 37% to £53.4 million, and over the period from FY17 to FY21, ProCook has delivered annual growth in sales of 33% CAGR.

In the UK, ProCook sells directly to customers through its own proprietary website, [www.procook.co.uk](http://www.procook.co.uk). It also operates its own portfolio of over 50 retail stores that are spread geographically across the UK to offer customers choice, convenience, and the opportunity to test, trial and seek advice from knowledgeable and helpful ProCook team members. In FY21, 94% of ProCook's revenue was generated in the UK.

ProCook's purpose is centred around '**sharing our passion for cooking**'. The proposition is to offer beautiful, high-quality products at great value accompanied by high levels of service and personalised inspiration and experiences.

ProCook has grown into a leading direct-to-consumer specialist kitchenware brand with a business model that the Directors believe provides a competitive advantage in the kitchenware sector. With a high performing ecommerce platform and over 50 retail stores nationwide, the Directors believe that it is poised to deliver continued profitable growth and yet still retain the values and ethos of a family-owned, ambitious, agile and entrepreneurial business.

The articles of association of the Company provide that the Company has unlimited objects.

As at the close of business on 29 October 2021 (being the latest practicable date before publication of this document), the following persons each hold, directly or indirectly, 3% or more of the issued share capital of the Company (being the threshold for notification under the FCA's Disclosure Guidance and Transparency Rules) (the "Significant Shareholders"):

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% of issued ordinary share capital</i>
Daniel O'Neill	21,000,000	21
Sarah O'Neill	20,000,000	20
Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement	10,000,000	10
Michael O'Neill	49,000,000	49

Other than the Significant Shareholders, the Company is not aware of any person, who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company's key managing directors are Daniel O'Neill (Chief Executive Officer) Steve Sanders (Chief Operating Officer) and Dan Walden (Chief Financial Officer).

The annual accounts of ProCook Limited have been audited in accordance with national law for the financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 by Saffrey Champness LLP, Chartered Accountants, of St Catherine's Court, Berkeley Place, Clifton, Bristol, BS8 1BQ. Auditors' reports in respect of each statutory accounts for the financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 have been made and each such report was an unqualified report.

## 2.2 **What is the key financial information regarding the issuer?**

Selected historical key financial information for the Group as at and for the financial period ended 4 April 2021 and as at and for the 12 weeks ended 27 June 2021 is set out below. Investors should read the whole of this document and not rely solely on the summarised financial information set out below.

The selected historical key financial information set out below has been extracted without material adjustment from the audited financial statements of ProCook Limited.

*Selected statements of profit or loss and other comprehensive income*

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 <i>(unaudited)</i>	12 week period ended 27 June 2021 £'000
<b>Revenue</b>	27,780	38,868	53,417	7,913	14,778
Cost of sales	(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
<b>Gross profit</b>	17,938	24,130	36,652	5,276	10,242
Operating expenses	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	-	33	2,848	1,324	263
<b>Profit from operations</b>	169	799	9,758	1,329	2,487
Finance expense	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	1,763	-	-	-	-
Other gains/(losses)	681	(173)	(949)	(114)	223
<b>Profit before tax</b>	2,188	143	8,394	1,121	2,587
Tax expense	(217)	(136)	(1,892)	(210)	(393)
<b>Profit for the period</b>	1,971	7	6,502	911	2,194

*Selected and condensed statement of financial position*

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
<b>Assets</b>					
<b>Total current assets</b>	5,227	8,943	9,045	17,710	18,006
<b>Total non-current assets</b>	15,414	14,793	15,449	19,495	21,834
<b>Total assets</b>	20,641	23,736	24,494	37,205	39,840
<b>Liabilities</b>					
<b>Total current liabilities</b>	6,397	8,721	10,716	12,611	11,077
<b>Total non-current liabilities</b>	10,500	9,805	9,061	14,825	16,800
<b>Total liabilities</b>	16,897	18,526	19,777	27,436	27,877
<b>NET ASSETS</b>	3,744	5,210	4,717	9,769	11,963

*Condensed and selected statement of cash flows*

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 <i>(unaudited)</i>	12 week period ended 27 June 2021 £'000
<b>Net cash flows from operating activities</b>	3,952	4,398	7,563	3,534	3,471
<b>Net cash (used in)/from investing activities</b>	(1,783)	(659)	3,087	(17)	(477)
<b>Net cash used in financing activities</b>	(852)	(3,422)	(7,404)	(1,765)	(3,614)
Cash and cash equivalents at beginning of the period	999	2,316	2,633	2,633	5,879
<b>Cash and cash equivalents at end of period</b>	2,316	2,633	5,879	4,385	5,259

## 2.3 ***What are the key risks that are specific to the issuer?***

- 2.3.1 While the Group continues to monitor the effects of the Covid-19 pandemic on its business and the economies of the countries where the Group operates or in which its products are sold, it believes that, whilst precautionary measures have been taken to invest in additional inventory levels to try to prevent further effects, there is still potential for further disruption to its supply chain and distribution channels. Given evolving government policies and a recent resurgence of variants of the Covid-19 virus, and despite the development and rollout of vaccines, there may be further impacts on the economies, consumer preferences or the consumer purchasing power of the countries where the Group operates or in which its products are sold. All the above factors mean that forecasting the performance of the business has additional uncertainties and risks. In addition, these factors could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.
- 2.3.2 The Board must adopt the correct business strategy, implement its strategies effectively and understand and properly manage strategic risk, taking into account specific retail sector risks and wider economic risks. The impact of this risk not being appropriately managed by the Board and senior management would be evidenced by under-achievement against financial targets and other non-financial KPIs, a negative impact on customer confidence and loss of the Group's brand reputation.
- 2.3.3 The Group's business and financial performance is largely dependent on the image, perception and recognition of the ProCook brand, which, in turn, depends on many factors, such as the quality of its products, product design, the image and presentation of its stores and ecommerce website, its communication activities including social media, public relations and marketing, and its general corporate and market profile, which can be adversely affected for reasons within and outside the Group's control.
- 2.3.4 The Group's business is influenced by economic conditions that impact consumer spending. Many factors affect the level of consumer spending on the Group's products, including the state of the economy as a whole, stock market performance, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and other matters that influence consumer confidence.
- 2.3.5 The Group relies to a significant degree on its IT systems to, among other things, track inventory, manage its supply chain, record and process transactions, summarise results and manage its business. The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages, computer, network and telecommunications failures, computer viruses, security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, it may have to make a significant investment to fix or replace them and it may suffer loss of critical data and disruptions or delays in its operations, including its ecommerce channel. The Group's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to those systems and infrastructure. In addition, the difficulties with implementing new or upgraded technology systems may cause disruptions in the Group's business operations and have an adverse effect on its business and operations, if not anticipated and appropriately mitigated.
- 2.3.6 The success of the Group relies on the continued service and expertise of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees.
- 2.3.7 One or more of the Group's key suppliers may be unable to supply, or decide to cease supplying, the Group with products for reasons beyond the Group's control, or they may increase prices significantly. Alternative suppliers may be difficult to identify and, in any event, may take a significant period of time to begin supplying the Group. In FY21, the Group's top 10 suppliers comprised 70% of the Group's supplies. If the Group expands beyond the production capacity of its current suppliers as it continues to grow, it may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner. The Group's supply chain could also be materially adversely affected

by a number of other factors. The Group may also be subject to potential reputational damage if one or more of its suppliers violates or is alleged to have violated applicable laws or regulations including improper labour conditions or human rights abuses, fails to meet the Group's requirements or does not meet industry standards and safety specifications. If there were delays in product shipments due to freight difficulties or industrial action (including strikes by personnel at ports through which products are transported) or elsewhere in its supply chain, the Group's business, financial condition, results of operations or prospects could be materially affected.

- 2.3.8 Laws and regulations applicable to e-commerce, as well as consumer protection and advertising laws and regulations of broader application, that apply to the Group's business are subject to evolution and can be subject to differing interpretation. Given the extensive scope of the legislative framework in place, the Group may be unable to guarantee that its practices have complied or will comply fully with all applicable laws and regulations and their interpretation. In addition, legislative and regulatory bodies or self-regulatory organisations may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding e-commerce and consumer protection.
- 2.3.9 The Group is subject to a number of laws relating to data protection, e-privacy and privacy, including PECR, the GDPR, the UK GDPR, the UK Data Protection Act 2018 and other applicable data protection, privacy and cyber security laws across its various markets. The Group is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection or privacy laws, which could lead to regulatory investigation and the imposition of fines or regulatory action, together with associated negative publicity and the risk of compensation claims for financial loss or distress, or both, brought by affected staff and customers under the GDPR/UK GDPR.

### **3. Key information on the securities**

#### **3.1 What are the main features of the securities?**

##### **3.1.1 Shares**

The Offer comprises the sale by the Core Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) of up to 43,666,658 Offer Shares at an offer price of between 137 pence and 185 pence per Offer Share.

Upon Admission, the Shares will be registered with ISIN GB00BNRR8331, SEDOL BNRR8331 and trade under the symbol "PROC".

As at the close of business on 29 October 2021 (being the latest practicable date before publication of this document), the Company had 100,000,000 fully paid ordinary shares of £0.01 each in issue and the Company had no partly paid ordinary shares in issue.

The Shares are denominated in Pounds Sterling.

##### **3.1.2 Rights attaching to the Shares**

The Shares rank and, upon Admission, will rank *pari passu* in all respects with each other, including for voting and dividend rights and rights on a return of capital.

Subject to the provisions of the 2006 Act, any equity securities issued by the Company for cash must first be offered to the shareholders of the Company (the "Shareholders") in proportion to their holdings of Shares. The 2006 Act and the FCA's Listing Rules allow for the disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, either generally or specifically, for a maximum period not exceeding five years.

Subject to any special rights, restrictions or prohibitions on voting for the time being attached to any Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share), Shareholders shall have the right to receive notice of, and to attend and vote at, general meetings of the Company. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the Shareholders have no rights to share in the profits of the Company. The Shares are not redeemable. However, the

Company may purchase or contract to purchase any of the Shares on or off-market, subject to the 2006 Act and the requirements of the FCA's Listing Rules.

### 3.1.3 *Restrictions on free transferability of Shares*

The Shares are freely transferable and there are no restrictions on transfer.

### 3.1.4 *Dividend policy*

The Directors intends to pursue a progressive dividend policy with a payout ratio target of 20-30% of adjusted profit after tax, subject to the need to retain sufficient earnings for the future growth of the Group. It is currently intended that, in the absence of unforeseen circumstances, the first dividend following Admission will be paid in respect of the Company's financial year ending in 2022.

## 3.2 ***Where will the securities be traded?***

Applications will be made to the FCA and the London Stock Exchange for the Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 November 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares on the London Stock Exchange will commence, at 8.00 a.m. on 12 November 2021. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued basis" and of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

## 3.3 ***What are the key risks that are specific to the securities?***

3.3.1 Investors should be aware that the value of Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

3.3.2 While the Significant Shareholders remain a significant shareholder group of the Company, they will continue to have the ability, through the votes attaching to their Shares, to affect or influence the Group's legal and capital structure, matters requiring shareholder approval, including corporate transactions, as well as the election of, and any changes in, the Company's directors and the Group's management and approving other changes to its operations. The interests of the Significant Shareholders may not necessarily be aligned with those of the Company at all times.

3.3.3 The Group may issue additional equity or convertible equity securities. To the extent that such issues take place on a non-pre-emptive or partially non-pre-emptive basis, the Shareholders will suffer dilution of their interests in the Company.

3.3.4 Future sales of substantial amounts of Shares in the market, additional offerings or issues of shares by the Company, or public perception that such sales, offerings or issues may occur, could each have a material adverse effect on the market price of Shares and may make it more difficult for investors to sell their Shares at a time and price that they deem appropriate.

3.3.5 The Company can give no assurance that an active trading market for the Shares will develop or, if developed, will be sustained following the Offer.

3.3.6 An investment in Shares by an investor in a jurisdiction whose principal currency is not Pounds Sterling will expose the investor to foreign currency exchange rate risk. Any depreciation of the Pound Sterling in relation to such foreign currency will reduce the value of the investment in Shares or any dividends in foreign currency terms.

## 4. **Key information on the offer of securities to the public and/or admission to trading on a regulated market**

### 4.1 ***Under which conditions and timetable can I invest in this security?***

In the Offer, up to 43,666,658 Offer Shares will be offered for sale by the Core Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) to certain institutional and other investors in the United Kingdom and elsewhere outside the United States.

All Offer Shares subject to the Offer will be sold at the Offer Price, which will be determined by the Company and the Core Selling Shareholders following a book-building process, and after having received a recommendation from, and having consulted with, the Peel Hunt LLP (the "Sponsor"). It is currently expected that the Offer Price will be between 137 pence and 185 pence per Offer Share (the "Price Range"), although it may be set above or below that range.

Applications will be made to the FCA and the London Stock Exchange for the Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 November 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares on the London Stock Exchange will commence, at 8.00 a.m. on 12 November 2021. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued basis" and of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

The Offer is subject to the satisfaction of conditions contained in the Placing Agreement. Those conditions include conditions which are customary for transactions of this type (including Admission becoming effective by no later than 8.00 a.m. on 12 November 2021 (or such later time and/or date as the Company and the sponsor may agree, not being later than 8.00 a.m. on 26 November 2021) and the Placing Agreement not having been terminated prior to Admission).

The total estimated costs and expenses of the Offer and Admission payable by the Company are approximately £3.9 million (excluding VAT). Shareholders will not be charged expenses by the Company in respect of the Offer and Admission.

Any expenses incurred by any Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the REX Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries are able to charge any of their respective clients acquiring Offer Shares pursuant to the REX Intermediaries Offer.

## 4.2 **Why is this prospectus being produced?**

### 4.2.1 *Background to and reasons for the issue of this document*

The Directors believe that the Offer and Admission will position the Group for its next stage of development, including further raising the profile of the Group, assisting in retaining and incentivising employees and providing it with a platform for future growth.

Admission will also enable the Selling Shareholders to partially realise their investment in the Company.

### 4.2.2 *Use and estimated net amount of the net proceeds*

Through the sale of the Offer Shares pursuant to the Offer, it is expected that the Selling Shareholders will receive net proceeds of up to approximately £68.5 million (after deducting base placing commission and assuming the Offer Price is set at the mid-point of the Price Range).

### 4.2.3 *Underwriting*

The Offer will not be underwritten.

### 4.2.4 *Conflicts of interest*

Save as set out above (for example, in paragraph 3.3.2 above), there are no interests known to the Company that are material to the Offer or Admission or which are conflicting interests.



## RISK FACTORS

*Investing in and holding Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Shares, the Group's business and the industries in which it participates, which should be considered together with all other information contained in this document.*

*Prospective investors should note that the risks relating to the Group, its industries and the Shares summarised in the section of this document headed "Summary" in the sub-section entitled "What are the key risks that are specific to the issuer?" are the risks that the Directors believe to be the most material to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on key risks summarised in the section of this document headed "Summary" in the sub-section referred to above but also, among other things, the risks and uncertainties described below.*

*The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industries within which it operates or an investment in the Shares (but do comprise the material risks and uncertainties in this regard that are known to the Directors) and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Shares that are not currently known to the Directors, or which the Directors currently deem immaterial, may arise or become (individually or collectively) material in the future and may have a material adverse effect on the Group's business, results of operations, financial condition or prospects and, if any such risk or risks should occur, the price of the Shares may decline and investors could lose part or all of their investment.*

*Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information in this document and their personal circumstances. Investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand this document (or any part of it).*

### **Risks specific to the Group**

#### **1. Risks related to the Group's financial performance and position**

##### **1.1 *The Covid-19 pandemic has affected and could continue to have longer-term effects on the Group's business, results of operations, financial condition or prospects***

The Covid-19 pandemic has created very significant challenges for companies, given its widespread adverse global economic, as well social and operational, impact, the longer-term effects of which are continuing to unfold.

During the course of the Covid-19 pandemic, all of the Group's retail stores have been closed at times, resulting in a significant decrease in retail revenue. Despite proactive measures by the Group to address the Covid-19 pandemic and the significant increase in ecommerce revenue during the course of the pandemic, the Group's retail revenue was adversely affected by that pandemic.

While the Group continues to monitor the effects of the Covid-19 pandemic on its business and the economies of the countries where the Group operates or in which its products are sold, it believes that, whilst precautionary measures have been taken to invest in additional inventory levels to try to prevent further effects, there is still potential for further disruption to its supply chain and distribution channels. Given evolving government policies and a recent resurgence of variants of the Covid-19 virus, and despite the development and rollout of vaccines, there may be further impacts on the economies or the consumer purchasing power of the countries where the Group operates or in which its products are sold.

The Group's suppliers may experience disruptions in their ability to supply the Group and/or may seek to excuse their performance under their existing contracts by claiming that the ongoing pandemic, and government responses, constitute a force majeure event. Additionally, any further disruption to international marine freight could lead to higher costs and delays in

the inventory purchasing cycle. If such supply disruptions were to occur, the Group may not be able to develop alternative sourcing quickly.

If one or several of the Group's key executive members were to contract Covid-19, this could negatively impact the Group's ability to execute its business strategy.

The Covid-19 pandemic is likely to continue to adversely affect the global economy for some time. The full effects of the pandemic remain uncertain, including its duration, new variants, new information that may emerge concerning the severity of the infection, the scope, duration and economic impact of actions taken to contain or reduce the spread of the virus or treat its impact, the rollout and success of vaccination programmes and the impact of each of those matters and the virus generally on macroeconomic conditions and financial markets globally.

Even after the pandemic abates, its impact on consumer behaviour and their preferences may continue in the longer term. The Group has found that, although its stores have been closed for periods during the pandemic as a result of the Government restrictions in response to it, its ecommerce revenues have been positively affected. The Directors believe that this is as a result of consumers being at home more of the time, and less able to dine out, leading to an increased desire for the Group's products in order to cook at home which enhanced sales of certain products. There is a risk that such demand for the Group's products reduces, as consumers are able to dine out again and having already purchased the Group's products during the pandemic, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

All of the above factors also mean that forecasting the performance of the business (including any medium or long term effect on consumer trends and the impact of any further restrictions which are imposed should the pandemic deteriorate) has additional uncertainties and risks.

If the pandemic results in further Government restrictions and/or lockdowns, there can be no guarantee that there will be the same level of Government support as there was in connection with the start of the pandemic and the initial Government restrictions and lockdowns.

Any of the foregoing, including any resulting deterioration in general economic conditions or change in consumer behaviour, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

## **1.2 *The Group is exposed to fluctuations in foreign currency exchange rates***

The Group's financial performance is subject to the effects of fluctuations in foreign exchange rates, which have been particularly volatile over recent years, impacted by macroeconomic effects such as Brexit and Covid-19. In particular, the Group sources a significant proportion of its products from East Asia which are denominated in foreign currencies (primarily US Dollars). Approximately 95% of the Group's retail product supplies are denominated in currencies other than Sterling. Whilst the Group seeks to hedge against this issue by using derivative financial instruments and foreign exchange forward contracts where appropriate, should Sterling weaken against the major currencies, this could result in an increase in future input costs. There is no guarantee that the Group's hedging strategy will be successful and, if the Group fails to adequately protect against currency exchange risk, the costs of supplies of its products may increase and its results of operations may be materially adversely affected.

In addition, the results of operations and financial conditions of the certain individual members of the Group are reported in the relevant functional currency of that Group member, which may not be Sterling. Those Group members' assets and liabilities are converted based on the exchange rate on the balance sheet date, and income statement items are converted based on the average exchange rate during the relevant financial period. Foreign exchange rates have seen significant fluctuation in recent years, and significant increases in the value of Sterling relative to foreign currencies could have a material adverse effect on the Group's reported financial results.

### 1.3 ***The Group's future growth depends on the success of its marketing efforts***

The Group's success and future growth depends on its ability to attract and retain customers, which in part depends on its marketing practices. The Group intends to increase its investment in brand marketing spend to raise awareness of the brand's customer offer as a key component of its growth strategy. The Group's future growth therefore depends in part upon the effectiveness and efficiency of its marketing efforts, including its ability to continue to improve brand awareness, identify the most effective brand messaging and efficient levels of spending in each market, determine the appropriate creative messages and media mix for marketing and promotional expenditure, and effectively manage marketing costs to maintain acceptable consumer acquisition costs. Any factors adversely affecting the Group's ability to increase or enhance its marketing activities and capabilities could adversely affect demand for its products and, in turn, have a material adverse effect on its business, results of operations, financial condition or prospects.

### 1.4 ***Brexit, a global trade war and potential tariffs could have a material adverse effect on the Group's business***

On 29 March 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("Brexit"). On 24 January 2020, a withdrawal agreement was entered into between the European Union, the European Atomic Energy Community and the United Kingdom, setting the terms of the withdrawal of the latter from the former two. On 24 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement (the "Trade and Cooperation Agreement"), which took provisional effect from 1 January 2021 and entered into force on 1 May 2021 and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the United Kingdom and the European Union.

Due to the size and importance of the economy of the United Kingdom, the uncertainty and unpredictability concerning the United Kingdom's future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws), as well as its legal, political and economic relationships with Europe following its exit of the European Union, may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to European Union markets. Brexit could result in adverse economic effects across the United Kingdom and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In recent years, the US government has announced various import tariffs on goods imported from certain trade partners, such as the European Union and China, which have resulted and may continue to result in reciprocal tariffs on goods exported from the United States to such trade partners. The announcement of unilateral tariffs on imported products by the US has triggered retaliatory actions from certain foreign governments (including China) and may trigger further retaliatory actions, potentially resulting in a "trade war". Whilst some of these recently-added US import tariffs are now being loosened or reversed, trade barriers and other governmental action related to tariffs or international trade agreements around the world, in particular in China, have the potential to decrease demand for the Group's products (for example, by increased tariffs making the Group's cost of goods, and their retail prices, more expensive or negative public opinion on the supply chain reducing sales), negatively impact suppliers and adversely impact the economies in which the Group operates. In addition, trade barriers and other governmental action related to tariffs or international trade agreements could increase the cost of raw materials and components used in certain of the Group's products, which could in turn increase its cost of goods sold. The occurrence of any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.5 ***Changes in tax rates or law, misinterpretation of tax laws or failure to manage tax risks adequately could have an adverse effect on the Group's financial condition and future prospects***

Changes in tax rates or law, misinterpretation of tax laws or any failure to manage tax risks adequately could result in increased charges, financial loss (including penalties and reputational damage), which may have an adverse effect on the Group's financial condition and future prospects. The Group is likely to be subject to periodic tax audits, which could result in additional tax assessments, which may be material, relating to past periods being made. Furthermore, the increasing complexity of the Group's operations and routes to market, especially through a more pronounced entry into new overseas territories, increases this risk.

A material change in the level or applicability of VAT, sales and/or other consumption taxes in the United Kingdom or other jurisdictions could have an adverse effect on the Group's sales, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Any change in the Group's tax status or taxation legislation in the United Kingdom or other territories could affect the Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes in tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under those treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

1.6 ***The Group is exposed to interest rate fluctuations***

The Group is exposed to the risks of fluctuations in interest rates. The Group's trade credit facility is subject to variable interest rates, through its linkage to base rates from major international banking institutions, including the Bank of England. The Group may also enter into additional indebtedness bearing variable rates of interest in the future. Any variable interest rates applicable to such indebtedness could rise significantly in the future. If interest rates increase significantly, the Group's interest expense will correspondingly increase, thereby reducing its cash flow.

Any of those risks could adversely affect the Group's business, financial condition, results of operations or prospects.

**2. Risks related to the Group's ability to execute its strategic plan**

2.1 ***Failure to implement the Group's growth strategy could adversely affect the Group's business, financial condition, results of operations or prospects***

The Board must adopt the correct business strategy, implement its strategies effectively and understand and properly manage strategic risk, taking into account specific retail sector risks and wider economic risks. The Board reviews the business strategy on a regular basis (taking into account wider economic and industry specific trends) to determine how sales and profit budgets can be achieved or bettered, business operations made more efficient and the competitive position of the Group's products. Monthly and annual budgets, together with longer term financial objectives and cash flow forecasts, are produced. The impact of this risk not being appropriately managed by the Board and senior management would be evidenced by under-achievement against financial targets and other non-financial KPIs, a negative impact on customer confidence and loss of the Group's brand reputation. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's ecommerce channel has been its fastest growing business over the last several years and the Group expects to continue to increase the revenue that comes from this channel. The success of the Group's ecommerce channel depends, in part, on its ability to offer attractive, reliable, secure and user-friendly ecommerce platforms for consumers across its markets, including by continuing to invest in its digital infrastructure and ecommerce team. The success of the Group's ecommerce channel also depends on factors over which the Group has limited control, including changing consumer preferences and buying trends relating to ecommerce usage, as well as promotional or other advertising initiatives employed by third-parties. Any failure by the Group, or by its third-party digital partners, to provide attractive, reliable, secure and user-friendly ecommerce platforms could negatively impact the shopping experience of consumers, resulting in reduced website traffic, diminished loyalty to the ProCook brand and lost sales. In addition, as the Group continues to expand and increase the presence of its ecommerce channel in the United Kingdom and internationally, sales from its retail stores may decline due to changes in consumer shopping habits and cannibalisation.

The Group is also subject to certain additional risks and uncertainties associated with its ecommerce platforms, including changes in required technology interfaces, website downtime and other technical failures, costs and technical issues from website software upgrades, data and system security, computer viruses and changes in applicable regulations. In addition, the Group must keep up to date with competitive and emerging technology trends, including, among other things, the use of new or improved technology, creative user interfaces and other ecommerce marketing tools, such as paid and unpaid search and mobile applications, which may increase its costs and which may not succeed in increasing sales or attracting consumers. Any of those risks could have a material adverse effect on the Group's reputation, business, financial condition, results of operations or prospects.

As a result of the Group investing in its business, it has increased its operational leverage and, therefore, sales volatility may have a more pronounced impact on its Adjusted EBITDA profit margins.

## 2.2 ***The Group's business is dependent on the image and reputation of the ProCook brand***

The Group's business and financial performance is largely dependent on the image, perception and recognition of the ProCook brand, which, in turn, depends on many factors, such as the quality of its products, product design, the image and presentation of its stores and ecommerce website, its communication activities including social media, public relations and marketing, and its general corporate and market profile, which can be adversely affected for reasons within and outside the Group's control. For example, negative publicity arising from product defects, widespread recalls, personal injuries caused by the Group's products or the use of the Group's products for unintended purposes could adversely impact future sales, even if the direct cost of remediation is not material.

The Group's brand value also depends on its ability to maintain a positive consumer perception of its corporate integrity and culture. Negative claims or publicity involving the Group or its products, or the production methods of any of its suppliers (for example, claims about factory working conditions), could seriously damage the Group's reputation and brand image, regardless of whether such claims or publicity are accurate. The Group's social media presence amplifies consumer engagement with the ProCook brand but comes with less control due to consumer comments and hashtags compared to more traditional public relations and marketing methods, which could associate the brand with content which is not aligned with the Group's values. Further, the Group's brand reputation could be harmed if it became associated with negative media, personal injuries caused by the Group's products or the use of its products for unintended purposes. The Group's brand reputation could also be harmed if the Group experiences a cyber-attack or loss of consumer data. Adverse publicity could undermine consumer confidence in the ProCook brand and reduce long-term demand for the Group's products, even if such publicity is unfounded.

Any failure to maintain favourable brand recognition could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.3 ***The Group's business is influenced by economic conditions that impact consumer confidence and spending and market conditions***

The Group's business is influenced by economic conditions that impact consumer spending. Many factors affect the level of consumer spending on the Group's products, including the state of the economy as a whole, stock market performance, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and other matters that influence consumer confidence. For example, discretionary spending generally declines during periods of economic uncertainty. While the Group did not observe an adverse impact on consumer demand as a result of the Covid-19 pandemic, in a prolonged economic downturn, the Group may experience declining sales as a result of general reduced consumer spending. Recent increases in the rates of inflation and house prices in the countries in which the Group's products are sold, forecasted further increases in those rates of inflation and house prices and central banks' responses to those and other changes in economic conditions could impact consumer spending. Any downturns in general economic conditions that impact consumer spending in the countries in which the Group's products are sold could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.4 ***The Group's future growth depends on the successful expansion of its product range***

ProCook plans to expand its offering to include other types of products. There can be no guarantee that any such endeavour will succeed. Any such expansion that is not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. If ProCook launches but fails to generate satisfactory returns from any such expansion, it could have a material adverse effect on its business, financial condition, results of operations or prospects.

2.5 ***The Group's future growth depends on the successful expansion of its international operations, including into new geographic markets***

ProCook plans to further expand its existing international operations and also enter new geographic markets. There can be no guarantee that any such endeavour will succeed. Any such initiatives that are not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. In addition, if ProCook was to enter into new geographic markets and needed to develop a new brand for this purpose, or if it was to try to reposition its brand in existing geographic markets, consumers might not accept its revised brand image. If ProCook launches, but fails to generate satisfactory returns from any such initiatives, it could have a material adverse effect on its business, financial condition, results of operations or prospects

2.6 ***The Group operates in a competitive environment***

Competing effectively across the key areas of product and customer services remains a key driver of growth through customer recruitment and retention. Potential consequences of increased competition include loss of market share, reduced sales, erosion of margins and a fall in customer satisfaction scores. Given the current macro-economic uncertainty arising from Brexit and Covid-19, the need to remain competitive is further heightened in order to deliver business growth.

New competitors may enter the markets in which the Group operates and some of the Group's current competitors have, and future competitors of the Group may have, significant financial, marketing and other resources and established brand names. The Group's competitors could use their significant resources to increase their marketing, develop new products or reduce their prices in a manner that adversely affects the Group's ability to sell its products at prices that generate the same margins it has earned in the past or at all.

Existing and/or increased competition, or the inability of the Group to maintain its competitiveness, could adversely affect the Group's market share and/or force it to consider price reductions, which could have a material adverse effect on its business, financial condition, results of operations or prospects. Those and other competitive pressures may prevent the Group from competing successfully against current or future competitors. Such competitive pressures could have a material adverse effect on the Group's business, financial position, results of operations or prospects.

There is a risk that other parties may copy the Group's products and sell them at a lower cost, with the Group being unable to prevent the production of such products and such sales or incurring material costs and suffering material diversion of management time and attention in order to do so, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

**2.7 *Failure to ensure corporate social responsibility and ethical sourcing could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group supports strong corporate social responsibility and works with its suppliers to ensure they comply with the Group's values and standards covering production methods, employee working conditions, packaging materials, quality control and inspection processes. There is increased risk in this respect arising out of the Group's use of suppliers in other jurisdictions (including in particular East Asia), which have different laws and standards to those which apply in the United Kingdom and the other jurisdictions in which the Group operates or in which its products are sold. Those differences, and the distances involved, make it more difficult and expensive for the Group to monitor compliance by suppliers and such difficulties have been exacerbated by Covid-19 and the actions being taken by governments around the world to try to mitigate the effects of it. Failure to meet the Group's ethical sourcing standards may adversely affect its brand reputation and customer demand for its products, which could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group uses a reputable third party ethical trade service supplier (Sedex) to audit its supplier base and has satisfied itself with audits of 95 of its product suppliers, representing approximately 78% of the Group's product purchases in FY21. In relation to the Group's top 10 product suppliers, nine have been subject to this audit (purchases from these suppliers representing 70% of the Group's product purchases in FY21), the remaining top 10 product supplier is subject to audit by another provider of supplier ethical audits which is currently subject to review by the Group. However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of those individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

**2.8 *The ability of the Group to achieve its strategic ambitions requires continued business change***

The ability of the Group to achieve its strategic ambitions requires continued business change as necessary to remain competitive and improve capabilities, drive performance and evolve its market leadership position. The Group's change programmes are intended to deliver incremental, value-added changes to ensure that its growth plans are achievable. The potential consequences of not achieving change goals include loss of competitive position, under-achievement against the Group's growth targets, inefficient returns on investment and constrained ability to respond to market forces. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

2.9 ***Natural disasters, public health crises, political crises, civil unrest and other catastrophic events or events outside the Group's control may adversely affect the Group's business***

Natural disasters, such as fires, earthquakes, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, civil unrest, political instability or other conflict, or other events outside of the Group's control, have in the past, and may in the future, adversely impact the Group's sales. For example, the Covid-19 pandemic, led to reduced footfall at the Group's retail stores and adversely impacted the Group's retail revenue in FY21. This risk is enhanced if any of those events occur during peak sales periods (historically November and December) of the Group's financial year, during which the Group generates a significant proportion of its annual revenue.

As a significant proportion of the Group's revenue is derived from in-store sales, its retail revenue may be materially adversely affected by events that could deter consumers from shopping in-store. Such events could also disrupt the internet or mobile networks and may also prevent or deter consumers from shopping through the Group's ecommerce channel, which could materially adversely affect its ecommerce revenue.

In addition, if any of the Group's facilities, including its distribution facilities, retail stores or the facilities of its suppliers or third-party service providers, are affected by any such natural disasters, catastrophic events or other events outside of the Group's control, its business and results of operations could be materially adversely affected. Moreover, those types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could materially adversely impact the Group's business, financial condition, results of operations or prospects.

2.10 ***The Group's business is subject to changes in consumer preferences***

The Group's continued success depends in part on the continued attractiveness of the Group's design, styling, production, merchandising and pricing of its products to consumers. The Group's products must appeal to a consumer base whose preferences cannot be predicted with certainty and are subject to change. In addition, to ensure adequate inventory supply, the Group must forecast inventory needs and place orders with its suppliers based on its estimates of future demand for particular products. If the Group misjudges the market for its products, it may be faced with excess inventories for some products and missed opportunities for others. If the Group is unable to predict or respond to sales demand or to changing styles or trends successfully, its sales could be lower or less profitable. The Group may also experience inventory shortfalls on unexpectedly popular products, which would also result in reduced sales through lack of availability. In addition, there can be no assurance that the Group will be able to distribute and market new products efficiently or that any product category that it may expand or introduce will achieve sales levels sufficient to generate profits. Any of those outcomes could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The success of the Group's business depends, in part, on its ability to identify and respond to evolving macro-economic and sector trends in demographics and customer preferences. Failure to identify or effectively respond to changing requirements and preferences of its customer base could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's success also depends on designing and selecting products and product ranges that customers want to buy, at appropriate price points which are stocked in the right quantities. The Group continually reviews the design, selection and performance of the product ranges sold by it. It regularly reviews product range trends and performance to assess and correct any key selection or product issues. Corrections to significant missed trends or poorer performing ranges are targeted for amendment, with alternative products being sourced, where deemed necessary. In the short to medium term, a failure to manage product ranges successfully may mean that the Group is faced with surplus stocks that cannot be sold at full price and may have to be disposed of at a loss. Over the longer term, the reputation of the Group may suffer if its product ranges are not meeting customer quality, design or price expectations, which could result in lower customer demand for its products. Any of those



effects could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's success also depends on its continued ability to engage with customers through different media. Such media, and trends relating to them, is subject to constant change. Failure to identify or effectively respond to changing trends in the media used by customer base could adversely affect the Group's business, financial condition, results of operations or prospects.

**2.11 *Failure to successfully develop new business opportunities which the Group chooses to develop could have a material adverse effect on its business, financial condition, results of operations or prospects***

If ProCook chooses to develop any new businesses or enter into joint ventures and strategic partnerships, there can be no guarantee that any such endeavour will succeed. Any such initiative that is not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. If ProCook launches but fails to generate satisfactory returns from any such initiative, it could have a material adverse effect on its business, financial condition, results of operations or prospects.

**2.12 *Third-party intermediaries ceasing to allow the Group to sell its products through them could materially adversely impact the Group's business, financial condition, results of operations or prospects***

As ProCook sells some of its products through third-party intermediaries, there is a risk that any such third-party intermediary could cease to allow the Group to continue to do so, without cause and with little or no notice. Even if the Group is able to replace such lost sales with sales through its own websites, it would take time before it is able to do so and that would divert management from other activities.

Any such risks could materially adversely impact the Group's business, financial condition, results of operations or prospects.

**3. Risks related to the Group's business operations**

**3.1 *Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations or prospects***

The Group relies to a significant degree on its IT systems to, among other things, track inventory, manage its supply chain, record and process transactions, summarise results and manage its business. The Group adopts a hybrid approach to IT systems, which sees it utilise its own bespoke software, coupled with third-party technology where appropriate, generally on the third party's terms and conditions. The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages, computer, network and telecommunications failures, computer viruses, security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, it may have to make a significant investment to fix or replace them and it may suffer loss of critical data and disruptions or delays in its operations, including its ecommerce channel. Where such damage or interruption is caused by a provider of third party technology, given that the Group generally contracts with those third parties on the third party's terms and conditions, the remedies available to the Group under those terms and conditions are limited.

In recent years, the Group has implemented multiple modifications and upgrades to its systems, including in connection with its ecommerce platforms. The Group plans to continue to invest in its IT infrastructure over the next several years, including investing in solutions to support its international growth ambitions. The Group's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to those systems and infrastructure. Those activities subject the Group to inherent costs and risks associated with replacing and upgrading those systems, including

impairment of the Group's ability to fulfil customer orders, potential disruption of its internal control structure, substantial capital expenditure, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time and other risks and costs of delays or difficulties in transitioning to new or upgraded systems or of integrating new or upgraded systems into the Group's current systems. The ongoing Covid-19 pandemic may also add to potential delays in the implementation of new or upgraded systems. The Group's system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the difficulties with implementing new or upgraded technology systems may cause disruptions in the Group's business operations and have an adverse effect on its business and operations, if not anticipated and appropriately mitigated.

Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations or prospects.

3.2 ***The success of the Group relies on the continued service and expertise of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees***

The success of the Group relies on the continued service and expertise of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees.

There can be strong competition for personnel from other companies and organisations and there may, at any time, be shortages in the availability of appropriately skilled people at any particular levels within the Group. While the Group has employment or service contracts with its key executives and personnel, and the Group has in place incentive schemes to incentivise key executives and technical personnel, the Group cannot guarantee the retention of such key executives and personnel. The failure to retain and/or recruit additional or substitute senior managers and/or other key employees could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Board will consider the development of senior managers to ensure adequate career development opportunities for key personnel, with orderly succession and promotion to important management positions. The Company's Remuneration and Nomination Committees will identify senior personnel, review remuneration at least annually and formulate packages to retain and motivate those employees, including long term incentive schemes. However, there can be no assurance that those measures will be successful or that the Group will be able to attract, develop or retain senior managers of the right calibre. Any loss of Board directors and senior management could adversely affect delivery of short and medium term strategic plans and/or the quality of the Group's product offering, resulting in both operational and financial under-performance. Any failure by the Group to attract or retain key personnel of the right calibre and any resultant impact on the delivery of its strategic plans or the quality of its product offering could adversely affect the Group's business, financial condition, results of operations or prospects.

3.3 ***Any adverse events influencing either the sustainability of the supply chain or the Group's relationship with any major supplier could adversely affect its business***

Wherever possible, the Group attempts to source materials from multiple suppliers and work is ongoing to continue the diversification of the supplier base. The Group's products are manufactured mainly in East Asia, under arm's length arrangements and the Group has procedures in place to prevent over-dependence on any single supplier. The Group sources products from over 100 suppliers globally but 70% of its supplies came from its top 10 suppliers in FY21 (with 29% of its supplies coming from the Group's top product supplier in that period). One or more of the Group's key suppliers may be unable to supply, or decide to cease supplying, the Group with products for reasons beyond the Group's control, or they may increase prices significantly. For example, during the first months of 2021, following rising demand from other customers and a typhoon causing disruption, the Group experienced stock shortages of cast iron products from a supplier on which it is, to some degree, reliant for cast

iron products and, as a result, it ordered large quantities of cast iron to attempt to mitigate such reliance going forward. Alternative suppliers may be difficult to identify and, in any event, may take a significant period of time to begin supplying the Group. Moreover, if the Group expands beyond the production capacity of its current suppliers as it continues to grow, it may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner.

The Group's supply chain could also be materially adversely affected by a number of other factors, including, among other things, potential economic and political instability in countries where its suppliers are located, increases in shipping or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of natural disasters or force majeure events (including without limitation unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions, other catastrophes, epidemics or pandemics, including the Covid-19 pandemic), industrial action in the supply chain or other factors, supplier compliance with applicable laws and regulations, adverse fluctuations in currency exchange rates and changes in laws affecting the importation and taxation of goods, including duties, tariffs and quotas or changes in the enforcement of those laws. The Group may also be subject to potential reputational damage if one or more of its suppliers violates or is alleged to have violated applicable laws or regulations including improper labour conditions or human rights abuses, fails to meet the Group's requirements or does not meet industry standards and safety specifications.

If there were delays in product shipments due to freight difficulties or industrial action (including strikes by personnel at ports through which products are transported) or elsewhere in its supply chain, the Group's business, financial condition, results of operations or prospects could be materially affected. There is currently increased risk of such issues resulting from Brexit, Covid-19 and the actions being taken by governments around the world to try to mitigate the effects of Covid-19.

The Group aims to capitalise on the longstanding relationships it has developed with suppliers. Those relationships can change over time as a result of many factors, including change of personnel (either at the Group or at the supplier), change in ownership of the supplier or disagreement over the manner in which products are sold by the Group. Any significant deterioration in the Group's relationship with any of its key suppliers, whether as a result of any of those factors or otherwise, could have a material adverse effect on its business, financial condition, results of operations or prospects.

Any of those risks, in isolation or in combination, could restrict the availability of products or significantly increase the cost of such products, require the Group to divert financial and management resources from more beneficial uses and subject the Group to reputational damage, any of which could have a material adverse effect on its reputation, business, financial condition, results of operations or prospects.

3.4 ***The Group relies on third-party freight service providers and disruptions to freight could have a material adverse effect on its business, financial condition, results of operations or prospects***

ProCook relies on third-parties with respect to freight services in relation to its products and is dependent on the continued efficient operation of such services. ProCook cannot control all of the various factors that might affect the timely and effective shipment of products from its suppliers. All products that ProCook purchases overseas must be shipped to one of its warehouses by third-party freight service providers. ProCook's dependence on imports shipped by third-party freight service providers exposes it to various risks. Those risks include damage, destruction or confiscation of products in transit to the warehouse and work stoppages (including as a result of strikes). They also include transportation and other delays in shipments (including as a result of inspection processes or other port-of-entry limitations or restrictions in the United Kingdom as ProCook's main port-of-entry) and lack of freight availability and freight cost increases, including as a result of events such as Brexit, the Covid-19 pandemic and the recent block of the Suez Canal.

If ProCook is unable to obtain sufficient freight capacity on a timely basis or at expected shipping rates, it may not be able to ensure that it receives products from its suppliers in a timely manner and at an acceptable cost level, which could impact its lead times and have a material adverse effect on its customer satisfaction. For example, as a result of the Covid-19 pandemic, which has led to market-wide reduced freight capacity, ProCook has recently been experiencing delays in freight shipping and higher freight costs, which has adversely impacted its gross margins. ProCook has also been subject to a greater administrative burden and port disruptions as a result of Brexit and growing regulation and increasing customs scrutiny on imported goods. Those delays and burdens are continuing at present and there is no guarantee that similar issues might not result in future disruption to ProCook's business. The continued impact, worsening or repeat of such events and factors could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

As nearly all of the Group's supplies are sourced from China, this risk is elevated given the distances involved.

### 3.5 ***The Group is subject to cyber security risks and security breaches***

The Group relies on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its consumers, customers, suppliers, employees and others, including credit card information and personal information. The Group also stores data in third-party data centres, as well as third-party servers or applications by means of "cloud computing". As the Group's ecommerce channel continues to increase in importance to the Group's results of operations, the salience of this risk has increased and will continue to do so.

The Group's systems, websites, data (wherever stored), software or networks, and those of third- parties (including data centres), are inherently vulnerable to security breaches, including unauthorised access (from within the Group's organisation or by third-parties), computer viruses or other malicious code and other cyber threats that could have a security impact. The Group and third-parties may not be able to anticipate evolving techniques used to effect security breaches (which change frequently and may not be known until launched) or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Cyber-attacks have become far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of, data on the Group's or third-party systems, as well as interruptions or malfunctions in the Group's or third-parties' operations.

The Group is subject to malicious attacks on its IT networks on an ongoing basis, and these risks may increase in the future should the Company become a publicly-listed company. The Group and its suppliers are at a risk of suffering materially from such attacks and breaches, which could adversely affect the Group's ability to process customer and consumer transactions and manage inventories, resulting in the Group incurring significant additional costs to modify its protective measures or to investigate and remediate vulnerabilities, and result in significant losses, reputational harm, competitive disadvantage and sometimes physical damage. The Group may also be subject to related litigation and financial losses that are either not insured against or not fully covered through the Group's insurance policies. The Group may also be subject to regulatory intervention, significant regulatory fines and sanctions, particularly as a result of GDPR/UK GDPR and, more broadly, the increasing regulatory focus on promoting the protection of customer information and the integrity of IT systems.

In addition, while the Group has established business continuity and recovery plans and strategies and its core systems are periodically tested to ensure that they can be fully operational within a short period of time following any system failure, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified or that new cyber security threats emerge. As techniques used to sabotage or obtain unauthorised access to systems change frequently, and generally are not recognised until they are launched against a target, the Group and its

third-party service providers may be unable to anticipate these techniques or implement adequate preventative measures.

Any of those risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

### 3.6 ***The Group is dependent on the continued efficient operation of several warehouses***

ProCook is reliant on the continued efficiency of its storage and warehouse operations. The inability of ProCook to manage those operations efficiently could have a material adverse effect on its processes and operations. In addition, there is a risk that ProCook may not be able to scale its operations in line with its growing business and its increased demand for storage and warehouse facilities. Such inefficiency or inability to scale could limit ProCook's operations and, in turn, have a material adverse effect on its business, financial condition, results of operations or prospects.

ProCook plans to move to a new warehouse, which would include a new head office, in 2022. There is a risk that, if such move is not managed efficiently or encounters difficulties, the Group's business will be disrupted as a result. Upon such move, the Group will also need to sub-let or assign the leases of its current two warehouses and, if it were unable to do so, it would bear the continued costs of those leases.

ProCook is also exposed to risks due to external factors beyond its control, including accidents, vandalism, natural hazards, acts of terrorism, damage and loss caused by fire, power failures, floods or other events that could potentially lead to the interruption of business operations, personal injuries, damage to third-party property or the environment. For example, ProCook's warehouse operations are subject to specific risks such as fire, falls from height, objects falling from storage shelving and during movement or traffic movements which could result in damage to equipment, damage to property of third-parties and personal injury or death. Accidents or other incidents that occur at ProCook's warehouses or other facilities or involve its personnel or operations could result in claims for damages against it and could damage its reputation. Although ProCook insures itself against such losses to a level and at a cost it deems appropriate, its insurance policies are subject to exclusions and limitations, and it cannot guarantee that all material events of damage or loss will be fully or adequately covered by an applicable insurance policy. In addition, ProCook's insurance providers could become insolvent.

Damage resulting from any of those events may cause significant disruption to ProCook's operations and take considerable time to repair. Moreover, the complete destruction of a warehouse through a single catastrophic event, such as a fire, may increase lead times for products stored at the warehouses, affecting the efficiency of ProCook's operations. The direct effect of any such event and prolonged period before rectification could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

Any of those risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

### 3.7 ***The Group's results and success are dependent, in part, on its ability to attract and retain effective personnel, as well as on its ability to preserve its culture***

The Group's results and success are dependent, in part, on its ability to attract and retain effective personnel. The Group's performance depends significantly on the efforts and abilities of its senior management. The Group's senior management have substantial experience and expertise in retail, technology and consumer goods industries and have made significant contributions to the Group's continuing growth and success. The loss of key senior managers or other key personnel without the prompt addition of appropriate replacements could therefore adversely affect the Group's operations and prospects. The Group may be unable to find appropriate replacements in a timely manner or the replacements, once appointed, may not perform as effectively as expected. In addition, there can be no assurance that the Group will continue to be able to retain or attract a sufficient number of skilled personnel, including within the design, merchandising and ecommerce teams, on attractive terms or at all. The Group believes that the image, reputation and popularity of the ProCook brand improves the

Group's ability to recruit skilled personnel and any significant deterioration of the Group's brand could negatively affect its ability to retain or attract those skilled personnel. Any inability to recruit, train or retain such personnel could hinder the Group's ability to successfully operate its business, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Further, the Group believes that a critical component of its success is its corporate culture. As the Group continues to expand, it may find it difficult to maintain the valuable aspects of its corporate culture, and this risk may increase in the future should the Company become a publicly-listed company. Any failure to preserve this culture could adversely affect the Group's ability to attract and retain talent, encourage creativity, teamwork, passion and transparency, and effectively focus on and execute on the Group's vision and strategy.

**3.8 *The Group's performance depends on the attraction and retention of customers and on its ability to drive and service customer demand***

The Group's performance depends on the attraction and retention of customers and on its ability to drive and service customer demand. This includes having attractive, functional and reliable online platforms, such as websites and mobile applications, as well as well laid-out stores which provide inspiration and the ability to browse, trial products and receive advice from knowledgeable colleagues. It must also be able to deliver successful marketing strategies, operate effective call centres, and provide customers with service levels that meet or exceed their expectations. Should the Group's online, retail or call centre experience not meet customers' expectations or match the experience offered by other retailers, this may lead to reputational damage and lower demand for the Group's products as customers may shop elsewhere. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

**3.9 *If the Group encounters operational challenges relating to the distribution of its products, its business could be adversely affected***

The Group relies on both Group-owned and third-party distribution facilities to warehouse and distribute products to its retail stores and ecommerce consumers. Those facilities are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, the impact of pandemics (including the Covid-19 pandemic), cross border trade barriers (including as a result of Brexit), natural disasters, political crises, civil unrest and other catastrophic events. Such disruption could have an adverse effect on the availability of the Group's in-store and warehoused inventory and would divert financial and management resources from beneficial uses. In addition, distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from their distribution facilities. If the Group encounters problems with its distribution systems, whether Group-owned or third-party, its ability to meet customer and consumer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Additionally, the success of the Group's ecommerce channel and the satisfaction of consumers depend on their timely receipt of products. The efficient flow of the Group's products requires that the Group-owned and third-party operated distribution facilities have adequate capacity to support the current level of operations and any anticipated increased levels that may follow from the growth of the Group's business activities. If any of those events occur, the Group could incur significantly higher costs and longer lead-times associated with distributing its products to consumers and experience dissatisfaction from consumers, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Third party carriers make all of ProCook's deliveries to its stores and ecommerce customers and there is a risk that they may cease making deliveries for ProCook at any time. In addition, the quotes for the delivery companies are refreshed periodically. If ProCook was to lose a significant number of its third-party carriers due to a disagreement on a price increase or any other reason, and was unable to recruit a sufficient number of qualified replacement delivery teams in a timely manner, its ability to make deliveries would be materially adversely affected.

ProCook is also subject to the risks associated with the ability of its carriers to provide prompt delivery services. The efficiency of delivery to the ultimate customer is exposed to factors such as traffic congestion, road works, inclement weather (particularly flooding or snow), power loss, earthquakes, labour disputes, acts of war or terrorism and travel and other restrictions, including as a result of events such as the Covid-19 pandemic, all of which could render deliveries difficult or impossible. Any significant interruption to ProCook's delivery of products may have a material adverse effect on its reputation, business, financial condition, results of operations or prospects.

**3.10 *Product returns, product recalls and product liability claims could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

ProCook is subject to standard UK, EU and national regulations and legislation regarding distance selling, including sale of goods and consumer rights regulations and legislation. For example, online sales to consumers in the United Kingdom are subject to the UK Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. In general, under those regulations (subject to some limited exemptions), consumers are afforded the right to return products for any reason within a period of 14 days after the date on which goods are delivered. Whilst this UK statutory 14 day cancellation period is limited to "distance" and "off-premises" sales, ProCook does, in fact, offer an enhanced contractual "30 day, no quibble, money back guarantee" returns policy for purchases, whether these are made online or in-store.

In addition, under UK law, all goods sold direct to consumers will need to comply with the statutory "warranties" implied under the UK Consumer Rights Act 2015, and all consumers will be afforded rights under the statutory remedies set out in the same piece of legislation in relation to defective goods. In addition to those statutory warranties, ProCook also offers 10 year and 25 year extended warranties.

The exercise by consumers of their rights under relevant laws and regulations, including in relation to cancellation and statutory warranties (as well as the enhanced contractual rights afforded to customers under ProCook's own policies/terms) could cause ProCook to have unanticipated returns, resulting in an increase in inventory, which may include damaged goods. In addition, ProCook may be required to refund, repair, replace and/or pay compensation for any products that do not meet the express terms of the contract for sale, the implied terms of satisfactory quality, fitness for purpose or correspondence with description or any other mandatory warranties relating to a product, including those regarding hidden defects. While the customer may have similar rights against the manufacturer of the product, those rights are in addition to the rights that the customer has against ProCook as the seller. If claims are made against ProCook by customers, it may not be able to recover the costs of such claims from the manufacturer, particularly if the manufacturer has entered into administration or becomes insolvent.

Further, the use of ProCook's products involves the risk of injury to its customers or other persons and damage to property, as well as costs of replacement. The actual or alleged sale of defective products by ProCook could result in product recalls or product liability claims, the settlement or outcome of which could have a material adverse effect on its reputation, business, financial condition, results of operations or prospects. Although ProCook insures itself against such claims to a level and at a cost it deems appropriate, its insurance policies are subject to exclusions and limitations and it cannot guarantee that all claims will be fully or adequately covered.

Even if an event causing a product recall proves to be unfounded or if a product liability claim against ProCook is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that the products sold by it caused injury or damage, or any product recall or allegation that the products sold by ProCook were defective, could adversely affect both its reputation with existing and potential new customers and its corporate and brand image, which in turn could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

3.11 ***The Group's operations may be adversely affected by labour disputes and work stoppages in relation to its workforce***

ProCook's operations may be adversely affected by labour disputes and work stoppages in relation to its workforce. There is a risk that ProCook may face employee-related disagreements, which may result in extended work stoppages or prolonged labour disputes. Any extended work stoppage or labour dispute within ProCook could adversely affect its ability to continue its operations, which could have a material adverse effect on its business, financial condition, results of operations or prospects. As it develops its channel capability and presence in Europe, ProCook will become subject to employment and labour laws which are different and provide different rights to employees than in the UK.

3.12 ***Business interruption events could adversely affect the Group's business, financial condition, results of operations or prospects***

Business interruption events are an ever-present possibility for the Group. These could include loss of IT systems or connectivity, loss of access to trading or distribution sites (caused by landlords, civil unrest, damages, natural disasters or pandemics etc.), data breach disruptions, distribution disruptions (caused by road closures or vehicles etc.) and fuel shortages. Potential impacts are broad ranging and include disruption to trade and customer service and impact on revenue, margin or reputation. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects. ProCook's planned move to a new warehouse, including a new head office, in 2022 would give rise to a heightened risk of such business interruption.

3.13 ***If the Group is unable to protect its trade marks and other intellectual property rights, its business could be materially adversely affected***

The ProCook brand has been, and will continue to be, key to the success of the Group. Additionally, the Group's business is dependent on its ability to protect and promote its trade marks and other intellectual property rights. Third parties have in the past attempted and may in the future attempt to counterfeit the Group's brand and trade marks, otherwise infringe the Group's intellectual property rights or try to challenge the validity of the Group's intellectual property. The Group may not always be able to secure protection for, or stop infringements of, its intellectual property, and may need to resort to litigation to enforce its intellectual property rights. Any litigation or dispute involving the scope or enforceability of the Group's intellectual property rights, however, as well as any allegation that the Group has infringed the intellectual property rights of others, could be costly and time-consuming and, if determined adversely to the Group, result in harm to its business, financial condition, results of operations or prospects.

The Group's continuing success will depend on its ability to operate without infringing the intellectual property rights of others. There can be no assurance that the products that the Group is currently marketing do not, or that the products that the Group may market in the future will not, infringe any proprietary rights of others. Therefore, the Group may need to engage in litigation to defend itself against any such claims. Litigation is inherently expensive and time consuming and, even if the outcome of litigation is ultimately favourable to the Group, litigation could result in the diversion of substantial resources from the Group's other activities as well as exposing it to adverse publicity and reputational risk. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

3.14 ***Any failure of the Group's payment services to function properly or prevent fraudulent transactions could have a material adverse effect on its business, financial condition, results of operations or prospects***

ProCook accepts payments using a variety of methods, including credit and debit cards, PayPal, Verifone, Amazon Pay, Google Pay and Apple Pay, which subjects it to certain regulations and the risk of fraud, and it may in the future offer new payment options to customers that would be subject to additional regulations and risks. ProCook pays interchange and other fees in connection with credit card payments, which may increase over time and adversely affect its operating results. ProCook's third-party payment arrangements are



predominantly based on the standard terms and conditions of the service provider and contain provisions which are generally favourable to the service provider. ProCook currently relies on a small number of payment processor providers for a significant portion of its payments. If those payment processor providers were to experience an interruption, delay or service unavailability, ProCook may not be able to process payments on a timely basis. Although ProCook uses third parties to process payments, its processes must comply with payment card association operating rules and certification requirements, including the PCI – DSS and rules governing electronic funds transfers, the EU regulation on regulatory technical standards for strong customer authentication and common and secure open standards of communication and the EU directive on payment services in the internal market. If ProCook fails to comply with applicable rules and regulations of any payment provider, if the volume of fraud in its transactions triggers limits or terminates its rights to use any existing payment methods or if a data breach occurs relating to its payment systems, it may be subject to fines or higher transaction fees and may lose its ability to accept online payments.

Further, if services of ProCook’s payment providers are interrupted, harmed or such payment providers are subject to fraud or cyber security attacks, this may result in the data of its customers being compromised and loss or theft of their personal information, as well as an inability to process their payments. In addition, ProCook has, in the past, incurred and may, in the future, incur losses from various types of fraud, including stolen credit card details, claims that a customer did not authorise a purchase, merchant fraud and customers who have closed bank accounts or have insufficient funds in bank accounts to satisfy payments. Although ProCook has measures in place to detect and reduce the occurrence of fraudulent activity on its website, those measures may not always be effective. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could potentially result in ProCook paying higher fees or losing the right to accept credit cards for payment. ProCook’s failure to adequately prevent fraudulent transactions could damage its reputation, result in litigation or regulatory action and lead to expenses that could substantially impact its results of operations.

The occurrence of any of those events could have a material adverse effect on ProCook’s business, financial condition, results of operations or prospects.

### 3.15 ***The Group’s business may be impacted by weak sales in peak selling seasons***

The Group’s business may be impacted by weak sales during peak selling seasons. Historically, the most important trading period in terms of sales has been in November and December. In FY21, 24% of the Group’s sales occurred in this period. If sales during this period are significantly lower than expected for any reason, the Group may be left with a substantial amount of unsold inventory. In that event, the Group may be forced to rely on markdowns or promotional sales to dispose of excess inventory or hold excess inventory for longer than originally anticipated, which could have a material adverse effect on the Group’s business, financial condition or results of operations. At the same time, if the Group fails to purchase a sufficient quantity of merchandise, it may not have an adequate supply of products to meet consumer demand, which could materially adversely affect its gross transaction value and, in turn, its results of operations.

### 3.16 ***The Group is subject to risks associated with international markets***

As a company that markets, sells and manufactures (through third-party manufacturers) its products in foreign countries, the Group faces a variety of risks generally associated with doing business in foreign markets and importing merchandise from, and exporting merchandise to, those regions, including, among others, political instability resulting in the disruption of trade, quotas and other trade regulations, export licence requirements, delays associated with customs procedures, including increased security requirements applicable to foreign goods and measures related to the Covid-19 pandemic, imposition of taxes, other charges and restrictions on imports, currency and exchange rate risks, risks related to labour practices increasing minimum wages and inflationary pressures, environmental matters or other issues in the foreign countries or factories in which the Group’s products are manufactured, risk of loss at sea or other delays in the delivery of products caused by transportation problems and increased costs of transportation.

In recent years, global trade has been adversely affected by increasing protectionism and regulatory unpredictability, including the ongoing trade disputes between China and the US, and the impact of Brexit.

Any of those risks could have a material adverse effect on the Group's reputation, business, financial condition, results of operations or prospects.

#### **4. Legal and regulatory risks**

##### **4.1 *Any failure, or perceived failure, by the Group to comply with e-commerce, consumer protection and advertising laws or regulations could result in damage to the Group's reputation, a loss of revenue and substantially increased legal expenses and/or penalties***

Laws and regulations applicable to e-commerce, as well as consumer protection and advertising laws and regulations of broader application, that apply to the Group's business are subject to evolution and can be subject to differing interpretation. Given the extensive scope of the legislative framework in place, the Group may be unable to guarantee that its practices have complied or will comply fully with all applicable laws and regulations and their interpretation. Any failure, or perceived failure, by the Group to comply with any of those laws or regulations could result in damage to the Group's reputation and a loss of revenue, and any legal or enforcement action brought against the Group as a result of actual or alleged non-compliance could further damage its reputation and result in substantially increased legal expenses and/or penalties. In addition, legislative and regulatory bodies or self-regulatory organisations may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding e-commerce and consumer protection. It is also anticipated that, following Brexit, there is likely to be an ever-increasing divergence between the UK and EU positions on e-commerce and consumer protection and advertising law, which is likely to result in the need for the Group to develop different internal and customer facing processes and supporting contracting documentation to ensure compliance across multiple jurisdictions.

##### **4.2 *Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with data protection, e-privacy, privacy or other consumer protection laws or regulations could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group is subject to a number of laws relating to data protection, e-privacy and privacy, including PECR, the GDPR, the UK GDPR, the UK Data Protection Act 2018 and other applicable data protection, privacy and cyber security laws across its various markets. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to consumers and business partners, as well as any such data relating to employees and others. The Group routinely transmits and receives personal, confidential and proprietary information (including debit and/or credit card details of consumers) by electronic means and therefore relies on the secure processing, storage and transmission of such information in line with regulatory requirements (including the PCI – DSS). Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection or privacy laws, which could lead to regulatory investigation and the imposition of fines or regulatory action, together with associated negative publicity and the risk of compensation claims for financial loss or distress, or both, brought by affected staff and customers under the GDPR/UK GDPR. For example, breaches of the GDPR/UK GDPR can result in maximum fines of up to £17.5 million or 4% of annual global turnover, whichever is highest. Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with data protection, e-privacy, privacy or other consumer protection laws or regulations may harm the Group's reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers and consumers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.3 ***Any failure, or perceived failure, by the Group to comply with product liability/safety regulations could result in damage to the Group's reputation, a loss of revenue and substantially increased legal expenses and/or penalties***

The Group is subject to a range of regulations in the UK, the EU and elsewhere concerning product liability/safety, the specific application and requirements of which vary from product to product. Those regulations include those addressing general product safety, as well as requirements related to specific product features, for example, in relation to food contact materials/biocidal, electromagnetic compatibility, low voltage electrical equipment, packaging, waste and chemical composition. The relevant regulations impose a number of requirements as regards safety and quality. The regulations include mechanisms under which national authorities can bring enforcement action for non-compliance, which could include requiring product recalls or taking corrective action in relation to products in the market, as well as fines or potentially imprisonment. Any failure, or perceived failure, by the Group to comply with any of those regulations could result in damage to the Group's reputation and a loss of revenue, and any legal or enforcement action brought against the Group as a result of actual or alleged non-compliance could further damage its reputation and result in substantially increased legal expenses and/or penalties.

4.4 ***If the Group fails to comply with the laws and regulations in the range of international markets in which it operates, it may face fines, penalties or other sanctions, as well as result in damage to the Group's brand, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group operates in a range of international markets and is subject to a variety of laws and regulations and it routinely incurs costs in complying with those laws and regulations. New laws or regulations or changes in existing laws and regulations, particularly those governing the sale of products or in other regulatory areas such as consumer protection, privacy, information security, labour and employment, tax, competition, health and safety or environmental protection, may conceivably require extensive system and operating changes that may be difficult to implement and could increase the Group's cost of doing business.

For example, the Group is subject to laws and regulations relating to restricted substances. If the Group fails to comply with those laws and regulations, it may face fines, penalties or other sanctions, as well as resulting in damage to the Group's brand. In addition, the Group could incur future expenditure in relation to past non-compliances that could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is also subject to those regulations provided under the Modern Slavery Act 2015 (the "Modern Slavery Act") as well as to the risk of forced labour and modern slavery in its supply chain. The Group has taken steps to mitigate against any risk of breaching the Modern Slavery Act or of forced labour or modern slavery in its supply chain, including audits to ensure its key suppliers comply with its policies, procedures and applicable laws. However, there can be no assurances that suppliers, or their labour practices, are fully compliant with the Group's policies and procedures as well as the relevant laws and regulations in which they operate.

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which the Group currently operates can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. Various governments and intergovernmental organisations could introduce proposals for tax legislation, or adopt tax law, that may have an adverse effect on the Group's worldwide effective tax rate, or increase its tax liability, the carrying value of deferred tax assets, or its deferred tax liabilities. Changes in laws and regulations in the future could have an adverse economic impact on the Group by tightening restrictions, reducing its freedom to do business, increasing its costs of doing business or reducing its profitability. In addition, the compliance costs associated with such evolving laws and regulations may be significant. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licences that may be necessary for the Group's business activities. The Group could also be required to pay damages or civil judgments in respect of third-party claims.

Any of those developments, alone or in combination, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.5 ***Failure to comply with the UK Bribery Act 2018 and other anti-bribery, anti-corruption, anti-money laundering, sanctions and competition laws could result in fines, litigation, disruption or cessation of business activity, and also damage the Group's reputation or cause a loss of business opportunity in the markets in which the Group operates***

The Group is subject to a wide range of anti-bribery, anti-corruption and anti-money laundering laws, such as the UK Bribery Act 2018 and similar laws in other countries, as well as sanctions and competition laws, across the markets in which it operates. The increasing broad and stringent legal and regulatory framework creates pressure on both business performance and market sentiment, requiring continual improvements on how the Group operates as a business to maintain compliance. Actual or alleged violations of applicable laws, regulations or anti-corruption compliance contractual requirements could result in fines, litigation, disruption or cessation of business activity, and also damage the Group's reputation or cause a loss of business opportunity in the markets in which the Group operates. Any non-compliance could also result in criminal prosecution for the Group or its people.

However, the Group is subject to a wide variety of requirements in a large number of jurisdictions and the Group's existing and any further safeguards may prove to be ineffective. If employees or agents of the Group violate regulatory requirements or the Group's policies, or fail to maintain adequate record-keeping and internal accounting practices to accurately record the Group's transactions, the Group may be subject to regulatory sanctions, including monetary fines, criminal penalties, disgorgement of profits and suspension or debarment of the Group's ability to contract with government agencies or public international organisations or to receive export licenses, any of which could materially adversely affect the Group's business, financial condition, results of operations or prospects.

4.6 ***The Group relies on its suppliers to comply with employment, environmental and other laws and regulations***

The Group has put in place policies and procedures to ensure that its suppliers are in material compliance with employment, environmental and other relevant laws and regulations generally. The Group seeks to monitor the social and environmental compliance of its key suppliers through third-party audits. However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of those individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.7 ***Climate change and related regulatory responses may adversely impact the Group's business***

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions could, among other things, disrupt the operation of the Group's supply chain, increase its product costs and impact the types of products that consumers purchase. As a result, the effects of climate change could have a long-term adverse impact on the Group's business, financial condition, results of operations or prospects.

In many of the countries in which the Group operates, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. Those laws and regulations, which may be mandatory, have the potential to impact the Group's operations directly or indirectly as a result of required compliance by the Group, as

well as by its suppliers. The Group's manufacturing processes may be affected by new regulations in response to climate change, specifically the use of plastics and other materials in the manufacturing of the Group's products. If the Group is perceived to be a contributor of greenhouse gas emissions or global warming, or if it is perceived as not taking appropriate steps to mitigate its effect on the environment, this could result in damage to the Group's image and brand.

In addition, the Group has taken, and may continue to take, voluntary steps to mitigate its impact on climate change. As a result, the Group may experience increases in energy, production, transportation and raw material costs, capital expenditure or insurance premiums and deductibles.

Any of those events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

## **Risks specific to the Offer and the Shares**

### **5. Risks related to the nature of the Shares**

#### **5.1 *Following Admission, the trading price of the Shares may be subject to wide fluctuations in response to many factors. Publicly traded securities, from time to time, experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Shares may prove to be highly volatile***

Following Admission, the trading price of the Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section headed "Risk factors", as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Shares. Publicly traded securities, from time to time, experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Shares may prove to be highly volatile. The market price of the Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including:

- national and global economic or financial conditions;
- the Group's expected and actual operational and financial performance;
- the level of activity in the Group's sector;
- speculation about, or actual, corporate transactions undertaken by the Group;
- the status of the Group's financing activities;
- the actual and contingent liabilities of the Group;
- variations in operating results in the Group's reporting periods;
- cyclical fluctuations in the performance of the Group's business;
- changes in financial estimates by securities analysts;
- changes in market valuations of similar companies;
- announcements by the Group of significant contracts, acquisitions, strategic alliances, joint ventures, capital commitments, new initiatives, new products or new product ranges;
- speculation, whether or not well-founded, regarding the intentions of the Company's major Shareholders or significant sales of shares by any such Shareholders or short selling of Shares;
- speculation, whether or not well-founded, regarding possible changes in the Group's management team;
- regulatory matters and governmental matters, including tax and duty changes;

- additions or departures of key employees;
- any shortfall in revenue or net profit from levels expected by securities analysts; and
- future issues or sales of Shares.

Any or all of those events could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

The Offer Price might not be indicative of prices that will prevail in the trading market and investors may not be able to re-sell Shares at or above the price paid.

A public perception that ProCook is an ecommerce or retail group may result in the price of the Shares moving in line with other shares in companies or groups of that nature. Traditionally, the share prices of ecommerce and retail companies have tended to be more volatile than share prices of companies operating in other industries.

**5.2 *Following Admission, the Concert Party members will be beneficially interested in between a minimum of approximately 54% and a maximum of approximately 69% of the Shares. For so long as the Concert Party remains, in aggregate, a significant shareholder group of the Company, they will continue to have the ability to affect or influence the Group and the interests of the Concert Party may not necessarily be aligned with those of the other Shareholders***

The Concert Party, are beneficially interested in 100% of the existing Shares. Following Admission, depending on the number of Offer Shares sold pursuant to the Offer, the Concert Party members will be beneficially interested in between a minimum of approximately 54% (if the Offer Size is at the top end of the Offer Size Range and the Offer Price at the low end of the Price Range) and a maximum of approximately 69% of the Shares (if the Offer Size is at the low end of the Offer Size Range and the Offer Price at the top end of the Price Range). As the Concert Party will hold more than 50% of the voting rights in the Company, any member of the Concert Party would be able to acquire any further Shares without incurring an obligation to make a general offer for the Company in accordance with Rule 9 of the City Code unless (save in respect of the exercise of options to acquire Shares granted at Admission as described in paragraph 6.4 of Part 10 (Additional information) of this document) (i) that member of the Concert Party is interested in Shares carrying 30% or more of the voting rights in the Company but does not hold shares carrying more than 50% of the voting rights in the Company or (ii) that member of the Concert Party's interest in Shares would increase to shares carrying 30% or more of the voting rights in the Company, in which case the Takeover Panel may deem such an obligation to have arisen.

Assuming that: (1) the options to acquire Shares granted at Admission described in paragraph 6.4 of Part 10 (Additional information) vest in full; (2) the Offer Size is at the low end of the Offer Size Range; and (3) the Offer Price is at the top end of the Price Range, the interests of the Concert Party in Shares would be approximately 70%.

For so long as the Concert Party remains, in aggregate, a significant shareholder group of the Company, they will continue to have the ability, through the votes attaching to their Shares, to affect or influence the Group's legal and capital structure, matters requiring shareholder approval, including corporate transactions, as well as the election of, and any changes in, the Company's directors and the Group's management and approving other changes to its operations. Furthermore, the interests of the Concert Party may not necessarily be aligned with those of the other Shareholders. The Company has entered into the Relationship Agreement, which regulates (in part) the degree of control the Concert Party may exercise over the management of the Group.

This concentration of ownership may also have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control. The Concert Party's ownership may therefore prevent Shareholders from receiving a premium for their Shares or, more generally, could have an adverse effect on the trading price of the Shares.

5.3 ***The allotment of additional shares in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings***

The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares (other than pursuant to the Employee Share Plans). However, the Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Group may, for those and other purposes, such as in connection with share incentive and share option plans, issue additional equity or convertible equity securities. To the extent that such issues take place on a non-pre-emptive or partially non-pre-emptive basis, the Shareholders will suffer dilution of their interests in the Company.

5.4 ***Future sales of substantial amounts of Shares in the market, additional offerings or issues of shares by the Company, or public perception that such sales, offerings or issues may occur, could each have a material adverse effect on the market price of Shares and may make it more difficult for investors to sell their Shares at a time and price that they deem appropriate***

The Group cannot predict what effect, if any, future sales of Shares, or the availability of Shares for future sale, will have on the market price of Shares. In addition, the Company may issue additional shares in the longer term, which may adversely affect the market price of Shares in issue prior to that new issue. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares (other than pursuant to the Employee Share Plans). However, it is possible that the Company may decide to offer or issue additional shares in the future. Future sales of substantial amounts of Shares in the market, additional offerings or issues of shares by the Company, or public perception that such sales, offerings or issues may occur, could each have a material adverse effect on the market price of Shares and may make it more difficult for investors to sell their Shares at a time and price that they deem appropriate.

5.5 ***There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained***

Prior to Admission, there has been no public trading market for the Shares. Although the Company will apply to the FCA for admission of the Shares to the premium listing segment of the Official List and to the London Stock Exchange for admission of the Shares to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Shares will develop or, if developed, will be sustained following the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected, including by volatility. Any or all of those events could result in material fluctuations in the price of the Shares, which could lead to investors being unable to recover their original investment.

5.6 ***Overseas shareholders may be subject to exchange rate risk***

The Shares will be denominated, and any dividends to be paid in respect of them will be paid, in Pounds Sterling. An investment in Shares by an investor in a jurisdiction whose principal currency is not Pounds Sterling will expose the investor to foreign currency exchange rate risk. Any depreciation of the Pound Sterling in relation to such foreign currency will reduce the value of the investment in Shares or any dividends in foreign currency terms.

5.7 ***The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and capital requirements and, as a holding company, is affected by a number of factors, principally its ability to receive sufficient dividends from subsidiaries***

The Company may not be able to, or may choose not to, pay dividends in the future. The payment of future dividends will depend on, inter alia, its future profit, financial position, distributable reserves, working capital requirements, general economic conditions and other factors that the Directors deem significant from time to time. The Company may choose not to pay dividends if the Directors believe that this could cause any Group member to be less than adequately capitalised or if for any other reason the Directors conclude it will not be in

the best interests of the Company. There can be no assurance that the Company will pay dividends or, if it does choose to pay dividends, as to the amount of such dividends.

The Company's ability to pay dividends is limited by law, which limits a company to only paying cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, the Company's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from subsidiaries. The payment of dividends to the Company by its subsidiaries is, in turn, subject to restrictions, including certain regulatory requirements and the existence of sufficient distributable reserves and cash in the Company's subsidiaries. The ability of those subsidiaries to pay dividends is subject to applicable local laws and regulatory requirements and other restrictions. Those laws and restrictions could limit the payment of future dividends and distributions to the Company by its subsidiaries, which could restrict the Company's ability to fund other operations or to pay dividends.

**5.8 *The trading market for the Shares will be influenced by the research and reports that industry or securities analysts publish about the Company, its business, its market or its competitors***

The trading market for the Shares will be influenced by the research and reports that industry or securities analysts publish about the Company, its business, its market or its competitors. If any of the securities or industry analysts who cover the Company or may cover it in the future change their recommendation regarding the Shares adversely, or provide more favourable relative recommendations about its competitors, the price of the Shares would likely decline. If any securities or industry analyst who covers the Company or may cover it in the future were to cease coverage of the Company or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the share price or trading volume of the Shares to decline.

**5.9 *Admission may not occur when expected***

Admission is subject to the approval of the FCA and the London Stock Exchange (and subject to the satisfaction of any conditions on which such approval is expressed) and Admission will become effective as soon as a dealing notice has been issued by the FCA and the London Stock Exchange has acknowledged that the Shares will be admitted to trading on its main market for listed securities. There can be no guarantee that any conditions to which Admission is subject will be met or that the FCA will issue a dealing notice when anticipated.

**5.10 *Overseas Shareholders may encounter difficulties in effecting service of process on, or enforcing judgments against, the Company or the Directors***

The Company is incorporated in England and Wales and the rights of Shareholders are governed by the 2006 Act and by the Articles. Those rights may differ from the rights of shareholders in non-UK corporations. In general terms, only a company may be the claimant in proceedings in respect of wrongful acts committed against it. In addition, it may be difficult for overseas Shareholders to effect service of process outside the United Kingdom or to prevail in a claim against the Company under, or to enforce liabilities predicated upon, non-UK securities laws. An overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. The majority of the Directors are citizens or residents of the United Kingdom. As a result, it may not be possible for investors outside of the United Kingdom to effect service of process outside the United Kingdom against the Company or the Directors or to enforce against the Directors judgments of courts of the overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. An overseas Shareholder may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the United Kingdom against the Directors who are residents of the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on non-UK securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other jurisdictions.



## PRESENTATION OF INFORMATION

### General

Investors should only rely on the information in this document and any supplementary prospectus produced to supplement the information contained in this document. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Offer and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or Peel Hunt. No representation or warranty, express or implied, is made by Peel Hunt as to the accuracy or completeness of such information and nothing contained in this document is, or shall be relied upon as, a promise or representation by Peel Hunt as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation, neither the delivery of this document nor any sale or purchase of Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or the Group since the date of this document or that the information contained in this document is correct as at any time subsequent to its date.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Offer, the Company or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. As required by the Prospectus Regulation, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Group and/or the Offer occurs prior to Admission or if this document contains any material mistake or inaccuracy. Any supplement to this document will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this document is published prior to Admission then, to the extent provided in Article 23(2) of the Prospectus Regulation, investors shall have the right to withdraw their purchases made prior to the publication of the supplement. Such withdrawal must be made within the time limits set out in the supplement (if any) (which shall not be shorter than two working days after publication of the supplement).

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult its, his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription or purchase, or proposed subscription or purchase, of Shares. In making an investment decision, each prospective investor must rely on its, his or her own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders, Peel Hunt or any of their respective affiliates and representatives that any recipient of this document should subscribe for or purchase any of the Shares. Prior to making any decision as to whether to subscribe for or purchase any of the Shares, prospective investors should read the entirety of this document. Prospective investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it.

Investors who purchase Shares in the Offer will be deemed to have acknowledged that (i) they have not relied on Peel Hunt or any Selling Shareholder or any of their affiliates or representatives in connection with any investigation of the accuracy of any information contained in this document for their investment decision, (ii) they have relied only on the information contained in this document and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Peel Hunt or the Selling Shareholders or their respective affiliates or representatives.

None of the Company, the Directors, Peel Hunt, the Selling Shareholders or any of their representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser.

In connection with the Offer, Peel Hunt and any of its affiliates, acting as investors for their own accounts, may acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this document to the Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Peel Hunt and any of its affiliates acting as investors for their own accounts.

Peel Hunt does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

## **Presentation of financial information and non-financial operating data**

### ***Historical financial information***

The historical financial information in Part 7 (Historical financial information) of this document has been prepared in accordance with the requirements of the Prospectus Regulation and the Listing Rules and in accordance with IFRS. The basis of preparation is further explained in Part 7 (Historical financial information).

The financial information included in this document includes some measures which are not accounting measures within the scope of IFRS and which the Group uses to assess the financial performance of its business.

This document contains a number of non-IFRS measures and ratios (together, the "Non-IFRS Measures"). These measures and ratios are not required by, or presented in accordance with, IFRS. The Non-IFRS Measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures reported by other companies. The Directors believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. This is provided as additional information and should not be considered in isolation, or as a substitute, for measures of performance prepared in accordance with IFRS.

Prospective investors should exercise caution in comparing the Non-IFRS Measures to other companies as these measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. None of the Non-IFRS Measures is recognized as a measure of financial performance or liquidity under IFRS and none of the Non-IFRS Measures is indicative of the Company's historical operating results, nor are they meant to be predictive of future results. The Non-IFRS Measures are used by the Company's management to monitor the underlying performance of the business and the operations. In some cases, the Non-IFRS Measures presented throughout this document have not consistently been disclosed by the Company previously and have been calculated and presented for comparability purposes in this document only. As a result of the foregoing, prospective investors should not place undue reliance on this data. The Non-IFRS Measures have limitations as analytical tools and prospective investors should not consider them in isolation or as a substitute for an analysis of the Company's results as reported under IFRS.

Some of these limitations are:

- they do not reflect the Company's cash expenditure or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Company's working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on the Company's debts;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA and other

ratios that use Adjusted EBITDA do not reflect any cash requirements that would be necessary for such replacements; and

- the fact that other companies in the Company's industry may calculate Adjusted EBITDA, adjusted net earnings, and other ratios that use Adjusted EBITDA differently than the Company does, which limits their usefulness as comparative measures.

As a result of the above limitations, none of the Non-IFRS Measures should be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. The Company relies primarily on its IFRS results and uses the Non-IFRS Measures only as a supplement to its results prepared in accordance with IFRS. These measures include:

Adjusted EBITDA	Profit (or loss) for the year before income tax expense, financing expenses, depreciation (including of right-of-use assets), impairment of tangible fixed assets, amortisation, gain on bargain purchase and other gains and losses
Free cash flow	Free cash flow represents the Group's cash flows from operations less cash used in the purchase of capital expenditure
Revenue growth %	Revenue growth % represents the increase/(decrease) in total Group revenue between financial periods. This includes the impact of both organic growth and acquisitions
Gross margin %	Gross margin % represents the Gross Profit generated by the Group expressed as a percentage of the Group's revenue for the same period
Adjusted EBITDA margin %	Adjusted EBITDA margin % represents the Adjusted EBITDA generated by the Group expressed as a percentage of Group revenue for the same period

Adjusted EBITDA is quantified as follows:

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
<b>Profit for the period</b>	1,971	7	6,502	911	2,194
<b>Add back</b>					
Finance expense	425	483	415	94	123
Tax expense	217	136	1,892	210	393
Depreciation and amortisation	2,417	3,051	3,354	741	940
<b>EBITDA</b>	<u>5,030</u>	<u>3,677</u>	<u>12,163</u>	<u>1,956</u>	<u>3,650</u>
Impairment of tangible fixed assets	-	-	209	-	-
Gain on bargain purchase	(1,763)	-	-	-	-
Other gains/(losses) <sup>1</sup>	(681)	173	949	114	(223)
<b>Adjusted EBITDA</b>	<u>2,586</u>	<u>3,850</u>	<u>13,321</u>	<u>2,070</u>	<u>3,427</u>

<sup>1</sup> Other gains/(losses) comprise gains or losses made on the fair valuation of foreign currency hedges.

Free cash flow is quantified as follows:

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Net cash flows from operating activities	3,952	4,398	7,563	3,534	3,471
Less capital expenditure	(668)	(659)	(1,966)	(17)	(387)
<b>Free cash flow</b>	<b>3,284</b>	<b>3,739</b>	<b>5,597</b>	<b>3,517</b>	<b>3,084</b>

### **Key performance indicators**

To assist recipients of this document in comparing the Group's historical financial performance from period to period, certain key performance indicators and other operating measures have been presented in this document. Save where indicated, these measures have been extracted from the Group's management reporting systems but have not been audited or reviewed by external auditors, consultants, independent experts or other third parties. Set out below is a description of the key performance indicators used by the Group, other than the non-IFRS measures referred to above:

Transaction volume ('000)	Transaction volume represents the total gross number of customer transactions completed in retail stores and ecommerce channels during the relevant financial period before any customer returns
Average transaction value (£)	Average transaction value represents the average value (including VAT) of the customer transactions during the relevant financial period across all customer channels
Average number of open stores	Average number of open stores represents the average number of stores open and able to trade (using a daily average) throughout the relevant financial period. This takes into account all available stores, and incorporates the effect of temporary closures due to Covid-19 restrictions
Number of active customers	Number of active customers represents the total number of customers on the customer database which have made at least one purchase during the previous financial year excluding those derived from third party marketplaces
Ecommerce mix	Ecommerce mix represents the revenue from own website(s) plus marketplace sites as a percentage of total Group revenue
Trustpilot score	Trustpilot score represents the average Trustpilot review score for the Group during the relevant financial period

### **Financial periods**

A financial period is the period of 52 weeks in FY19 and FY20, and 53 weeks in FY21.

### **Market, industry and economic data**

Unless the source is otherwise identified, the market, economic and industry data and statistics in this document constitute Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as noted next to such information (including from research commissioned by the Company from Euromonitor International in April and May 2021 on the homeware markets from 2005 to 2025 in the UK, France, Germany and the Netherlands and GfK weekly point of sale market data on the UK kitchenware market). The Company confirms that all third party information set out in this document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the third party,

no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified. Such third party information has not been audited or independently verified.

Where sales data in the Euromonitor reports related to territories has been sourced and is stated in EUR, it has been translated into Pounds Sterling or "£" at rate of 1.25EUR:£1.

GfK data is derived from the Homewares Total Category Report, which includes sales data from a panel of retailers across a variety of channels, including variety chains, department stores, supermarkets, mail order houses, pure players and DIY superstores. The GfK panel of retailers in the UK kitchenwares market has a total value of £2bn for the 12 months to June 21. This is smaller than the market size estimated by certain other data providers as a result of GfK not including independent retailers' results within their reporting.

References to numbers of the Group's stores throughout this document are as at 14 October 2021, unless stated otherwise.

### **Information regarding forward-looking statements**

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative of those terms, other variations on those terms or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industries in which it operates.

In particular, the statements in the section entitled "Summary", the section entitled "Risk factors", Part 1 (Industry overview), Part 2 (Business overview) and Part 5 (Operating and financial review) of this document regarding the Group's strategy and other future events or prospects are forward-looking statements. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Please refer to the section entitled "Risk factors" for further confirmation in this regard.

The forward-looking statements contained in this document are made only as of the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law or the Prospectus Regulation Rules, the Listing Rules or the Disclosure Guidance and Transparency Rules. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

### **Information not contained in this document**

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this document or that the information in this document is correct as of any time subsequent to the date of this document.

**Rounding**

Certain data contained in this document, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this document have been rounded and accordingly may not add up to 100%.

**Interpretation**

Certain terms used in this document are defined in the section entitled "Definitions" and certain technical and other items are defined and explained in the section entitled "Glossary".

All references to time in this document are to London time, unless otherwise stated.

**Available information**

For so long as any of the Company's securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting under the U.S. Securities Exchange Act of 1934, as amended, pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

**Enforceability of civil liabilities**

The Company is, or will be, organised as a public limited company incorporated under the laws of England and Wales. None of its directors or officers are citizens or residents of the United States. In addition, the majority of its assets and all the assets of its directors and officers are located outside the United States. As a result, it may not be possible for US investors to effect service of process within the United States upon the Company or its directors and officers located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

## **DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS**

<b>Directors</b>	Gregory (Greg) Hodder, <i>Non-Executive Chair</i> Daniel O'Neill, <i>Founder and Chief Executive Officer</i> Stephen (Steve) Sanders, <i>Chief Operating Officer</i> Daniel (Dan) Walden, <i>Chief Financial Officer</i> David Stead, <i>Senior Independent Non-Executive Director</i> Gillian Davies, <i>Independent Non-Executive Director</i> Luke Kingsnorth, <i>Independent Non-Executive Director</i>
<b>Company secretary</b>	One Advisory Limited
<b>Registered and head office</b>	ProCook Davy Way Waterwells Gloucester GL2 2BY
<b>Telephone no</b>	+44 (0)330 100 1010
<b>Company website</b>	<a href="http://www.procookgroup.co.uk">www.procookgroup.co.uk</a>
<b>Sponsor, bookrunner and intermediaries co-ordinator</b>	Peel Hunt LLP 7th Floor 100 Liverpool Street London EC2M 2AT
<b>Reporting Accountant</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Auditors to the Company</b>	Mazars LLP 1 St Peter's Square Manchester M2 3DE
<b>Solicitors to the Company</b>	Eversheds Sutherland (International) LLP 115 Colmore Row Birmingham B3 3AL
<b>US legal adviser to the Company</b>	Proskauer Rose (UK) LLP 110 Bishopsgate London EC2N 4AY
<b>Solicitors to the Sponsor</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL

**Registrars**

Link Market Services Limited  
10th Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

**Financial public relations  
advisers to the Company**

MHP Communications  
60 Great Portland Street  
London  
W1W 7RT



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*The dates and times in this document are subject to change at the determination of the Company, following consultation with Peel Hunt. Any such change will be publicly announced by the Company through an RIS. All times are London, UK times.*

*The Offer Price and details of the final number of Shares subject to the Offer will be announced via an RIS and set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document, but will be available free of charge at the registered office of the Company at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. In addition, the Pricing Statement will, subject to certain restrictions, be published in electronic form and be available on the Company's website at [www.procookgroup.co.uk](http://www.procookgroup.co.uk).*

***It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.***

<i>Event</i>	<i>Time and date</i>
Publication of this document	1 November 2021
Latest time and date for receipt of completed application forms by the Intermediaries in respect of the REX Intermediaries Offer	4.00 p.m. on 9 November 2021
Latest time and date for receipt of indications of interest from institutional or professional investors in respect of the Institutional Offer	5.00 p.m. on 9 November 2021
Announcement of Offer Price and Offer Size through an RIS, publication of the Pricing Statement and notification of allocations	7.00 a.m. on 10 November 2021
Commencement of conditional dealings <sup>(1)</sup>	8.00 a.m. on 10 November 2021
Admission and commencement of unconditional dealings	8.00 a.m. on 12 November 2021
CREST accounts credited in respect of uncertificated Shares	As soon as reasonably practicable on 12 November 2021
Share certificates despatched in respect of certificated Shares	Within 10 Business Days of Admission

(1) Prospective investors who apply for Offer Shares in the REX Intermediaries Offer should consult their Intermediary as to when they will be sent documents in respect of any Offer Shares they have been allocated and when they may commence dealing in any such Offer Shares.

## OFFER STATISTICS<sup>(1)</sup>

Price Range (per Share) <sup>(2)</sup>	137 pence to 185 pence
Expected number of Shares which may be subject to the Offer	
– Expected maximum number of Shares which may be subject to the Offer <sup>(3)(4)</sup>	43,666,658
– Expected minimum number of Shares which may be subject to the Offer <sup>(4)(5)</sup>	27,044,744
Indicative percentage of the existing Shares subject to the Offer	between 25% and 40%
Expected number of Shares in issue immediately following Admission (calculated on the basis that the Offer Price is set at the top of the Price Range)	108,178,976
Expected number of Shares in issue immediately following Admission (calculated on the basis that the Offer Price is set at the bottom of the Price Range)	109,166,646
Market capitalisation of the Company on Admission <sup>(6)</sup>	between approximately £150 million and approximately £200 million
Estimated net proceeds of the Offer receivable by the Selling Shareholders <sup>(7)</sup>	approximately £68.5 million

### Notes:

- (1) Assumes all of the steps set out in paragraph 3.9 of Part 10 (Additional information) of this document are completed in full. To the extent that those steps are not completed in full, the Offer will not proceed and Admission will not be sought.
- (2) It is currently expected that the Offer Price will be set within the Price Range. However, that range is indicative only and may change during the course of the Offer. The Company expects to publish the Pricing Statement containing the Offer Price and the number of Shares which are the subject of the Offer on or around 10 November 2021. If the Offer Price is set above the Price Range or the Price Range is revised higher, then the Company would make an announcement via an RIS and prospective investors would have the statutory right to withdraw their application for Shares pursuant to Article 23 of the Prospectus Regulation.
- (3) Calculated assuming the Offer Size is set at the top of the Offer Size Range.
- (4) If the Offer Size is set above or below the Offer Size Range, then the Company would make an announcement via an RIS and prospective investors would have the statutory right to withdraw their application for Shares pursuant to Article 17 of the Prospectus Regulation.
- (5) Calculated assuming the Offer Size is set at the bottom of the Offer Size Range.
- (6) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will equal or exceed the Offer Price.
- (7) The estimated net proceeds receivable by the Selling Shareholders are stated after deduction of the estimated base placing commissions and other fees and expenses of the Offer (including VAT and excluding any stamp duties) payable by the Selling Shareholders, which are currently expected to be approximately £1.8 million (assuming the Offer Size is set at the top of the Offer Size Range and that the Offer Price is set at the mid-point of the Price Range).

## PART 1

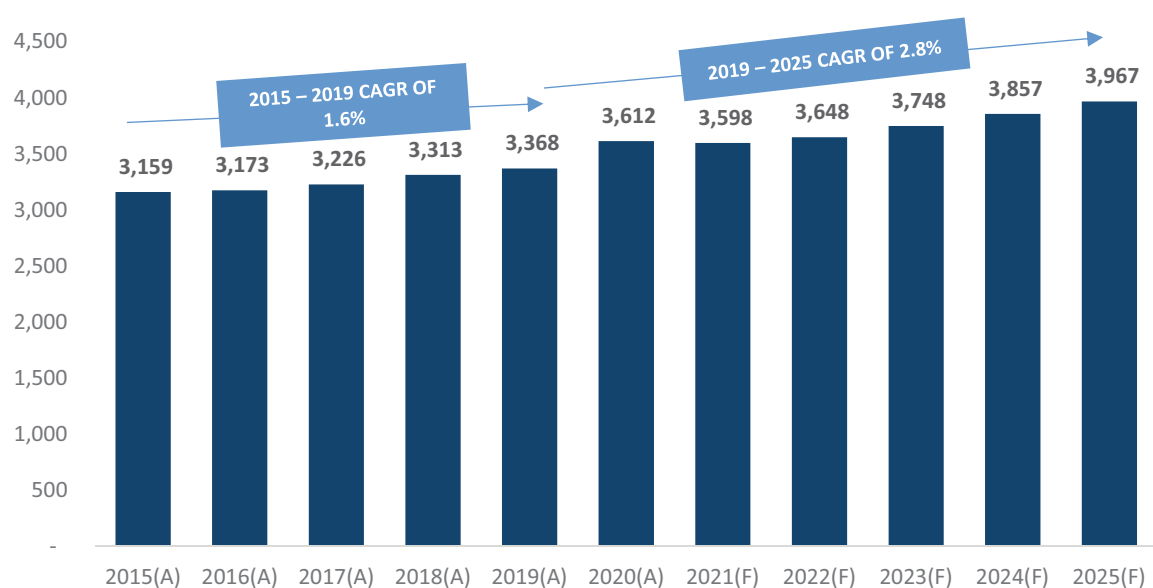
### INDUSTRY OVERVIEW

The following information relating to the Group's industry has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organisations. The information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors should read this Part 1 (Industry overview) in conjunction with the more detailed information contained in this document, including the section entitled "Risk factors" and Part 5 (Operating and financial review).

#### UK kitchenware market

ProCook operates primarily in the UK kitchenware market. Market data by Euromonitor estimates that UK sales of kitchenware in 2020 were £3.6 billion. Over the period between 2015 and 2019 (being the last full year prior to the impact of Covid-19), the industry grew steadily at a compound annual growth rate ("CAGR") of 1.6% and has remained resilient during economic downturns. In 2020, the market grew by 7.2% due to the impact of Covid-19, as further explained below. Euromonitor estimates that UK sales of kitchenware in 2025 will be £4.0 billion, representing a CAGR of 2.8% from 2019, with the acceleration in growth rate also explained below.

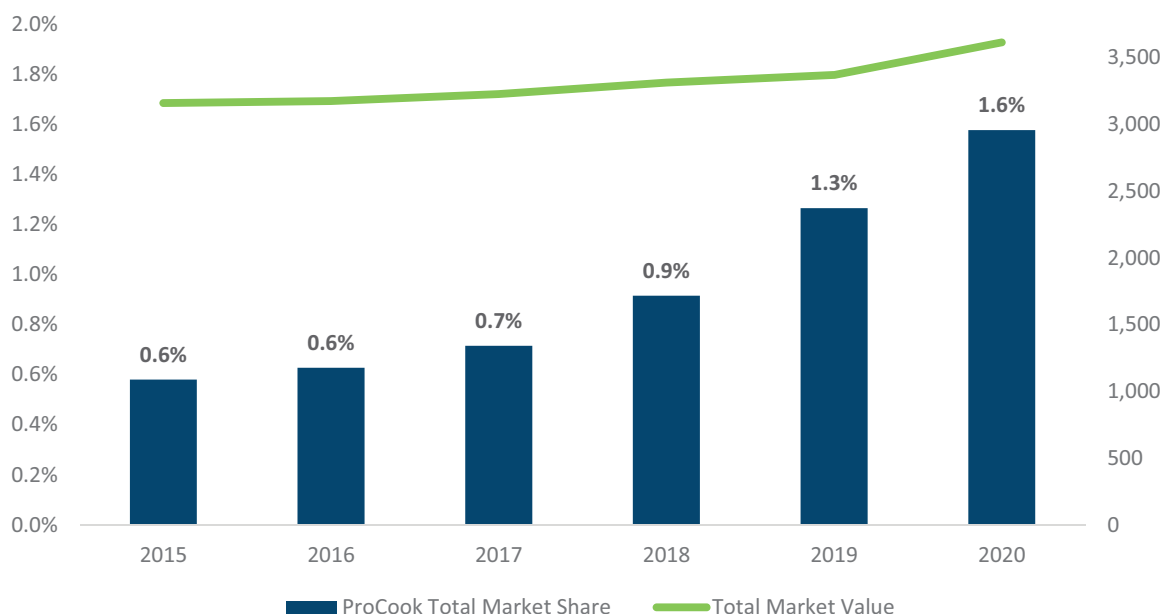
#### UK kitchenware market size (retail sales including VAT, £ millions)



Source: Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor's Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. Homewares includes Dining (items relating to the consumption of food, not its preparation, including beverage ware, cutlery and dinnerware) and Kitchen (items relating to products used in the preparation of food, not its consumption, including cookware, stove top cookware, food storage and kitchen utensils).

The Directors believe that ProCook's market share of the UK kitchenware market was 1.6% in 2020, based on the relevant gross revenue for the 2020 calendar year of £56.9 million (including VAT). This has grown from a 0.6% share in 2015, which the Directors believe is due to ProCook's compelling customer proposition as set out in Part 2 (Business overview) of this document.

## ProCook share of UK kitchenware market (%)



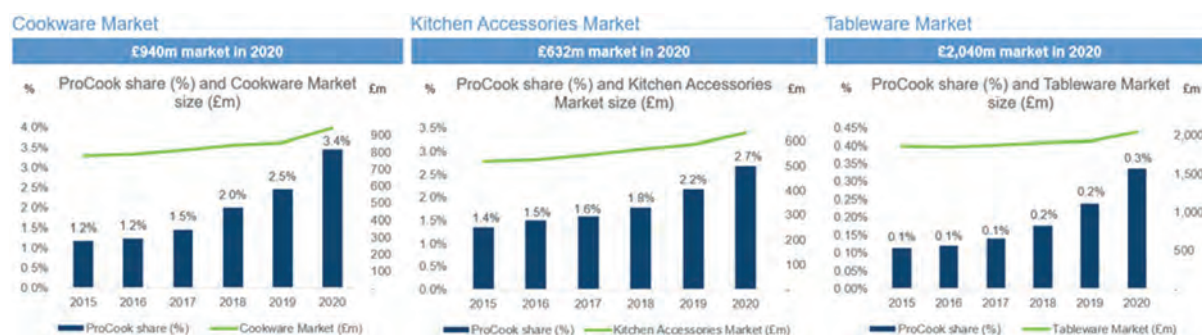
Source: Kitchenware market size as per Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor’s Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook’s market share has been calculated based on unaudited management accounts for the periods stated.

## UK kitchenware category split

The Directors have segmented the UK kitchenware market into the following categories using a combination of Euromonitor data and internal management information:

- Cookware (Pots and Pans, Baking and Cast Iron) – Approximately £940 million market size in 2020, with ProCook’s market share being approximately 3.4%
- Kitchen Accessories (Knives, Utensils and Food storage) – Approximately £632 million market size in 2020, with ProCook’s market share being approximately 2.7%
- Tableware (Glassware, Crockery, Cutlery, Table Dressings and Accessories) – Approximately £2,040 million market size in 2020, with ProCook’s market share being approximately 0.3%

The UK kitchenware category mix has been materially consistent over recent years:



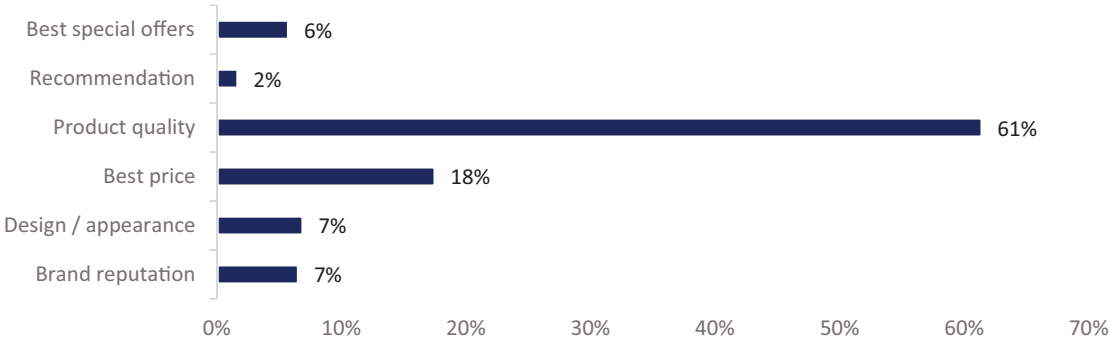
Source: Market Sizes as per Euromonitor International Ltd: Home & Garden 2021ed – Cookware sales defined as Euromonitor’s Cookware category. Kitchen Accessories sales defined as Euromonitor’s Kitchenware category (which is further subcategorised into Food Storage and Kitchen Utensils). Tableware sales defined as Euromonitor’s Dining category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook’s market share has been calculated based on unaudited management accounts for the periods stated.

**Consumer trends**

The Directors believe that ProCook is well positioned with respect to long-term societal trends which have impacted and may continue to impact consumer behaviour:

- Cooking as a hobby has long been popular, and this interest has increased over the last 18 months. Publicly available data from market research undertaken by Bain & Co in July 2020 across five European economies (the UK, France, Germany, Italy and Sweden) indicates that this trend is unlikely to subside rapidly, with survey responses indicating that the likelihood of people making their own meals at home is expected to remain almost 10% above pre-pandemic levels, with over 40% expecting to make more homecooked meals compared to before the Covid-19 pandemic.
- The increase in flexible working has led many UK consumers to take an interest or increased interest in home cooking and baking. With flexible working expected to be more prevalent, this increase in consumer interest is expected to continue.
- With restaurants forced to close for large periods over the last 18 months, consumers sought to recreate the restaurant and bar experience at home when entertaining. Whilst restaurants are now open, this trend of entertaining at home is expected to remain to a degree.
- As a response to government guidance and restrictions, retailers had to close their stores for large parts of 2020. Retailers with established ecommerce platforms were able to maintain sales as consumers shifted their purchasing channel to online. Whilst consumers were shifting to digital-first purchasing before the pandemic, the pandemic has accelerated this transition.
- The Directors believe that consumers are increasingly seeking brands that are authentic and reflect their values. One element of this is sustainability, with consumers increasingly seeking products that last. The Directors believe the durability of ProCook products complemented by great value pricing are two of the principal reasons for purchase. This is supported by market research commissioned by ProCook which found that the most important factor for customers when considering buying kitchenware was product quality, followed by price, brand reputation and product design/appearance:

**Factors customers rate as most important in purchase consideration**



Source: YouGov market research prepared for ProCook based on 9,000 survey responses.

**Covid-19 impact**

The spread of the Covid-19 outbreak into a global pandemic in March 2020 led to the UK government introducing strict lockdown measures. This had a positive impact on the UK kitchenware market in 2020, with the market growing by 7.2% compared to 2019, as consumers spent more time in their homes. That led many UK consumers to take an interest or increased interest in home cooking and baking. The Directors believe that, whilst not all that new or increased interest will be retained, there will be some element of retention going forward. According to Euromonitor, the UK kitchenware market is expected to grow by 10.3% between 2021 and 2025, a growth rate of 2.5% CAGR versus the 1.6% CAGR achieved between 2015 and 2019.

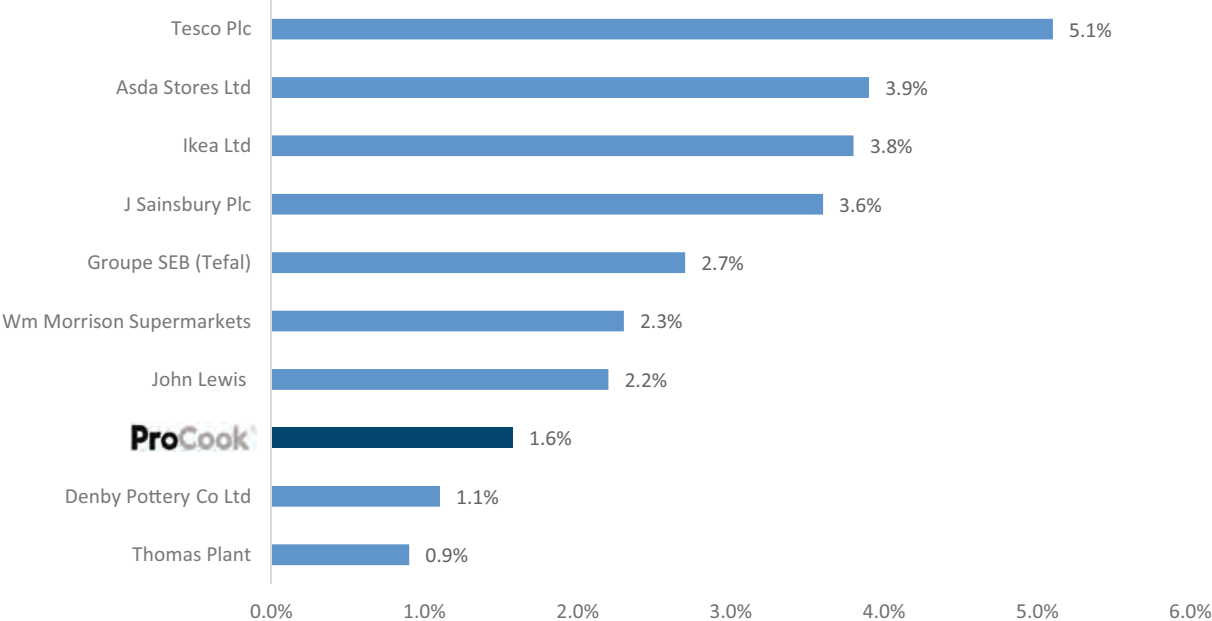
During Covid-19, ProCook experienced strong growth in its ecommerce channel and made overall market share gains despite the Group’s stores being temporarily closed for approximately six months in the financial year ended 4 April 2021. The Directors believe this was due to ProCook’s strong ecommerce foundations and therefore its ability to meet the significant increase in online demand without compromising its service quality. Furthermore, ProCook’s business model flexibility and agility allowed it to rapidly reallocate stock previously intended for distribution to its stores. The Directors believe, due to its compelling customer proposition, it will be able to retain a large proportion of these gains made during the Covid-19 pandemic.

**Competitive landscape**

The UK kitchenware market is fragmented with no dominant player. The big 4 supermarkets (Tesco, Sainsbury’s, Asda and Morrisons) collectively hold 14.9% of the market. These retailers typically offer products in the low to mid-price ranges. The kitchenware brands and the specialists are even more fragmented and operate a variety of distribution models. The recent decline of department stores has also impacted traditional wholesale brands.

With a broad product range and direct-to-consumer model, ProCook is able to compete effectively with a wide range of brands, retailers and marketplaces. The Directors believe that, with ProCook’s own-brand focus, its main competition comes from other kitchenware brands in terms of share of customer wallet. ProCook has grown its share of the UK kitchenware market from 0.6% in 2015 to 1.6% in 2020. The Directors believe this is due to ProCook’s compelling customer proposition as set out in Part 2 (Business overview) of this document.

**UK kitchenware market share – Top 10 companies**



Source: Kitchenware market size as per Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor’s Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook’s market share has been calculated based on unaudited management accounts for the period stated.

**UK kitchenware market split**

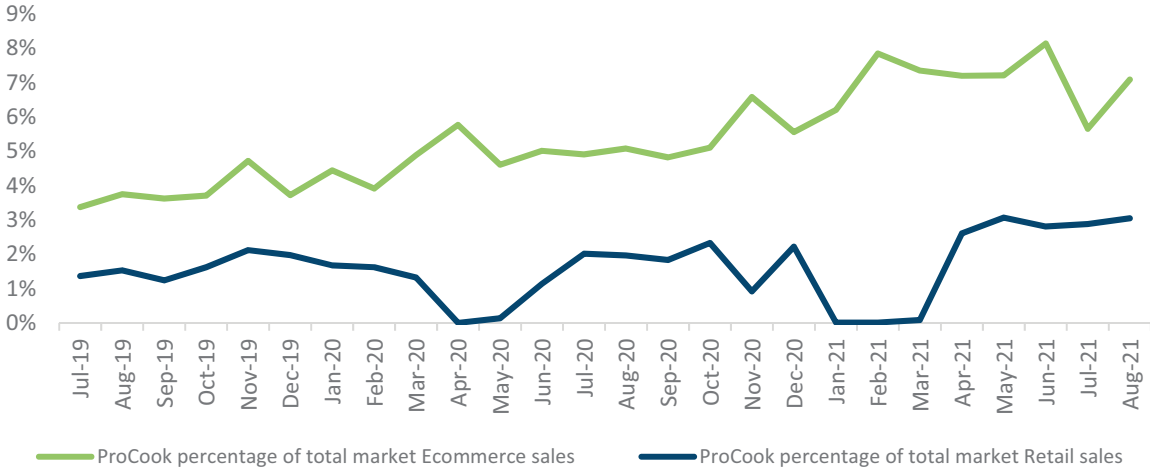
The UK kitchenware market is segmented into retail and ecommerce channels by GfK. According to GfK data, which reflects weekly sales data from a leading panel of retailers in the UK, which the Directors believe to be broadly reflective of the market dynamics, 65.5% of UK kitchenware retail sales were through retail channels in calendar year 2020 and 34.5% through online channels.

Whilst the shift to a more ecommerce orientated market was already taking place, the Covid-19 pandemic further accelerated the channel shift towards ecommerce in 2020 and beyond, with the temporary closures of retail stores accelerating ecommerce adoption. Whilst customers have returned to retail channels following the end of the national lockdown in April 2021, it has not been back to pre-Covid-19 levels. The percentage of customers who shopped online in the six months

prior to 31 December 2019 was 21.6%. During the 15 months to 31 March 2021, the percentage of customers who shopped online was 36.4%. In the three months to 30 June 2021, the percentage of customers who shopped online was 28.6% (Source GfK). The Directors believe that consumers will continue to shift to shopping online in the coming years and will continue to use digital channels, including social media, to engage with brands.

ProCook’s revenue from ecommerce channels significantly accelerated during Covid-19. This was due, in part, to its stores being impacted by the various restrictive measures put in place by the UK Government on physical retail. However, the Directors believe that it is also as a result of its compelling customer proposition (as set out in Part 2 (Business overview) of this document), resulting in the Group taking significant market share gains. ProCook’s share of the online kitchenware market (as measured by GfK) increased from 3.4% in July 2019 to 8.1% in June 2021.

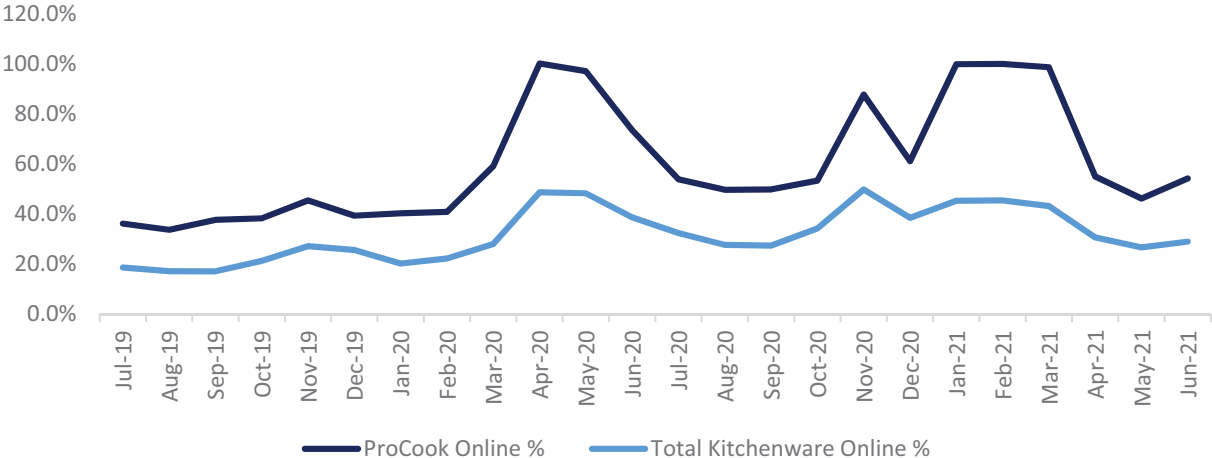
**ProCook % share of market by channel**



Source: Management Information: ProCook sales data presented as a percentage of total GfK reported market (Homewares Total Category Reporting).

The channel mix shift towards ecommerce was more pronounced for ProCook than the market which was due, in part, to supermarkets being able to remain open throughout the lockdown period and therefore were able to continue selling via the retail channels. However, ProCook’s channel mix is consistently weighted more towards ecommerce than the channel mix of the kitchenware market as a whole, which the Directors believe reflects the quality of ProCook’s ecommerce platform.

**Ecommerce percentage of sales – ProCook vs Kitchenware Market**



Source: GfK weekly data accumulated to calendar months and management information.

### **ProCook's headroom in international markets and product categories**

As set out in Part 2 (Business overview) of this document, the Group believes that it has a significant opportunity to expand its international operations, specifically in Germany, France and the Netherlands. The Group currently generates revenue in Germany (FY21: 3.6% of Group revenue) and in France (FY21: 2.5% of Group revenue) by selling its products on ecommerce marketplaces. In 2020, the kitchenware market size in Germany was £4.7 billion, in France it was £2.5 billion, and in the Netherlands it was £0.9 billion (Source: Euromonitor).

On the basis that ProCook could increase its operations and earn a similar market share in these regions to its current (2020) UK kitchenware market share (1.6%), this would indicate a potential annual revenue opportunity based on the forecasted market size in 2025 of approximately £142 million (Germany – £84 million, France – £43 million and Netherlands – £15 million).

Similarly, as set out in Part 2 (Business overview) of this document, the Group believes that it has a significant opportunity to expand its product ranges in tableware and by developing ranges of small kitchen electrical appliances. In tableware and small kitchen electrical appliances, in 2020, these markets in the UK were worth £2.0 billion and £1.1 billion respectively (Source: Euromonitor). On the basis ProCook was able to expand its market share in these categories to its current (2020) UK kitchenware market share (1.6%), this indicates a potential annual revenue opportunity based on the forecasted market size in 2025 of approximately £50 million (tableware – £32 million, small kitchen electrical appliances – £18 million).



## PART 2

### BUSINESS OVERVIEW

*Prospective investors should read this Part 2 (Business overview) in conjunction with the more detailed information contained in this document, including the financial and other information appearing in Part 5 (Operating and financial review) of this document. Where stated, financial information in this Part 2 (Business overview) has been extracted without material adjustment from Part 7 (Historical financial information) of this document.*

#### 1. Overview

The Directors believe that ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. Since the ProCook brand was first established in 2008, it has operated a direct-to-consumer proposition, designing, sourcing and retailing a high-quality range of cookware, kitchen accessories and tableware with a pricing architecture which aims to provide customers with significant value for money. In FY21, ProCook's revenue grew by 37% to £53.4 million, and over the period from FY17 to FY21, ProCook has delivered annual growth in sales of 33% CAGR.

In the UK, ProCook sells directly to customers through its own proprietary website, [www.procook.co.uk](http://www.procook.co.uk). It also operates its own portfolio of over 50 retail stores that are spread geographically across the UK to offer customers choice, convenience, and the opportunity to test, trial and seek advice from knowledgeable and helpful colleagues. In FY21, 94% of ProCook's revenue was generated in the UK.

ProCook also sells its products to customers in continental Europe via third party marketplace websites, predominantly to customers in Germany and France, with additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland. The Group first entered Germany in 2016, and subsequently France in 2017, via third party marketplaces to test and learn about these markets, to understand any differences in customer tastes and preferences and to begin to build brand awareness in a controlled manner. ProCook has learned that the product range is highly transferable into these markets.

Preserving its reputation for value and quality is of utmost importance for the brand. Today, the product range (which is designed in-house by ProCook's design teams) spans over 1,600 items and has an established price range architecture which appeals to a broad spectrum of customers (across mid to premium price points). Pricing is targeted to be at least 30% lower than similar quality products from competitor brands, offering customers great value for products that are built to last. Complemented by a next day home delivery service as standard in the UK, ProCook's offering is rated as "Excellent" on TrustPilot with over 66,000 customer reviews.

ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate.

The Group's management and approximately 700 employees are passionate about continually developing the brand and customer offer. The Group's culture retains its family business heritage and is nimble, supportive and customer-focused. There is a deep-rooted loyalty and pride in the brand among the Group's employees, which has resulted in high levels of colleague engagement, with 72% saying they are proud of the brand, 73% saying they would recommend ProCook as a place to work, and a low level of staff turnover, with the staff turnover level in its head office at 9.8% in the 12 months to August 2021. As a Living Wage Employer, management are committed to providing an environment where people can thrive, and careers can be developed.

ProCook is committed to having as minimal impact on the environment as it possibly can and is taking positive action to help achieve this. ProCook is targeting reductions in carbon emissions per employee, and targets eliminating the majority of single use plastic across the business including in its product ranges and packaging. ProCook has recently appointed an ESG Director to drive forward this important area.

These foundations have enabled the development of a robust and disruptive business model which has allowed it to grow rapidly in recent years while delivering strong and improving financial results as highlighted by the following table which sets out certain key financial and operating metrics of the Group:

	<i>Financial year ending</i>			<i>12 weeks ending</i>	
	<i>31 Mar</i>	<i>29 Mar</i>	<i>04 Apr</i>	<i>28 Jun</i>	<i>27 Jun</i>
	<i>2019</i>	<i>2020</i>	<i>2021<sup>1</sup></i>	<i>2020</i>	<i>2021</i>
	<i>(unaudited)</i>				
<b>Financial KPIs (£'000)</b>					
Revenue	27,780	38,868	53,417	7,913	14,778
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating profit	169	799	9,758	1,329	2,487
Adjusted EBITDA*	2,586	3,850	13,321	2,070	3,427
Free cash flow*	3,284	3,739	5,597	3,517	3,084
<b>Growth &amp; Margins %</b>					
Revenue growth	31.8%	39.9%	37.4%	10.4%	86.8%
Gross margin	64.6%	62.1%	68.6%	66.7%	69.3%
Operating profit margin	0.6%	2.1%	18.3%	16.8%	16.8%
Adjusted EBITDA margin*	9.3%	9.9%	24.9%	26.2%	23.2%
<b>Non-financial KPIs</b>					
Transaction volume ('000)	1,066	1,437	1,314	181	398
Average transaction value (£)	32	33	50	53	45
Average number of open stores	40	52	24	7	44
Number of active customers ('000)	398	482	557	461	655
Ecommerce mix	42%	37%	75%	92%	53%
Trustpilot score	4.8	4.8	4.8	4.8	4.8

1. ProCook operates a 52-week financial year with a 53rd week occurring approximately once every five years. The year ending 4 Apr 2021 was a 53-week financial year.

\* These are non-IFRS measures and are defined and reconciled to IFRS measures on pages 40 and 41.

In the 24 weeks to 19 September 2021, the Group's revenue has grown 39.3% against the comparable period in FY21 and 67.2% on a two year basis against the comparable period in FY20.<sup>1</sup>

ProCook's purpose is centred around '**sharing our passion for cooking**'. The customer proposition is to offer beautiful, high-quality products at great value accompanied by high levels of service and personalised inspiration and experiences.

ProCook has grown into a leading direct-to-consumer specialist kitchenware brand with a business model that the Directors believe provides a competitive advantage in the kitchenware sector. With a high performing ecommerce platform and over 50 retail stores nationwide, the Directors believe that it is poised to deliver continued profitable growth and yet still retain the values and ethos of a family-owned, ambitious, agile and entrepreneurial business.

## 2. History of the brand and the Group

ProCook began its journey over 25 years ago, in the mid-1990's, after launching as a family business, selling cookware sets by direct mail in the UK. The first sales were made through a direct mail advert in the Good Food Magazine featuring a 12-piece stainless steel pot and pan set which retailed at £199. The pan set was sourced directly from the Far East and over 350 orders were placed from the single page advertisement. The founders, the O'Neill family, had spotted an opportunity to offer great value, quality kitchenware products directly to the consumer.

Following a series of similarly successful advertising campaigns, the family launched the Professional Cookware Company's first Designer Outlet Centre store in 1999, in Mansfield. The store performed well from the start and remains in ProCook's retail estate today.

During these early years, the Professional Cookware Company gradually increased the number of stores, trialling various different locations and formats and also expanded the product ranges.

1. Based on unaudited management accounts.

Relationships were established and developed with a range of suppliers, predominantly in the Far East and additional product was sourced through traditional kitchen wholesale channels in the UK. During this time, the product range was a mix of own-branded items and third party branded product.

In 2005 the business launched its first website, built on proprietary code, under the URL [www.cookware.co.uk](http://www.cookware.co.uk). This also saw the foundations being laid for ProCook's operational systems which have since been continually developed, in-house, to suit the business' needs.

With the founders having a background in software development, all business systems were intentionally designed to capture and manage transactions at a customer level, facilitating the creation of a comprehensive customer database from an early stage. This has enabled the development of a deep understanding of the customer and a CRM focus within the business.

In 2008, Daniel O'Neill, CEO and a founder, took the decision to consolidate the website and retail businesses under one brand name, ProCook. From this time, the product range was gradually transitioned to exclusively sell only ProCook branded products, which were directly sourced from a now well-established supplier base with increasing design input from the ProCook team. The business had established its direct-to-consumer approach since its origins but the shift to selling just one singular brand enabled ProCook to accelerate the development of its own brand, business model and customer base.

In 2009, ProCook began experimenting with marketplace trading on third party websites (including Amazon), initially in the UK and subsequently in Germany in 2016, followed by France in 2017. These new channels allowed ProCook to capture demand that might otherwise be lost to competitors and also enabled it to profitably develop brand awareness through ProCook-branded online store fronts offering equally high levels of customer service.

In 2019, ProCook acquired the trade and certain assets of Steamer Trading Limited out of administration, including the right to occupy 27 of its retail stores, which were primarily located in popular retail destinations in city and town centres. The stores were converted to ProCook branding, and as legacy stock acquired as part of the acquisition was sold through, the ProCook ranges gained further prominence and popularity with customers. Eight of the stores in the original Steamer Trading estate have been retained by ProCook and the remaining 19 stores have been closed since the acquisition.

In mid-2019, ProCook began to experiment with allocating more store space and focus to tableware ranges which has resulted in significant growth in sales (and market share gains) in this category.

In 2020 and into 2021, the Covid-19 pandemic has had, like for many retail businesses, a profound impact on ProCook as described in further detail in Part 1 (Industry overview) above ("Covid-19 impact"). Throughout prolonged periods of store closures with no revenue being generated from the retail channel, ProCook, as result of its direct-to-consumer business model which provides high levels of operational control, was able to successfully repurpose stock originally planned for its retail estate to fulfil online orders. Furthermore, the Group extended its distribution facilities in the summer of 2020. The Directors believe that, as a result of these actions, alongside the Group's attractive product designs and prices, ecommerce platform, next day delivery promise and high levels of product availability, the Group successfully captured rising demand resulting in 177% ecommerce revenue growth in FY21 and a 0.3 percentage point increase in market share to 1.6% in 2020 (Source: Euromonitor).

In summer 2021, ProCook ceased trading on third party online marketplaces in the UK to focus management effort on its own website, which provides better opportunity for customer retention and engagement, now that the brand is more established, as well as a stronger margin opportunity.

### **3. Investment case**

The Directors believe that ProCook has a number of competitive strengths and attributes that differentiate it from its peers and that the markets in which it operates are large and attractive which will support its ability to continue delivering growth. The competitive strengths and market discussed below are discussed in more detail in paragraph 4 (Business description) and 5 (Strategy), and also Part 1 (Industry overview) of this document.

1. **Market – Highly attractive market dynamics with a fragmented competitive landscape in the UK and overseas**

The Directors believe that ProCook has a significant opportunity for growth in the £3.6 billion UK kitchenware market as well as the £8.1 billion kitchenware market in Germany, France and the Netherlands (Source: Euromonitor). These four markets are large, well established and forecast to grow steadily to an estimated combined size of £13.0 billion by 2025 from £11.2 billion in 2019 (the last year to be unaffected by Covid-19), representing 2.8% CAGR (Source: Euromonitor). There are further opportunities to expand the market boundaries in the form of small kitchen electricals (which are not included with the kitchenware market above) and additional overseas territories. The growth in the market is forecast to be supported by the increase in cooking as a hobby over the last 18 months which is a trend which research indicates is unlikely to subside.

With a highly fragmented competitive kitchenware market landscape in the UK (with the leading retailer accounting for only 5% of sales in 2020 (Source: Euromonitor)) and well-publicised adverse conditions for independents and department stores (and a traditional wholesale model which is reliant on these routes to market), the Directors believe ProCook's direct-to-consumer business model is very well positioned to take advantage of these growing but fragmented markets.

2. **D2C Brand – A direct-to-consumer business model which transcends all aspects of the business**

As a direct-to-consumer brand with complete control over its business model and its customer journey in the UK, the Directors believe ProCook is advantaged over many of its traditional competitors which operate a wholesale business model, particularly in the following areas:

(a) **Products – Beautifully designed, great value, high quality products**

The Directors believe ProCook's product design experience and capabilities, coupled with its established abilities to source directly from manufacturers and cut out middlemen (agents, importers, retailers) provides great quality and value for customers.

These attributes are not straightforward for competitors or prospective competitors to imitate and have been developed by the Group since it was first formed. Market research commissioned by the Group indicates that the two most important factors for customers considering a kitchenware purchase are: 1) Product quality and 2) Price – the two primary areas that ProCook's product offering seeks to address.

(b) **Supply Chain – Well established, efficient supply chain**

ProCook's direct sourcing capabilities with its long-established supplier base, enables it to develop new product and ranges to its own specification and bring them to market in an efficient manner.

The efficiency in the direct sourcing supply chain and ProCook's volume scale has helped to facilitate healthy gross margins over time, which has enabled ProCook to invest in the proposition and the foundations for future growth. Scale benefits from higher volumes, and its long-standing relationships with its supplier base helps protect the business from cost increases.

ProCook also operates its own distribution and warehousing facilities in the UK, enabling it to maintain strong availability levels in stores and online, and facilitate rapid home delivery services (next day delivery as standard, 7 days a week) in the UK. The Directors consider these factors key to ProCook's continued growth and success.

(c) **Channels – Multi-channel offer appealing to a broad customer base**

The proprietary website, [www.procook.co.uk](http://www.procook.co.uk) is controlled, operated, and developed by ProCook teams, allowing for flexibility and direct understanding of customer needs and behaviours which provides real time feedback allowing ProCook to continually improve its proposition.

The profitable<sup>1</sup> and flexible store estate provides a distinct benefit in terms of customer experience, and awareness, and is well placed in locations where footfall has been more resilient over recent years, with an average selling space of approximately 2,100 sq. ft.

In the UK the ProCook brand enjoys high levels of customer satisfaction, and yet with its current prompted brand recall rate of only 39%, the Directors believe that it has significant opportunity to raise customer awareness and repeat rates, and therefore increase sales volumes. ProCook's products attract a broad customer base across multiple price points in a structured range architecture.

ProCook's ability to acquire customers profitably provides compelling support to the ability of the business to continue to grow.

(d) **Customer** – *Complete control of the customer journey*

ProCook is able to control pricing and promotions, including product launches and replacement cycles in a way that is not possible in a wholesale model. ProCook is able to set and develop the channels in which it operates, managing the customer experience from end to end – order to delivery – and resolving any issues which the customer may have directly. This helps protect the brand from any potential adverse customer experiences.

The Group's ability to determine and develop its own routes to market, has provided the ability for the business to control its customer experience, collect data and develop the brand in a controlled fashion. This has enabled the Group to deliver high levels of service and build trust and loyalty with its customer base with favourable Trustpilot rankings.

In addition to having control over its product, pricing and marketing; by not selling to third party retailers, ProCook "cuts out the middleman" which results in lower pricing for customers and stronger margins.

(e) **Marketing** – *In-house marketing capabilities allow ProCook to control its engagement with customers*

ProCook's marketing efforts are focused on building brand awareness and increasing customer acquisition, with the majority of its approximately £6 million marketing expenditure in FY21 used to support its ecommerce platform. The Group has recently begun more extensive brand-building campaigns including TV advertising, national press, and social media, to further enhance its brand presence and support its multi-channel offering.

3. **Infrastructure** – *Well invested infrastructure provides an agile and scalable platform for growth*

ProCook has invested, and will continue to invest, for the long term. Long term sustainable growth is a key priority for the Group, and as such, identifying development needs and opportunities is critical. With its proprietary technology, own-operated warehousing and distribution in the UK, and its retail estate, ProCook has developed capabilities and the foundations which will support its growth ambitions.

4. **Growth** – *Clear strategy for growth through customer acquisition and retention, and channel development*

The Directors have identified three opportunities to further develop the customer offer and four further focus areas to continue to build on the Group's strong foundations to support growth over the long term, as follows, and described in more detail in Section 5, 'Strategy'.

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1 All stores generate positive contribution when fully operational.

Opportunities to develop the customer offer:

- (1) Organic growth in the UK market
- (2) Develop channel capabilities in Europe
- (3) Extend and improve the product range

Building on our foundations:

- (1) Continually develop agile and scalable technology solutions
- (2) Further develop supply chain capability and capacity
- (3) Make ProCook an even better place to work
- (4) Reduce our environmental footprint

#### 5. **Financials – Consistent growth in revenue and stable margins leading to excellent cash conversion**

The Group's business model has been evolved and developed over time to become highly scalable and poised for continued growth. The Group has achieved revenue growth of 33% (CAGR) over the period from FY17 to FY21, with consistently strong gross margins and a history of positive contributions in all channels highlights the track record of success.

The Group is highly profitable, with attractive gross and Adjusted EBITDA margins, and has strong cash generation. The business is asset light and generates a high return on capital employed. The Directors believe these financial attributes provide a strong foundation for future growth.

#### 6. **Management – Highly experienced management team with strong governance framework**

ProCook has appointed an experienced Board and senior management team with deep experience in the retail and consumer sector, and proven track records of delivering growth, led by CEO and founder, Daniel O'Neill, with 25 years' experience in developing the business. Other key hires over recent years include a Chief Financial Officer and a People Director.

The Board, led by Chairman, Greg Hodder, alongside David Stead, Gillian Davies and Luke Kingsnorth, provides an additional level of experience of successfully navigating and delivering growth in a range of brand and product led businesses including Naked Wines plc, Hotel Chocolat Group Plc, Dunelm Group Plc, IG Design Group Plc, 4Imprint Group Plc and Charles Tyrwhitt amongst others.

### 4. **Business description**

#### **The ProCook Brand**

ProCook's purpose is all about **sharing our passion for cooking**. The customer proposition is to offer beautiful high-quality products at great value accompanied by high levels of service and personalised inspiration and experiences.

The proposition is focused on three key ingredients:

- (1) To design and source beautiful products at great value
- (2) To create inspirational and memorable experiences for customers
- (3) To offer friendly, knowledgeable service customers can trust

Originally offering high quality, functional cookware products at great value pricing, ProCook has been developed over the last decade to provide a broader and strengthened product offering across cookware, tableware and kitchen accessories, resulting in the brand now having a much wider reach and appeal.



The brand offers high levels of customer service across all its channels with a UK Trustpilot service score of 4.8/5 (excellent rated).

ProCook staff (known in the business as colleagues) are equally engaged with the brand as a place to work with 72% saying they are proud of the brand and 73% saying they would recommend ProCook as a place to work.

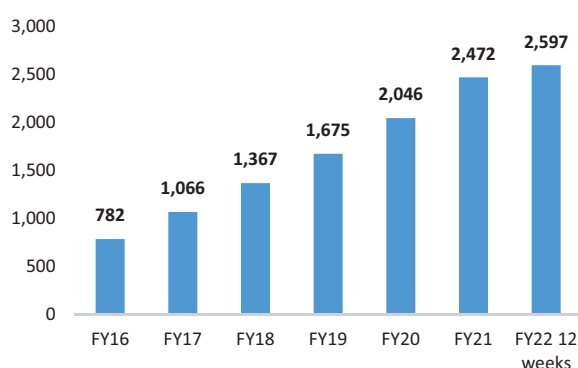
From a brand perspective, there remains significant opportunity to raise the profile and awareness of the ProCook brand. In the UK as a whole, prompted brand awareness is approximately 40%, whilst within the Greater London region it is 32%, where 14% of the UK’s population live and where, in 2017 average gross disposable household income was 43% higher than the UK average. That 40% is significantly lower than a number of ProCook’s competitors such as Tefal (93%) and Le Creuset (75%).

### ProCook’s growing customer base

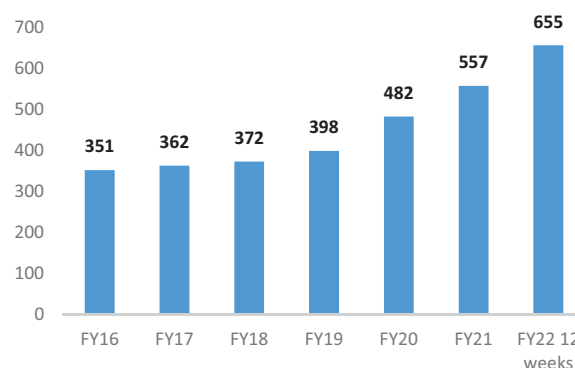
ProCook has a broad and growing customer base as the brand has made efforts to increase awareness of its product offering and attract new customers to shop with ProCook. ProCook’s products have wide consumer appeal, with its multi-channel offering providing routes to market to suit different customer preferences and its price range architecture enabling it to appeal to a broad range of consumers. ProCook’s customer database is made up of approximately 2.7 million customers as at the end of P5 FY22, with 0.7 million of these customers considered by management to be active (being customers who have purchased with ProCook in the last 12 months). The Group’s total customer database grew by 21% in FY21 by approximately 425,000 customers. ProCook’s total customer base has grown by more than 59% between 1 April 2018 and 27 June 2021.

Retail customers’ contact details are collected in store. Since the stores re-opened after Covid-19 restrictions were eased, collection of customer contact details has gradually increased to approximately 65% of in store customers up to week 18. Online, ProCook collects contact details from all customers on its own website as part of the online ordering process. The growth in active customers is shown in the below chart.

**Total customer database ('000)**



**Active customer database ('000)**



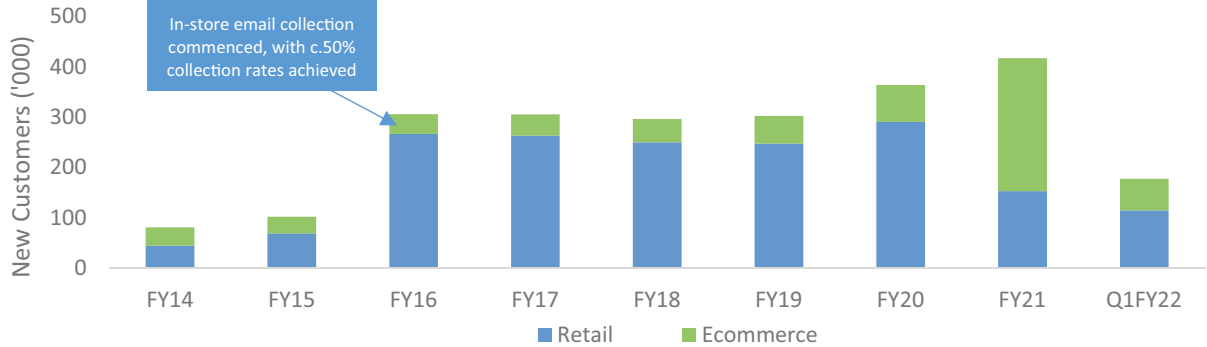
Source: Management information

Note: Total customers and Active customers taken at the end of each respective period. Active customer defined as a customer that has made a purchase within last twelve months.

Customer average transaction values in the 12 weeks to 27 June 2021 were approximately £34 per transaction in-store, approximately £71 per order online on ProCook’s own website and approximately £51 per order on its EU marketplace stores.

The acquisition of new customers is closely monitored by the Group, with collection of customer details taking place online prior to completion of a customer order, and in-store at the till-point via ipad "kiosks" which ProCook has installed. In FY21, following the shift to the Ecommerce channel, the number of new customers acquired increased by approximately 425,000. In Q1 FY22, particularly since the retail estate has re-opened, the mix has shifted back towards Retail customer acquisition:

**New customer acquisitions by channel**



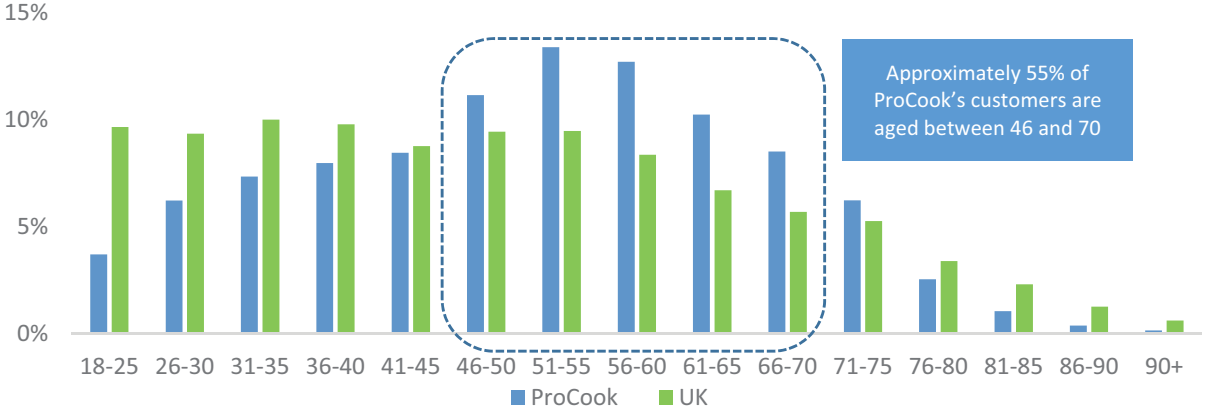
Source: Management information

Note: Web includes ProCook.co.uk and excludes any customers acquired through marketplaces.

*Customer demographics and preferences*

The ProCook brand appeals to a broad range of customers, with a clear concentration in the demographic mix towards females (58%), with higher levels of household income. The charts below show an analysis of ProCook’s customers’ age and their customer income banding as assessed in June 2021.

**Customer age band analysis – ProCook vs UK**



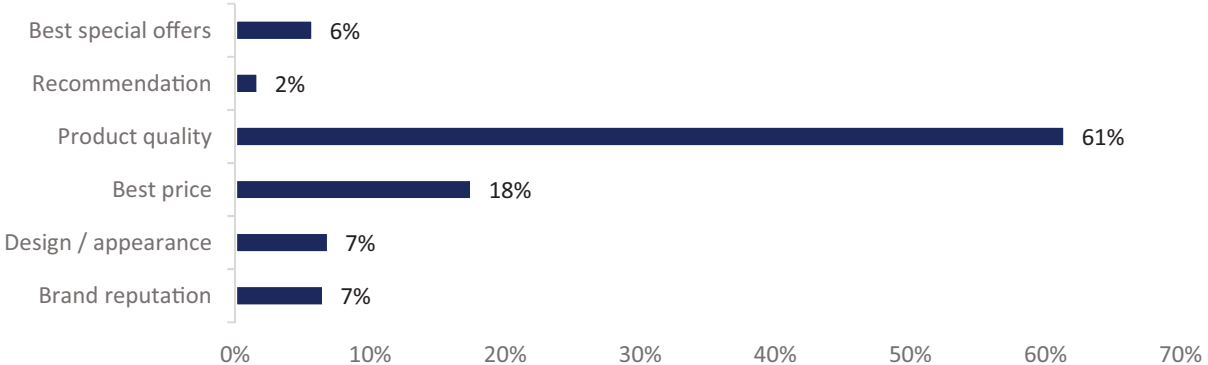
**Customer income band analysis – ProCook vs UK**



Source: Management information

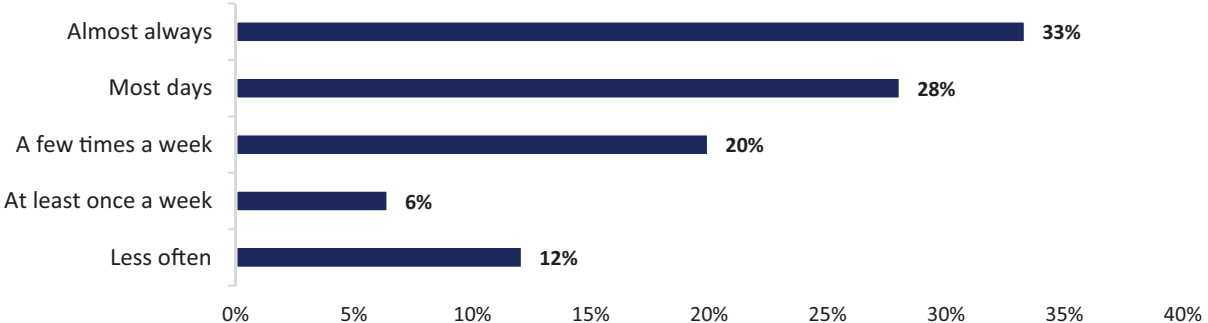


The most important factors for customers when considering buying kitchenware is product quality, followed by price, brand reputation and product design/appearance:



Source: YouGov survey prepared for ProCook based on 9000 responses

Of a representative population of ProCook customers surveyed in January to June 2021, ProCook has established that 81% of all responders cook at home frequently, with 61% saying that they cook at home most days or almost always:



Source: Management information

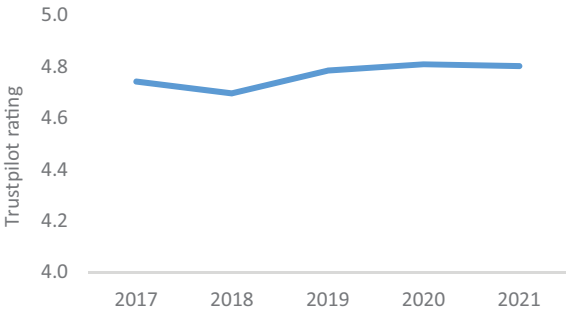
Cooking as a hobby has long been popular, and this interest has increased over the last 18 months. Publicly available data from market research undertaken by Bain & Co in July 2020 across three European economies (the UK, France and Germany) which indicates that this trend is unlikely to subside rapidly, with survey responses indicating that the likelihood of people making their own meals at home is expected to remain almost 10% above pre-pandemic levels, and over 40% expecting to make more homecooked meals compared to before the Covid-19 pandemic.

*Customers rate the ProCook experience and products very highly*

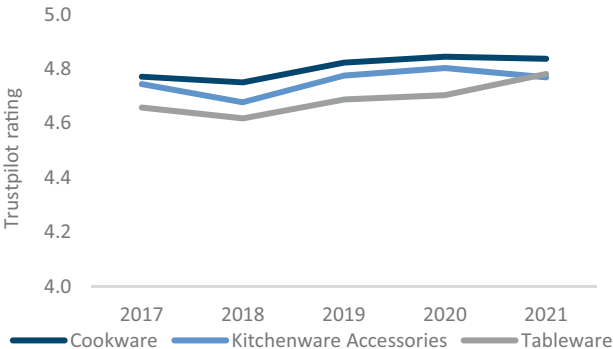
ProCook monitors customer feedback on its service and products via a bespoke feedback collection service with the well-known third-party feedback tool TrustPilot. Since ProCook launched the review service with Trustpilot in 2014, there have been over 63,000 reviews collected.

ProCook’s overall proposition review rating has been consistently excellent-rated over recent years, as shown in the below chart showing ProCook’s Trustpilot rating on a rolling last twelve months basis:

**Trustpilot overall rating**



**Trustpilot product ratings**



Source: Trustpilot review scores

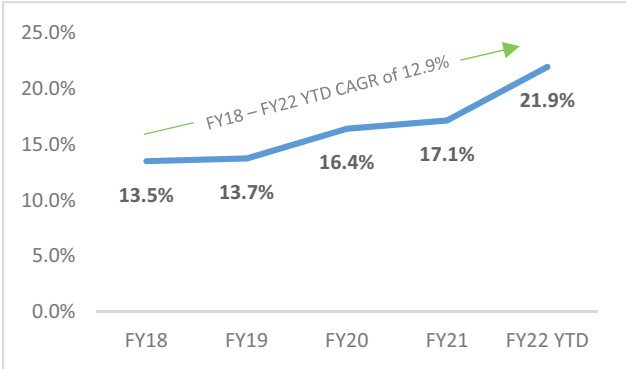
**CRM**

The Group invested early in its customer relationship management activities. Its proprietary technology platform provides data and analytics capabilities and data is captured on each customer where possible. ProCook uses data to drive decision-making across the business. ProCook maintains a high level of focus on new customer acquisition and repeat performance. These form critical parts of the Group’s objective to become the customer’s brand of choice for kitchenware.

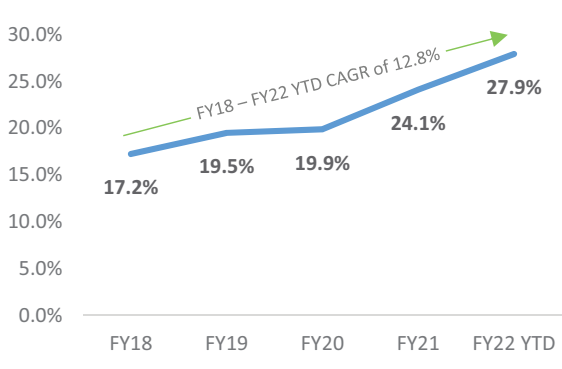
The Group first recruited a CRM Director in November 2020, to further increase the focus in this area and grow repeat business and increase brand loyalty. Future CRM developments include developing improved customer cohort analysis, enhancing quality and frequency of customer engagement and communications, developing targeted and personalised offers and messaging. The Directors see this as a significant opportunity to support future growth.

ProCook’s brand proposition means that the business has high and increasing levels of repeat custom, with more than 21.9% of new retail customers and 27.9% of new website customers repeat purchasing within 12 months in the first 5 periods of FY22. ProCook’s levels of repeat customers have increased most significantly across its own website channel. The chart below shows the significant growth in the twelve-month repeat rate with approximately 17% of new customers who were acquired in FY17 on the ProCook website, repeat purchasing within one year, increasing to approximately 25% in FY20.

**Repeat purchase within 12 months (Retail)<sup>1</sup>**



**Repeat purchase within 12 months (Web)<sup>1</sup>**



Source: Management information

Note: 1. Chart shown by financial period 12 months subsequent to acquisition providing a full twelve months upon which to assess repeat rate, FY22 YTD represents customers acquired in the first five periods of FY21. Repeat purchases in Web relates to ProCook.co.uk.

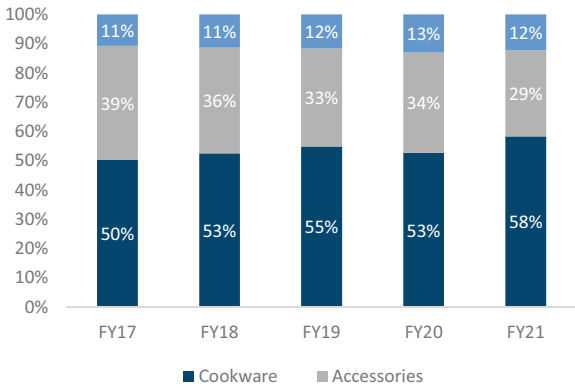
The Group’s proposition in the UK, combined with its growing customer database, means that Directors believe the business is well positioned to drive continued improvements in repeat rates and loyalty.

**Product Categories**

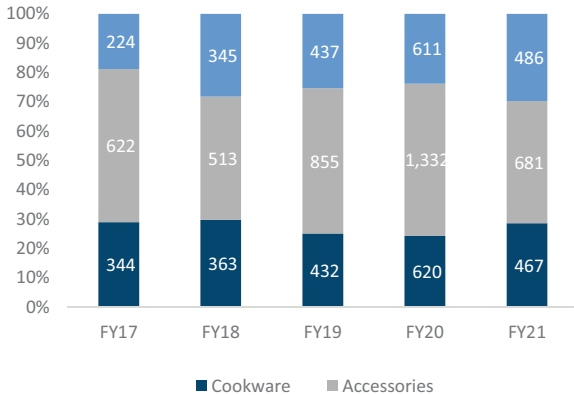
ProCook is a product-led business which aims to provide high quality kitchenware and tableware products, at attractive price points, offering great value for customers. The Group’s core proposition is to provide customers with products of comparable quality to leading cookware brands at consistently lower prices, a strategy that is expected by the Directors to drive continued growth of the business and increased market share.

With its knowledge and expertise in product design, ProCook has developed a high quality range of over 1,600 products across the following three key categories 1) cookware, 2) kitchen accessories and 3) tableware. As well as selling items separately (as individual items), products are frequently sold in sets (various combinations) of these SKUs.

**Revenue Mix by product category (%)**



**SKU mix by product category (#)**



Source: Management information

Note: FY indicates financial year ending March throughout this pack. SKU analysis above is shown for SKUs which had a minimum sales volume of 100 units.

The Directors estimate the total UK market size, and ProCook’s market share in 2020 of each category using Euromonitor data as follows:

- Cookware (Pots and Pans, Baking and Cast Iron) – Approximately £940 million market size in 2020, approximately 3.4% ProCook market share.
- Kitchen accessories (Knives, Utensils and Food storage) – Approximately £632 million market size in 2020, approximately 2.7% ProCook market share.
- Tableware (Glassware, crockery, cutlery, table dressings and accessories) – Approximately £2.04 billion market size in 2020, approximately 0.3% ProCook market share.

Source: Market Sizes as per Euromonitor International Ltd: Home & Garden 2021ed – Cookware sales defined as Euromonitor’s Cookware category. Kitchen Accessories sales defined as Euromonitor’s Kitchenware category (which is further subcategorised into Food Storage and Kitchen Utensils). Tableware sales defined as Euromonitor’s Dining category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook’s market share has been calculated based on unaudited management accounts for the periods stated.

New products and ranges are continually developed and regularly refreshed. The brand’s ability to sell a wider range of products has improved, with the business moving into tableware and dining products, complementing the original core cookware product ranges. ProCook has the in-house capability, when combined with its relationships with long-standing relationships with suppliers, to bring a new product to market rapidly by using its own store and online channels, collecting key data to assess results in real time. The Directors believe that there remains significant room for expansion of the product range, including in kitchen electricals (such as toasters, kettles, coffee machines and food blenders), and in tableware, where the business is already gaining significant market share, having already gained a 0.5% market share in 2020, having extended its capabilities in mid-2019.

ProCook uses sub-brands, which enables it to attract a broad customer base across multiple price points in a structured range architecture. The aim of sub-brands is to accommodate a breadth of price points and attract different consumer groups. As shown in the product ranges below, there different branding is applied to products dependent on whether they form part of “Mid-Market”, “Premium” or “Luxury” ranges.

*Cookware*

Cookware products include pots and pans, frying pans, woks, sauté pans, steamers, stockpots and casserole dishes, griddle pans, roasting tins, bakeware, oven dishes, pizza stones, paella pans and replacement lids. There are over 450 SKUs in this category and most items can be sold individually or as part of a set, with a range of possible combinations offering flexibility to consumers.

Across the cookware category, there are five key sub-brand ranges. The products feature different materials, craftsmanship, design features and product guarantees as set out below:








Mid-Market		Premium	Luxury		
<p><b>ProCook gourmet</b></p> <ul style="list-style-type: none"> <li>Stainless steel &amp; non-stick products</li> <li>Made from the highest quality 18/10 stainless steel with 4mm base for even heat distribution and silicone stay-cool handles</li> <li>10 year guarantee</li> <li>Price comparison: ProCook Gourmet stainless steel 3 piece saucepan set £74 vs Joe Wicks Quick &amp; Even stainless steel 3 piece saucepan set £94.99 &amp; John Lewis 'The Pan' stainless steel set £85</li> </ul> 		<p><b>ProCook GRANITE</b></p> <ul style="list-style-type: none"> <li>Granite or copper granite frying pans and woks</li> <li>25 year guarantee</li> <li>Price comparison: ProCook Granite 24cm frying pan £29 vs Kuhn Rikon Granite Stone 24cm Frying Pan £49.95 &amp; Ballarini Ferrara frying pan £48.83</li> </ul> 	<p><b>ProCook Professional</b></p> <ul style="list-style-type: none"> <li>Stainless steel, anodised, ceramic or granite cookware</li> <li>18/10 stainless steel construction with 7mm impact bonded base</li> <li>25 year guarantee</li> <li>Price comparison: ProCook Professional Anodised 3 piece saucepan set £115 vs Tefal Anodised 3 piece sauce pan set £145</li> </ul> 	<p><b>ProCook ELITE</b></p> <ul style="list-style-type: none"> <li>Forged and tri-ply cookware</li> <li>25 year guarantee</li> <li>Price comparison: ProCook Elite 3 piece frying pan set £169 vs Le Creuset Tri Ply 3 Piece frying pan set £480</li> </ul> 	<p><b>ProCook cast iron</b></p> <ul style="list-style-type: none"> <li>New product range launched in FY20 featuring cast iron casserole dishes and griddle pans</li> <li>25 year guarantee</li> <li>Colours: Graduated Red, Turquoise &amp; Green, Blue &amp; Grey, Matte Black, Cream</li> <li>Price comparison: ProCook Cast Iron 3 piece set £169 vs Le Creuset Cast Iron 3 piece set £675</li> </ul> 

*Kitchen Accessories, including knives*

ProCook sells a broad range of kitchen accessories including utensils, chopping boards, food storage, linens, scales and measuring tools. In total there are approximately 650 different individual products in this category, many of which can also be bought in sets. Products feature different materials (including silicon, wood, and stainless steel) and design features depending on the product type and are frequently grouped in sub-brands such as DesignPro.

ProCook has developed a range of high-quality knives and ancillary products, and as such it represents a significant component of the Group's Kitchen Accessories category. Products include knife block sets, Japanese knives, knife cases, wall rack sets, cook’s and chef’s knives, Santoku and Nakiri knives, paring and peeling knives, vegetable, and utility knives, carving knives, bread knives, cleavers, filleting and boning knives and steak knives. There are currently approximately 150 different individual SKUs across the knife category. Each product range includes items sold individually or as part of various different set options, which include three, five, six or eight-piece sets, with many different storage options including blocks, racks and cases.

Across the knife category, there are seven key sub-brand ranges. The products feature different materials, craftsmanship, design features and product guarantees as set out below:

Mid-Market		Premium		Luxury		
<p><b>ProCook designpro</b></p> <ul style="list-style-type: none"> <li>Titanium coated stainless steel blades, with corrosion resistance and ergonomic soft-touch handles.</li> <li>1 year guarantee.</li> <li>Price comparison: ProCook 6 piece set and acrylic block £49 vs Kuhn Rikon Coloris+ 6 piece knife &amp; block set £69.95.</li> </ul> 	<p><b>ProCook gourmet</b></p> <ul style="list-style-type: none"> <li>X30 stone ground blades with a rockwell hardness rating ("HRC") of 52±2.</li> <li>10 year guarantee.</li> <li>0.3% carbon content to ensure non-brittle blade and 13% chrome providing corrosion and tarnish resistance.</li> <li>Price comparison: ProCook 5 piece set and magnetic block £69 vs Professional Sabatier 5 piece sloping wooden knife block set £160.</li> </ul> 	<p><b>ProCook Professional</b></p> <ul style="list-style-type: none"> <li>X50 German stainless steel, stone ground blade, with a HRC of 55±2, triple rivet Micarta handles.</li> <li>25 year guarantee.</li> <li>0.5% carbon to ensure non-brittle blade and 15% chrome, molybdenum and vanadium for high resistance to corrosion and tarnishing.</li> <li>Price comparison: ProCook 6 piece set and wooden block £139 vs Wusthof Classic knife block set £287.</li> </ul> 	<p><b>ProCook Nihon</b></p> <ul style="list-style-type: none"> <li>Made from X50 stainless steel containing 0.5% carbon and 15% chrome with a HRC of 55±2.</li> <li>25 year guarantee.</li> <li>Smooth European Beech handle &amp; blade scallops help food slide off.</li> <li>Price comparison: ProCook 5 piece set and glass block set £129 vs Satake Houcho knife block set £269.</li> </ul> 	<p><b>ProCook ELITE ICE</b></p> <ul style="list-style-type: none"> <li>X50 German stainless steel blade contains 0.5% carbon for durability, ice hardened to give a HRC of 56±2 - equivalent to a 0.7% carbon blade or X70 steel.</li> <li>25 Year guarantee.</li> <li>Price comparison: ProCook 5 piece set and magnetic block £169 vs Zwilling Pro knife block set £349.</li> </ul> 	<p><b>ProCook ELITE AUS8</b></p> <ul style="list-style-type: none"> <li>Premium Japanese ice-hardened stainless-steel blade containing 0.8% carbon for outstanding edge retention.</li> <li>25 year guarantee.</li> <li>Price comparison: ProCook 5 piece set and case £219 vs Dalstrong Phantom Series Knife Set £399.99</li> </ul> 	<p><b>ProCook Damascus 67</b></p> <ul style="list-style-type: none"> <li>Crafted from 67 layers of VG10 Japanese Damascus stainless steel, HRC of 60, durable G10 handles.</li> <li>25 year guarantee.</li> <li>Price comparison: ProCook 20 cm Damascus Chef's knife £99 vs Kai Shun Classic 20cm Chef's knife £199</li> </ul> 

### Tableware

Over the last two years, ProCook has been extending its tableware offer. It now incorporates products across crockery, cutlery, glassware, cafetieres and teapots, salt and pepper grinders, oven to tableware, serverware, cocktail accessories, and table accessories.

In total there are over 500 products in these categories and pricing hierarchies reflect the design features and materials in the product, ranging from mid-market to premium ranges. In common with other categories, ProCook has developed the ability to sell products individually or in sets, providing customers the choice to buy singles, mix and match or buy a complete product family.

In crockery, there are stoneware, porcelain, and bone china ranges. In glassware, there are options in coloured glass, crystal glass and soda glass. Cutlery is available in stainless-steel ranges, gold-effect ranges, wooden-handle steak knives, as well as reusable travel cutlery sets for easy transport and outdoor use.

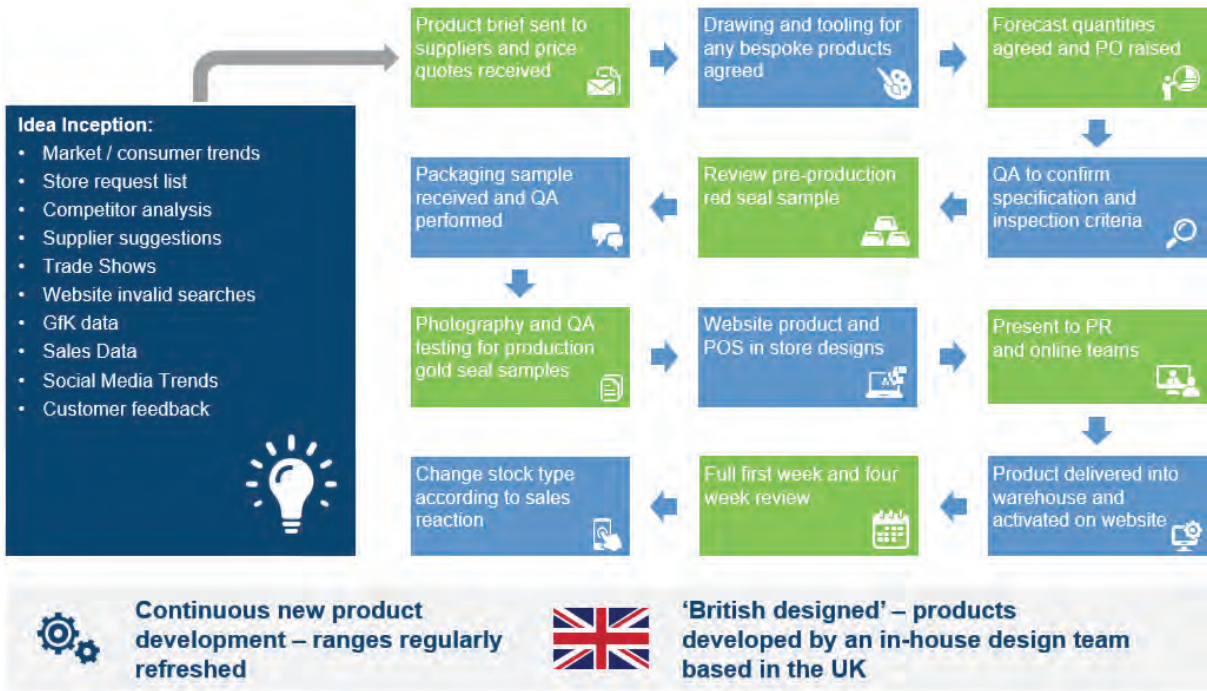
Mid-Market			Premium		
<p><b>Coastal Stoneware</b></p> <ul style="list-style-type: none"> <li>12 piece set includes 4 x dinner plates, side plates and pasta bowls</li> <li>Hand painted in a vibrant glaze</li> <li>Made from durable stoneware, the Coastal range offers truly hardwearing versatility and is dishwasher safe, microwave safe and oven safe to 120°C</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Coastal Stoneware 12 piece tableware set £39 vs William Mason 12 piece Dinner Set £71 &amp; Typhoon Grey Living 12 piece set £56</li> </ul> 	<p><b>Stockholm Stoneware</b></p> <ul style="list-style-type: none"> <li>12 piece set includes 4x dinner plates, side plates and bowls</li> <li>Modern Scandinavian style design</li> <li>Made from durable stoneware, which is dishwasher, microwave and oven safe to 120°C</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Stockholm stoneware 12 piece tableware set £49 vs Habitat Nona 12 piece set £85 &amp; Denby Intro 12 piece set £100</li> </ul> 	<p><b>Antibes</b></p> <ul style="list-style-type: none"> <li>12 piece set includes 4x dinner plate, side plates and pasta bowls</li> <li>Modern design with subtle ribbed surface</li> <li>Chip and scratch resistant, hotel standard porcelain</li> <li>Antibes tableware dishwasher safe, microwave safe and oven safe up to 120°C so you can warm plates</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Antibes 12 piece set £69 vs Made.com Orlo 12 piece set £99 &amp; Thomas Loft 12 piece set £149</li> </ul> 	<p><b>Vaasa</b></p> <ul style="list-style-type: none"> <li>12 piece set includes 4x dinner plate, side plates and pasta bowls</li> <li>Hand painted with reactive glaze, then kiln fired to achieve a stunning, ethereal mottled affect</li> <li>Each piece is beautifully individual</li> <li>Made from durable stoneware; dishwasher, microwave and oven safe to 120°C</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Vaasa 12 piece set £79 vs Made.com Niva 12 piece set £129 &amp; Villeroy &amp; Boch 12 piece set £104</li> </ul> 	<p><b>Oslo</b></p> <ul style="list-style-type: none"> <li>12 piece set includes 4x dinner plate, side plates and pasta bowls</li> <li>Oatmeal reactive glaze tableware is handmade, and due to the nature of the glazing each piece is individual with possible variances in shade from piece to piece</li> <li>Made from durable stoneware it is dishwasher, microwave and oven safe to 120°C</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Oslo 12 piece set £79 vs Broste Nordic Sand 12 piece set £159 &amp; Nkuku Amina 12 piece set £182</li> </ul> 	<p><b>Malmö</b></p> <ul style="list-style-type: none"> <li>12 piece dining set includes 4x dinner plates, side plates and cereal/soup bowls</li> <li>handcrafted from durable stoneware and finished with a reactive glaze giving each piece a beautifully individual look</li> <li>Stoneware is dishwasher, microwave and oven safe to 120°C</li> <li>12 month guarantee</li> <li>Price comparison: ProCook Malmo 12 piece set £99 vs Broste Nordic Sea 12 Piece Set £159 &amp; Nkuku Molla 12 Piece Set £182</li> </ul> 

The Directors believe that a significant opportunity exists for ProCook to leverage its brand and product offering to grow its market share across all three of these product categories. ProCook continues to develop new ranges of high-quality products which are regularly refreshed and enhanced in-house to help attract new customers.

**Product Design and Sourcing**

Product ranges are designed, sourced and refined by the Group’s in-house product design and purchasing teams who apply a high level of attention to detail on each product to promote the very best specification, functionality and quality. All product is directly sourced by the Group from its manufacturing supplier base via long term supplier partnerships, many of which have been in place since the founding of the business. These strong relationships allow the business to respond quickly to consumer trends and seasonal demand.

The design and sourcing process is summarised by the following diagram:



As an own-brand business, ProCook is able to take advantage of its direct sourcing relationships to source products competitively, generating strong product margins. The vast majority of products are sourced from manufacturers based in East Asia. Manufacturing partnerships support new product development with the ProCook product team working closely with suppliers through the product design, prototyping and testing process. Manufactured goods are tested by an external product testing firm, to ensure products meet exacting quality standards and specifications.

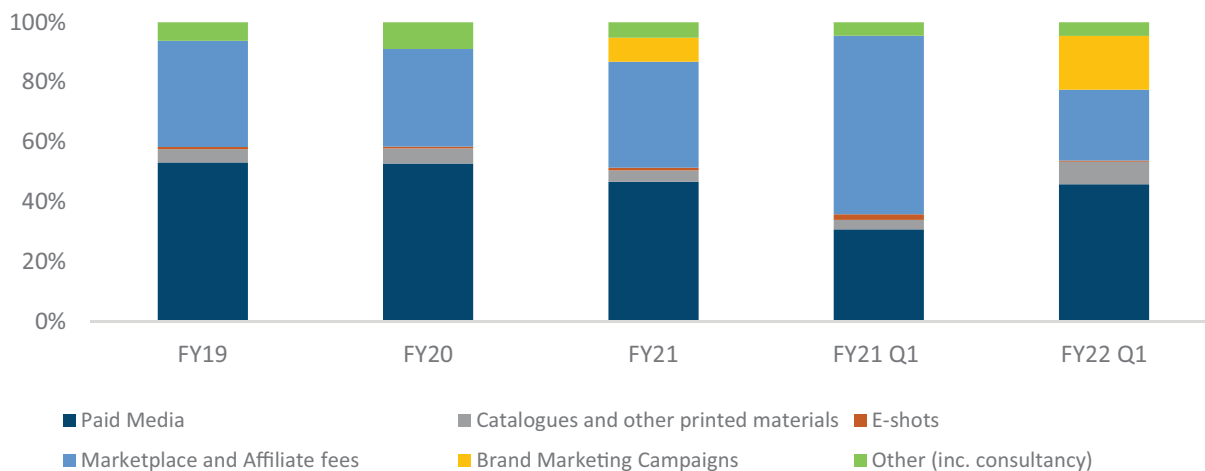
ProCook uses over 120 suppliers to source its range of products, with approximately 70% of purchases sourced from its top ten suppliers in FY21, who are large global specialist manufactures in kitchenware products. The Group has strong, long-term relationships with its key suppliers and the Company estimates that it accounts for approximately 5% of its top supplier’s revenue.

**Marketing**

ProCook’s general approach to marketing is to source as much from its in-house function as possible in order to enhance control over its marketing messages. Efforts are focused on building brand awareness and increasing customer acquisition, with the majority of its approximately £6 million marketing expenditure in FY21 used to support its ecommerce platform. The Group has recently begun more extensive brand-building campaigns including TV advertising, national press, and social media, to further enhance its brand presence and support its multi-channel offering.

As the brand owner, ProCook has the ability to manage tone of voice, style, and create experiences and helpful customer guides (“how to” and recipes for example) to increase levels of engagement from customers. The control of its own customer database allows the business to develop strategies to communicate and engage with its customer base directly.

### Marketing spend by category



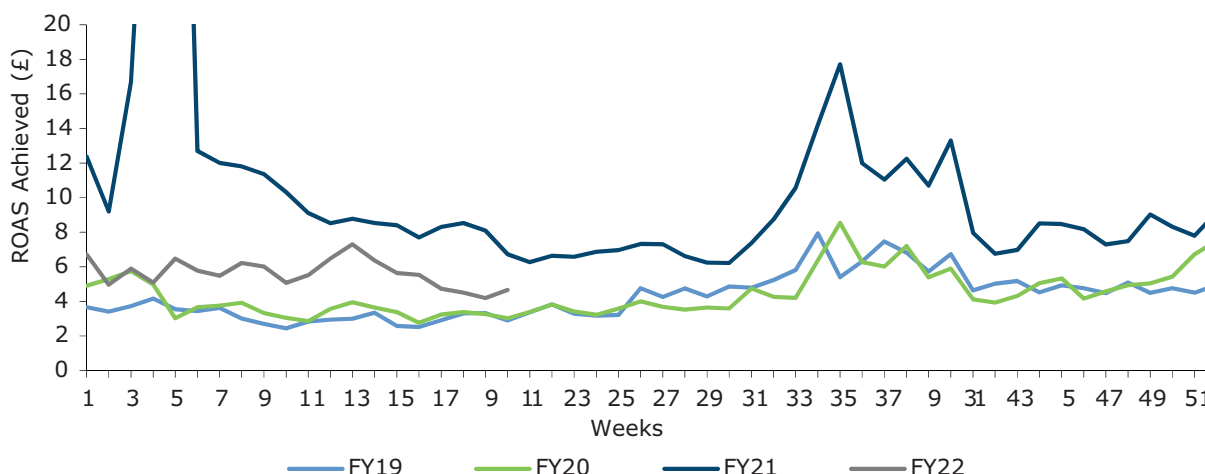
Source: Management information

*Paid Media: Pay-Per-Click ("PPC"), Google shopping, Paid Social*

The substantial majority of marketing spend for paid media was on PPC (see chart "Marketing spend by category" above). Paid Media accounted for 47% of total marketing spend in FY21. Given the relatively high amount spent on marketing in this category (when compared to other paid media) the Directors place a significant focus on the ROAS generated through this marketing category.

ProCook has developed its own team of Paid Media specialists, which has enabled it to remain flexible and responsive, allowing the business to run its own campaigns and set its own strategy rather than relying on external agencies. The Group has a high ROAS through this marketing channel, which has allowed the business to use Paid Media to not only grow its sales, but to do so in a profitable manner on first purchase. As illustrated in the chart above, and below, Paid Media ROAS in FY21 was higher than other years due to the exceptionally high customer demand during lockdown (leading to the Group reducing its Paid Media marketing spend for periods of time, in order to ensure demand could be fulfilled). However, the growth of the Group over recent years (including growth in brand awareness and customer numbers) has led to an overall increase in marketing efficiency – with average ROAS 51% higher in the first 12 weeks of FY22 than over the same period in FY20. ProCook commissions reviews from time to time by external PPC agencies to ensure that no material opportunities or developments are missed.

### Historical Paid Media Return on Ad Spend by week



Source: Management information

Note: FY21 excludes week 53 to allow for comparability between periods. Return on Ad Spend is on Paid Media marketing.

ProCook first accelerated its activities on Google Shopping approximately two years ago and uses a third-party bidding tool to support its bidding, utilising artificial intelligence to bid down on products

until sales are lost. Since its introduction, this sales channel has grown in importance for ProCook, accounting for approximately 20% of website revenue in FY21.

Paid social marketing is growing in popularity and ProCook has begun its exploration into this customer acquisition channel through the test and trial of a range of campaigns and promotions in recent months.

Approximately 57% of ProCook's online sales are currently derived from paid media marketing.

#### *Organic search/search engine optimisation ("SEO")*

The Directors believe that ProCook has been able to enhance its ranking on major search engines such as Google and Bing as a result of technical optimisation, strong user experience and precise website structure, enabling it to capture a significantly higher volume of free organic traffic over recent years with sessions through this channel increasing by 42% (CAGR) between FY17 and FY21, and sales in this channel increasing by 71% (CAGR) over the same period. ProCook also uses certain SEO software providers to enhance its organic search positioning, allowing it to track key words against competitors and refine its website accordingly.

#### *Email marketing*

ProCook has been able to leverage its customer database to run successful email marketing campaigns, driving increasing levels of repeat custom referred to above. The Group uses third party email marketing software, which is integrated into ProCook's ecommerce platform. The Group runs abandoned basket and abandoned browsing email marketing, as well as more targeted communications to re-engage with customers (such as flash sales and exclusive offers). The Directors believe that further opportunities exist in this area through increased segmentation and personalisation of campaigns which ProCook is now beginning to explore and trial.

#### *TV campaigns*

ProCook has recently launched a series of TV advertising campaigns, as part of an initiative to enhance brand awareness, broaden its audience engagement and continue its online retailing success. The TV campaigns are being shown across key national platforms, including prime slots during major weekend cooking programs (e.g. Saturday Morning with James Martin with almost one million viewers) with supporting and complementary content on other media channels. The campaigns are designed to build ProCook's brand presence in the UK market and showcase its high-quality products, with the release of the first advert coinciding with the launch of ProCook's new Damascus 67 knife range in early 2021 and the second, featuring the Elite Tri-ply cookware range. The campaign is supplemented by ProCook's partnership with Tom Aikens, a Michelin starred chef, who is collaborating with the brand to create a series of "How To" videos, which showcase the new products and provide informative content for consumers.

#### *Social media*

As illustrated by the table below, ProCook has a relatively nascent social media presence across Instagram, Facebook, Twitter and Pinterest. The Group is developing its social media strategy and expertise in this area and the Directors believe that this is a significant opportunity going forward. New video content, such as that by Tom Aikens, are providing additional material for consumers to engage with through social media.

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1 All stores generate positive contribution when fully operational.



Number of followers by platform by selected brand/competitor:

	Facebook	Instagram	Twitter
Tefal	3,495k	33k	28k
Lakeland	294k	112k	29k
JosephJoseph	200k	119k	29k
Le Creuset	96k	73k	14k
<b>ProCook</b>	<b>30k</b>	<b>35k</b>	<b>8k</b>
Tower	11k	13k	8k
Robert Welch	9k	12k	7k

Note: Social media followers as at September 2021.

*Catalogue*

ProCook produces six catalogues per year with over three million catalogues expected to be printed in the next 12 months, all using paper from PEFC certified sources. The catalogue showcases the products and acts as a way of boosting brand awareness. This is available free in each ProCook store, is included with each home delivery order and is mailed directly to ProCook’s most engaged customers.

*Design and photography*

The Group has an in-house photography and design studio, which allows ProCook to produce its own high quality photography content for use in its various marketing channels and campaigns. This provides the flexibility and agility to respond quickly to opportunities and a rapidly changing market landscape.

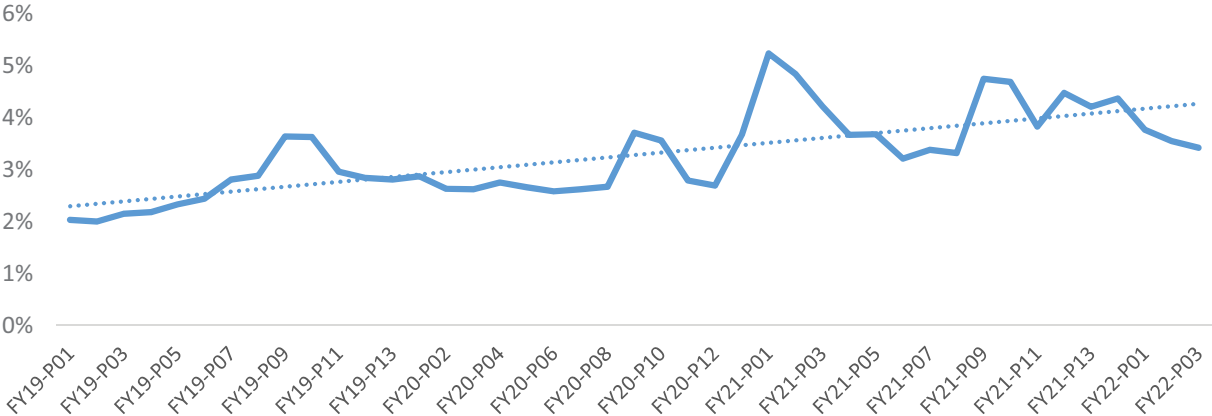
**Routes to market**

ProCook is digitally led, offering both a kitchenware ecommerce offer, [www.procook.co.uk](http://www.procook.co.uk), selected online marketplace trading in certain EU territories, and over 50 profitable<sup>1</sup> stores in largely out-of-town destination leisure locations in the UK.

*Ecommerce*

ProCook’s own website offering, has supported its rapid growth in ProCook’s sales and brand profile, with a strong ROAS for profitable customer acquisition and an ATV of approximately £71 in FY21 (£71 in FY20) and a traffic to sales conversion rate of approximately 4% in FY21 (conversion rate has increased by 74% between Q1 FY19 and Q1 FY22). Including marketplace sales, the total ecommerce offering accounted for 53% of sales in Q1 FY22 compared to 36% of sales in FY17. Prior to the onset of Covid-19, the Group had already achieved strong ecommerce growth, with ecommerce revenue growing 31% CAGR from FY17 to FY20.

**Website conversion rate %**

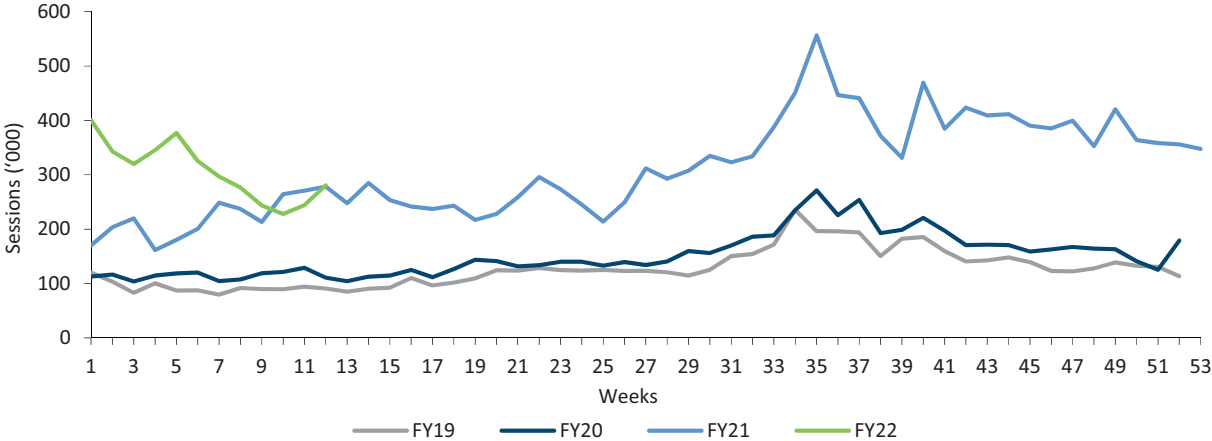


Source: Management information

Note: Conversion rate relates to ProCook.co.uk and excludes marketplaces.

Website traffic (sessions) has increased year on year and, in FY20, was 26% higher than FY19. In FY21, there was a 160% increase compared to the previous year. In the first 12 weeks of FY22, it was 240% higher than the equivalent period in FY20, reflecting a significant step change in performance. Between 60-70% of ProCook’s ecommerce sessions and 50-60% of revenue is derived from Paid Media marketing channels whilst SEO (organic) is an important channel to attract customers without the marketing cost. Affiliate and referral traffic has increased in FY22 following an increased focus on that channel for customer acquisition.

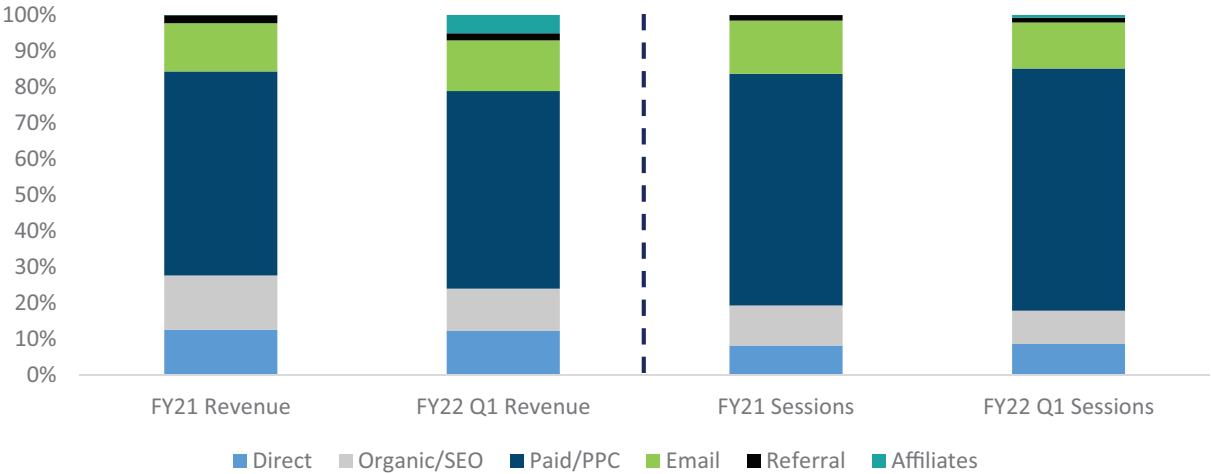
**Website sessions**



Source: Management information

Note: Ecommerce sessions and revenue relate to ProCook.co.uk and excludes marketplaces.

**Website sessions and revenue by source of traffic**



Source: Management information

Note: Ecommerce sessions and revenue relate to ProCook.co.uk and excludes marketplaces.

ProCook’s core ecommerce system has been developed in-house and comprises a fully bespoke front-end which is integrated into the Group’s core business systems which enables ProCook to optimise it for viewing across all devices, including mobile, tablet and desktop. Sales via the website typically have a higher average transaction value than ProCook’s other channels, as the sales mix tends to include larger cookware and knife sets which are better suited to delivery. The website runs on the Group’s own custom codebase with ProCook’s content and marketing engine providing complete flexibility to customise the site and manage promotional activity. The website is continuously refined to reduce friction points in the customer journey: regular testing is undertaken on the website, supported by third-party software, which has enabled continued improvement in conversion rates.

Key features of the website include:

- High resolution product images and videos showcasing product features
- Real time stock availability and delivery timing information
- Easy to navigate filters and sophisticated product search capability
- Ancillary/complementary product offers
- Independent and informative customer reviews
- Summary and detailed product descriptions highlighting key features
- Advanced customer behaviour tracking allowing for smart merchandising
- "Search as you type" customer search with machine learning for "best fit" results
- Product and service reviews
- Express guest checkout

ProCook's ecommerce offering was able to support the Group's growth during the Covid-19 pandemic during the acceleration of the channel shift from physical to digital. The success that ProCook has achieved in ecommerce is built on years of developing and refining its offering, including investment in its in-house ecommerce and technology expertise.

In addition to sales through its own website, ProCook also sells its products via leading marketplace operators, providing the opportunity to enter, test and build awareness in new territories. ProCook started selling via marketplaces in the UK in FY10, Germany in FY17 and France in FY18. It is currently trading on marketplaces in Germany and France (additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland are provided) with potential for more territories and partners under consideration. The Group has its own storefront on the marketplaces, which provides ProCook with the opportunity to showcase its brand more effectively.

The Group sees these marketplace channels as a means to profitably enhance brand awareness in new territories especially when physical or other ecommerce offerings are not yet available as is the case in Europe.

Having traded in the UK under the ProCook brand since 2008 and having achieved revenues of over £50 million in the UK in FY21, ProCook ceased trading on UK marketplaces in summer 2021 to focus management effort on its own website, which provides better opportunity for customer retention and engagement.

### *Retail*

All of the Group's retail stores generate a positive contribution when fully operational and the Group assesses new store opportunities on the basis of 12-month payback target. The average capital expenditure per new store ranges from approximately £120,000 to £150,000, primarily driven by the size of the store. The currently ranges of store sizes are from 1,471 sq. ft. to 4,736 sq. ft, although the Group is now typically targeting stores larger than 2,000 sq. ft. Average transaction values were approximately £32 in FY21, £34 in Q1 FY22 and £27 in FY20. The average footfall to sales conversion rate is over 20%, having been 16% in FY19.

ProCook's total retail revenues grew by 30% CAGR between FY17 and FY20, prior to the negative impact of non-essential store closures during the Covid-19 pandemic. This growth was underpinned by both new store openings as well as underlying store growth. Since the stores have been able to reopen from 12 April 2021, revenue in the 12 weeks ended 27 June 2021 was £6.9 million, a ten-fold increase compared to revenue in the 12 weeks ended 21 June 2020 of £0.6 million (unaudited).

Over 60% of customers in the UK still purchase kitchenware products through retail stores (Source: GfK). ProCook views its stores as playing an important role in the overall customer proposition, enabling customers to feel, test and trial the products as well as receive advice from helpful and knowledgeable, well-trained retail colleagues. ProCook operates over 50 stores across the UK

through its Designer Outlet Centre stores, Garden Centre stores and Destination Retail locations. The Directors consider the store network to be a critical part of ProCook’s multi-channel offering and it remains a core part of its growth strategy.

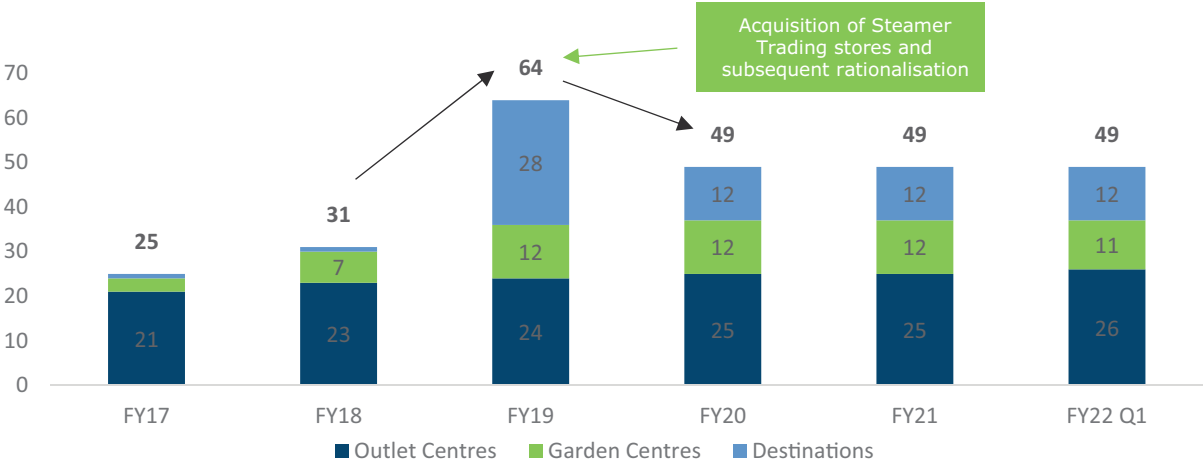
The stores are an effective sales channel for the business, providing an environment where customers can envisage the products in a home-like location. The Directors believe that stores act as a brand beacon, developing brand awareness for ProCook’s digital channels.

ProCook stores have a clean and intuitive look and feel with uncluttered displays. The value proposition is clearly signposted via point-of-sale, supported by exceptional customer service. Sites are chosen strategically, with the Group targeting those locations which are more resilient to changing customer preferences and where footfall has remained higher in recent years, as consumers increasingly seek easily accessible, leisure based shopping environments.

The Directors believe that ProCook’s strength of offer and its financial performance has been a highly desirable proposition for landlords, enabling the business to successfully negotiate flexible lease terms and incentives.

The retail estate has changed over the historical period following the integration of Steamer Trading stores during FY19 and then subsequent closure of a number of those stores. Five new stores have been opened, and two closed, during FY22 taking the total retail estate to 52 at the end of September 2021.

**Retail stores by type**



Source: Management information

Note: Store numbers taken as at the end of Q1 FY22.

*Designer Outlet Centre stores*

A “Designer Outlet Centre” store is defined as a ProCook store located in out of town retail centres predominantly occupied by “premium” brand retailers. ProCook opened its first Designer Outlet Centre store in Mansfield in 1999. Since then, the Group has developed a network of 26 Designer Outlet Centre stores in most of the major centres throughout the UK. Designer Outlet Centre stores have seen significant growth in popularity in the last 10 years as consumers seek a destination shopping experience. Key customer benefits include:

- Easier to access than traditional city centre locations, particularly by car
- More leisure and experiential based shopping environment, providing the opportunity to “make a day of it”, with a broad range of food options
- Perceived discounted offerings on leading brands
- Ability to access a range of product types, with multiple different stores for an individual product category (for example in kitchenware, centres will often have a ProCook store alongside other brands’ stores such as Tefal, Amefa, Denby, Le Creuset and Portmeirion)

- Higher quality standards of retailing, with stores often operated by brand owners meaning they tend to be well-funded and have a better product mix
- Landlords control the mix of operators to ensure a strong and balanced coverage across product categories, seeking to provide the best experience and maximise consumer spend

ProCook benefits from flexible lease agreements in its Designer Outlet Centre stores, often with low fixed rents plus turnover based elements. ProCook's growing importance as a partner to the major outlet centre operators has enabled it to increasingly negotiate preferential lease deals, which provide the ability to flex the cost base depending on performance. The average size of a Designer Outlet Centre store is approximately 1,800 sq. ft. with newer stores in these centres typically above the average size, to enable better display of the complete range.

Additional stores are dependent on the development of new Designer Outlet Centres, with centres currently being planned and developed in The Cotswolds, Grantham, and Scotch Corner (North Yorkshire).

#### *Garden Centre stores*

A "Garden Centre" store is defined as a ProCook store which is located in a garden centre which, together with associated retail offerings on site, is seen as an all day retail and leisure experience by the consumer. ProCook launched its first Garden Centre store in 2016 and has developed a network of 12 stores in larger garden centre locations across the UK. Garden Centre stores are located in destinations which have similar characteristics to Designer Outlet Centre stores, where consumers tend to visit for a leisure experience rather than a clearly defined shopping purpose. ProCook's proposition has typically performed well in these locations. ProCook operates five stand-alone stores and seven locations as a "store-in-store" concept in the main garden centre shop. Garden Centre stores are on average, slightly smaller in size than Designer Outlet Centre stores at approximately 1,700 sq. ft.

ProCook also benefits from flexible rental agreements in its Garden Centre stores, with a low base rent and a revenue-based ratchet model.

#### *Destination Retail stores*

A "Destination Retail" store is defined as a ProCook store located in a large shopping centre (such as Bluewater in Kent), or a prominent market town location, which are seen as an all day retail and leisure experience by the consumer. ProCook has developed a presence in "Destination Retail" stores that have similar characteristics to Designer Outlet Centre stores and Garden Centre stores. The growth of this channel was facilitated by the acquisition of the trade and assets of Steamer Trading Limited out of administration, including the right to occupy 27 of its retail stores in January 2019. The acquisition provided ProCook with the opportunity to develop its presence and gain critical mass in locations more suited to its offering, typically market towns and tourist centres rather than major city centres. ProCook retained eight of the former Steamer Trading stores, which have all been subsequently rebranded as ProCook and stock ProCook branded products only.

Destination Retail stores are on average 2800 sq. ft. and the Group currently has 16 Destination Retail stores in the UK.

#### ***Distribution and warehousing***

ProCook manages and operates its own warehousing and distribution capability in the UK which is established for multichannel retailing. The Group's bespoke warehouse management system deals with picking of orders in the warehouse and replenishment of stock, and its bespoke order management system provides end-to-end management of orders. ProCook operates from two facilities located close to each other in Gloucestershire, UK. This location is well connected to the national motorway network, being situated directly off the M5 motorway at Junction 12.

The first of ProCook's current facilities was opened in 2016. It comprises a modern warehouse facility of approximately 43,600 sq. ft. The facility also incorporates the current head office on the ground and first floors. ProCook owned the freehold to this premises until September 2020, when a sale and leaseback transaction completed transferring the premises to Leftfield Capital. The warehouse facility is predominantly used to manage ecommerce sales, with a bespoke pick and pack operation.

In July 2020, ProCook extended its warehouse capacity through the lease of a new 56,000 sq. ft facility less than one mile from its first. All goods are currently received into this unit, and then either distributed to ProCook's retail network or transferred to the ecommerce pick-and-pack facility.

The Company is planning the opening of a new 167,000 sq. ft warehouse and office facility (expected to open in FY23), which is designed to provide the business with 4 – 5x the current volume capacity and facilitate significant growth in the UK. This new facility will also streamline the delivery process for both in-store and online, reducing costs and waste. It will have the capacity to house 300 office-based colleagues.

ProCook has historically shipped products to Europe directly from the UK but, from April 2021, the business began using a European distribution partner. ProCook intends to explore opportunities to open its own warehouse in the EU as its business in the EU develops.

## **Technology**

### *Overview*

ProCook's well invested infrastructure provides an agile and scalable platform for growth, facilitating end-to-end control over the customer journey and low maintenance costs. ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. The platforms have been developed in-house over 15 years and have built-in data and analytics capabilities and provide a complete view of customer activity and end-to-end control over business operations. The business adopts a hybrid approach to IT which sees it utilise its own bespoke software, coupled with third-party technology where appropriate. The technology platform is proprietary and mature, reliable and dependable at this stage of its lifecycle and involves a low cost of maintenance, as one or two developers can manage its maintenance. It has sophisticated experimentation software built-in, enabling new experiments or hotfixes to be deployed in less than 30 seconds.

### *Extranet – Core business system*

ProCook developed its Extranet platform as the core business system to give it complete end-to-end control over the customer journey and experience. It is the central system, with all other systems integrating into or around it. It incorporates central databases, communicates with warehouse management and order management modules and the Group's finance system (Microsoft Dynamics 365 which was implemented in Summer 2021), store EPOS systems and third-party payment providers.

Amongst other capabilities, the Extranet platforms also house a bespoke shipping scheduler, and integrate live stock files with the ecommerce systems.

### *Extranet – Ecommerce system*

ProCook has developed a comprehensive ecommerce front-end that is fully bespoke to the business. The website is cloud hosted by AWS, in a resilient and performance focused environment. ProCook's website is fully device-responsive and designed to create a strong user-experience. The website technology incorporates its own database functionality providing real-time stock availability from the main Extranet systems and enables the display of the correct expected delivery date to the customer. In addition, the platform provides the ability to sell stock before it has been delivered to the warehouse (usually constrained by management to 14 days in advance). Updated functionality has been developed, such as advanced site search, personalisation, and A/B testing in order to optimise conversion rates by removing customer friction points. ProCook has also developed its custom content and marketing engines to drive the content on the website, which supports its promotional activity, useability, and SEO functionality.

### *Maintenance*

ProCook systems are maintained (and developed) by its own technology team. System changes and optimisations are written in-house, tested and deployed securely in a process which allows for multiple projects to be developed simultaneously. The ability for users and developers to work closely together means that projects are delivered collaboratively and efficiently.

**5. Strategy**

ProCook is focused on delivering sustainable and profitable growth, and creating long term value for shareholders as well as other stakeholders including its people and the communities in which it operates. Over the long term ProCook’s ambition is to **be the customers’ first choice for kitchenware**.

The Directors have developed a clear strategic plan to build upon the strong performance already delivered and the foundations already established:

<b>Our purpose and ingredients for success</b>	<b>Sharing our passion for cooking</b>					
	We design & source beautiful products at great value	We create inspirational & memorable experiences for customers		We offer friendly, knowledgeable service customers can trust		
<b>Our mission and strategic priorities</b>	<b>To be the customers' first choice for kitchenware</b>					
	Attract more customers to our brand			Increase the life time value of our customers		
<b>Develop our customer offer</b>	Organic growth in the UK market			Develop channel capabilities in Europe		Extend and improve product ranges
	Continually improve Ecommerce and digital marketing capabilities	Develop our retail proposition and increase the estate towards 70 stores	Invest in brand marketing to accelerate growth in UK channels	Launch and scale new ecommerce channels in Europe	Launch and develop a new retail estate in Europe	Extend the product offer through tableware and Kitchen Electricals
<b>Build on our foundations</b>	Continually develop agile and scalable technology solutions		Develop our supply chain capability and capacity		Make ProCook an even better place to work	
					Reduce our environmental footprint	

**The ProCook mission and strategic priorities**

In order to become the first choice for kitchenware, ProCook must continue to deliver its core proposition and retain its high level of customer satisfaction. Two primary strategic priorities have been developed by ProCook which provide a clear direction for the underlying initiatives which are being pursued across the business. The Directors are able to measure and monitor progress against each, and as such, ensure appropriate progress is being made.

There is significant opportunity to **attract more customers to the brand** as both the relatively low current level of customer awareness and the brand’s market share highlight.

Furthermore, ProCook is working to **increase the life time value of our customers** by firstly improving the overall all-brand experience to increase purchase frequency; a trend which is already building as the brand becomes more well-known and customers’ experience of the proposition grows. Secondly, whilst AOV (and basket size) is already at levels which the Directors are pleased with, the Directors believe that there is opportunity to offer complementary products, to up-sell, and cross-sell to increase average order value and basket size – allowing customers to enjoy and benefit from owning more high quality ProCook products.

**Strategic focus areas to facilitate growth**

The Directors have identified three opportunities to further develop the customer offer and four further focus areas to continue to build on the Group’s strong foundations to support growth over long term:

Customer Offer: Organic Growth in the UK Market

Growing the business in ProCook’s core market, the UK, is the Group’s highest priority as the Directors believe there is significant opportunity to grow the customer base and increase market share and believe that this will be achieved by:

*Continually improve ecommerce and digital marketing capabilities*

ProCook has grown its ecommerce channel rapidly, and it remains the Group’s priority growth channel to increase new customer acquisition, improve AOV and increase retention and repeat rates including through improvements in website functionality including conversion rate optimisation,

increased marketing activities including paid social and content marketing, enhanced CRM capabilities and the use of data analytics to further accelerate growth.

#### *Develop the retail proposition and increase the estate towards 70 stores*

Developing the retail proposition is a key priority for ProCook. Not only are the stores profitable in their own right, typically achieving payback within 12 months; they also help to enhance brand awareness and provide a setting to inspire and delight customers with helpful service and advice.

ProCook plans to increase the retail footprint in the UK towards 70 stores over the medium term, with new stores predominantly being the newer, approximately 2,200 square foot, larger format destination retail stores which provide the setting to sell a larger range including more tableware product and attract higher levels of footfall.

In the existing estate, the Group is planning to refit a small number of stores, bringing in the latest styling, look and feel, and optimising the use of space. Additionally, where possible, certain smaller stores will be upsized over the short term, allowing for range extension, and the creation of space for extended tableware displays. Retail management will continue to focus on always improving customer service capabilities through colleague training and development. Interaction with customers and facilitating repeat purchase through service and marketing will continue to be a priority for the Group.

#### *Invest in brand marketing to accelerate growth in the UK channels*

ProCook currently experiences high levels of customer satisfaction for its proposition as recognised by its excellent Trustpilot rating. However, prompted brand awareness across the UK population is currently only 39%.

ProCook plans to build marketing strategies that are both effective, and personalised, thus supporting not only new customer acquisition but also enabling ProCook to become front of mind, and in turn, to be first choice for repeat purchases. In addition, ProCook is in the process of developing and opening a cookery school in central London to provide customers the opportunity to develop their cooking skills and create an experiential environment which will allow ProCook to develop digital content for use on its platforms.

#### Customer Offer: Develop channel capabilities in Europe

Since 2016, ProCook has successfully sold its products to customers in Europe via online marketplaces. This has provided the Group with confidence that the products are transferable and that there is demand for the proposition which ProCook offers.

The experience of ProCook to date indicates that the kitchenware market in Europe has similar characteristics to that in the UK and is of substantial size. The market in Germany, France and Netherlands combined (ProCook's initial target markets) was estimated to be worth £8.1 billion (Source: Euromonitor) in 2020, over two times larger than the UK.

A trading entity has been established in the Netherlands, from which ProCook intends to expand its European trading activities, as set out in more detail below.

#### *Launch and scale new ecommerce channels in Europe*

ProCook plans to launch its own ecommerce platforms in key European countries in the short to medium term (with those in the Netherlands, Germany and France being prioritised by the Group). Development of the technology is under way already with new localisation and translation capability being built. ProCook's proprietary technology and code base is being leveraged for this.

The Group is planning to offer a similar proposition to that in the UK with next day delivery where possible, along with the full product range and customer support capabilities, supported by digital marketing, CRM capability and localised social media engagement activities.

#### *Launch and develop a new retail estate in Europe*

ProCook believes its well-established UK retail model may be transferrable to certain countries and target locations in Europe. The UK retail model is highly flexible and provides customers the



opportunity to test, touch and feel and seek advice on the product ranges. The Directors believe this will equally appeal to European customers.

The Group plans to launch the retail model in Germany and the Netherlands to begin with, in out of town designer outlet centres predominantly occupied by “premium” brands, with landlords with whom ProCook already has relationships in the UK. Planning is in the early stages and ProCook anticipates progressing cautiously with this venture in the short to medium term, to test and learn before rolling out more widely.

#### Customer Offer: Extend and improve the product range

##### *Extend the product offer through tableware and kitchen electricals*

ProCook has many years’ experience of extending product ranges and building comprehensive categories in the kitchenware market with the range growing 37% between the period FY17 to FY21 from approximately 1,200 products to over 1,600 products. Its most recent expansion into tableware is progressing well, with steady market share growth in the UK market between 2015 and 2020 from 0.1% to 0.3% of the market (Source: Euromonitor and management information). By comparison ProCook’s market share in cookware in 2020 was 3.5% (Source: Euromonitor and management information). Attracting more customers by providing more reasons to shop supports ProCook’s strategic priority and continued development of product ranges is therefore critical.

This will be an evolutionary process as ranges are refreshed and designs improved and extended. Management intends to offer extended product lines online, and increase the glassware, cutlery and table accessories offer as ProCook’s customer awareness of the offer grows. This category expansion range will benefit from the larger stores which are planned, providing more space to showcase the product more effectively, as well as new marketing campaigns which are increasingly demonstrating the full ProCook offer.

The adjacent category of kitchen electrical items is complementary to the current ProCook offer and the market is worth £1.1 billion in the UK in 2020 (Source: Euromonitor). The Group is planning to launch a small, curated range of high quality own-branded products featuring the same attention to design details as other categories. Initially focused on the mid-market, pricing is targeted to be similarly 30% cheaper than other comparable products/brands which the Group’s direct-to-consumer model has historically helped it achieve. Premium ranges will be developed later as ProCook builds its capabilities. The Directors believe that there is significant potential and opportunity to grow this new category over the medium to long term. The Group expects to launch this range in Q1 FY23.

#### Build on our foundations

##### *Continually develop agile and scalable technology solutions*

The Group’s proprietary technology platforms, supported by selected third party systems, provide a bespoke operating infrastructure which enables efficient operations and customised customer functionality. The Directors are aware that technology is changing at a very rapid pace and as the business increases in complexity, it is essential that ProCook retains its competitive advantage in this area in its ability to develop and maintain its operational and front-end systems and develop new tools and customer solutions in an efficient, scalable, and secure fashion.

ProCook is committed to developing its capabilities in this area. In addition to the current development of the new European ecommerce systems, ProCook has established a programme of future development work which incorporates a broad spectrum of technical capabilities from customer applications and customer offer developments, and new data and business intelligence capabilities. The Directors also recognise the need to stay up to date and ahead of changing regulations and security capabilities is also of paramount importance.

##### *Further develop supply chain capability & capacity*

In order to facilitate continued growth, ProCook has established plans to further develop its operational supply chain infrastructure and capacity. This includes investment in a new UK warehouse which is planned to provide sufficient capacity for 4-5x the current volumes (as well as a new head office site for up to 300 desks). The Directors have also begun planning for supply chain capability and capacity in Europe to facilitate the anticipated growth.

Additionally, the Directors see the opportunity over the medium term to develop strategies and plans to continually improve efficiency in logistics operations (including the establishment of its own warehouse and distribution capacity in Europe) and in its supply chain direct from its manufacturing supply base.

#### *Make ProCook an even better place to work*

ProCook's positive culture and collaborative ways of working have been key to its growth and success over recent years. The business has high levels of colleague engagement and satisfaction (in the latest colleague survey carried out in August 2021, 72% said they are proud of the brand and 73% said they would recommend ProCook as a place to work).

The Directors believe that the people ProCook employs are critical to the success of the business. As a growing business the Directors recognise that there is constant work to do to attract, retain and develop the highest calibre of people to support the growth ambition.

ProCook will continue to invest time and resources in developing and retaining its culture, enhancing training and development, improving communication and leadership, further developing colleague engagement activities, whilst continuing to reward everyone fairly and provide opportunities to share in the success of the business.

#### *Reducing our environmental footprint*

ProCook is committed to doing the right thing and is passionate about reducing its impact on the environment, being a responsible employer and behaving ethically – it is woven into the DNA of the business, its culture and daily decision-making.

With a new ESG Director recently appointed, ProCook has begun developing more strategies to become an even better corporate citizen, to continually reduce its impact on the environment and improve the support provided to the local communities in which it operates. Assessments and measurements of where ProCook is today are ongoing, and the Directors look forward to developing and delivering further plans and improvements over the years ahead.

## **6. Intellectual Property**

The Group relies on intellectual property rights to protect certain aspects of its business. The Group owns rights to the ProCook name and logo trademark which is subject to trademark protection in the UK, with the name "ProCook" also subject to trademark registration in other territories around the world.

The Group also owns and controls a number of social media accounts in order to increase its brand presence and engage with customers. It has significant web presence and maintains an extensive and international domain name portfolio. The Group collaborates with third parties including suppliers, culinary experts including renowned chefs, in order to develop its product portfolio and create engaging content to share with its customers.

The Group is registered with a number of customs authorities worldwide and actively monitors and asserts its intellectual property portfolio and has procedures in place to manage or mitigate the risk of infringement of its third-party rights, in relation to its product design or use of any of its names or registered marks.

## 7. Property

The following lists ProCook's material properties as at the date of this document:

### **Warehouse and distribution centres**

<i>Address</i>	<i>Tenure</i>	<i>Expiry</i>	<i>Break</i>
Unit 1 St Modwen Park Gloucester, Haresfield, Stonehouse, Gloucester GL10 3EZ	Leasehold	9 July 2035. The tenant benefits from security of tenure.	Tenant break right - 10 July 2030
Unit 2, Gateway 12 Business Park, Davy Way, Hardwicke, Gloucestershire GL2 2BY	Leasehold	9 September 2040. The tenant benefits from security of tenure	None

## 8. Insurance

The Group maintains a comprehensive set of insurance policies which cover a range of risks related to the business and its operations which the Directors believe could have a material impact on the ProCook brand. These include but are not limited to public and product liability, property, business interruption, director and office cover, fleet insurance and marine cargo. The Group engages with a professional insurance broker to advise on such matters and review its coverage and performance from time to time. The Directors believe the types and levels of cover are consistent with industry norms and are appropriate for the business and will keep these under review.

## 9. Regulatory Matters

The Group is subject to laws and regulations in the jurisdictions in which it operates covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, product liability, competition, intellectual property, distance selling, electronic contracts and other communications, online payment services, data protection and privacy, export and import controls, anti-corruption legislation, labour laws, unfair and deceptive practices, distribution, advertising, taxation and economic and other trade prohibitions and sanctions. By way of an example, the Group's online sales to consumers in the United Kingdom are subject to the UK Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. Subject to some limited exemptions, one of the key rights afforded under those Regulations is the right to return products for any reason within a period of 14 days after the date on which goods are delivered.

The Group's activities involving the use of customer data are subject to consumer protection and data protection/e-privacy laws and regulations. The Group's use of employee data is also subject to data protection laws and regulations. The GDPR and the UK Data Protection Act 2018 (and, post Brexit, the UK GDPR) significantly changed the data protection landscape in the EU and the UK, strengthening the rights of individuals, imposing stricter controls over the processing of personal data, by both controllers and processors of personal data, and imposing stricter sanctions with substantial administrative fines and potential claims for damages from individuals for breach of their rights. The GDPR/UK GDPR also offer(s) individuals the option to allow third parties, including claims management companies, firms and privacy organisations, to litigate on their behalf, including collecting potential damages, which is already resulting in a substantial increase in claims being brought. The GDPR/UK GDPR mandates reporting of data breaches (security incidents) to regulators if there is any risk (this is not a high bar) and to affected individuals whose personal data has been compromised if there is a high risk to them (e.g. financial loss or distress or both), and this may result in the imposition of significant sanctions and penalties, which require heightened escalation and notification processes with associated response plans. In addition, individuals (customers and employees) have numerous rights under the GDPR/UK GDPR and they tend to be more aware of them, given updated guidance on the ICO's website (amongst others).

In terms of the impact of Brexit and international data transfers to and from the UK, the European Commission adopted two adequacy decision agreements, which means that the UK is recognised formally as providing "essentially equivalent level of protection" to personal data flowing from the EU. Organisations may facilitate transfers from the EU to the UK without the need for specific transfer tools and supplementary measures. Two new sets of new standard contractual clauses (SCCs) were published in the Official Journal on 7 June 2021. The SCCs have been updated in line with the requirements of the GDPR and address some of the requirements laid down in the Schrems

II case. Both sets of SCCs issued by the European Commission have not been adopted in the UK post Brexit and so, currently, those clauses only provide an adequate safeguard for transfers from EU countries to countries without adequate protection. The ICO has announced that it is planning on issuing UK specific contractual terms later this year. Schrems II does mean risk assessments and extra written protections/supplementary measures for security are often needed for transfers from the UK to third countries (e.g. suppliers to the Group who are based outside Europe).

The Group is subject to environmental and health and safety laws and regulations in the jurisdictions in which it operates, relating to, among other matters, safe working conditions, producer responsibility obligations and environmental protection, including those relating to, amongst other things, the types and quantities of chemicals and substances that can be present in the Group's products, energy efficiency and waste management. The Group maintains policies and procedures to monitor and manage health and safety risks, and to monitor compliance with applicable health and safety requirements.

## **10. Environmental**

The Directors confirm that there are no known environmental issues that may affect ProCook's utilisation of its tangible fixed assets.

## **11. Culture and People**

The Group's culture retains its family business heritage. It is agile, collaborative and customer focused. The loyalty, pride, and commitment to developing the brand has evolved over the history of ProCook and is evidenced by colleague engagement surveys which are run from time to time. The most recent survey, completed in August 2021 provides the following highlights:

- 72% would recommend ProCook as a place to work
- 73% of people are proud to work for ProCook
- 70% of people anticipate still being with the company in two years' time (87% in head office roles)

The Directors believe that the commitment and expertise of ProCook's employees is key to its continued success. The Group has a low level of staff turnover, with the staff turnover level in its head office at 9.8% in last 12 months, and an average length of service of 2.4 years. ProCook is a Living Wage employer and as such all of ProCook's employees earn the at least the living wage, as well as having access to various other benefits as part of a total reward package. The Group provides training and development schemes and has a company training portal for product training and workshops. There are long service awards, reward schemes and bonus schemes for achieving KPIs as well as Christmas bonuses which are subject to performance criteria.

As at 27 June 2021, the Group employed over 660 part and full-time employees across its functions. The Directors expect headcount to continue to increase to support its ambitions for growth.

The below table summarises the full-time equivalent employees and the average number of employees (including all directors) employed by ProCook during the periods shown by function. Full time equivalent has been calculated by dividing the employees' contracted hours by ProCook's standard hours in each function.

### Employees by function:

	Financial year ending			12 weeks ending	
	31 Mar 2019	29 Mar 2020	04 Apr 2021 <sup>1</sup>	28 Jun 2020 (unaudited)	27 Jun 2021
<b>Employees (FTEs at year end)</b>					
Retail	231	186	167	171	189
Logistics	19	26	86	31	92
Support functions	81	77	112	83	119
<b>Total</b>	<b>331</b>	<b>289</b>	<b>365</b>	<b>285</b>	<b>400</b>
Employees (average FTEs)					
Retail	- <sup>2</sup>	200	167	173	175
Logistics	- <sup>2</sup>	21	46	27	90
Support functions	- <sup>2</sup>	79	94	81	120
<b>Total</b>	<b>-<sup>2</sup></b>	<b>300</b>	<b>306</b>	<b>217</b>	<b>385</b>

1. ProCook operates a 52-week financial year with a 53rd week occurring approximately once every five years. The year ending 4 Apr 2021 was a 53-week financial year

2. No data available.

To date, other than the temporary closure of all retail stores during the Covid-19 pandemic restrictions, ProCook has not experienced any labour-related stoppages.

There are no defined benefit or other outstanding pension liabilities in respect of the Group. The Group operates a defined contribution scheme which is administered and managed by a third-party provider.

The Directors intend to put in place all employee share plans and awards, which are designed to create further alignment of interests between employees and Shareholders.

## 12. Social and Environmental Responsibility

The Group appointed a new ESG Director in 2021 in order to increase the level of focus and attention on this topic and in light of the Group's intent to further reduce its environmental footprint. ProCook's strategy to accelerate progress in this area is under development.

### Environment

The Directors are committed to reducing the impact which the Group has on the environment and recognise there is much more that can be done. The Group has already taken various steps to reduce its impact including:

- The removal of all non-essential plastic product packaging by 2021
- Completed initiatives to eliminate waste to landfill, achieving a zero waste to landfill status from its operations
- Provides recycling facilities for use throughout the business
- Provided all staff with reusable water bottles to eliminate plastic cup waste, and utilises compostable and/or recyclable products for food and drinks served on premises where normal crockery, glassware or cutlery cannot be used
- The transition of all company cars to electric vehicles (expected to complete by FY23)
- Early adoption of motion sensor and LED lighting throughout the ProCook's properties
- Provides fundraising support to "Life's a Beach", a charity to educate people regarding, and eradicate, single use plastics.

## **Communities**

The Directors are keen to collaborate with, and contribute to, the communities in which the Group operates.

ProCook has engaged in various charitable initiatives over the past years. During the Covid-19 pandemic the Group supplied computers to local schools to support home learning during periods when pupils were unable to attend school and donated reusable water bottles to NHS frontline staff during the height of the pandemic.

### **13. Research and development, patents and licences**

ProCook owns, licenses or has the right to use various trademarks, design rights and other proprietary rights that are important to its business, including registered and unregistered trademarks, design rights, copyrights, domain names and other intellectual property.

ProCook has a portfolio of registered trademarks which include the word mark attached to its primary brand "PROCOOK", for which the Group has 48 active registered trademarks around the world. ProCook's primary mark is also the subject of registered trademark protection in the UK and is shown below:

The logo for ProCook, featuring the word "ProCook" in a bold, sans-serif font. The "P" is significantly larger and more prominent than the other letters. A small registered trademark symbol (®) is located to the upper right of the "k".

Save as disclosed above, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

### **14 Dividends**

The Directors intend to pursue a progressive dividend policy with a payout ratio target of 20-30% of adjusted profit after tax, subject to the need to retain sufficient earnings for the future growth of the Group. It is currently intended that, in the absence of unforeseen circumstances, the first dividend following Admission will be paid in respect of the financial year ending FY22.

The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See the section entitled "Risk factors" for further details.

## PART 3

### DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

#### 1. Directors

The following table lists the names, dates of birth, positions and dates of appointment for each Director:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Date appointed as a Director</i>	<i>Date joined the Group</i>
Brian Gregory Hodder	69	Non-Executive Chair	29 October 2021	29 October 2021
Daniel Patrick O'Neill	56	Chief Executive Officer	14 October 2021	Founder
Stephen John Sanders	59	Chief Operating Officer	14 October 2021	3 July 2015
Daniel Walden	38	Chief Financial Officer	14 October 2021	18 May 2021
David Anthony Stead	63	Senior Independent Non-Executive Director	29 October 2021	29 October 2021
Gillian Davies	54	Independent Non-Executive Director	29 October 2021	29 October 2021
Luke Kingsnorth	44	Independent Non-Executive Director	29 October 2021	29 October 2021

The business address of all the Directors is ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. The management expertise and experience of each of the Directors is set out below:

#### **Greg Hodder** (Non-Executive Chair)

Greg brings a wealth of experience with previous non-executive director and CEO appointments and a history of driving fast growth from entrepreneurial companies with particular experience in e-commerce and multi-channel.

Greg has spent much of his career working in the retail sector including roles as President of New York based company Smallbone PLC, CEO of Charles Tyrwhitt LLP and Chairman of Majestic Wines plc. He is currently the Senior Independent Non-Executive Director of Jarrold & Sons Limited and a non-executive director at Hotel Chocolat plc.

#### **Daniel O'Neill** (Founder and Chief Executive Officer)

Daniel is one of the original founders of the ProCook business over 25 years ago and has been employed full-time in the business since then.

Prior to founding ProCook (originally trading as the Professional Cookware Co until 2008) in the 1990s, Daniel had an early career in direct marketing businesses and consultancy services and also in software development, developing skillsets and experiences that have provided guiding principles to support the development of the ProCook business.

#### **Steve Sanders** (Chief Operating Officer)

Steve has worked for the Group for over six years. On expansion of the executive team in May 2021, Steve's role became more focused and he subsequently assumed the role of Chief Operating Officer.

Before working for ProCook, Steve was Managing Director of Shoon Ltd for 8 years and before that Finance Director. He has also worked as an independent consultant and was co-founder of a consumer electronics start-up before successfully selling it to a market leader in 2000. Steve is a chartered management accountant.

#### **Dan Walden** (Chief Financial Officer)

Dan was appointed Chief Financial Officer of the Group in May 2021.

Prior to joining the Group, Dan was Chief Financial Officer of Booking.com Transport. Before that, he held several roles at Dunelm Group plc including Group Finance Director and Commercial Finance Director. Prior to Dunelm, Dan held various senior finance and commercial roles at Halfords and Sainsbury's. Dan is a chartered accountant having begun his career with KPMG, and has a Bachelor of Science from the University of Birmingham.

**David Stead** (*Senior Independent Non-Executive Director*)

David is an experienced director of companies in the UK retail sector. David was the Chief Financial Officer of FTSE-listed Dunelm Group plc from 2003 to 2015 and Interim Chief Financial Officer in 2018. David is the Senior Independent Non-Executive Director of Joules Group plc and Naked Wines plc and a non-executive director of Card Factory plc and previously at Alfa Financial Software Holdings plc.

Prior to his role at Dunelm, David served as Finance Director for Boots The Chemists and Boots Healthcare International between 1991 and 2003. David is a chartered accountant, having spent the early part of his career with KPMG.

**Gillian Davies** (*Independent Non-Executive Director*)

Gillian is a chartered accountant who qualified with KPMG and has held a number of senior financial positions in both listed and private equity backed international companies.

Gillian spent 11 years as Group Finance Director of FTSE listed 4imprint Group plc, during which time the group was extensively restructured and delivered significant growth. Most recently, Gillian was CFO of AIM listed Harwood Wealth Management Group until its sale to private equity. Gillian is a non-executive director and Chair of the Audit Committee at Ten Lifestyle Group plc. Gillian is also Senior Independent Non-Executive Director at Knights Group Holdings plc.

**Luke Kingsnorth** (*Independent Non-Executive Director*)

Luke joined Charles Tyrwhitt in 2010 as ecommerce director before rising to ecommerce and marketing director in 2012. Between 2016-19, he was focused on establishing the New York office and managing all aspects of the label's North American business, before becoming CEO in 2019.

Prior to joining Charles Tyrwhitt, Luke was senior manager at John Lewis Direct, and has held several ecommerce and marketing roles at companies including Eurostar, British Sky Broadcasting Group and Skandia Life & Manpower.

**2. Senior managers**

The Company's current senior managers, in addition to the Executive Directors listed above, is as follows:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Date appointed as an employee of the Group</i>
Sarah Ann Savery-Smith	56	Brand Director	24 September 2007
Andrew Richard Kerr	41	Retail Director	23 November 2009
Paul Gerhard Neiss	57	Purchasing Director	2 June 2008
Richard Austen O'Neill	34	Ecommerce Director	23 January 2012
Sarah Elizabeth Wheatley	48	People and ESG Director	23 March 2018

The management expertise and experience of each of the Senior Managers is set out below:

**Sarah Savery-Smith** (*Brand Director*)

Sarah was appointed Brand Director in 2017 having been Brand Manager and subsequently Head of Brand since 2013. Sarah has worked for the Group since 2007.

Prior to joining ProCook, Sarah launched and developed a fashion accessories business over a 12 year period, supplying retailers at the premium end of the market and employing outworkers, before retraining and following her passion as a Garden Designer for over six years.



**Andy Kerr** (*Retail Director*)

Andy was appointed Retail Director in March 2019 and has worked for the Group for 14 years. Andy has held a number of roles at the Group including Retail Operations Manager and Head of Retail.

Prior to joining the Group, Andy was Operations Manager for Peacock Blue Ltd for two years. Before that, he worked for eight years at Retail Variations Group plc in various roles ending with Area Manager - managing the group's Past Times stores in South London and Airports.

**Paul Neiss** (*Purchasing Director*)

Paul was appointed Purchasing Director in March 2019 and has worked for the Group since 2008 in a variety of purchasing and product development roles.

Prior to joining the Group, Paul spent over 20 years working in the homewares industry including 14 years with Groupe SEB as Business Sector Manager.

**Richard O'Neill** (*Ecommerce Director*)

Richard was appointed ecommerce Director in July 2020 and has worked for the Group for nine years. Richard has held several roles at the Group including Acquisition & Trading Manager, Head of Web and Head of ecommerce.

Richard started his career at ProCook having graduated from the University of York with a Bachelor of Science (Accounting, Business Finance & Management) in 2011.

**Sarah Wheatley** (*People and ESG Director*)

Sarah was appointed to People and ESG Director in May 2021, after working as Head of HR for the Group since March 2018.

Prior to working for ProCook, Sarah worked for Tesco Stores Ltd for 20 years initially as a Customer Service Manager then as a Regional Trainer running the management recruitment and training programmes in the South-West of England before progressing to a People Business Partner for Large Stores. Before working for Tesco, she started her career in retail as a graduate with Asda Stores Ltd.

### **3. Corporate governance**

As an unlisted private limited company, the Company is not subject to any corporate governance code. However, the Board is committed to the highest standards of corporate governance and to maintaining a sound framework for the control and management of the Group and has established, with effect from Admission an audit and risk committee, a remuneration committee and a nomination committee.

Following Admission, the Company intends to comply fully with the UK Corporate Governance Code and would report to Shareholders on such compliance in accordance with the Listing Rules. Save for the establishment and operation of the Board committees outlined below, there are not anticipated to be any changes to corporate governance that have been determined by shareholder meeting or by the Directors.

#### **3.1 The Board**

The Board is responsible for leading and controlling the Group and has overall authority for the management and conduct of the Group's business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Group.

#### **3.2 Compliance with corporate governance requirements**

##### *Board and committee independence*

The UK Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding the chair, should comprise non-executive directors determined

by the Board to be independent. The Company regards all of the Non-Executive Directors, who have been recruited in connection with the Company's initial public offering and who have had no prior association with the Group, as "independent non-executive directors" within the meaning of the UK Corporate Governance Code.

#### *Chair*

The UK Corporate Governance Code recommends that a chair should meet the independence criteria set out in the UK Corporate Governance Code on appointment. The Board has concluded that Greg Hodder is an independent chair for UK Corporate Governance Code purposes and that his appointment as an independent chair is in the best interests of Shareholders.

#### *Senior independent director*

The UK Corporate Governance Code also recommends that the board of directors of a company with a premium listing on the Official List should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors and shareholders when necessary. The senior independent director has an important role on the Board in leading on corporate governance issues and being available to Shareholders if they have concerns which contact through the normal channels of the Chair, Chief Executive Officer or other Executive Directors has failed to resolve or for which such contact is inappropriate. David Stead has been appointed as the Company's senior independent director.

### 3.3 **Board committees**

As envisaged by the UK Corporate Governance Code, the Board has established the following committees: an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee, each of which is described in further detail below.

#### *Audit and risk Committee*

The Audit and Risk Committee will assist the Board in discharging its responsibilities with regard to financial reporting, external and internal controls, including reviewing and monitoring the integrity of the Group's annual and interim financial statements, providing advice on whether the annual report and accounts is fair, balanced and understandable, reviewing the Company's internal financial controls and internal control and risk management systems, monitoring and reviewing the effectiveness of the Company's internal audit function, advising on the tender process and appointment of external auditors, reviewing and monitoring the external auditor's independence and objectivity, reviewing the effectiveness of the external audit process and developing and implementing policy on the supply of non-audit services by auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee will give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules.

The UK Corporate Governance Code, as it would apply to the Company from Admission, recommends that an audit committee should comprise at least two members who are independent non-executive directors. The chair of the Board should not be a member, and at least one member should have recent and relevant financial experience. The Audit and Risk Committee will be chaired by Gillian Davies, and its other members will be David Stead and Luke Kingsnorth. The Directors consider that Gillian Davies has recent and relevant financial experience. The Audit and Risk Committee will meet not less than three times a year.

The Audit and Risk Committee has taken appropriate steps to ensure that the Group's external auditors are independent of the Company and has obtained written confirmation from them that they comply with the guidelines on independence issued by the relevant accountancy and auditing bodies.

Appointments to the Audit and Risk Committee will be made by the Board, on recommendation by the Nomination Committee. Appointments to the Audit and Risk Committee will be for a period of up to three years and may be extended for no more than

two further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

When appropriate, the Audit and Risk Committee will meet with the Group's senior managers in attendance. The Audit and Risk Committee will also meet separately at least once a year with the Group's external and internal auditors without management present. From Admission, the chair of the Audit and Risk Committee would be available at annual general meetings of the Company to respond to questions from Shareholders on the Audit and Risk Committee's activities.

#### *Remuneration Committee*

The Remuneration Committee will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration (including setting the over-arching principles, parameters and governance framework of the Group's remuneration policy) and determining the individual remuneration and benefits packages of each of the chair, Executive Directors and senior management. The Remuneration Committee will also ensure compliance with the UK Corporate Governance Code in relation to remuneration wherever possible.

The UK Corporate Governance Code, as it would apply to the Company from Admission, provides that a remuneration committee should comprise at least two members who are independent non-executive directors. In addition, before appointment as chair of a remuneration committee, the appointee should have served on a remuneration committee for at least 12 months. The Remuneration Committee will be chaired by David Stead, and its other members will be Greg Hodder, Gillian Davies and Luke Kingsnorth. The Remuneration Committee will meet not less than twice a year.

Appointments to the Remuneration Committee will be made by the Board, on recommendation by the Nomination Committee. Appointments to the Remuneration Committee will be made for a period of up to three years, which may be extended for no more than two further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

#### *Nomination Committee*

The function of the Nomination Committee is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board and to oversee the development of a diverse pipeline of succession. In carrying out its duties, the Nomination Committee is primarily responsible for identifying and nominating candidates to fill Board vacancies; evaluating the structure and composition of the Board with regard to the balance of skills, board diversity, knowledge and experience and making recommendations accordingly; reviewing the time requirements of non-executive directors; giving full consideration to succession planning; and reviewing the leadership of the Group.

The UK Corporate Governance Code, as it would apply to the Company from Admission, provides that a nomination committee should comprise a majority of members who are independent non-executive directors. The Nomination Committee will be chaired by Greg Hodder, and its other members will be David Stead, Gillian Davies and Luke Kingsnorth. The Nomination Committee will meet not less than twice a year.

Appointments to the Nomination Committee will be made by the Board. Appointments to the Nomination Committee will be made for a period of up to three years, which may be extended for further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

#### **4. Share dealing code**

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares. The code adopted will apply to the Directors and other persons discharging managerial responsibilities within the Group. The Directors will take all reasonable steps to secure compliance.

## **5. Relationship Agreement with the Controlling Shareholders**

The Company expects that, immediately following Admission, the Controlling Shareholders will exercise or control 30% or more of the votes to be cast on all or substantially all matters at general meetings of the Company. On 1 November 2021, the Company and the Controlling Shareholders entered into the Relationship Agreement which will, conditional upon Admission, regulate the ongoing relationship between the Company and the Controlling Shareholders.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from each of the Controlling Shareholders that: (i) transactions and arrangements with them (and/or any of their associates) will be conducted at arm's length and on normal commercial terms; (ii) neither they nor any of their associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither they nor any of their associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Pursuant to the Relationship Agreement and in the event that Daniel O'Neill is not a Director, Daniel O'Neill will be able to appoint a Non-Executive Director to the Board for so long as the DO/SO Shareholders are entitled to exercise or to control the exercise of 15% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

The Relationship Agreement will continue for so long as: (a) the Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities; and (b) the Controlling Shareholders together with their associates are entitled to exercise or to control the exercise of 20% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. Daniel O'Neill's right to appoint a Non-Executive Director to the Board will continue for so long as the DO/SO Shareholders are entitled to exercise or to control the exercise of 15% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of the Controlling Shareholders.

Following Admission, for so long as there is a controlling shareholder (as defined in the Listing Rules), the Articles allow for the election or re-election of any independent director to be approved by separate resolutions of:

- (i) the Shareholders; and
- (ii) the Shareholders excluding any controlling shareholder.

If either of the resolutions are defeated, the Company may propose a further resolution to elect or re-elect the proposed independent director, which: (a) may be voted on within a period commencing 90 days and ending 120 days from the original vote; and (b) may be passed by a vote of the Shareholders voting as a single class. Furthermore, in the event that the Company wishes the FCA to cancel the listing of the Shares on the premium listing segment of the Official List or transfer the Shares to the standard listing segment of the Official List, the Company must obtain, at a general meeting, the prior approval of:

- (i) a majority of not less than 75% of the votes attaching to the Shares voted on the resolution; and
- (ii) a majority of the votes attaching to the Shares voted on the resolution excluding any shares voted by a controlling shareholder.

In all other circumstances, controlling shareholders have and will have the same voting rights attached to the Shares as all other shareholders.

## **6. Conflicts of interest**

Save as set out in the risk factors in paragraph 5.2 of the section headed "Risk Factors", there are no material potential conflicts of interest between any duties owed by any of the Directors or Senior Managers to the Company and their private interests or other duties.

## PART 4

### SELECTED FINANCIAL INFORMATION

The tables below set out the Group's selected financial information for the periods indicated, as reported in accordance with IFRS, which has been extracted without material adjustment from the historical financial information set out in Part 7 (Historical financial information) of this document.

#### Statements of profit or loss and other comprehensive income

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
<b>Revenue</b>	27,780	38,868	53,417	7,913	14,778
Cost of sales	(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
<b>Gross profit</b>	17,938	24,130	36,652	5,276	10,242
Operating expenses	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	-	33	2,848	1,324	263
<b>Profit from operations</b>	169	799	9,758	1,329	2,487
Finance expense	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	1,763	-	-	-	-
Other gains/(losses)	681	(173)	(949)	(114)	223
<b>Profit before tax</b>	2,188	143	8,394	1,121	2,587
Tax expense	(217)	(136)	(1,892)	(210)	(393)
<b>Profit for the period</b>	1,971	7	6,502	911	2,194
<b>Other comprehensive income</b>					
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	1,971	7	6,502	911	2,194
<b>Earnings per share for profit attributable to the owners of the parent</b>					
Basic (pence)	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted (pence)	1.87p	0.00p	6.10p	0.86p	2.02p

## Statements of financial position

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<b>Assets</b>					
<b>Current assets</b>					
Inventories	2,950	5,592	5,307	9,943	10,447
Trade and other receivables	557	915	782	1,888	2,296
Cash and cash equivalents	1,720	2,436	2,956	5,879	5,263
<b>Total current assets</b>	<u>5,227</u>	<u>8,943</u>	<u>9,045</u>	<u>17,710</u>	<u>18,006</u>
<b>Non-current assets</b>					
Property, plant, and equipment	6,510	7,134	7,101	3,846	4,039
Right-of-use assets	8,904	7,659	8,348	15,582	17,638
Intangible assets	-	-	-	67	157
<b>Total non-current assets</b>	<u>15,414</u>	<u>14,793</u>	<u>15,449</u>	<u>19,495</u>	<u>21,834</u>
<b>Total assets</b>	<u>20,641</u>	<u>23,736</u>	<u>24,494</u>	<u>37,205</u>	<u>39,840</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,147	3,303	3,902	6,612	7,786
Lease liabilities	1,670	1,868	2,281	2,783	2,965
Borrowings	2,444	3,219	4,239	2,803	74
Corporation tax payable	136	331	294	413	252
<b>Total current liabilities</b>	<u>6,397</u>	<u>8,721</u>	<u>10,716</u>	<u>12,611</u>	<u>11,077</u>
<b>Non-current liabilities</b>					
Lease liabilities	7,235	5,910	6,294	14,636	16,510
Borrowings	2,865	3,321	2,357	-	-
Other provisions	160	160	160	160	160
Deferred tax liabilities	240	414	250	29	130
<b>Total non-current liabilities</b>	<u>10,500</u>	<u>9,805</u>	<u>9,061</u>	<u>14,825</u>	<u>16,800</u>
<b>Total liabilities</b>	<u>16,897</u>	<u>18,526</u>	<u>19,777</u>	<u>27,436</u>	<u>27,877</u>
<b>NET ASSETS</b>	<u>3,744</u>	<u>5,210</u>	<u>4,717</u>	<u>9,769</u>	<u>11,963</u>
<b>Issued capital and reserves attributable to owners of ProCook Limited</b>					
Share capital	-	-	-	-	-
Revaluation reserve	472	472	472	-	-
Retained earnings	3,272	4,738	4,245	9,769	11,963
<b>TOTAL EQUITY</b>	<u>3,744</u>	<u>5,210</u>	<u>4,717</u>	<u>9,769</u>	<u>11,963</u>

## Statements of cash flows

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
<b>Cash flows from operating activities</b>					
Profit before tax	2,188	143	8,394	1,121	2,587
<i>Adjustments for:</i>					
Depreciation and impairment of property, plant, and equipment	544	650	917	164	182
Loss/(profit) on disposal of property, plant, and equipment	-	42	215	-	10
Amortisation of right-of-use assets	1,873	2,401	2,646	578	758
Currency translation (gains)/losses	(66)	380	519	-	-
Gain on bargain purchase	(1,763)	-	-	-	-
Other (gains)/losses	(681)	173	949	114	(223)
Finance expense	425	483	415	94	123
	<u>2,520</u>	<u>4,272</u>	<u>14,055</u>	<u>2,071</u>	<u>3,439</u>
Decrease/(increase) in inventories	95	(94)	(5,155)	(53)	(504)
(Increase)/decrease in trade and other receivables	(184)	(40)	(2,052)	(526)	(185)
Increase in trade and other payables	1,663	597	2,710	2,042	1,174
Cash generated from operations	4,094	4,735	9,558	3,534	3,924
Income taxes paid	(142)	(337)	(1,995)	-	(453)
<b>Net cash flows from operating activities</b>	<u>3,952</u>	<u>4,398</u>	<u>7,563</u>	<u>3,534</u>	<u>3,471</u>
<b>Investing activities</b>					
Purchase of property, plant, and equipment	(668)	(659)	(1,966)	(17)	(387)
Purchase of intangible assets	-	-	(67)	-	(90)
Sale of property, plant and equipment	-	-	5,120	-	-
Business acquisition, net of cash acquired	(1,115)	-	-	-	-
<b>Net cash (used in)/from investing activities</b>	<u>(1,783)</u>	<u>(659)</u>	<u>3,087</u>	<u>(17)</u>	<u>(477)</u>

	<i>Year ended</i> <i>31 March</i> <i>2019</i> <i>£'000</i>	<i>Year ended</i> <i>29 March</i> <i>2020</i> <i>£'000</i>	<i>Year ended</i> <i>4 April</i> <i>2021</i> <i>£'000</i>	<i>12 week</i> <i>period ended</i> <i>21 June</i> <i>2020</i> <i>£'000</i> <i>(unaudited)</i>	<i>12 week</i> <i>period ended</i> <i>27 June</i> <i>2021</i> <i>£'000</i>
<b>Financing activities</b>					
Interest paid	(201)	(241)	(90)	(43)	(9)
Proceeds from borrowings	1,831	–	–	–	–
Repayment of borrowings	–	(147)	(3,470)	(1,359)	(2,733)
Principal movement on lease liabilities	(1,753)	(2,292)	(2,069)	(212)	(758)
Interest paid on lease liabilities	(224)	(242)	(325)	(51)	(114)
Dividends paid to the holders of the parent	(505)	(500)	(1,450)	(100)	–
<b>Net cash used in financing activities</b>	<u>(852)</u>	<u>(3,422)</u>	<u>(7,404)</u>	<u>(1,765)</u>	<u>(3,614)</u>
Net increase/(decrease) in cash and cash equivalents	1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of the period	999	2,316	2,633	2,633	5,879
<b>Cash and cash equivalents at end of period</b>	<u>2,316</u>	<u>2,633</u>	<u>5,879</u>	<u>4,385</u>	<u>5,259</u>
<b>Relating to:</b>					
Cash at bank and in hand	2,436	2,956	5,879	4,385	5,263
Bank overdrafts included in creditors payable within one year	(120)	(323)	–	–	(4)

### Key Performance Indicators

The Group monitors a range of financial and non-financial measures to track the financial and operational performance of its business. Certain of these measures are not calculated in accordance with IFRS. The Directors believe that these measures provide readers with useful information regarding the Group's financial performance and facilitate an understanding of the underlying performance of the Group. There are no generally accepted principles governing the calculation of these measures and the evaluations upon which these measures are based vary from company to company. Other companies may use similarly titled non-IFRS financial measures that are calculated differently from the way the Group calculates such measures and, accordingly, the Group's non-IFRS financial measures may not be comparable with similar measures used by other companies. In addition, the Group's non-IFRS financial measures should not be considered as alternatives to the audited consolidated financial statements for the Group based on IFRS.



	<i>Financial year ending</i>			<i>12 weeks ending</i>	
	<i>31 Mar</i> 2019	<i>29 Mar</i> 2020	<i>04 Apr</i> 2021	<i>21 Jun</i> 2020 <i>(unaudited)</i>	<i>27 Jun</i> 2021
<b>Financial KPIs (£'000)</b>					
Revenue	27,780	38,868	53,417	7,913	14,778
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating profit	169	799	9,758	1,329	2,487
Adjusted EBITDA*	2,586	3,850	13,321	2,070	3,427
Free cash flow*	3,284	3,739	5,597	3,517	3,084
<b>Growth &amp; Margins %</b>					
Revenue growth	31.8%	39.9%	37.4%	10.4%	86.8%
Gross margin	64.6%	62.1%	68.6%	66.7%	69.3%
Operating profit margin	0.6%	2.1%	18.3%	16.8%	16.8%
Adjusted EBITDA margin*	9.3%	9.9%	24.9%	26.2%	23.2%
<b>Non-financial KPIs</b>					
Transaction volume ('000)	1,066	1,437	1,314	181	398
Number of active customers ('000)	398	482	557	461	655
Average transaction value (£)	32	33	50	53	45
Average number of open stores	40	52	24	7	44
Ecommerce mix	42%	37%	75%	92%	53%
Trustpilot score	4.8	4.8	4.8	4.8	4.8

\* These are non-IFRS measures and are defined and reconciled to IFRS measures on pages 40 and 41.

## PART 5

### OPERATING AND FINANCIAL REVIEW

*The following is a discussion of the Group's results of operations and financial condition. Prospective investors should read this Part 5 (Operating and financial review) in conjunction with the whole of this document, including the section entitled "Risk factors", Part 1 (Industry overview), Part 2 (Business overview) and Part 7 (Historical financial information) of this document and should not just rely on the key or summarised information contained in this Part 5 (Operating and financial review).*

*Unless otherwise stated, the financial information in this Part 5 (Operating and financial review) has been extracted from Part 7 (Historical financial information) of this document.*

*This Part 5 (Operating and financial review) contains "forward-looking statements". Those statements are subject to risks, uncertainties and other factors that could cause the Group's future results of operations or cash flows to differ materially from the results of operations or cash flows expressed or implied in such forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, including in the section entitled "Risk factors", the section entitled "Presentation of information". In addition, certain industry issues also affect the Company's results of operations and are described in Part 1 (Industry overview) of this document.*

#### Overview

The Directors believe that ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. Since the ProCook brand was first established in 2008, it has operated a direct-to-consumer proposition, designing, sourcing and retailing a high-quality range of cookware, kitchen accessories and tableware with a pricing architecture which aims to provide customers with significant value for money. In FY21, ProCook's revenue grew by 37% to £53.4 million, and over the period from FY17 to FY21, ProCook has delivered annual growth in sales of 33% CAGR.

In the UK, ProCook sells directly to customers through its own proprietary website, [www.procook.co.uk](http://www.procook.co.uk). It also operates its own portfolio of over 50 retail stores that are spread geographically across the UK to offer customers convenience, and the opportunity to test, trial and seek advice from knowledgeable and helpful colleagues. In FY21, 94% of ProCook's revenue was generated in the UK.

ProCook also sells its products to customers in continental Europe via third party marketplace websites, predominantly to customers in Germany and France, with additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland. The Group first entered Germany in 2016, and subsequently France in 2017, via third party marketplaces to test and learn about these markets, to understand any differences in customer tastes and preferences and to begin to build brand awareness in a controlled manner. ProCook has learned that the product range is highly transferable into these markets.

Preserving its reputation for value and quality is of utmost importance for the brand. Today, the product range (which is designed in-house by ProCook's design teams) spans over 1,600 items and has an established price range architecture which appeals to a broad spectrum of customers (across mid to premium price points). Pricing is targeted to be at least 30% lower than similar quality products from competitor brands, offering customers great value for products that are built to last. Complemented by a next day home delivery offering as standard in the UK, ProCook's offering is rated as "Excellent" on TrustPilot with over 66,000 customer reviews.

ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate.

The Group's management and approximately 700 employees are passionate about continually developing the brand and the customer offer. The Group's culture retains its family business heritage

and is nimble, supportive and customer-focused. There is a deep-rooted loyalty and pride in the brand among the Group's employees, which has resulted in high levels of colleague engagement, with 72% saying they are proud of the brand and 73% saying they would recommend ProCook as a place to work, and a low level of staff turnover, with the staff turnover level in its head office at 9.8% in last 12 months. As a Living Wage Employer, management are committed to providing an environment where people can thrive, and careers can be developed.

ProCook is committed to having as minimal impact on the environment as it possibly can and is taking positive action to help achieve this. ProCook is targeting reductions in carbon emissions per employee, and targets eliminating the majority of single use plastic across the business including in its product ranges and packaging. ProCook have recently appointed an ESG Director to drive forward this important area.

### Key Performance Indicators

The Group monitors a range of financial and non-financial measures to track the financial and operational performance of its business. Certain of these measures are not calculated in accordance with IFRS. The Directors believe that these measures provide readers with useful information regarding the Group's financial performance and facilitate an understanding of the underlying performance of the Group. There are no generally accepted principles governing the calculation of these measures and the evaluations upon which these measures are based vary from company to company. Other companies may use similarly titled non-IFRS financial measures that are calculated differently from the way the Group calculates such measures and, accordingly, the Group's non-IFRS financial measures may not be comparable with similar measures used by other companies. In addition, the Group's non-IFRS financial measures should not be considered as alternatives to the audited consolidated financial statements for the Group based on IFRS.

	<i>Financial year ending</i>			<i>12 weeks ending</i>	
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	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>
				<i>(unaudited)</i>	
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Trustpilot score	4.8	4.8	4.8	4.8	4.8

\*These are non-IFRS measures and are defined and reconciled to IFRS measures on pages 40 and 41.

### Current trading<sup>1</sup>

ProCook has continued to perform strongly in the 24 weeks ending 19 September 2021 (the "Period") and in line with management's expectations, delivering total revenue growth against the comparable periods in FY21 and FY20 of 38.8% and 67.2% respectively.

The Group's own website platform has continued to perform well, growing 23.7% against FY21 and 318.7% against FY20. On a total basis, ecommerce revenue has declined by 3.1% compared to

1 Based on unaudited management accounts.

FY21, but increased by 177.8% compared to FY20. The Directors are pleased with the performance of the ecommerce channel in the Period when taking into account stores reopened at the beginning of the Period, Covid-19 restrictions (including social distancing measures) have been looser when compared to the same period last year (thereby further boosting physical shopping) and the Group discontinued its UK marketplace sales at the end of June 2021 (UK Marketplace sales in FY21 were approximately £8.2 million).

Retail performance has been very strong with total sales growth of 129.2% compared to the same period in FY21 and 22.7% compared to the same period in FY20. In the Period, the Group has opened six stores and closed two stores (net four new stores).

## **Outlook**

The Group's business plan sets out ambitions and targets in respect of certain income statement and cash flow metrics, which are driven by the Group's assumptions around customer behaviour and its own operational and development activities. These are forward looking statements that the Directors believe are based on reasonable assumptions, but which may turn out to be incorrect or different than expected, and the Group's ability to achieve such ambitions and targets will depend on a number of factors, many of which are outside the Group's control, including significant business and economic uncertainties and risks, including those described in the section of this document headed "Risk Factors". As a result, the Group's actual results may vary from the targets and ambitions set out below and those variations may be material.

### ***Income statement targets***

#### *Revenue*

On the basis that the UK government maintains its position in that Covid-19 restrictions remain relatively light, and retail stores are able to be open and trading as they currently are, the Group expects to achieve total revenue growth of 30-40% in FY22. Existing retail stores are expected to achieve 125 to 145% revenue growth year on year in FY22, due to them being open for 50 weeks of the year compared to approximately only six months in FY21 and with less social distancing restrictions in place. The Directors plan to open nine new stores (less two closures) and have budgeted that these would achieve average revenues of £900,000 per store per annum net of the impact of the two closures (as the Group targets the larger format stores), and for them to be open for approximately 60% of FY22, achieving approximately 80% of the full year trading revenue due to seasonality. Revenue from the ecommerce channel is expected to decline by approximately 10-20% in FY22 reflecting channel mix shifting back towards retail stores and the exit of the UK marketplace store during summer 2021. In FY23, and FY24, the Directors aspire to achieve 10-20% total revenue growth as the impact of Covid-19 recedes and the Company pursues its strategic objectives. In FY23 and FY24, the Directors have targeted a further 4-8 new stores to open each year and have budgeted that these to achieve average revenues of £900,000 per store per annum, and for them to be open for approximately 60% of the year of opening. In FY23 and FY24, the Group aspires to achieve a 15-25% revenue growth per annum in its ecommerce channel. The Directors believe that the continued execution of the ProCook strategy will support long term sustainable growth, mainly led by growth in new customer acquisition, retention and average order value across its various customer channels.

#### *Gross profit margins*

The Directors estimate that gross profit margins in FY22 could be 100 bps to 200 bps lower than those achieved in FY21 with improvements in sourcing being offset by unusually high marine freight costs (impacted by events such as Covid-19 and the Suez Canal blockage during the current year). Gross profit margins are expected to be broadly similar across both retail and ecommerce. In FY23, on the basis that the international marine freight markets return to more normal levels, the Directors aspire to achieve gross profit margins returning to FY21 levels and for this level to be maintained into FY24. Over the medium to longer term, product mix changes caused by the introduction of new categories may impact gross margins, but such impacts are expected to be offset by increases in scale and have a positive effect on the realised cash gross profits.

### *Operating expenses*

The Directors anticipate central operating costs will increase by approximately £2-3 million in FY22 driven by investment in brand marketing and increased central headcount costs (including Board costs) and growth in depreciation and amortisation on fixed and right of use assets. In FY23, further cost growth of approximately £2.5-3.5 million is anticipated by the Group which incorporates the full year effect of the Board and senior management remuneration, and new headcount to support anticipated growth, as well as further investment in new warehousing and distribution capacity, and continued growth in depreciation and amortisation on fixed and right of use assets. In FY24, central costs are anticipated to increase by a further £1.5 million. Over the medium to longer term the Group's aspiration is that, whilst central operating costs would continue to grow as the business grows, the rate of growth in central operating costs would be slightly lower than total Group revenue growth, therefore driving operational leverage.

### *Channel operating profits*

The Directors' aspiration is that retail and ecommerce channels would deliver operating profit margins over the course of FY22 of 26-28% of revenue, increasing to approximately 28-30% in FY23 and FY24.

### *Exceptional costs*

The Group expects one-off exceptional costs of £3.9 million in FY22 associated with obtaining Admission. As described in paragraph 5.2 in Part 10 "Additional Information", the Company is issuing IPO-related awards, including awards to a significant proportion of the employees to recognise their hard work over many years, and incentivise/retain them going forward. The IPO-related awards have vesting periods of between one to three years, in addition to other conditions (depending on the award).

The awards will either be settled by the EBT, which will subscribe for shares prior to Admission, or new shares issued post Admission or market purchase via the EBT. In regards to awards funded post IPO with new issues of Shares, any dilution from these awards is captured within the Company's commitment to the Investment Association's guidance regarding discretionary schemes, which states that a company should not commit to issue new shares under discretionary schemes in excess of 5% of the issued ordinary share capital of the company (adjusted for share issuance and cancellation) in any rolling 10 year period.

The Group expects one-off exceptional costs in relation to these awards of approximately £1.0 – £1.5 million in FY22, £3.5 – £4.0 million in FY23, £2.5 – £3.0 million in FY24, and £0.5m – £1.0m in FY25 (based on the Offer Price being in the middle of the Price Range). It is anticipated that the vast majority (approximately 85%) of these charges are non-cash in nature.

### *Depreciation and Amortisation*

The Group anticipates depreciation and amortisation (included within channel and central operating costs) of the Group's assets to be 1.0% to 2.0% of revenue per annum in the medium term with right-of-use asset amortisation to be in the region of 4.0% to 5.0% of revenue per annum.

### *Finance expenses and other gains/(losses)*

The Group has budgeted for finance expenses to be approximately £0.4 million to £0.8 million per annum through the medium term inclusive of growth in the leased property estate and assuming the current rates of interest implicit in the leased property estate and the Group's finance facilities remains at current levels. Increases in the Bank of England base rate could cause these costs to increase. Other gains/(losses) reflect unrealised gains or losses on derivative financial instruments and are therefore subjective to currency exchange rate movements. The Group is not providing any guidance, targets or forecasts on unrealised gains/(losses) over the medium term due to the potential for volatility which cannot be fully controlled by the Company, save for the expectation that a portion of the unrealised losses in FY21 are expected to reverse in FY22.

### *Tax rate*

The Directors anticipate that the Group's effective tax rate in FY22 will be approximately 22% due to the disallowable nature of certain exceptional costs, before returning to 19% in FY23, and then

increasing to 25% in FY24 in line with the UK Government's announced intention to increase corporate tax rates. Cash tax is expected to be broadly consistent with this expected effective tax rate.

### **Cash Flow Targets**

#### *Working capital*

The Group anticipates making further investment in inventory over the medium term as sales volumes increase, to provide high levels of product availability for customers. Inventory levels rise and fall with trading seasonality throughout the year. Considering this anticipated growth in inventory, partially offset by increased trade and other creditors, the Group expects a net £1 million investment in net working capital per annum over the medium term.

#### *Capex*

The Group expects capital expenditure in FY22 to be approximately £2.0 to £2.5 million in FY22 reflecting the nine anticipated new stores, with store opening costs budgeted at £150k each, plus investments in selected refits, the new cookery school and central and warehousing assets. In FY23 and FY24, spend on new store openings is expected to be broadly consistent at £150k per store, with further spend of £0.2 million on other central and warehousing costs per annum. An additional £1 million investment in warehousing and new office space is anticipated in FY23.

#### *Seasonality*

ProCook has experienced and expects to experience swings in the seasonality of its trading, with resulting impacts on levels of cash generation and net cash/(debt) balances throughout the year. The Group's peak trading period is typically in November and December, and therefore the Group expects that minimum cash balances will be between September and November each year as the Group invests in inventory ahead of the peak period.

### **Capital structure and dividend payments**

#### *Cash and borrowings*

The Company expects to be cash generative and to maintain the use of its trade finance facility provided by its bank over the medium term. There are no plans to change the capital structure of the Group.

#### *Dividends*

If the Group becomes a public company, the Group intends to adopt a progressive dividend policy targeting a pay-out ratio of 20-30% of adjusted profit after taxation, with reinvestment for growth being the primary use of available cash generated by the Group. Subject to the Directors determining that payments should be made, the Company expects to pay dividends on two occasions during the year with an approximate split of one-third for interim dividends, and two-thirds for final dividends of the pay-out ratio described above. The Group's intention is to first pay a dividend (a final dividend in respect of FY22), during the first half of FY23 subject to recommendation by the Board and approval at the Company's Annual General Meeting.

#### *Finance lease payments*

The Company expects that its finance lease payments in the medium term will be approximately 5.0% to 7.0% of revenue per annum.

### **Key factors affecting the Group's results of operations**

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are outside of the Group's control. The factors set out below are those which the Directors believe have affected the Group's results of operations over the historical period under review, and those which could affect its results of operations in the future.

### ***Sales volume, pricing and product mix***

The most significant factor which impacts the Group's results of operations is the volume of customer transactions completed. The Group has increased the number of customer transactions over the last three financial years and in the 12 weeks ended 27 June 2021. The Group completed 1.09 million transactions in FY19, 1.46 million transactions in FY20 and 1.36 million transactions in FY21 (impacted by store closures during the Covid-19 pandemic restrictions). In the 12 weeks ending 27 June 2021, the Group completed 0.4 million transactions compared to 0.18 million transactions in the 12 weeks ending 21 June 2020.

ProCook's kitchenware product ranges are split across three primary categories: cookware, kitchen accessories and tableware. Each category comprises sub-categories and different product pricing. Changes in product mix could impact revenues generated by the Group. In FY21, the Group's revenue was 58% cookware, 30% kitchen accessories and 12% tableware.

The Group sells its products through its retail stores and its ecommerce channels which include its own website and online marketplaces. These channels have different average transaction values. In FY21, the average transaction value (ATV) was £50, with retail customers' ATV of £32, compared to £62 for ecommerce customers (with ATV on the ProCook website of approximately £70). The mix of ecommerce revenues was 75% of the Group's total revenue in FY21 due to strong growth in this channel whilst retail stores were closed due to Covid-19 restrictions. In the 12 weeks ended 27 June 2021, the ecommerce mix of revenue has dropped to 53% of the Group's total revenue as retail stores have reopened following the lifting of Covid-19 restrictions.

The Group has increased its total revenue by 39% CAGR over the financial periods under review from FY19 to FY21. This has resulted in significant growth in revenue (92%) which has contributed to growth in gross profit and Adjusted EBITDA during the same period.

### ***New customer acquisition and retention/marketing activity***

The Group has successfully attracted increasing numbers of new customers each year over the financial period under review with 0.36 million customers acquired in FY19, 0.43 million customers acquired in FY20 and 0.69 million customers acquired in FY21 and has successfully retained an increasing proportion of these each year with 12 month repeat purchase rates increasing from 15.5% in FY19, to 17% in FY20 and 17.7% in FY21. The Directors believe that this is primarily due to the Group's marketing activities to attract new customers and retain existing customers, which span a variety of media channels and campaigns including Paid Search, Email, Social Media, TV, Press and catalogues.

Total expenditure on marketing activity by the Group was £3.0 million in FY19 of which approximately 90% related to ecommerce marketing, £3.8 million in FY20 of which approximately 85% related to ecommerce marketing, and £6.1 million in FY21 of which approximately 83% related to ecommerce marketing. The success (and cost effectiveness) of these activities and expenditure is a major factor in Group's results of operations.

### ***Impact of Covid-19***

The Covid-19 health pandemic has had a significant impact on the Group's results of operations as a result of the restrictions implemented by the UK government, which included the closure of non-essential retail stores for prolonged periods (particularly in FY21). The Group's retail revenues declined by £10.9 million, or 45%, in the financial FY21 compared to FY20.

This had significant repercussions for the Group's retail employees and required management to take mitigating actions to reduce the fixed cost base, strengthen the balance sheet (including completing a sale and leaseback of one of its properties) and to manage inventory levels closely ensuring that inventory was in the right location, and that product availability did not experience material disruption. The Group was able to more than offset the loss of revenue in its retail stores with a significant increase in ecommerce revenue during the affected periods as customers increasingly shopped through online channels. Ecommerce revenue increased by £25.4 million, or 177%, to £39.9 million for FY21 compared to £14.4 million in FY20.

### ***Operational efficiency***

The Group operates its own warehousing and distribution capabilities in the UK and works with third party providers in respect of transport services in the UK and warehousing services in the EU. Any loss of operational efficiency, for example product picking/packing efficiency, or any loss in capacity which could cause delays in distribution, could have an adverse effect on the Group's results of operations. The Group manages its operational activities by monitoring performance across a range of KPIs, taking remedial action where needed and identifying strategies to improve efficiency over time.

The Group has invested in operations which are saleable and provide capacity for growth and will continue to do so, with investment in a new larger warehouse and head office site in the UK already planned to become operational during FY23. There is a risk that transition into this new site could present a risk to the Groups results of operations, however the Group has managed such transitions/change plans in the past, and is taking appropriate measures to minimise any business interruption.

### ***Investment in the Group's IT infrastructure***

ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate. For instance during the 12 weeks ended 27 June 2021, the Group completed the implementation of Microsoft Dynamics 365 – its new financial and ERP solution. The Group is committed to a roadmap of technology developments and continual improvements which helps ensure the IT landscape remains resilient and flexible, and supports a compelling customer proposition across channels. The Group has also developed disaster recovery and business continuity plans to help mitigate business interruption from loss of platforms or services. Any prolonged loss of service could adversely impact the Group's results of operations.

### ***Product sourcing costs***

The Group sources the vast majority of its products from overseas suppliers which utilise a range of raw materials (including steel, iron and various other metals), as well as labour to manufacture the products. These input costs are subject to price movements and as such the Group is exposed to significant movements in market rates which are often beyond the control of the Directors. The Group enjoys long-standing relationships with its supplier base, and coupled with its growth and scale-benefits, has historically managed to avoid significant cost pressures in this regard, but any unexpected or significant increase in input costs could have an adverse effect on the Group's gross profits and its results of operations.

As the Group's supplier base is predominantly located overseas, the Group uses marine and air freight to transport products to the UK. In recent months, partially impacted by Covid-19 as well as other factors, there has been increased pressure on the global supply chain resulting in higher costs in respect of marine and air freight. Any prolonged or significant change in such freight costs could have a material effect on the Group's results of operations.

### ***Macroeconomic factors including foreign exchange and interest rate risks***

The Group consolidates its financial results in Pounds Sterling. Its primary country of operations is in the UK, and in FY21, approximately 94% of revenue was generated in Pounds Sterling. The Group purchases its products from its suppliers located in different countries, predominantly in the Far East and typically in US Dollars. Furthermore the Group is exposed to certain costs in Euros. As a result, the Group's results of operations are affected by exchange rate fluctuations between Pounds Sterling and other currencies.

The Group manages this risk, where possible, using natural hedges of foreign currency denominated sales and purchases, such that currency inflows are utilised. Where natural hedges are not possible (particularly in respect of US Dollars), the Group utilises forward foreign exchange contracts to reduce the risk of significant fluctuations in foreign currency exchange rates. The success or failure of these strategies to manage these risks could impact the Groups results of operations.

With respect to interest rates, the Group is exposed to a certain level of risk in respect to its trade finance facility. Whilst the Group's current interest costs are not of a material level, there is a risk



that any significant change in central bank interest rates could have an impact on the Groups results of operations.

## Results of operations

The tables below set out certain financial data of the Group for FY19, FY20 and FY21, and for the three months ended 21 June 2020 and 27 June 2021.

The information in the tables below should be read together with the Historical financial information, including the notes thereto in Part 7 of this document.

## Consolidated Statement of Comprehensive Income

£'000	Financial year ending			12 weeks ending	
	31 Mar 2019	29 Mar 2020	04 Apr 2021	21 Jun 2020 (unaudited)	27 Jun 2021
<b>Revenue</b>	27,780	38,868	53,417	7,913	14,778
Cost of sales	(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
<b>Gross profit</b>	17,938	24,130	36,652	5,276	10,242
Operating expenses	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	-	33	2,848	1,324	263
<b>Operating profit</b>	169	799	9,758	1,329	2,487
Finance expense	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	1,763	-	-	-	-
Other gains/(losses)	681	(173)	(949)	(114)	223
<b>Profit before tax</b>	2,188	143	8,394	1,121	2,587
Income tax expense	(217)	(136)	(1,892)	(210)	(393)
<b>Profit for the period</b>	1,971	7	6,502	911	2,194

## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 40.

Financial year ending

£'000	Financial year ending			12 weeks ending	
	31 Mar 2019	29 Mar 2020	04 Apr 2021	21 Jun 2020 (unaudited)	27 Jun 2021
<b>Profit/(loss) for the period</b>	1,971	7	6,502	911	2,194
<b>Add back</b>					
Finance expense	425	483	415	94	123
Tax expense	217	136	1,892	210	393
Depreciation and amortisation	2,417	3,051	3,354	741	940
<b>EBITDA</b>	5,030	3,677	12,163	1,956	3,650
Impairment of tangible fixed assets	-	-	209	-	-
Gain on bargain purchase	(1,763)	-	-	-	-
Other gains/(losses)	(681)	173	949	114	(223)
<b>Adjusted EBITDA</b>	2,586	3,850	13,321	2,070	3,427

## Segmental Reporting

£'000	Financial year ending			12 weeks ending	
	31 Mar 2019	29 Mar 2020	04 Apr 2021	21 Jun 2020 (unaudited)	27 Jun 2021
<b>Revenue</b>					
Ecommerce	11,552	14,398	39,876	7,307	7,842
Retail	16,228	24,470	13,541	606	6,936
<b>Total revenue</b>	<u>27,780</u>	<u>38,868</u>	<u>53,417</u>	<u>7,913</u>	<u>14,778</u>
<b>Profit from operations</b>					
Ecommerce	2,186	2,788	14,112	2,543	2,093
Retail	924	2,006	1,849	(206)	2,099
Central costs	(2,941)	(3,995)	(6,203)	(1,008)	(1,705)
<b>Profit from operations</b>	<u>169</u>	<u>799</u>	<u>9,758</u>	<u>1,329</u>	<u>2,487</u>

## Description of Consolidated Statement of Comprehensive Income line items

### Revenue

Revenue consists primarily of sales of the Group's kitchenware products to customers. Revenue from the sale of goods, as well as the related shipping and handling expenses billed to customers, is recognised at the point in time when control of the goods is transferred to the customer, as required by IFRS 15. Revenue is shown net of local sales tax and is reduced by customer product returns.

### Cost of Sales

Cost of sales refers to the cost of goods sold which relates to input costs required to source the products, including customs and import duties, shipping costs and other inbound freight costs. Costs in respect of stock loss or damages are also included within cost of sales.

### Operating expenses

Operating expenses includes, selling and distribution expenses, which primarily relates to customer acquisition costs (including search engine marketing, social media and other marketing expenses), wages, store occupancy costs, warehousing and outbound distribution costs and other direct selling costs. It also includes, administrative expenses, which primarily relates to wages and associated costs for finance, human resources, technology and corporate teams, in addition to third-party expenses for other personnel, legal expenses, audit expenses, other head office expenses as well as hosting, license and other expenses for the Group's technology platforms, depreciation and amortisation.

### Other income

Other income refers to income received by the Group which does not relate to income earned on its core supply of goods and services to its customers which are shown within revenue in the statement of comprehensive income.

### Finance income/(expense)

Finance income or expenses comprise of interest on borrowings including the amortisation of finance issuing costs, and interest on finance leases, including the Group's leased retail and office warehousing estate.

### Gain on bargain purchase

Gain on bargain purchase reflects the gain realised on acquisition of the trade and certain assets in respect of the Steamer Trading Business Combination in 2019.

### **Other gains/(losses)**

Other gains and losses primarily relate to unrealised gains and losses in respect of the Group's foreign exchange hedging activities.

### **Income tax expense**

Income tax expense relates to the taxation that is chargeable on the Group's profits for the period, together with deferred taxation. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the statement of other comprehensive income or the statement of changes in equity. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it includes certain items of income or expense that are taxable or deductible in other years, and it further excludes items that are disallowable. The Group's tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period and any adjustment to tax payable in respect of previous periods. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets (or liabilities) are recognised to the extent that it is probably that taxable profits will be available against which they may be utilised.

### **Adjusted EBITDA**

Profit (or loss) for the year before income tax expense, financing expenses, depreciation (including of right-of-use assets), impairment of tangible fixed assets, amortisation, gain on bargain purchase and other gains and losses.

### **Depreciation and amortisation**

Depreciation and amortisation relates to tangible and intangible assets capitalised by the Group and which have varied useful lives which are assessed in accordance with the Group's accounting policies. Additionally this includes amortisation of the Group's Right of Use assets primarily in respect of leased properties including retail stores and warehousing/head office sites.

### **Results of operations for the 12-week period ended 27 June 2021 compared to the 12 week period ended 21 June 2020**

The following table presents the Group's results for the 12-week period ended 27 June 2021 compared to the 12 week period ended 21 June 2020.

<i>£'000</i>	<i>12 weeks ending</i>	
	<i>27 Jun 2021</i>	<i>21 Jun 2020 (unaudited)</i>
<b>Revenue</b>	14,778	7,913
Cost of sales	(4,536)	(2,637)
<b>Gross profit</b>	10,242	5,276
Operating expenses	(8,018)	(5,271)
Other income	263	1,324
<b>Operating profit</b>	2,487	1,329
Finance expense	(123)	(94)
Gain on bargain purchase	-	-
Other gains/(losses)	223	(114)
<b>Profit before tax</b>	2,587	1,121
Income tax expense	(393)	(210)
<b>Profit for the period</b>	2,194	911

## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 40.

£'000	12 weeks ending	
	27 Jun 2021	21 Jun 2020 (unaudited)
<b>Profit for the period</b>	2,194	911
<b>Add back</b>		
Finance expense	123	94
Tax expense	393	210
Depreciation and amortisation	940	741
EBITDA	<u>3,650</u>	<u>1,956</u>
Impairment of tangible fixed assets	-	-
Gain on bargain purchase	-	-
Other gains/(losses)	(223)	114
<b>Adjusted EBITDA</b>	<u>3,427</u>	<u>2,070</u>

## Revenue

Total revenue increased by £6.9 million or 86.8% to £14.8 million in the 12-week period ended 27 June 2021 from £7.9 million in the 12-week period ended 21 June 2020. In the third week of the 12-week period ended 27 June 2021 the retail store estate reopened for business following a lengthy period of closure due to Covid-19 restrictions allowing for nine weeks of trading during this period. The retail store estate also faced restrictions in the 12-week period ended 21 June 2020 with approximately 10 stores able to trade for four weeks in the period and 45 stores for one additional week during this period. Total transaction volumes in the 12-week period ended 27 June 2021 were 0.40 million compared to 0.18 million in the 12-week period ended 21 June 2020.

Revenue from the ecommerce channel increased by £0.5 million, or 7.3%, to £7.8 million for the 12-week period ended 27 June 2021 from £7.3 million in the 12-week period ended 21 June 2020 driven by a continued strong customer demand on ProCook's own website (21.4% increase – slower than previous year due to the reopening of the retail stores in April 2021), partially offset by a decline in the Group's marketplace sales (20.0% decrease) which had performed particularly well during periods of Covid-19 restrictions. Ecommerce channel revenues represented 53.1% of the total Group revenue for the 12-week period ended 27 June 2021 (92.4% for the 12-week period ended 21 June 2020). Revenue from the retail channel increased by £6.3 million, just over ten-fold, to £6.9 million for the 12-week period ended 27 June 2021 from £0.6 million in the 12-week period ended 21 June 2020. The average number of retail stores open in the retail estate during the 12-week period ended 27 June 2021 was 44 compared to 7 in FY20, with the addition of one new store which opened during the 12-week period ended 27 June 2021.

Revenue generated from UK customers increased by £6.7 million, or 95.6%, to £13.8 million for the 12-week period ended 27 June 2021 from £7.1 million in the 12-week period ended 21 June 2020. Revenue generated from customers outside of the UK, increased by £0.1 million or 12.8%, to £1.0 million for the 12-week period ended 27 June 2021 from £0.8 million in the 12-week period ended 21 June 2020.

## Cost of sales

Cost of sales increased by £1.9 million, or 72.0%, to £4.5 million for the 12-week period ended 27 June 2021, from £2.6 million for the 12-week period ended 21 June 2020. The continued revenue growth resulted in a £2.3 million corresponding increase in the costs of sales for the products sold, which was partially offset by -£0.4 million of improvements in product margins, aided by scale benefit in sourcing and favourable foreign exchange movements.

## Gross profit

Gross profit increased by £5.0 million, or 94.1%, to £10.2 million for the 12-week period ended 27 June 2021, from £5.3 million for the 12-week period ended 21 June 2020. This growth was

primarily due to increases in volumes sold. Gross margin for the 12-week period ended 27 June 2021 was 69.3% compared to 66.7% for the 12-week period ended 21 June 2020.

### **Operating expenses**

Operating expenses increased by £2.7 million, or 52.1%, to £8.0 million for the 12-week period ended 27 June 2021, from £5.3 million for the 12-week period ended 21 June 2020. This increase was primarily due to volume driven cost increases, the re-opening of the retail store estate in the period and additional investment in brand marketing activities.

### **Other income**

Other income of £0.3 million for the 12-week period ended 27 June 2021, decreased from £1.3 million for the 12-week period ended 21 June 2020, reflecting a reduction in government grants in relation to the Coronavirus Job Retention Scheme and Business Rates Relief schemes which were designed to provide support to businesses during the Covid-19 pandemic, as the Group's retail stores re-opened during the period.

### **Adjusted EBITDA**

Adjusted EBITDA increased by £1.4 million, or 65.6%, to £3.4 million for the 12-week period ended 27 June 2021, from £2.1 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue and gross profit margins, partially offset by volume driven cost increases and investment to support the growth in the business.

### **Depreciation and amortisation**

Depreciation and amortisation increased by £0.2 million, or 27.0%, to £0.9 million for the 12-week period ended 27 June 2021, from £0.7 million for the 12-week period ended 21 June 2020. This increase was primarily due to higher depreciation charges on right-of-use assets.

### **Operating profit**

Operating profit increased by £1.2 million, or 87.1%, to £2.5 million for the 12-week period ended 27 June 2021, from £1.3 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue, offset by higher costs to support the growth in the business.

### **Finance expenses**

Finance expenses were broadly in line year on year at £0.1 million for both the 12-week period ended 27 June 2021, and the 12-week period ended 21 June 2020.

### **Other gains/(losses)**

Other gains increased by £0.3 million, to £0.2 million gain for the 12-week period ended 27 June 2021, from -£0.1 million for the 12-week period ended 21 June 2020. These represented unrealised gains in respect of the Group's foreign exchange hedging activities.

### **Profit before tax**

Profit before tax increased by £1.5 million, or 130.8%, to £2.6 million for the 12-week period ended 27 June 2021, from £1.1 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue, offset by higher costs to support the growth in the business.

### **Income tax expenses**

Income tax expenses were £0.4 million for the 12-week period ended 27 June 2021 and £0.2 million for 12-week period ended 21 June 2020, reflecting differences in allowable and disallowable expenses year on year.

### **Profit for the period**

Profit for the period increased by £1.3 million, or 140.8%, to £2.2 million for the 12-week period ended 27 June 2021, from £0.9 million for the 12-week period ended 21 June 2020. This increase was primarily due to the increases in revenue growth.

## Results of operations for the financial year ended 4 April 2021 compared to the financial year ended 29 March 2020

The following table presents the Group's results for FY21 compared to FY20.

<i>£'000</i>	<i>Financial year ending</i>	
	<i>04 Apr</i> <i>2021</i>	<i>29 Mar</i> <i>2020</i>
<b>Revenue</b>	53,417	38,868
Cost of sales	(16,765)	(14,738)
<b>Gross profit</b>	36,652	24,130
Operating expenses	(29,742)	(23,364)
Other income	2,848	33
<b>Operating profit</b>	9,758	799
Finance expense	(415)	(483)
Gain on bargain purchase	-	-
Other gains/(losses)	(949)	(173)
<b>Profit before tax</b>	8,394	143
Income tax expense	(1,892)	(136)
<b>Profit for the year</b>	6,502	7

### **Adjusted EBITDA**

Adjusted EBITDA is a non-IFRS measure and is defined on page 40.

<i>£'000</i>	<i>Financial year ending</i>	
	<i>04 Apr</i> <i>2021</i>	<i>29 Mar</i> <i>2020</i>
<b>Profit for the period</b>	6,502	7
<b>Add back</b>		
Finance expense	415	483
Tax expense	1,892	136
Depreciation and amortisation	3,354	3,051
<b>EBITDA</b>	12,163	3,677
Impairment of tangible fixed assets	209	-
Gain on bargain purchase	-	-
Other gains/(losses)	949	173
<b>Adjusted EBITDA</b>	13,321	3,850

### **Revenue**

Total revenue increased by £14.5 million or 37.4% to £53.4 million in FY21 from £38.9 million in FY20. £0.9 million of the increase related to an additional week of trading in FY21 which comprised 53 weeks, compared to 52 weeks in the prior financial year. The remaining £13.6 million growth in sales represented a 35.0% increase year on year. The effect of the Covid-19 pandemic was significant with all of the Group's retail stores being closed for approximately six months of the year, whilst ecommerce trading was materially ahead of management's original expectations as customers shopped online. Total transaction volumes in FY21 were 1.31 million compared to 1.44 million in FY20 – primarily due to the retail store closures. Average transaction value increased to £50 in FY21, from £33 in FY20 as more customers shopped through the Group's ecommerce channels.

Revenue from the ecommerce channel increased by £25.5 million, or 177.0%, to £39.9 million for FY21 from £14.4 million in FY20, driven by a significant shift in customer demand to ecommerce channels including the Group's own website in particular, due in part to store closures related to the Covid-19 pandemic, and also the results of improvements delivered in the Group's ecommerce and digital marketing capabilities supported by good levels of stock availability. Ecommerce channel revenues represented 74.7% of the total Group revenue for FY21 (37.0% for FY20). Revenue from

the retail channel decreased by £10.9 million, or 44.7%, to £13.5 million for FY21 from £24.5 million in FY20. The average number of open retail stores in the retail estate during FY21 was 24 compared to 52 in FY20 due to Covid-19 restrictions and, when open, the retail stores were subject to social distancing measures during FY21.

Revenue generated from UK customers increased by £13.7 million, or 37.5%, to £50.1 million for FY21 from £36.4 million in FY20. Revenue generated from customers outside of the UK, increased by £0.9 million or 36.3%, to £3.3 million for FY21 from £2.4 million in FY20.

### ***Cost of sales***

Cost of sales increased by £2.0 million, or 13.8%, to £16.8 million for FY21, from £14.7 million for FY20. The revenue growth described above resulted in a £5.5 million corresponding increase in the costs of sales for the products sold, which was partially offset by -£3.5 million of improvements in product margins, aided by the completion of the dilutive Steamer Trading stock sell-through (which occurred in the prior year), and scale benefit in product sourcing.

### ***Gross profit***

Gross profit increased by £12.5 million, or 51.9%, to £36.7 million for FY21, from £24.1 million for FY20. This growth was due to increases in volumes sold and improvement in product margins as set out above. Gross margin for FY21 was 68.6% compared to 62.1% for FY20.

### ***Operating expenses***

Operating expenses increased by £6.4 million, or 27.3%, to £29.7 million for FY21, from £23.4 million for FY20. This increase was primarily due to volume driven cost increases, and additional investment in brand marketing activities.

### ***Other income***

Other income of £2.8 million for FY21, represents government grants in relation to the Coronavirus Job Retention Scheme and Business Rates Relief schemes which were designed to provide support to businesses during the Covid-19 pandemic. During the financial year, ProCook's retail store estate was closed for approximately six months.

### ***Adjusted EBITDA***

Adjusted EBITDA increased by £9.5 million, or 246%, to £13.3 million for FY21, from £3.9 million for FY20. This increase was primarily due to growth in revenue and gross profit margins, partially offset by volume driven cost increases and investment to support the growth in the business.

### ***Depreciation and amortisation***

Depreciation and amortisation increased by £0.3 million, or 9.9%, to £3.4 million for FY21, from £3.1 million for FY20. This increase was primarily due to higher depreciation charges on right-of-use assets.

### ***Operating profit***

Operating profit increased by £9.0 million, or 1,121.3%, to £9.8 million for FY21, from £0.8 million for FY20. This increase was primarily due to growth in revenue and gross margin improvements, partially offset by higher costs to support the growth in the business.

### ***Finance expenses***

Finance expenses decreased by £0.1 million, or 14.1%, to £0.4 million for FY21, from £0.5 million for FY20. This decrease was primarily due to lower finance expenses on lease liabilities.

### ***Other gains/(losses)***

Other losses increased by £0.8 million, or 448.6%, to £0.9 million loss for FY21, from £0.2 million loss for FY20. These represented unrealised losses in respect of the Group's foreign exchange hedging activities.

### **Profit before tax**

PBT increased by £8.3 million, or 5,769.9%, to £8.4 million for FY21, from £0.1 million for FY20. This increase was primarily due to growth in revenue, partially offset by higher costs to support the growth in the business.

### **Income tax expense**

Income tax expense increased by £1.8 million, or 1,291.1%, to £1.9 million for FY21, from £0.1 million for FY20. This increase was primarily due to increases in taxable profits during the period.

### **Profit for the year**

Profit for the year increased by £6.5 million for FY21, from £7,000 for FY20. This increase was primarily due to the increases in revenue growth.

## **Results of operations for the financial year ended 29 March 2020 compared to the financial year ended 31 March 2019**

The following table presents the Group's results for FY20 compared to FY19.

<i>£'000</i>	<i>Financial year ending</i>	
	<i>29 Mar 2020</i>	<i>31 Mar 2019</i>
<b>Revenue</b>	38,868	27,780
Cost of sales	(14,738)	(9,842)
<b>Gross profit</b>	24,130	17,938
Operating expenses	(23,364)	(17,769)
Other income	33	-
<b>Operating profit</b>	799	169
Finance expense	(483)	(425)
Gain on bargain purchase	-	1,763
Other gains/(losses)	(173)	681
<b>Profit before tax</b>	143	2,188
Income tax expense	(136)	(217)
<b>Profit for the year</b>	7	1,971

### **Adjusted EBITDA**

Adjusted EBITDA is a non-IFRS measure and is defined on page 40.

<i>£'000</i>	<i>Financial year ending</i>	
	<i>29 Mar 2020</i>	<i>31 Mar 2019</i>
<b>Profit for the period</b>	7	1,971
<b>Add back</b>		
Finance expense	483	425
Tax expense	136	217
Depreciation and amortisation	3,051	2,417
<b>EBITDA</b>	3,677	5,030
Impairment of tangible fixed assets	-	-
Gain on bargain purchase	-	(1,763)
Other gains/(losses)	173	(681)
<b>Adjusted EBITDA</b>	3,850	2,586



## **Revenue**

Total revenue increased by £11.1 million or 39.9% to £38.9 million in FY20 from £27.8 million in FY19. The increase was primarily due to growth in transaction volume which grew by 0.37 million, or 34.8% to 1.43 million in FY20 compared to 1.07 million in FY19.

Revenue from the ecommerce channel increased by £2.8m, or 24.6%, to £14.4 million for FY20 from £11.6 million in FY19, due to increased customer visits and transactions. Ecommerce channel revenues represented 37.0% of the total Group revenue for FY20 (41.6% for FY19). Revenue from the retail channel increased by £8.2m, or 50.8%, to £24.5 million for FY20 from £16.2 million in FY19. The average number of open retail stores during FY20 was 52 compared to 41 in FY19, predominantly as a result of the acquisition of certain trade and assets of the Steamer Trading business (from administration) including 27 retail stores during FY19, of which there were 11 remaining by the end of the financial year ending 29 March 2020.

Revenue generated from UK customers increased by £10.8 million, or 42.0%, to £36.4 million for FY20 from £25.7 million in FY19. Revenue generated from customers outside of the UK, increased by £0.3 million or 15.1%, to £2.4 million for FY20 from £2.1 million in FY19.

## **Cost of sales**

Cost of sales increased by £4.9 million, or 49.7%, to £14.7 million for FY20, from £9.8 million for FY19. The revenue growth resulted in a £3.9 million corresponding increase in the costs of sales for the products sold, with a further increase in costs due to a deterioration in product margins of £1.0m driven by the sale and clearance activities in respect of Steamer Trading stock acquired during the previous financial year.

## **Gross profit**

Gross profit increased by £6.2 million, or 34.5%, to £24.1 million for FY20, from £17.9 million for FY19. This growth was due to increases in volumes sold partially offset by a deterioration in product margins as set out above. Gross margin for FY20 was 62.1% compared to 64.6% for FY19.

## **Operating expenses**

Operating expenses increased by £5.6 million, or 31.5%, to £23.4 million for FY20, from £17.8 million for FY19. This increase was primarily due to volume driven cost increases.

## **Adjusted EBITDA**

Adjusted EBITDA increased by £1.3 million, or 48.9%, to £3.9 million for FY20, from £2.6 million for FY19. This increase was primarily due by growth in revenue, and was partially offset by lower gross profit margins, and volume driven cost increases and investment to support the growth in the business.

## **Depreciation and amortisation**

Depreciation and amortisation increased by £0.6 million, or 26.3%, to £3.1 million for FY20, from £2.4 million for FY19. This increase was primarily due to higher depreciation charges on right-of-use assets.

## **Operating profit**

Operating profit increased by £0.6 million, or 372.8%, to £0.8 million for FY20, from £0.2 million for FY19. This increase was driven by growth in revenue, partially offset by the gross margin deterioration set out above and higher costs to support the growth in the business.

## **Finance expenses**

Finance expenses increased by £0.1 million, or 13.6%, to £0.5 million for FY20, from £0.4 million for FY19. This decrease was primarily due to lower finance expenses on lease liabilities.

### **Gain on bargain purchase**

The gain on bargain purchase of £1.8 million in FY19 reflected the gain realised on acquisition of the trade and certain assets in respect of Steamer Trading (from administration) during that year.

### **Other gains/(losses)**

Other gains/(losses) were £0.2 million loss, for FY20, compared to £0.7 million gain for FY19. These represented unrealised gains and (losses) in respect of the Group's foreign exchange hedging activities.

### **Profit before tax**

Profit before tax decreased by £2.3 million, or 94.2%, to £0.1 million for FY20, from £2.5 million for FY19 primarily due to the gross margin deterioration and the non-recurrence of the above-mentioned gain on bargain purchase in FY20.

### **Income tax expense**

Income tax expense decreased by £0.1 million, or 37.3%, to £0.1 million for FY20, from £0.2 million for FY19 reflecting differences in allowable and disallowable expenses year on year.

### **Profit for the year**

Profit for the year decreased by £2.0 million, or 99.6%, to £7,000 for FY20, from £2.0 million for FY19. This decrease was primarily due to the gross margin deterioration and non-recurrence of the gain on bargain purchase as set out above.

### **Liquidity and capital resources**

The Group's primary sources of liquidity are the cash flows generated from its operations, along with its bank trade finance facility. The primary use of this liquidity was to fund the Group's operations and investments in capitalised assets.

### **Borrowings**

The table below sets out the Group's interest-bearing loans and other finance facilities as at the dates indicated.

£'000	<i>Financial year ending</i>			<i>12 weeks ending</i>	
	<i>02 Apr 2018</i>	<i>31 Mar 2019</i>	<i>29 Mar 2020</i>	<i>04 Apr 2021</i>	<i>27 Jun 2021</i>
<b>Current</b>					
Trade finance facility	1,263	2,147	2,930	2,803	70
Bank overdrafts	720	120	323	-	4
Facilities drawn	1,983	2,267	3,253	2,803	74
Bank loans	461	952	986	-	-
Lease liabilities	1,670	1,868	2,281	2,783	2,965
Total current interest bearing loans and borrowings	4,114	5,087	6,520	5,586	3,039
<b>Non-current</b>					
Bank loans	2,865	3,321	2,357	-	-
Lease liabilities	7,235	5,910	6,294	14,636	16,510
Total non-current borrowings	10,100	9,231	8,651	14,636	16,510
<b>Total borrowings</b>	14,214	14,318	15,171	20,222	19,549
<i>Split of the above:</i>					
Current bank loans	461	952	986	-	-
Non-current bank loans	2,865	3,321	2,357	-	-
<b>Total net bank loans</b>	3,326	4,273	3,343	-	-

**Note:**

1. The bank loans noted above are secured by way of a mortgage over the leasehold of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This charge was registered on 30 December 2015. The loan matures in 15 years from this date and incurs interest of 2% above Bank of England base rate. All loans were fully repaid in the year ended 4 April 2021.

**Commitments and contingent liabilities****Commitments**

The Group's contractual commitments as at 27 June 2021 primarily relate to lease liabilities, trade and other payables, derivative financial instruments and the Group's trade finance facility.

<i>£'000</i>	<i>As at 27 Jun 2021</i>			<i>Total</i>
	<i>Within 1 year</i>	<i>Between 1 and 5 years</i>	<i>After 5 years</i>	
Trade finance facility	70	-	-	70
Bank overdraft	4	-	-	4
Lease liabilities	3,388	9,356	9,168	21,912
Derivative financial instruments	949	-	-	949
Trade and other payables	3,848	-	-	3,848
<b>Total</b>	<b>8,259</b>	<b>9,356</b>	<b>9,168</b>	<b>26,783</b>

On 2 September 2021 ProCook entered into a 15-year agreement for lease in respect of Unit 10, St, Moden Park, Harsefield, Gloucester, GL10 3EZ. The expected commencement date of the lease is 1 August 2022, with expected rentals of £1,128,505 per annum and a rent-free period of 24 months, which will be spread evenly over the initial 48 months of the lease. The ProCook Limited Group held no additional capital, financial and or other commitments at any period end throughout the historical financial information period.

**Contingent liabilities**

The Group did not have any contingent liabilities throughout the historical period under review.

**Historical consolidated cash flow statement data**

The table below summarises the Group's cash flows for the financial periods indicated.

<i>£'000</i>	<i>Financial year ending</i>			<i>12 weeks ending</i>	
	<i>31 Mar 2019</i>	<i>29 Mar 2020</i>	<i>04 Apr 2021</i>	<i>21 Jun 2020</i>	<i>27 Jun 2021</i>
				<i>(unaudited)</i>	
Net cash flows from operating activities	3,952	4,398	7,563	3,534	3,471
Net cash (used in)/from investing activities	(1,783)	(659)	3,087	(17)	(477)
Net cash used in financing activities	(852)	(3,422)	(7,404)	(1,765)	(3,614)
Net increase in cash and cash equivalents	1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of period	999	2,316	2,633	2,633	5,879
<b>Cash and cash equivalents at end of period</b>	<b>2,316</b>	<b>2,633</b>	<b>5,879</b>	<b>4,385</b>	<b>5,259</b>

**Cash flows from/(used in) operating activities**

Cash flows from operating activities reduced by £0.1 million to £3.5 million in the 12-week period ended 27 June 2021 from £3.5 million in the 12-week period ended 21 June 2020 primarily due to the increased profit from operations offset by a lower decrease in net working capital.

Cash flows from operating activities increased by £3.2 million to £7.6 million in FY21 from £4.4 million in FY20 primarily due to the £9.0 million increase in profit from operations for the year,

partly offset by increased investment in net working capital (£4.5 million increase) and higher income taxation paid (£1.7 million increase).

Cash flows from operating activities increased by £0.4 million to £4.4 million in FY20 from £4.0 million in FY19 primarily due to the £0.6 million increase in operating profit for the year.

#### **Cash flows from/(used in) investing activities**

Cash flows used in investing activities increased by £0.5 million to £0.5 million in the 12-week period ended 27 June 2021 from £0.0 million in the 12-week period ended 21 June 2020 primarily due to increased investment in property, plant and equipment in the period.

Cash flows from investing activities increased by £3.7 million to £3.1 million in FY21 from £0.7 million cash used in investing activities in FY20 primarily due to the completion of the sale and leaseback of the Group's head office and warehouse site in Gloucester, UK (£5.1 million) during the financial year, partly offset by a £1.3 million increase in capital additions.

Cash flows used in investing activities decreased by £1.1 million to £0.7 million used in FY20 compared to £1.8 million used in FY19 primarily due to the acquisition of certain trade and assets from Steamer Trading (in administration) during FY19.

#### **Cash flows from/(used in) financing activities**

Cash flows used in financing activities increased by £1.9 million to £3.6 million in the 12-week period ended 27 June 2021 from £1.7 million in the 12-week period ended 21 June 2020 primarily due to higher payments on lease liabilities (£0.6 million) and higher repayment of borrowings (£1.4 million).

Cash flows used in financing activities increased by £4.0 million to £7.4 million in FY21 from £3.4 million cash used in financing activities in FY20 primarily due to the repayment of the mortgage in respect of the Group's head office and warehouse site in Gloucester, UK, following the completion of the sale and leaseback during the financial year, combined with repayment of other bank loans (£3.3 million increase), as well as higher dividends paid in the financial year (£1.0 million increase), partially offset by lower repayments on lease liabilities (£0.2 million).

Cash flows used in financing activities increased by £2.6 million to £3.4 million used in FY20 compared to £0.9 million used in FY19 primarily due to the higher net repayment of borrowings in the year (£2.0 million) and higher lease liability payments as a result of increased number of retail stores (£0.5 million).

#### **Capital expenditure**

<i>£'000</i>	<i>Financial year ending</i>			<i>12 weeks ending</i>
	<i>31 Mar 2019</i>	<i>29 Mar 2020</i>	<i>04 Apr 2021</i>	<i>27 Jun 2021</i>
Land and Buildings	36	10	98	66
Leasehold improvements	-	75	2	-
Plant and machinery	4	2	206	41
Fixtures and Fittings	628	572	1,660	279
<b>Total tangible assets</b>	668	659	1,966	386
Intangible assets			67	90
<b>Total</b>	668	659	2,033	476

The most significant item of capital expenditure by the Group has been its investments in the retail estate which are predominantly fixtures and fittings acquired for new store openings and store refits, and for the warehouses the Group operates. In FY21, the Group invested £2.0 million on store refits and the new warehouse facility which it opened in Gloucester, UK.

**Off-Balance Sheet arrangements**

The Group did not have any off-balance sheet arrangements as at 27 June 2021, and generally does not use them.

**Quantitative and Qualitative Disclosures about Market Risks**

For a description of the Group's management of market, credit and liquidity risks, see Note 30 of Part 7 (Historical financial information).

**Critical accounting policies, estimates and judgements**

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see Note 1 of Part 7 (Historical financial information).

## PART 6

### CAPITALISATION AND INDEBTEDNESS

The following tables set out the consolidated capitalisation as at 27 June 2021 and the unaudited indebtedness of the Group as at 19 September 2021.

You should read these tables together with Part 5 (Operating and financial review) of this document.

	As at 19 September 2021 (£'000) (unaudited)
<i>Indebtedness £'000</i>	
<b>Total current debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/unsecured <sup>1</sup>	3,625
<b>Total non-current debt (excluding portion of long-term debt)</b>	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
<b>Total Indebtedness</b>	<u>3,625</u>

(1) Current unsecured debt comprises £3.6m of trade finance facilities.

	As at 27 June 2021 (£'000) (unaudited)
<i>Shareholders' equity £'000</i>	
Share capital	0
Legal reserve	-
Share premium reserve	-
Other reserves	-
<b>Total</b>	<u>0</u>

The following table details the net indebtedness of the Group as at 19 September 2021.

	<i>As at 19 September 2021 (£'000) (unaudited)</i>
<i>Indebtedness £'000</i>	
Cash and cash equivalents	5,522
<b>Liquidity</b>	<u>5,522</u>
<b>Current Financial Receivable</b>	-
Current Bank debt	(3,625)
Current portion of non-current Bank debt	-
Other current financial debt	-
<b>Current financial debt</b>	<u>(3,625)</u>
<b>Net Current Financial Indebtedness</b>	<u>1,897</u>
Non-current bank loans	-
Other non-current loans and liabilities	-
<b>Non-current Financial Indebtedness</b>	<u>-</u>
<b>Net Financial Indebtedness</b>	<u><u>1,897</u></u>

**Notes to the capitalisation and net indebtedness statement**

- (i) The figures for capitalisation have been extracted without material adjustment from the Historical Financial Information set out in Part 7.
- (ii) Capitalisation does not include the profit and loss reserve in accordance with the ESMA update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.
- (iii) The Group's capitalisation in the table above does not take into account the reorganisation described in paragraph 3.9 of Part 10 (Additional information) of this document. Except for that reorganisation, there has been no material change to the Group's total capitalisation since 27 June 2021.
- (iv) The statement of indebtedness has been extracted without material adjustment from the unaudited management accounts for the period ended 19 September 2021, which have been prepared using policies that are consistent with those applied in preparing the Historical Financial Information set out in Part 7 (Historical financial information) of this document.
- (v) In addition to the above indebtedness, the Group had current and non-current lease liabilities of £3.4 million and £20.6 million respectively.

## PART 7

### HISTORICAL FINANCIAL INFORMATION

#### Section A: Accountant's report on the historical financial information



BDO LLP  
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London  
W1U 7EU

The Directors  
ProCook Group Limited  
Davy Way  
Waterwells  
Gloucester  
GL2 2BY

Peel Hunt LLP  
7th Floor,  
100 Liverpool St,  
London  
EC2M 2AT

1 November 2021

Dear Sir or Madam

**ProCook Group Limited (the "Company")**  
**ProCook Limited and its subsidiary undertakings (together, the "ProCook Limited Group")**

#### Introduction

We report on the financial information set out in Section B of Part 7 of the prospectus dated 1 November 2021 of the Company (the "Prospectus").

We have not audited or reviewed the financial information for the 12 weeks ended 21 June 2020, which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

#### Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the ProCook Limited Group as at the end of the three financial years ended 31 March 2019, 29 March 2020, 4 April 2021 and as at the end of the 12 week period ended 27 June 2021 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Accounting Standards as adopted by the United Kingdom.

#### Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Accounting Standards as adopted by the United Kingdom.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the Prospectus Regulation, consenting to its inclusion in the Prospectus.



**Basis of preparation**

This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 18.3.1 of Annex 1 of the Prospectus Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Conclusions relating to going concern**

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the ProCook Limited Group to continue as a going concern for a period of at least twelve months from the date of the Prospectus. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

**Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the Prospectus Regulation.

Yours faithfully

**BDO LLP**

*Chartered Accountants*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Section B: Historical financial information

### Statements of profit or loss and other comprehensive income

		<i>Year ended</i> 31 March 2019 £'000	<i>Year ended</i> 29 March 2020 £'000	<i>Year ended</i> 4 April 2021 £'000	<i>12 week</i> <i>period ended</i> 21 June 2020 £'000 <i>(unaudited)</i>	<i>12 week</i> <i>period ended</i> 27 June 2021 £'000
<b>Revenue</b>	4	27,780	38,868	53,417	7,913	14,778
Cost of sales		(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
<b>Gross profit</b>		17,938	24,130	36,652	5,276	10,242
Operating expenses	5	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	8	–	33	2,848	1,324	263
<b>Profit from operations</b>		169	799	9,758	1,329	2,487
Finance expense	10	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	31	1,763	–	–	–	–
Other gains/(losses)	11	681	(173)	(949)	(114)	223
<b>Profit before tax</b>		2,188	143	8,394	1,121	2,587
Tax expense	12	(217)	(136)	(1,892)	(210)	(393)
<b>Profit for the period</b>		1,971	7	6,502	911	2,194
<b>Other comprehensive income</b>						
Total other comprehensive income		–	–	–	–	–
<b>Total comprehensive income</b>		1,971	7	6,502	911	2,194
<b>Earnings per share for profit attributable to the owners of the parent</b>						
Basic (pence)	14	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted (pence)		1.87p	0.00p	6.10p	0.86p	2.02p

## Statements of financial position

		<i>As at</i> 2 April 2018 £'000	<i>As at</i> 31 March 2019 £'000	<i>As at</i> 29 March 2020 £'000	<i>As at</i> 4 April 2021 £'000	<i>As at</i> 27 June 2021 £'000
	<i>Note</i>					
<b>Assets</b>						
<b>Current assets</b>						
Inventories	19	2,950	5,592	5,307	9,943	10,447
Trade and other receivables	20	557	915	782	1,888	2,296
Cash and cash equivalents	21	1,720	2,436	2,956	5,879	5,263
<b>Total current assets</b>		<u>5,227</u>	<u>8,943</u>	<u>9,045</u>	<u>17,710</u>	<u>18,006</u>
<b>Non-current assets</b>						
Property, plant, and equipment	15	6,510	7,134	7,101	3,846	4,039
Right-of-use assets	16	8,904	7,659	8,348	15,582	17,638
Intangible assets	17	-	-	-	67	157
<b>Total non-current assets</b>		<u>15,414</u>	<u>14,793</u>	<u>15,449</u>	<u>19,495</u>	<u>21,834</u>
<b>Total assets</b>		<u>20,641</u>	<u>23,736</u>	<u>24,494</u>	<u>37,205</u>	<u>39,840</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	22	2,147	3,303	3,902	6,612	7,786
Lease liabilities	16	1,670	1,868	2,281	2,783	2,965
Borrowings	23	2,444	3,219	4,239	2,803	74
Corporation tax payable	12	136	331	294	413	252
<b>Total current liabilities</b>		<u>6,397</u>	<u>8,721</u>	<u>10,716</u>	<u>12,611</u>	<u>11,077</u>
<b>Non-current liabilities</b>						
Lease liabilities	16	7,235	5,910	6,294	14,636	16,510
Borrowings	23	2,865	3,321	2,357	-	-
Other provisions	24	160	160	160	160	160
Deferred tax liabilities	12	240	414	250	29	130
<b>Total non-current liabilities</b>		<u>10,500</u>	<u>9,805</u>	<u>9,061</u>	<u>14,825</u>	<u>16,800</u>
<b>Total liabilities</b>		<u>16,897</u>	<u>18,526</u>	<u>19,777</u>	<u>27,436</u>	<u>27,877</u>
<b>NET ASSETS</b>		<u>3,744</u>	<u>5,210</u>	<u>4,717</u>	<u>9,769</u>	<u>11,963</u>
<b>Issued capital and reserves attributable to owners of ProCook Limited</b>						
Share capital	27	-	-	-	-	-
Revaluation reserve	28	472	472	472	-	-
Retained earnings		3,272	4,738	4,245	9,769	11,963
<b>TOTAL EQUITY</b>		<u>3,744</u>	<u>5,210</u>	<u>4,717</u>	<u>9,769</u>	<u>11,963</u>

## Statements of changes in equity

	<i>Share capital £'000</i>	<i>Revaluation reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
<b>Balance as at 2 April 2018</b>	–	472	3,272	3,744
<b><i>Comprehensive Income for the year</i></b>				
Profit	–	–	1,971	1,971
<b><i>Contributions by and distributions to owners</i></b>				
Dividends	–	–	(505)	(505)
<b>Balance as at 31 March 2019</b>	<u>–</u>	<u>472</u>	<u>4,738</u>	<u>5,210</u>
<b>Balance as at 1 April 2019</b>	–	472	4,738	5,210
<b><i>Comprehensive Income for the year</i></b>				
Profit	–	–	7	7
<b><i>Contributions by and distributions to owners</i></b>				
Dividends	–	–	(500)	(500)
<b>Balance as at 29 March 2020</b>	<u>–</u>	<u>472</u>	<u>4,245</u>	<u>4,717</u>
<b>Balance as at 30 March 2020</b>	–	472	4,245	4,717
<b><i>Comprehensive Income for the year</i></b>				
Profit	–	–	6,502	6,192
Transfer from revaluation reserve to retained earnings	–	(472)	472	–
<b><i>Contributions by and distributions to owners</i></b>				
Dividends	–	–	(1,450)	(1,450)
<b>Balance as at 4 April 2021</b>	<u>–</u>	<u>–</u>	<u>9,769</u>	<u>9,769</u>
<b>Balance as at 5 April 2021</b>	–	–	9,769	9,769
<b><i>Comprehensive Income for the period</i></b>				
Profit	–	–	2,194	2,194
<b>Balance as at 27 June 2021</b>	<u>–</u>	<u>–</u>	<u>11,963</u>	<u>11,963</u>

## Statements of cash flows

		Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
	Note					
<b>Cash flows from operating activities</b>						
Profit before tax		2,188	143	8,394	1,121	2,587
<i>Adjustments for:</i>						
Depreciation and impairment of property, plant, and equipment	15	544	650	917	164	182
Loss/(profit) on disposal of property, plant, and equipment		-	42	215	-	10
Amortisation of right-of-use assets	16	1,873	2,401	2,646	578	758
Currency translation (gains)/losses	5	(66)	380	519	-	-
Gain on bargain purchase	31	(1,763)	-	-	-	-
Other (gains)/losses		(681)	173	949	114	(223)
Finance expense	10	425	483	415	94	123
		<u>2,520</u>	<u>4,272</u>	<u>14,055</u>	<u>2,071</u>	<u>3,439</u>
Decrease/(increase) in inventories		95	(94)	(5,155)	(53)	(504)
(Increase)/decrease in trade and other receivables		(184)	(40)	(2,052)	(526)	(185)
Increase in trade and other payables		<u>1,663</u>	<u>597</u>	<u>2,710</u>	<u>2,042</u>	<u>1,174</u>
Cash generated from operations		4,094	4,735	9,558	3,534	3,924
Income taxes paid		<u>(142)</u>	<u>(337)</u>	<u>(1,995)</u>	<u>-</u>	<u>(453)</u>
<b>Net cash flows from operating activities</b>		<u>3,952</u>	<u>4,398</u>	<u>7,563</u>	<u>3,534</u>	<u>3,471</u>
<b>Investing activities</b>						
Purchase of property, plant, and equipment	15	(668)	(659)	(1,966)	(17)	(387)
Purchase of intangible assets	17	-	-	(67)	-	(90)
Sale of property, plant and equipment		-	-	5,120	-	-
Business acquisition, net of cash acquired	31	<u>(1,115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash (used in)/ from investing activities</b>		<u>(1,783)</u>	<u>(659)</u>	<u>3,087</u>	<u>(17)</u>	<u>(477)</u>

		<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>12 week</i>	<i>12 week</i>
	<i>Note</i>	<i>31 March</i>	<i>29 March</i>	<i>4 April</i>	<i>period ended</i>	<i>period ended</i>
		<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>21 June</i>	<i>27 June</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
					<i>(unaudited)</i>	
<b>Financing activities</b>						
Interest paid		(201)	(241)	(90)	(43)	(9)
Proceeds from borrowings		1,831	-	-	-	-
Repayment of borrowings		-	(147)	(3,470)	(1,359)	(2,733)
Principal movement on lease liabilities		(1,753)	(2,292)	(2,069)	(212)	(758)
Interest paid on lease liabilities		(224)	(242)	(325)	(51)	(114)
Dividends paid to the holders of the parent		(505)	(500)	(1,450)	(100)	-
<b>Net cash used in financing activities</b>		<u>(852)</u>	<u>(3,422)</u>	<u>(7,404)</u>	<u>(1,765)</u>	<u>(3,614)</u>
Net increase/(decrease) in cash and cash equivalents		1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of the period		<u>999</u>	<u>2,316</u>	<u>2,633</u>	<u>2,633</u>	<u>5,879</u>
<b>Cash and cash equivalents at end of period</b>	21	<u>2,316</u>	<u>2,633</u>	<u>5,879</u>	<u>4,385</u>	<u>5,259</u>
<b>Relating to:</b>						
Cash at bank and in hand		2,436	2,956	5,879	4,385	5,263
Bank overdrafts included in creditors payable within one year		(120)	(323)	-	-	(4)

## **Notes to the historical financial information**

### **1. General Information**

ProCook Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY.

The principal activity of ProCook Limited together with its subsidiary undertakings (the "ProCook Limited Group") throughout the period is the provision of retail of cookware and related products.

The information for the periods covered by the historical financial information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for period ended three years ended 31 March 2019, 29 March 2020 and 4 April 2021 has been delivered to the Registrar of Companies. 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. Accounting policies**

#### **2.1 Basis of preparation**

The historical financial information provided presents the consolidated financial track record of the ProCook Limited Group for the three years ended 31 March 2019, 29 March 2020 and 4 April 2021 and the 12 week period ended 27 June 2021, with unaudited comparatives to 21 June 2020 and is prepared for the purposes of admission to the London Stock Exchange.

This financial information has been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") and the requirements of the Prospectus Regulation and the Listing Rules.

The historical financial information is prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities, which are modified to include certain financial instruments at fair value through profit or loss. The historical financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated. In preparing the consolidated historical financial information of the ProCook Limited Group, the ProCook Limited Group has applied IFRS for the first time from 2 April 2018. The principles and requirements for first time adoption of IFRS are set out in IFRS 1, see Note 35. Statutory accounts for the years ended 31 March 2019, 29 March 2020 and 4 April 2021 have been delivered to the Registrar of Companies. The auditors' reports on the accounts for the years ended 31 March 2019, 29 March 2020 and 4 April 2021 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the historical financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The ProCook Limited Group have applied the requirements of IFRS 16 Leases from 2 April 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the historical financial information. As such, IFRS 16 had been applied at 2 April 2018 which is the start of the historical financial period. The modified retrospective method of adoption was applied and has resulted in recognition of assets (right-of-use assets) by the ProCook Limited Group representing the right to use items under operating leases. Lease liabilities have also been directly recognised on the balance sheet representing obligations for future operating lease payables. Lease costs each financial year are now recognised in the form of depreciation of the right-of-use asset and interest expense on the lease liability. This results in a higher interest expense in the earlier years of the lease term, however the total expense that is ultimately recognised in the Income Statement over the life of the lease will remain unaffected by the new standard.

#### **2.2 Going concern**

The ProCook Limited Group have traded positively during the COVID-19 period and has continued to invest in growth throughout the historical financial period.

The ProCook Limited Group has continued to trade throughout the historical financial period under a net asset position. The Directors are pleased with progress of trading to date, and in particular, the progress made relative to the challenges of the last twelve months, whilst continuing to grow the customer base and increase awareness of the brand. With the retail estate closed for approximately half of the FY21 financial year, the ProCook Limited Group was able to quickly adapt to the rapid shift of customer demand towards online sales channels, thanks to the well-established and flexible multichannel model supported by high levels of customer service.

The Directors have assessed the ability of ProCook Limited and the ProCook Limited Group to continue as a going concern using cash flow forecasts. With the continued encouraging current trading results the Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of signing these financial statements.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the ProCook Limited Group or ProCook Limited's ability to continue as a going concern. They remain mindful of the ongoing pandemic but are confident they have appropriate plans in place to mitigate. Therefore, the financial statements continue to be prepared on the going concern basis.

### 2.3 **Basis of consolidation**

#### *Subsidiaries*

Subsidiaries are all entities over which ProCook Limited has control. The ProCook Limited Group controls an entity when ProCook Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to ProCook Limited until the date that control ceases.

Where necessary, amounts reported by subsidiaries have been adjusted to conform with ProCook Limited's accounting policies.

#### *Transactions eliminated on consolidation*

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

### 2.4 **New standards, amendments, and interpretations**

New standards impacting the ProCook Limited Group that have been adopted for the year ended 4 April 2021 are as follows:

- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

Following an assessment, the ProCook Limited Group have determined that these standards have no material impact.

#### ***New standards, amendments and interpretations not yet adopted***

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the ProCook Limited Group:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the ProCook



Limited Group has decided not to adopt early. The following amendments are effective for the period beginning 5 April 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- References to Conceptual Framework (Amendments to IFRS 3).

The ProCook Limited Group does not believe that these standards will have a material impact.

## 2.5 **Revenue recognition**

IFRS 15 “Revenue from Contracts with Customers” is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised with control over goods and services are transferred to the customer.

The ProCook Limited Group operates through store point of sale transactions and website orders. Revenue is recognised at a point in time when the ProCook Limited Group delivers a product to a customer, whether this be at the point of sale in store, or delivery. Payment of the transaction price is due immediately when the customer purchases the product in store or upon ordering online.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

### *Warranties*

Goods supplied provides customers with a warranty within a specified period and this gives rise to an assurance of compliance with agreed upon specifications of each sale. The right of return liability is recognised within trade and other payables.

### *Deferred income*

Sales made through the ProCook Limited Group’s websites are recognised at the point the product is dispatched to the customer. Deferred income is recognised as a creditor at the point where goods have been dispatched but have yet to be received by the customer.

## 2.6 **Other operating income and Government Grants**

Other operating income represents all other income received by the ProCook Limited Group. This includes Government grants for the Job Retention Scheme.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the ProCook Limited Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

In the year ended 4 April 2021 and 12-week period ending 27 June 2021, the ProCook Limited Group utilised the Government’s Coronavirus Job Retention Scheme (‘CJRS’), which allows for businesses to submit claims for repayment of furlough or flexible furlough employee wages as a result of COVID-19. The grant income received has been accounted for in accordance with IAS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’ and shown in other operating income in the income statement and personnel costs have been shown gross of grant income.

## 2.7 **Net finance costs**

### *Finance expense*

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs. Debt issue costs are capitalised and amortised over the life of the associated facility.

### *Finance income*

Finance income comprises interest on bank deposits.

## 2.8 **Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

## 2.9 **Inventories**

Inventory is stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis (AVCO) and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

Stock in transit at the period end is included within inventory at cost, where transfer of ownership can be readily determined.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventory over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

## 2.10 **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the ProCook Limited Group operates and generate taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the ProCook Limited Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed

for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Where applicable the ProCook Limited Group claim Research and Development (R&D) tax reliefs in accordance with the Small and Medium Sized Enterprise (SME) R&D Relief Scheme. Projects are assessed by management to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs.

### 2.11 **Property plant and equipment**

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. The remaining property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

- Land and buildings	10 – 20% straight line
- Leasehold improvements	10% straight line
- Plant and machinery	5% straight line
- Fixtures, fittings and equipment	5 – 33% straight line
- Motor vehicles	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. At each reporting period end date, the ProCook Limited Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

### 2.12 **Intangible assets**

Identifiable development expenditure to develop customised software for IT system is capitalised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The ProCook Limited Group intends to and has sufficient resources to complete the project
- The ProCook Limited Group has the ability to use or sell the software
- The software will generate probable future economic benefits.

Costs not meeting these criteria are classed as research expenditure and are expensed as they are incurred. Directly attributable costs include employee costs incurred on software development. These include costs incurred in developing the ProCook Limited Group's website that meet the assessment of economic viability associated with the development of an internally generated intangible asset.

Intangible assets are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

<i>Intangible type</i>	<i>Useful life</i>
Computer software	3 years

#### 2.13 **Impairment of non-financial assets**

At the end of each reporting period, the ProCook Limited Group reviews the carrying amounts of its non-financial assets to determine whether there is an indication of impairment. For impairment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating unit). As a result, some assets are tested individually for impairment, and some are tested at the cash-generating unit level. Management considers cash generating units to be determinable by individual store and the Ecommerce platform.

Assets and the cash generating unit is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

To determine the value-in-use, management estimate expected future cash flows from the cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined for the cash-generating unit to reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment charges are allocated on a pro-rata basis in accordance with the CGUs' carrying amounts. In allocating the impairment loss to a CGU the carrying amount of each asset within the CGU is reduced to the highest of either its fair value less costs to sell; value in use; or nil. Recognition of impairment losses do not result in a recognition of a liability. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

#### 2.14 **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and for the purpose of cash flows, bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 2.15 **Financial instruments**

Financial instruments are all financial assets and financial liabilities that comprise a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in note 30.

Financial assets and financial liabilities are recognised when the ProCook Limited Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

##### *Financial assets*

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading;
- fair value through other comprehensive income; or
- amortised cost.

The classification depends on the nature and purpose of the financial asset (i.e., the ProCook Limited Group's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

They are measured at amortised cost if they are held within a business mode whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss.

At present the ProCook Limited Group only has financial assets held at amortised cost, apart from derivatives which are measured at fair value through profit and loss.

#### *Financial liabilities*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortised cost, which are measured using the effective interest method.

At present the ProCook Limited Group only has financial liabilities held at amortised cost, apart from derivatives which are measured at fair value through profit and loss.

#### *Impairment of financial assets*

IFRS 9 requires the use of forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Recognition of credit losses is not dependent on the ProCook Limited Group first identifying a credit loss event; instead, the ProCook Limited Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

#### *Trade and other receivables*

The ProCook Limited Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating this, the ProCook Limited Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The ProCook Limited Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics based on grouping debt by days overdue.

## 2.16 **Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 2.17 **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when ProCook Limited is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2.18 **Pensions**

The ProCook Limited Group operates a defined contribution pension scheme. Contributions to scheme are charged to the statement of profit or loss and other comprehensive income in the period to which the contributions relate. The assets of the scheme are held separately from those of the ProCook Limited Group.

### 2.19 **Provisions**

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

A provision against replacement costs under warranties given by ProCook Limited has been made based on senior management's assessment of likely costs in the light of his historic experience.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 2.20 **Leased assets**

At inception of a contract, the ProCook Limited Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the ProCook Limited Group assesses whether: an identified physically distinct asset can be identified; and the ProCook Limited Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the ProCook Limited Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the ProCook Limited Group if it is reasonably certain to access that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the ProCook Limited Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the ProCook Limited Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Where the ProCook Limited Group's property leases contain variable payment terms, payments determined as variable are treated as a charge to the income statement and not capitalised. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

#### *Sale and leaseback*

On entering into a sale and leaseback transaction the ProCook Limited Group determines whether the transfer of the assets qualifies as a sale (satisfying a performance obligation in IFRS 15 'Revenue from Contracts with Customers'). Where the transfer is a sale and providing the transaction is on market terms then the previous carrying amount of the underlying asset is split between:

- a right-of-use asset arising from the leaseback (being the proportion of the previous carrying amount of the asset that relates to the rights retained), and
- the rights in the underlying asset retained by the buyer-lessor at the end of the leaseback. The ProCook Limited Group recognises a portion of the total gain or loss on the sale. The amount recognised is calculated by splitting the total gain or loss into:
  - an unrecognised amount relating to the rights retained by the seller-lessee, and
  - a recognised amount relating to the buyer-lessor's rights in the underlying asset at the end of the leaseback.

The leaseback itself is then accounted for under IFRS 16. Where the transfer is not determined to be a sale, the previous carrying amount of the underlying asset is not adjusted and the liability is included as a financial liability under IFRS 9 Financial Instruments.

## 2.21 **Share options**

ProCook Limited issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed in ProCook Limited's financial statements on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest.

Share options that have been issued by the ProCook Limited Group have been reviewed under the Black Scholes model to evaluate any provision that may be required to set against the reserves of the ProCook Limited Group. All share options that have been issued by the ProCook Limited Group only vest on an exit event such as a sale, takeover or IPO. No share-based payment expense has been included in any period of the historical financial information on the grounds of materiality.

No other entities in the ProCook Limited Group issue any equity-settled share-based incentives.

## 2.22 **Dividends**

Ordinary dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

## 2.23 **Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the ProCook Limited Group. The ProCook Limited Group currently report under three reporting lines; Ecommerce, Retail and Central Operating Costs.

## 2.24 **Business combinations**

The ProCook Limited Group applies the purchase method to account for business combinations. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill, alternatively any deficit from the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as a gain on bargain purchase.

Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

## **3. Significant accounting estimates and judgements**

The ProCook Limited Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



## IFRS 16

The key areas of judgement in relation to property leases recognised under IFRS 16 are below:

### Expired leases

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option, or when either the lessee or the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The ProCook Limited Group will assess the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability, the significance of any fees payable and the level of capital investment in the property.

### Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate (IBR). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the ProCook Limited Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points.

## 4. Revenue from contracts with customers

No one customer makes up 10% or more of revenue in any period. Management considers revenue derives from one business stream being the retail of cookware and related products.

### Geographical reporting

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
United Kingdom	25,672	36,442	50,110	7,067	13,824
European Union	2,108	2,426	3,307	846	954
<b>Total revenue</b>	<b>27,780</b>	<b>38,868</b>	<b>53,417</b>	<b>7,913</b>	<b>14,778</b>

### Timing of transfer of goods or services

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	3 month period ended 21 June 2020 £'000 (unaudited)	3 month period ended 27 June 2021 £'000
At a point in time	27,780	38,868	53,417	7,913	14,778

### Type of goods or services

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Sale of goods	27,780	38,868	53,417	7,913	14,778

## 5. Expenses by nature

Operating profit for the periods is stated after charging/(crediting):

	<i>Year ended</i> <i>31 March</i> <i>2019</i> <i>£'000</i>	<i>Year ended</i> <i>29 March</i> <i>2020</i> <i>£'000</i>	<i>Year ended</i> <i>4 April</i> <i>2021</i> <i>£'000</i>	<i>12 week</i> <i>period ended</i> <i>21 June</i> <i>2020</i> <i>£'000</i> <i>(unaudited)</i>	<i>12 week</i> <i>period ended</i> <i>27 June</i> <i>2021</i> <i>£'000</i>
Exchange (gains)/losses	(66)	380	519	-	-
Depreciation of tangible fixed assets	544	650	708	163	182
Amortisation of right-of-use-assets	1,873	2,401	2,646	578	758
Impairment of tangible fixed assets	-	-	209	-	-
	<u>-</u>	<u>-</u>	<u>209</u>	<u>-</u>	<u>-</u>

## 6. Segmental reporting

The ProCook Limited Group has three reporting segments, being Retail, Ecommerce, and Central costs. No non-GAAP reporting measures are monitored. Total assets and liabilities are not provided to the CODM in the ProCook Limited Group's internal management reporting by segment and therefore are not presented below, information on segments is reported at an operating profit level only. Central costs has no revenue associated with the segment. Information about geographical revenue is disclosed in note 4. No individual customer accounted for 10% or more of turnover during the reporting period.

	<i>Year ended</i> <i>31 March</i> <i>2019</i> <i>£'000</i>	<i>Year ended</i> <i>29 March</i> <i>2020</i> <i>£'000</i>	<i>Year ended</i> <i>4 April</i> <i>2021</i> <i>£'000</i>	<i>12 week</i> <i>period ended</i> <i>21 June</i> <i>2020</i> <i>£'000</i> <i>(unaudited)</i>	<i>12 week</i> <i>period ended</i> <i>27 June</i> <i>2021</i> <i>£'000</i>
<b>Revenue</b>					
Ecommerce	11,552	14,398	39,876	7,307	7,842
Retail	16,228	24,470	13,541	606	6,936
	<u>27,780</u>	<u>38,868</u>	<u>53,417</u>	<u>7,913</u>	<u>14,778</u>
<b>Operating profit</b>					
Ecommerce	2,186	2,788	14,112	2,543	2,093
Retail	924	2,006	1,849	(206)	2,099
Central costs	(2,941)	(3,995)	(6,203)	(1,008)	(1,705)
<b>Profit from operations</b>	<u>169</u>	<u>799</u>	<u>9,758</u>	<u>1,329</u>	<u>2,487</u>

## 7. Auditor remuneration

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Fee payable for the audit of the ProCook Limited Group's and subsidiary financial statements	14	19	17	-	17
Fees relating to other services	9	12	12	-	-
Total audit remuneration	<u>23</u>	<u>31</u>	<u>29</u>	<u>-</u>	<u>17</u>

The audit fee is borne by ProCook Limited.

## 8. Other income

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Other income	-	33	43	9	7
Government grants	-	-	2,805	1,315	256
Total other income	<u>-</u>	<u>33</u>	<u>2,848</u>	<u>1,324</u>	<u>263</u>

The grants relate to the Government's Coronavirus Job Retention Scheme ('CJRS'), there are no unfulfilled conditions or contingencies attached to these grants that have been recognised.

## 9. Employee benefit expense

Employee benefit expenses (including directors) comprise:

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Wages and salaries	5,911	8,361	9,919	1,692	2,750
Social security contributions and similar taxes	422	573	695	115	205
Other pension costs	84	128	136	25	41
	<u>6,417</u>	<u>9,062</u>	<u>10,750</u>	<u>1,832</u>	<u>2,996</u>

The average number of persons employed by the ProCook Limited Group (including directors) by activity amount to:

	<i>Year ended 31 March 2019</i>	<i>Year ended 29 March 2020</i>	<i>Year ended 4 April 2021</i>	<i>12 week period ended 21 June 2020 (unaudited)</i>	<i>12 week period ended 27 June 2021</i>
Shop and admin staff	620	550	559	466	661
	<u>620</u>	<u>550</u>	<u>559</u>	<u>466</u>	<u>661</u>

### **Key management personnel compensation**

Key management personnel include all directors of ProCook Limited, who together have authority and responsibility for planning, directing, and controlling the activities of the ProCook Limited Group's business. There are no key management personnel other than the Directors of ProCook Limited.

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Director emoluments	20	18	19	4	4
Dividends	383	255	638	51	-
Social security costs	3	3	-	-	-
	<u>406</u>	<u>276</u>	<u>657</u>	<u>55</u>	<u>4</u>

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Emoluments	9	9	10	2	2
Dividends	195	130	325	26	-
	<u>204</u>	<u>139</u>	<u>335</u>	<u>28</u>	<u>2</u>

### **10. Finance expense**

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
<i>Finance expense:</i>					
Interest on bank overdrafts and other interest	201	241	90	43	9
Interest on lease liabilities	224	242	325	51	114
<b>Total finance expense</b>	<u>425</u>	<u>483</u>	<u>415</u>	<u>94</u>	<u>123</u>

**11. Other gains and losses**

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Gain/(loss) on derivatives	681	(173)	(949)	(114)	223
	<u>681</u>	<u>(173)</u>	<u>(949)</u>	<u>(114)</u>	<u>223</u>

**12. Tax expense**

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
<b>Analysis of expense in year</b>					
Current tax on profits for the year	337	294	2,113	322	425
Adjustments in respect of previous years	–	6	–	–	(133)
<b>Total current tax</b>	<u>337</u>	<u>300</u>	<u>2,113</u>	<u>322</u>	<u>292</u>
<b>Deferred tax</b>					
Origination and reversal of temporary differences	(120)	(162)	(221)	(112)	101
Adjustment in respect of prior periods	–	(2)	–	–	–
<b>Total deferred tax</b>	<u>(120)</u>	<u>(164)</u>	<u>(221)</u>	<u>(112)</u>	<u>101</u>
<b>Tax expense per statement of comprehensive income</b>	<u>217</u>	<u>136</u>	<u>1,892</u>	<u>210</u>	<u>393</u>

The tax credits for the periods presented differ from the standard rate of corporate tax. The differences are explained below:

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Profit on ordinary activities before tax	<u>2,188</u>	<u>143</u>	<u>8,394</u>	<u>1,121</u>	<u>2,587</u>
Tax using the domestic tax rates	416	27	1,595	213	492
Effects of:					
Tax effect of expenses that are not deductible for tax purposes	14	1	6	-	1
Adjustments in respect of prior years	(17)	2	116	-	(134)
Effect of change in corporation tax rate	-	32	-	-	-
Permanent capital allowances in excess of depreciation	64	74	(134)	-	34
Other differences	(260)	-	-	(3)	-
Chargeable gains	-	-	309	-	-
<b>Total taxation expense</b>	<u>217</u>	<u>136</u>	<u>1,892</u>	<u>210</u>	<u>393</u>

The main rate of UK corporation tax was 19% for all periods included in the HFI up to 4 April 2021. The UK corporation tax will be set at the main rate of 25% from the financial year 2023, this was substantially enacted on 24 May 2021 and balances as at 27 June 2021 are recorded as such.

#### **Current tax assets and liabilities**

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Income tax payable	<u>136</u>	<u>331</u>	<u>294</u>	<u>413</u>	<u>252</u>
	<u>136</u>	<u>331</u>	<u>294</u>	<u>413</u>	<u>252</u>

The following is the analysis of the deferred tax balances for financial reporting purposes:

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Accelerated capital allowances and other timing differences	240	214	250	294	130
	<u>240</u>	<u>214</u>	<u>250</u>	<u>294</u>	<u>130</u>

### **Movement in the year**

Liability at 2 April 2018	240
Arising on business combination	294
Credit to profit and loss	(120)
Liability at 31 March 2019	<u>414</u>
Liability at 1 April 2019	414
Charge to profit and loss	(164)
Liability at 29 March 2020	<u>250</u>
Liability at 30 March 2020	250
Charge to profit and loss	(221)
Liability at 4 April 2021	<u>29</u>
Liability at 5 April 2021	29
Charge to profit and loss	101
Liability at 4 July 2021	<u>130</u>

### **13. Dividends**

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 27 June 2021 £'000</i>
Final dividends paid	505	500	1,450	-
	<u>505</u>	<u>500</u>	<u>1,450</u>	<u>-</u>

Dividend paid per share at 27 June 2021 £Nil (4 April 2021: £145; 29 March 2020: £50; 31 March 2019: £51).

### **14. Earnings per share**

Basic and diluted earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue. Earnings per share is presented based on the number of shares outstanding in the Company, after giving effect to the share for share exchange, bonus issue and capital reduction as part of the corporate reorganisation set out in part 10 Additional Information. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary

shares in issue during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	<i>Year ended 31 March 2019 £'000</i>	<i>Year ended 29 March 2020 £'000</i>	<i>Year ended 4 April 2021 £'000</i>	<i>12 week period ended 21 June 2020 £'000 (unaudited)</i>	<i>12 week period ended 27 June 2021 £'000</i>
Profit used in calculating basic diluted EPS	1,971	7	6,502	911	2,194
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Diluted weighted average number of shares	105,360,000	105,360,000	106,583,774	105,360,000	108,580,000
Earnings per share	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted earnings per share	1.87p	0.00p	6.10p	0.86p	2.02p

## 15. Property, plant and equipment

	<i>Land and Buildings £'000</i>	<i>Leasehold improve- ments £'000</i>	<i>Plant and machinery £'000</i>	<i>Fixtures and Fittings £'000</i>	<i>Motor Vehicles £'000</i>	<i>Total £'000</i>
<b>Cost</b>						
At 2 April 2018	4,591	-	205	3,027	4	7,827
Additions	36	-	4	628	-	668
Business acquisition	-	-	-	500	-	500
At 31 March 2019	4,627	-	209	4,155	4	8,995
<b>Depreciation</b>						
At 2 April 2018	243	-	18	1,055	1	1,317
Charge for the year	97	-	10	436	1	544
At 31 March 2019	340	-	28	1,491	2	1,861
<b>Net book amount</b>						
At 31 March 2019	4,287	-	181	2,664	2	7,134
<b>Cost</b>						
At 1 April 2019	4,627	-	209	4,155	4	8,995
Additions	10	75	2	572	-	659
Disposals	-	(15)	-	(27)	-	(42)
At 29 March 2020	4,637	60	211	4,700	4	9,612
<b>Depreciation</b>						
At 1 April 2019	340	-	28	1,491	2	1,861
Charge for the period	124	4	10	511	1	650
At 29 March 2020	464	4	38	2,002	3	2,511
<b>Net book amount</b>						
At 29 March 2020	4,173	56	173	2,698	1	7,101



	<i>Land and Buildings £'000</i>	<i>Leasehold improve- ments £'000</i>	<i>Plant and machinery £'000</i>	<i>Fixtures and Fittings £'000</i>	<i>Motor Vehicles £'000</i>	<i>Total £'000</i>
<b>Cost</b>						
At 30 March 2020	4,637	60	211	4,700	4	9,612
Additions	98	2	206	1,660	-	1,966
Disposals	(4,392)	(6)	(97)	(316)	-	(4,811)
At 4 April 2021	343	56	320	6,044	4	6,767
<b>Depreciation</b>						
At 30 March 2020	464	4	38	2,002	3	2,511
Charge for the period	65	5	15	622	1	708
Impairment	-	-	-	209	-	209
Disposals	(379)	-	(21)	(107)	-	(507)
At 4 April 2021	150	9	32	2,726	4	2,921
<b>Net book amount</b>						
At 4 April 2021	193	47	288	3,318	-	3,846
<b>Cost</b>						
At 5 April 2021	343	56	320	6,044	4	6,767
Additions	66	-	41	279	-	386
Disposals	(1)	-	-	(11)	-	(12)
At 27 June 2021	408	56	361	6,312	4	7,141
<b>Depreciation</b>						
At 5 April 2021	150	9	32	2,726	4	2,921
Charge for the period	10	-	6	166	-	182
Disposals	-	-	-	(1)	-	(1)
At 27 June 2021	160	9	38	2,891	4	3,102
<b>Net book amount</b>						
At 27 June 2021	248	47	323	3,421	-	4,039

Impairment tests have been carried out where appropriate and an impairment loss of £208,907 was recognised in the income statement within operating expenses during the year ended 4 April 2021. The full impairment related to a Group wide review of fixtures and fittings, where assets were identified whether to still be in working order and or in use in retail stores, the impairment is recognised within the UK retail reporting segment.

Land and buildings included the cost of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This was held at a revalued cost amount of £4,392,000 (cost value £4,057,478) when it was disposed of during the period ended 4 April 2021. The asset was sold to a third party and subsequently leased back to the ProCook Limited Group simultaneously, the lease and sale have been reflected in the accounts in line with IFRS 16 policy detailed in the notes of the historical financial information.

Depreciation was recognised in the income statement within operating expenses throughout the historical financial information period.

## 16. Leased assets

The ProCook Limited Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not

capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

	<i>As at</i> <i>31 March</i> <i>2019</i>	<i>As at</i> <i>29 March</i> <i>2020</i>	<i>As at</i> <i>4 April</i> <i>2021</i>	<i>As at</i> <i>27 June</i> <i>2021</i>
Number of active leases	42	54	53	56

The ProCook Limited Groups leases include leasehold properties for commercial and head office use, motor vehicles and plant equipment. The leases range in length from two to twenty years and vary on average length depending on lease type. Leasehold properties holding the longest-term length of up to 20 years, plant and equipment up to 5 years, and motor vehicles of up to 4 years.

#### *Extension, termination, and break options*

The ProCook Limited Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the ProCook Limited Group will consider whether the absence of a break clause would expose the ProCook Limited Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the ProCook Limited Group.

#### *Incremental borrowing rate*

The ProCook Limited Group has adopted a rate with a range of 2% - 4% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of ProCook Limited measured by reference to the ProCook Limited Group facilities.

Sensitivity analysis has been performed that shows that an effect of 1% decrease in the IBR rates used will cause a decrease in lease liabilities of £810,111 (2021; £703,363; 2020: £208,424; 2019: £181,398) and decrease in ROU assets of £802,578 (2021; £683,981; 2020: £268,978; 2019: £215,511). This rate is used to reflect the risk premium over the borrowing cost of ProCook Limited measured by reference to the ProCook Limited Group facilities.

*Short term or low value lease expense*

No short term or low value leases existed during the historical financial period.

**Right of use assets**

	<i>Leasehold Property £'000</i>	<i>Motor Vehicles £'000</i>	<i>Plant and Equipment £'000</i>	<i>Total £'000</i>
<b>Cost</b>				
At 2 April 2018	8,852	–	52	8,904
Additions	612	16	–	628
At 31 March 2019	<u>9,464</u>	<u>16</u>	<u>52</u>	<u>9,532</u>
<b>Depreciation</b>				
At 2 April 2018	–	–	–	–
Charge for the year	1,856	5	12	1,873
At 31 March 2019	<u>1,856</u>	<u>5</u>	<u>12</u>	<u>1,873</u>
<b>Net book amount</b>				
At 31 March 2019	<u>7,608</u>	<u>11</u>	<u>40</u>	<u>7,659</u>
<b>Cost</b>				
At 1 April 2019	9,464	16	52	9,532
Additions	2,716	79	–	2,795
Re-measurement	296	–	–	296
Disposals	(194)	–	–	(194)
At 29 March 2020	<u>12,282</u>	<u>95</u>	<u>52</u>	<u>12,429</u>
<b>Depreciation</b>				
At 1 April 2019	1,856	5	12	1,873
Charge for the period	2,372	17	12	2,401
Disposals	(193)	–	–	(193)
At 29 March 2020	<u>4,035</u>	<u>22</u>	<u>24</u>	<u>4,081</u>
<b>Net book amount</b>				
At 29 March 2020	<u>8,247</u>	<u>73</u>	<u>28</u>	<u>8,348</u>
<b>Cost</b>				
At 30 March 2020	12,282	95	52	12,429
Additions	8,878	8	–	8,886
Re-measurement	1,172	–	–	1,172
Disposals	(729)	(16)	–	(745)
At 4 April 2021	<u>21,603</u>	<u>87</u>	<u>52</u>	<u>21,742</u>
<b>Depreciation</b>				
At 30 March 2020	4,035	22	24	4,081
Charge for the period	2,599	35	12	2,646
Disposals	(552)	(15)	–	(567)
At 4 April 2021	<u>6,082</u>	<u>42</u>	<u>36</u>	<u>6,160</u>
<b>Net book amount</b>				
At 4 April 2021	<u>15,521</u>	<u>45</u>	<u>16</u>	<u>15,582</u>

	<i>Leasehold Property £'000</i>	<i>Motor Vehicles £'000</i>	<i>Plant and Equipment £'000</i>	<i>Total £'000</i>
<b>Cost</b>				
At 5 April 2021	21,603	87	52	21,742
Additions	1,785	108	-	1,893
Re-measurement	921	-	-	921
At 27 June 2021	<u>24,309</u>	<u>195</u>	<u>52</u>	<u>24,556</u>
<b>Depreciation</b>				
At 5 April 2021	6,082	42	36	6,160
Charge for the period	739	16	3	758
At 27 June 2021	<u>6,821</u>	<u>58</u>	<u>39</u>	<u>6,918</u>
<b>Net book amount</b>				
At 27 June 2021	<u>17,488</u>	<u>137</u>	<u>13</u>	<u>17,638</u>
 <b>Lease liabilities</b>				
	<i>Leasehold Property £'000</i>	<i>Motor Vehicles £'000</i>	<i>Plant and Equipment £'000</i>	<i>Total £'000</i>
At 2 April 2018	8,853	-	52	8,905
Additions	612	15	-	627
Interest expense	222	-	2	224
Lease payments	(1,960)	(5)	(13)	(1,978)
At 31 March 2019	<u>7,727</u>	<u>10</u>	<u>41</u>	<u>7,778</u>
At 1 April 2019	7,727	10	41	7,778
Additions	2,715	79	-	2,794
Re-measurement	297	-	-	297
Interest expense	239	1	2	242
Lease payments	(2,502)	(21)	(13)	(2,536)
At 29 March 2020	<u>8,476</u>	<u>69</u>	<u>30</u>	<u>8,575</u>
At 30 March 2020	8,476	69	30	8,575
Additions	9,932	8	-	9,940
Re-measurement	1,174	-	-	1,174
Interest expense	321	3	1	325
Lease payments	(2,342)	(37)	(12)	(2,391)
Disposals	(204)	-	-	(204)
At 4 April 2021	<u>17,357</u>	<u>43</u>	<u>19</u>	<u>17,419</u>
At 5 April 2021	17,357	43	19	17,419
Additions	1,784	108	-	1,892
Re-measurement	920	-	-	920
Interest expense	113	1	-	114
Lease payments	(853)	(14)	(3)	(870)
At 27 June 2021	<u>19,321</u>	<u>138</u>	<u>16</u>	<u>19,475</u>

**Reconciliation of minimum lease payments and present value**

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Within 1 year	1,884	2,052	2,502	3,156	3,388
Later than 1 year and less than 5 years	6,447	5,569	5,575	8,511	9,356
After 5 years	1,256	656	1,077	7,951	9,168
Total including interest cash flows	9,587	8,277	9,154	19,618	21,912
Less: interest cash flows	(682)	(499)	(579)	(2,199)	(2,437)
Total principal cash flows	8,905	7,778	8,575	17,419	19,475

**Reconciliation of current and non-current lease liabilities**

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Current	1,670	1,868	2,281	2,783	2,965
Non-current	7,235	5,910	6,294	14,636	16,510
Total	8,905	7,778	8,575	17,419	19,475

**17. Intangible assets**

	<i>Computer software and development costs £'000</i>	<i>Total £'000</i>
<b>Cost</b>		
At 2 April 2018	-	-
Additions	-	-
At 31 March 2019	-	-
<b>Amortisation</b>		
At 2 April 2018	-	-
Charge for the year	-	-
At 31 March 2019	-	-
<b>Net book amount</b>		
At 31 March 2019	-	-
<b>Cost</b>		
At 1 April 2019	-	-
Additions	-	-
At 29 March 2020	-	-
<b>Amortisation</b>		
At 1 April 2019	-	-
Charge for the period	-	-
At 29 March 2020	-	-

	<i>Computer software and development costs £'000</i>	<i>Total £'000</i>
<b>Net book amount</b>		
At 29 March 2020	-	-
<b>Cost</b>		
At 30 March 2020	-	-
Additions	67	67
At 4 April 2021	67	67
<b>Amortisation</b>		
At 30 March 2020	-	-
Charge for the period	-	-
At 4 April 2021	-	-
<b>Net book amount</b>		
At 4 April 2021	67	67
<b>Cost</b>		
At 5 April 2021	67	67
Additions	90	90
At 4 July 2021	157	157
<b>Amortisation</b>		
At 5 April 2021	-	-
Charge for the period	-	-
At 27 June 2021	-	-
<b>Net book amount</b>		
At 27 June 2021	157	157

## 18. Investments

ProCook Limited substantially owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

The subsidiary undertakings of ProCook Limited are presented below:

<i>Subsidiaries</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Registered address</i>	<i>Proportion of ordinary shares held by ProCook Limited</i>
ProCook (Kitchens) Limited	Dormant company	England & Wales	ProCook, Davy Way, Waterwells, Gloucester, United Kingdom, GL2 2BY	100%; (From incorporation at 11 February 2019)
ProCook (Steamer Trading) Limited	Provision of retail of cookware and related products	England & Wales	ProCook, Davy Way, Waterwells, Gloucester, United Kingdom, GL2 2BY	100%; (From incorporation at 9 January 2019)

ProCook Limited holds direct investments in all subsidiaries.

## 19. Inventories

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Finished goods and goods for resale	<u>2,950</u>	<u>5,592</u>	<u>5,307</u>	<u>9,943</u>	<u>10,447</u>

The cost of Group inventories recognised as an expense in the period to 27 June 2021 amounted to £4,174,010 (4 April 2021: £15,928,664; 29 March 2020: £13,728,953; 31 March 2019: £9,689,878). This is included in cost of sales.

## 20. Trade receivables

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<b>Amounts falling due within one year:</b>					
Trade receivables	30	9	-	1	-
Other receivables	-	285	270	516	1,307
Derivative financial instruments	-	173	-	-	-
Prepayments	<u>527</u>	<u>448</u>	<u>512</u>	<u>1,371</u>	<u>989</u>
	<u>557</u>	<u>915</u>	<u>782</u>	<u>1,888</u>	<u>2,296</u>

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

The ProCook Limited Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as £Nil based on historical data available to management in addition to forward looking information utilising management knowledge. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

Included in other receivables at the year ended 29 March 2020 was £23,983 (31 March 2019: £26,210) owing from a Director. The balances were non-interest bearing and were repaid in full post each subsequent year end. In addition, supplier deposits are also held in other receivables consisting of £639,714 in the period ending 27 June 2021 (4 April 2021: £380,973; 29 March 2020: £167,530; 31 March 2019: 220,695).

Prepayments consist mainly of standard prepayments, which includes the likes of rates and electricity, with no material individual prepayments.

## 21. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Cash at bank available on demand	1,720	2,436	2,956	5,879	5,263
	<u>1,720</u>	<u>2,436</u>	<u>2,956</u>	<u>5,879</u>	<u>5,263</u>

## 22. Trade and other payables

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<b>Amounts falling due within one year:</b>					
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Deferred income	-	47	133	182	96
Derivative financial instruments	508	-	-	949	726
Other taxation and social security	406	679	829	447	1,819
	<u>2,147</u>	<u>3,303</u>	<u>3,902</u>	<u>6,612</u>	<u>7,786</u>

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly.

Included in other payables was £58,429 at the period ended 27 June 2021 (4 April 2021: £95,820; 29 March 2020: £49,000) owing to a Director. The balances were non-interest bearing.

## 23. Borrowings

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<b>Current</b>					
Bank loans	1,724	3,099	3,916	2,803	70
Bank overdrafts	720	120	323	-	4
	<u>2,444</u>	<u>3,219</u>	<u>4,239</u>	<u>2,803</u>	<u>74</u>
<b>Non-current</b>					
Bank loans	2,865	3,321	2,357	-	-
<b>Total borrowings</b>	<u>5,309</u>	<u>6,540</u>	<u>6,596</u>	<u>2,803</u>	<u>74</u>



A maturity analysis of the ProCook Limited Group's borrowings is shown below:

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Payable within one year	2,444	3,219	4,239	2,803	74
Payable after one year but less than five years	1,132	1,786	1,020	-	-
Payable after five years	1,733	1,535	1,337	-	-
	<u>5,309</u>	<u>6,540</u>	<u>6,596</u>	<u>2,803</u>	<u>74</u>

Included in bank loans is a mortgage over the leasehold of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This charge was registered on 30 December 2015. The loan matures in 15 years from this date and incurs interest of 2% above Bank of England base rate. The loan was fully repaid in the year ended 4 April 2021.

Included in bank loans is a trade finance facility held with HSBC. The agreement is renewed annually and provides 150 day finance facility. At 27 June 2021 the facility held a limit of £4,000,000 of which the following amounts had been drawn down and were outstanding £70,038 (4 April 2021: £2,803,182; 29 March 2020: £2,930,145; 31 March 2019: £2,147,189; 2 April 2018: £1,262,541). The facility incurred interest payable at 27 June 2021 of 2% above the relevant currency base rate.

#### 24. Other provisions

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<b>Amounts falling after one year:</b>					
Warranty provision	160	160	160	160	160
	<u>160</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>160</u>

#### 25. Forward currency contracts

The ProCook Limited Group's local currency is pounds sterling but due to international purchases in foreign currencies, the ProCook Limited Group seeks to reduce the foreign exchange risk by entering into forward contracts and SWAPs. At 27 June 2021, the outstanding contracts all mature within 11 months of the period end. The ProCook Limited Group is committed to buy \$33,615,750 and pay a fixed sterling amount of £24,937,500.

The contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates. The fair value movement of the foreign currency contracts are detail in note 11 above.

#### 26. Retirement benefit plan

The ProCook Limited Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the ProCook Limited Group in funds under the control of trustees. The total expense recognised in the statement of profit or loss and other comprehensive income for the year ended 4 April 2021 was £136,081 (29 March 2020: £127,503; 31 March 2019: £84,242) (For period ending 27 June 2021: £40,851 and period ending 21 June 2020: £24,632) represents contributions payable to these plans by the ProCook Limited Group at rates specified in the rules of the plans.

## 27. Share Capital

### Share capital

	<i>As at</i> <i>2 April</i> <i>2018</i> £	<i>As at</i> <i>31 March</i> <i>2019</i> £	<i>As at</i> <i>29 March</i> <i>2020</i> £	<i>As at</i> <i>4 April</i> <i>2021</i> £	<i>As at</i> <i>27 June</i> <i>2021</i> £
<b>Allotted, called up and fully paid</b>					
10,000 Ordinary shares of 1p each	100	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All classes of shares have full voting, dividends and capital distribution rights.

The ProCook Limited Group operates a number of equity-settled share-based remuneration schemes for employees. The options will lapse if the individual leaves within ten years from the date of grant, if all vesting conditions had not been met earlier. The terms and conditions of the grants are detailed below:

<i>Date of grant</i>	<i>No. of options</i>	<i>Exercise price</i>	<i>Vesting conditions</i>	<i>Contractual life of options</i>
21 October 2015	536	101.73	Exit Event	10 years
16 November 2020	322	207.69	Exit Event	10 years
	<u>858</u>			

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in £ ("WAEP") are as follows:

	<i>As at</i> <i>2 April</i> <i>2018</i>		<i>As at</i> <i>31 March</i> <i>2019</i>		<i>As at</i> <i>29 March</i> <i>2020</i>		<i>As at</i> <i>4 April</i> <i>2021</i>		<i>As at</i> <i>27 June</i> <i>2021</i>	
	WAEP	WAEP	WAEP	WAEP	WAEP	WAEP	WAEP	WAEP	WAEP	WAEP
Outstanding at beginning of period	536	101.73	536	101.73	536	101.73	536	101.73	858	141.50
Granted during the period	-	-	-	-	-	-	322	207.69	-	-
Forfeited/lapsed during the period	-	-	-	-	-	-	-	-	-	-
Exercised during the period	-	-	-	-	-	-	-	-	-	-
Outstanding at period end	<u>536</u>	<u>101.73</u>	<u>536</u>	<u>101.73</u>	<u>536</u>	<u>101.73</u>	<u>858</u>	<u>141.50</u>	<u>858</u>	<u>141.50</u>
Exercisable at end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

All options valid at the end of each of the period presents had the same exercise condition based on an exit criterion. No expense was recognised in the statement of comprehensive income for the options outstanding as in the opinion of the Directors of ProCook Limited it was not highly probable that the exit criteria of the share option awards would be met in the foreseeable future at the balance sheet date for year period.

## 28. Reserves

### Revaluation reserve

Revaluation reserve represents the surplus or deficit on the revaluation of assets less any associated deferred taxation. The revaluation reserve relates solely to the warehouse which was disposed of during the year ended 4 April 2021. This has therefore been transferred to retained earnings during that period.

### Retained earnings

Cumulative profit and loss net of distributions to owners.

## 29. Commitments and contingences

### Capital and financial commitments

On 2 September 2021 ProCook entered into a 15-year agreement for lease in respect of Unit 10, St, Moden Park, Harsefield, Gloucester, GL10 3EZ. The expected commencement of this lease is 1 August 2022, with expected rentals of £1,128,505 per annum and a rent-free period of 24 months, which will be spread evenly over the initial 48 months of the lease. The ProCook Limited Group held no additional capital, financial and or other commitments at any period end throughout the historical financial information period.

KPMG LLP has been engaged by the Procook Limited Group, providing a range of corporate finance services since July 2015. The initial public offering (IPO) will trigger a contingent fee within the scope of their engagement and therefore fees will become payable calculated at 0.75% of the market capitalisation of the Procook Limited Group at the time of the IPO. The market capitalisation will be based on the value of 100% of the shares on initial listing on the main market. The fee will be payable in December 2021.

## 30. Financial Instruments

### Financial assets

Financial assets are not measured at fair value and due to short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, and cash. It does not include current tax receivable and prepayments.

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Trade receivables	30	9	–	1	–
Other receivables	–	285	270	516	1,307
Cash at bank and on hand	1,720	2,436	2,956	5,879	5,263
	<u>1,750</u>	<u>2,730</u>	<u>3,226</u>	<u>6,396</u>	<u>6,570</u>

Financial assets measured at fair value include derivative financial assets, as follows:

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
Derivatives	–	173	–	–	–
	<u>–</u>	<u>173</u>	<u>–</u>	<u>–</u>	<u>–</u>

Derivatives are included within the balance sheet under trade and other receivables and are recognised under level 3 of the fair value hierarchy.

### **Financial liabilities**

Financial liabilities measured are not measured at fair value and due to short-term nature, the carrying value approximates their fair value. They comprise trade payables, accruals and sale and borrowings.

	<i>As at</i> <i>2 April</i> <i>2018</i> <i>£'000</i>	<i>As at</i> <i>31 March</i> <i>2019</i> <i>£'000</i>	<i>As at</i> <i>29 March</i> <i>2020</i> <i>£'000</i>	<i>As at</i> <i>4 April</i> <i>2021</i> <i>£'000</i>	<i>As at</i> <i>27 June</i> <i>2021</i> <i>£'000</i>
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Borrowings	5,309	6,540	6,596	2,803	74
Lease liabilities	8,905	7,778	8,575	17,419	19,475
	<u>15,447</u>	<u>16,895</u>	<u>18,111</u>	<u>25,256</u>	<u>24,694</u>

Financial liabilities measured at fair value include derivative financial liabilities, as follows:

	<i>As at</i> <i>2 April</i> <i>2018</i> <i>£'000</i>	<i>As at</i> <i>31 March</i> <i>2019</i> <i>£'000</i>	<i>As at</i> <i>29 March</i> <i>2020</i> <i>£'000</i>	<i>As at</i> <i>4 April</i> <i>2021</i> <i>£'000</i>	<i>As at</i> <i>27 June</i> <i>2021</i> <i>£'000</i>
Derivatives	508	-	-	949	726
	<u>508</u>	<u>-</u>	<u>-</u>	<u>949</u>	<u>726</u>

Derivatives are included within the balance sheet under trade and other payables and are recognised under level 3 of the fair value hierarchy.

### **Financial risk management**

The ProCook Limited Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, and liquidity risk. Risk management is carried out by the directors of the ProCook Limited Group. The ProCook Limited Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The ProCook Limited Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Business's operations.

#### *Credit risk*

Credit risk is the risk of financial loss to the ProCook Limited Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the ProCook Limited Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the historical financial information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to historical financial information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted.

Currently all financial institutions whereby ProCook Limited holds significant levels of cash are rated from AA- to A+.

### *Interest rate risk*

As at 27 June 2021 the ProCook Limited Group's only current borrowings are the HSBC financing facility at a floating interest rate of the Bank of England base rate +2%, this is variable on the amount drawn down, therefore interest rate risk exposure for the ProCook Limited Group is minimal. The ProCook Limited Group's policy aims to manage the interest cost of the ProCook Limited Group within the constraints of its financial borrowings.

### *Foreign exchange risk*

Foreign exchange risk arises when the ProCook Limited Group enter into transactions in a currency other than their functional currency. The ProCook Limited Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

The ProCook Limited Group will make purchases of large inventory orders from overseas, and the ProCook Limited Group will use additional means to cover its exposure to the foreign exchange movement. The ProCook Limited Group will use various financial derivatives such as forward exchange contracts, to hedge against any predicted movement in foreign currency to restrict losses and to ascertain control of expected cash out flows. All the ProCook Limited Groups foreign exchange contracts are designated to settle the corresponding liability.

### *Liquidity risk*

The ProCook Limited Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the ProCook Limited Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the ProCook Limited Group's trade and other payables is shown below:

	<i>As at 2 April 2018 £'000</i>	<i>As at 31 March 2019 £'000</i>	<i>As at 29 March 2020 £'000</i>	<i>As at 4 April 2021 £'000</i>	<i>As at 27 June 2021 £'000</i>
<i>Less than one year:</i>					
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Borrowings	2,444	3,219	4,239	2,803	74
Lease liabilities	1,670	1,868	2,281	2,783	2,965
	<u>5,347</u>	<u>7,664</u>	<u>9,460</u>	<u>10,620</u>	<u>8,184</u>
<i>Due after one year:</i>					
Borrowings	2,865	3,321	2,357	-	-
Lease liabilities	7,235	5,910	6,294	14,636	16,510
	<u>10,100</u>	<u>9,231</u>	<u>8,651</u>	<u>14,636</u>	<u>16,510</u>

A maturity analysis of borrowings is shown in separately in note 23 to historical financial information.

### *Capital disclosures*

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital and retained profit and is equal to the amount shown as 'Equity' in the balance sheet. As at 27 June 2021 Debt comprised of one HSBC finance loan which is set out in further detail above and in the notes to the accounts.

The ProCook Limited Group's current objectives when maintaining capital are to:

- Safeguard the ProCook Limited Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.

- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The ProCook Limited Group sets the amount of capital it requires in proportion to risk. The ProCook Limited Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the ProCook Limited Group may issue new shares or sell assets to reduce debt.

During the periods ended covered within the historical financial information the ProCook Limited Group's business strategy remained unchanged.

### **31. Business combinations during the periods covered by the HFI**

#### ***Steamer Trading Limited***

On 9 January 2019, ProCook Limited completed the acquisition of the business and assets of Steamer Trading Limited for a total consideration of £1,119,900 in cash.

The principal reason for the acquisition was the seller to acquire the inventories, property, plant and equipment and licenses for the stores. The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date:

	<i>Fair value</i> <i>£'000</i>
Property, plant and equipment	500
Inventories	2,672
Cash and cash equivalents	5
Deferred tax liability	(294)
<b>Total fair value</b>	<u>2,883</u>
Consideration settled in cash	<u>1,120</u>
<b>Gain on bargain purchase</b>	<u>(1,763)</u>

The negative goodwill of £1,763,224 has been recognised in the Income Statement at the acquisition date as a gain on bargain purchase. A gain on bargain purchase derived from Steamer Trading Limited being under a creditor voluntary liquidation at the time its assets were acquired.

No trade receivables were acquired. Acquisition costs totalled £32,589 and are disclosed within the statement of comprehensive income. In the period from 9 January 2019 to 31 March 2019, Steamer Trading Limited has contributed £2,264,324 to the ProCook Limited Group's revenues and a loss of £211,578 to the ProCook Limited Group's comprehensive profit. Disclosure of the revenue and profit that Steamer Trading Limited would have contributed if the acquisition had occurred on 2 April 2018 is deemed impractical, given the difference accounting reference date of Steamer Trading prior to being acquired by ProCook Limited.

### **32. Related Parties**

Included in trade debtors at the period ending 27 June 2021 was £12,057 (4 April 2021: £11,208; 29 March 2020: £3,995; 31 March 2019: £9,523) owing from Quella Bicycle Limited which shares a director with the ProCook Limited Group. No interest is charged on this balance.

Included in other debtors at the period ending 27 June 2021 was £Nil (4 April 2021: £Nil; 29 March 2020: £23,983; 31 March 2019: £26,210) owing from a Director at the year end. The balance is non-interest bearing and was repaid in full post year end.

Included in other creditors at the period ending 27 June 2021 was £55,246 (4 April 2021: £49,318; 29 March 2020: £27,587; 31 March 2019: £3,588) owed to a charity called Life's a Beach which is controlled by a director of the entity.

Included in other payables was £55,246 at the period ending 27 June 2021 (4 April 2021: £95,820; 29 March 2020: £49,000) owing to a Director. The balances were non-interest bearing.

### 33. Ultimate controlling party

The Directors do not consider there to be one ultimate controlling party.

### 34. Events after the reporting period

There are no material events after the reporting period.

### 35. Changes in liabilities arising from financing activities

	<i>At 5 April 2021 £'000</i>	<i>Financing cash flows £'000</i>	<i>Interest £'000</i>	<i>New borrowings and remeasurements £'000</i>	<i>Reclass £'000</i>	<i>At 27 June 2021 £'000</i>
Short-term borrowings	2,803	(2,813)	10	74	-	74
Lease liabilities	17,419	(870)	114	2,812	-	19,475
Total liabilities from financing activities	<u>20,222</u>	<u>(3,683)</u>	<u>124</u>	<u>2,886</u>	<u>-</u>	<u>19,549</u>

	<i>At 30 March 2020 £'000</i>	<i>Financing cash flows £'000</i>	<i>Interest £'000</i>	<i>New borrowings and remeasurements £'000</i>	<i>Reclass £'000</i>	<i>At 4 April 2021 £'000</i>
Long-term borrowings	2,357	(2,559)	20	-	182	-
Short-term borrowings	4,239	(3,930)	68	2,608	(182)	2,803
Lease liabilities	8,575	(2,391)	325	10,910	-	17,419
Total liabilities from financing activities	<u>15,171</u>	<u>(8,880)</u>	<u>413</u>	<u>13,518</u>	<u>-</u>	<u>20,222</u>

	<i>At 1 April 2019 £'000</i>	<i>Financing cash flows £'000</i>	<i>Interest £'000</i>	<i>New borrowings and remeasurements £'000</i>	<i>Reclass £'000</i>	<i>At 29 March 2020 £'000</i>
Long-term borrowings	3,321	(78)	78	-	(964)	2,357
Short-term borrowings	3,219	(2,914)	163	2,807	964	4,239
Lease asset liabilities	7,778	(2,536)	242	3,091	-	8,575
Total liabilities from financing activities	<u>14,318</u>	<u>(5,528)</u>	<u>483</u>	<u>5,898</u>	<u>-</u>	<u>15,171</u>

	<i>At 2 April 2018 £'000</i>	<i>Financing cash flows £'000</i>	<i>Interest £'000</i>	<i>New borrowings and remeasurements £'000</i>	<i>Reclass £'000</i>	<i>At 31 March 2019 £'000</i>
Long-term borrowings	2,865	(82)	82	691	(235)	3,321
Short-term borrowings	2,444	(2,341)	114	2,767	235	3,219
Lease asset liabilities	<u>8,905</u>	<u>(1,978)</u>	<u>224</u>	<u>627</u>	<u>-</u>	<u>7,778</u>
Total liabilities from financing activities	<u>14,214</u>	<u>(4,401)</u>	<u>420</u>	<u>4,085</u>	<u>-</u>	<u>14,318</u>

### 36. Transition to IFRS

For all periods up to and including 4 April 2021, the ProCook Limited Group prepared its statutory financial statements in accordance with FRS 102. This is the first financial information the ProCook Limited Group has prepared in accordance with IFRS. The ProCook Limited Group's effective IFRS transition date for the purposes of this financial information was 2 April 2018. The effects of transition to IFRS on the balance sheets at 2 April 2018, 31 March 2019, 29 March 2020 and 4 April 2021 and the income statements for the years ended 31 March 2019, 29 March 2020 and 4 April 2021, are shown below. The ProCook Limited Group have no obligation to file statutory financial statements with the Registrar of Companies for the period ended 27 June 2021, therefore no transition note is necessary for this period. In preparing the consolidated historical financial information of the ProCook Limited Group, the ProCook Limited Group has applied IFRS for the first time from 2 April 2018. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of standards to prior periods in order to assist companies with the transition process.

The ProCook Limited Group have applied the requirements of IFRS 16 Leases from 2 April 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the historical financial information. The effects of adoption have been recognised directly in opening retained earnings. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on a straight-line basis over the lease term. No other transitional exemptions have been taken.

#### **Estimates**

The estimates within the statutory accounts up to 4 April 2021 are consistent with those made for the same dates in accordance with FRS 102 (after adjustments to reflect any differences in accounting policies).

The transition adjustments required on applying IFRS, as numbered in the tables below, were:

- Under IFRS 16 the standard was effective from 1 January 2019, with early adoption applicable. The ProCook Limited Group have applied the modified retrospective approach adopting the standard effectively from 2 April 2018, the first day of the first period included in the historical financial information ("HFI") under IFRS, no other expedients were used on transition. Adjustments to leases under IFRS 16, to recognise leases previously recognised as operating leases as right-of-use assets. The initial recognition of right-of-use assets and lease liabilities as of 2 April 2018 was for £8,903,922 and £8,903,922 respectively, with a reduction in trade and other payables of £549,191 and reduction in property, plant and equipment of £33,561, with the difference recorded to retained earnings. In the year ended 31 March 2019 right-of-use assets decreased by £1,245,150 and lease liabilities decreased by £1,126,386, along with a decrease in trade and other payables of £58,614, an increase in property, plant, and equipment of £2,765 and a decrease of £33,340 in deferred tax liabilities. The impact of this adjustment has decreased operating expenses by £48,935, increased finance expense by



£224,410 and decreased the tax expense by £33,340. In the year ended 29 March 2020 right-of-use assets increased by £688,640 and lease liabilities increased by £797,874, along with an increase in trade and other payables of £46,592, a reduction in property, plant, and equipment of £33,507 and a decrease of £33,340 in deferred tax liabilities. The impact of this adjustment has decreased operating expenses by £53,273, increased finance expense by £241,379 and decreased the tax expense by £35,740. In the year ended 4 April 2021 right-of-use assets increased by £7,234,238 and lease liabilities increased by £8,843,232, along with a decrease in trade and other payables of £1,525, an increase in property, plant, and equipment of £9,686 and a decrease of £303,578 in deferred tax liabilities. The impact of this adjustment has increased operating expenses by £1,272,691, increased finance expense by £325,092 and decreased the tax expense by £303,578. Additional detail on transition to IFRS 16 is detailed in the accounting policies note 2.20 and note 16.

2. Included in this adjustment is the restatement for stock in transit, which was recognised in the 2021 financial statements and revised 2020 figures correctly, however, was not adjusted for in the prior periods, which are included in the historical financial information. There is no impact to the income statement of the ProCook Limited Group.
3. Included in this adjustment is the restatement for the correct allocation of all borrowing amounts, whereby historically the short-term finance facility was recognised within other payables. This was recognised in the 2021 financial statements and revised 2020 figures correctly, however, was not adjusted for in the prior periods, which are included in the historical financial information. There is no impact to the income statement of the ProCook Limited Group.

The following transition adjustments required on applying IFRS, as numbered in the tables below, which would also have included restatement under FRS102 are continued as follows:

4. This adjustment was to correctly align the purchase of Steamer Trading Limited in line with IFRS. Historically the purchase of Steamer Trading Limited was not accounted for under business combinations in the FRS 102 financial statements. Upon review of the balance, on transition, it was deemed the business did meet the criteria of a business on acquisition and should have been classified under acquisition accounting. The balance has been correctly restated in the transition to IFRS, including the impact of IFRS 3. The impact of this adjustments in relation to restatement was an increase of £1,266,239 in inventories, a corresponding increase in trade and other payables of £1,266,134 and a decrease in operating expenses by £105, the impact under IFRS decreased trade and other payables by £1,266,134, has increased cost of sales by £791,000 and provided a gain on bargain purchase of £2,057,134 in the year ended 31 March 2019. It has further increased cost of sales expenses and decreased inventories by £1,266,239 in the year ended 29 March 2020, the net impact of restatement under FRS102 within operating expense is £nil. Included in the adjustments was the correction of the stock value which was previously accounted for including a provision to agree to discounted acquisition price, whereas this has been reversed on transition and stock valued at fair value. The deferred tax effect of this adjustment is detailed in the in the reconciliations from UK to IFRS.
5. This adjustment was to align revenue with IFRS 15, whereby revenue is to be recorded once all transfer of control has been passed to the consumer. Historically the ProCook Limited Group did not apply adjustments for the impact of timing differences between completion of order and actual delivery of online sales. The alignment of IFRS 15 would have also been a restatement under FRS102 as both risk and reward and transfer of control had taken place. The impact of this adjustment has decreased revenue by £46,597 and decreased cost of sale expenses by £14,690 and increased trade and other payables and inventories respectively, in the year ended 31 March 2019. The impact of this adjustment has decreased revenue by £86,268 and decreased cost of sale expenses by £26,029 and increased trade and other payables and inventories respectively, in the year ended 29 March 2020. The impact of this adjustment has decreased revenue by £48,772 and decreased cost of sale expenses by £10,415 and increased trade and other payables and inventories respectively, in the year ended 4 April 2021. The deferred tax effect of this adjustment is detailed in the in the reconciliations from UK to IFRS.

## Balance sheet at 2 April 2018

	UK GAAP £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS £'000
<b>Assets</b>					
<b>Current assets</b>					
Inventories	2,950	-	-	-	2,950
Trade and other receivables	557	-	-	-	557
Cash and cash equivalents	1,720	-	-	-	1,720
<b>Total current assets</b>	<b>5,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,227</b>
<b>Non-current assets</b>					
Property, plant, and equipment	6,544	(34)	-	-	6,510
Right-of-use assets	-	8,904	-	-	8,904
<b>Total non-current assets</b>	<b>6,544</b>	<b>8,870</b>	<b>-</b>	<b>-</b>	<b>15,414</b>
<b>Total assets</b>	<b>11,771</b>	<b>8,870</b>	<b>-</b>	<b>-</b>	<b>20,641</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	3,491	(81)	-	(1,263)	2,147
Lease liabilities	-	1,670	-	-	1,670
Borrowings	1,181	-	-	1,263	2,444
Corporation tax payable	136	-	-	-	136
<b>Total current liabilities</b>	<b>4,808</b>	<b>1,589</b>	<b>-</b>	<b>-</b>	<b>6,397</b>
<b>Non-current liabilities</b>					
Lease liabilities	-	7,235	-	-	7,235
Borrowings	2,865	-	-	-	2,865
Other provisions	160	-	-	-	160
Other payables	468	(468)	-	-	-
Deferred tax liabilities	240	-	-	-	240
<b>Total non-current liabilities</b>	<b>3,733</b>	<b>6,767</b>	<b>-</b>	<b>-</b>	<b>10,500</b>
<b>Total liabilities</b>	<b>8,541</b>	<b>8,356</b>	<b>-</b>	<b>-</b>	<b>16,897</b>
<b>NET ASSETS</b>	<b>3,230</b>	<b>514</b>	<b>-</b>	<b>-</b>	<b>3,744</b>
<b>Equity attributable to owners of ProCook Limited</b>					
Share capital	-	-	-	-	-
Revaluation reserve	472	-	-	-	472
Retained earnings	2,758	514	-	-	3,272
<b>TOTAL EQUITY</b>	<b>3,230</b>	<b>514</b>	<b>-</b>	<b>-</b>	<b>3,744</b>

## Balance sheet at 31 March 2019

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS Adjust- ment <sup>4</sup> £'000	FRS 102 Restate- ment <sup>4</sup> £'000	FRS 102 Restate- ment <sup>5</sup> £'000	IFRS £'000
<b>Assets</b>									
<b>Current assets</b>									
Inventories	3,948	-	-	363	-	-	1,266	15	5,592
Trade and other receivables	915	-	-	-	-	-	-	-	915
Cash and cash equivalents	2,436	-	-	-	-	-	-	-	2,436
<b>Total current assets</b>	<b>7,299</b>	<b>-</b>	<b>-</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>1,266</b>	<b>15</b>	<b>8,943</b>
<b>Non-current assets</b>									
Property, plant, and equipment	7,165	(34)	3	-	-	-	-	-	7,134
Right-of-use assets	-	8,904	(1,245)	-	-	-	-	-	7,659
<b>Total non-current assets</b>	<b>7,165</b>	<b>8,870</b>	<b>(1,242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,793</b>
<b>Total assets</b>	<b>14,464</b>	<b>8,870</b>	<b>(1,242)</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>1,266</b>	<b>15</b>	<b>23,736</b>
<b>Liabilities</b>									
<b>Current liabilities</b>									
Trade and other payables	5,143	(1,344)	(21)	363	(885)	(1,266)	1,266	47	3,303
Lease liabilities	-	1,670	198	-	-	-	-	-	1,868
Borrowings	1,071	1,263	-	-	885	-	-	-	3,219
Corporation tax payable	331	-	-	-	-	-	-	-	331
<b>Total current liabilities</b>	<b>6,545</b>	<b>1,589</b>	<b>177</b>	<b>363</b>	<b>-</b>	<b>(1,266)</b>	<b>1,266</b>	<b>47</b>	<b>8,721</b>
<b>Non-current liabilities</b>									
Lease liabilities	-	7,235	(1,325)	-	-	-	-	-	5,910
Borrowings	3,321	-	-	-	-	-	-	-	3,321
Other provisions	160	-	-	-	-	-	-	-	160
Other payables	388	(468)	80	-	-	-	-	-	-
Deferred tax liabilities	213	-	(33)	-	-	240	-	(6)	414
<b>Total non-current liabilities</b>	<b>4,082</b>	<b>6,767</b>	<b>(1,278)</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>(6)</b>	<b>9,805</b>
<b>Total liabilities</b>	<b>10,627</b>	<b>8,356</b>	<b>(1,101)</b>	<b>363</b>	<b>-</b>	<b>(1,026)</b>	<b>1,266</b>	<b>41</b>	<b>18,526</b>
<b>NET ASSETS</b>	<b>3,837</b>	<b>514</b>	<b>(141)</b>	<b>-</b>	<b>-</b>	<b>1,026</b>	<b>-</b>	<b>(26)</b>	<b>5,210</b>
<b>Equity attributable to owners of ProCook Limited</b>									
Share capital	-	-	-	-	-	-	-	-	-
Revaluation reserve	472	-	-	-	-	-	-	-	472
Retained earnings	3,365	514	(141)	-	-	1,026	-	(26)	4,738
<b>TOTAL EQUITY</b>	<b>3,837</b>	<b>514</b>	<b>(141)</b>	<b>-</b>	<b>-</b>	<b>1,026</b>	<b>-</b>	<b>(26)</b>	<b>5,210</b>

## Income statement for the period ended 31 March 2019

	UK GAAP £'000	IFRS Adjust- ment 1 £'000	IFRS Adjust- ment 2 £'000	IFRS Adjust- ment 3 £'000	IFRS Adjust- ment 4 £'000	FRS 102 Restate- ment 4 £'000	FRS 102 Restate- ment 5 £'000	IFRS £'000
<b>Revenue</b>	27,827	-	-	-	-	-	(47)	27,780
Cost of sales	(9,066)	-	-	-	(791)	-	15	(9,842)
<b>Gross profit</b>	18,761	-	-	-	(791)	-	(32)	17,938
Operating expenses	(17,818)	49	-	-	-	-	-	(17,769)
Other income	-	-	-	-	-	-	-	-
<b>Profit from operations</b>	943	49	-	-	(791)	-	32	169
Finance income	-	-	-	-	-	-	-	-
Finance expense	(201)	(224)	-	-	-	-	-	(425)
Gain on bargain purchase	-	-	-	-	1,763	-	-	1,763
Other gains/(losses)	681	-	-	-	-	-	-	681
<b>Profit before taxation</b>	1,423	(175)	-	-	972	-	(32)	2,188
Tax expense	(310)	33	-	-	(54)	-	6	(217)
<b>Profit for the period</b>	1,113	(142)	-	1,026	-	-	(26)	1,971
<b>Other comprehensive income</b>								
Total other comprehensive income	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	1,113	(142)	-	-	1,026	-	(26)	1,971

**Balance sheet at 29 March 2020**

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS Adjust- ment <sup>4</sup> £'000	FRS 102 Restate- ment <sup>5</sup> £'000	IFRS £'000
<b>Assets</b>								
<b>Current assets</b>								
Inventories	5,266	1,644	-	(363)	-	(1,266)	26	5,307
Trade and other receivables	782	-	-	-	-	-	-	782
Cash and cash equivalents	2,956	-	-	-	-	-	-	2,956
<b>Total current assets</b>	<b>9,004</b>	<b>1,644</b>	<b>-</b>	<b>(363)</b>	<b>-</b>	<b>(1,266)</b>	<b>26</b>	<b>9,045</b>
<b>Non-current assets</b>								
Intangible assets	-	-	-	-	-	-	-	-
Property, plant, and equipment	7,166	(31)	(34)	-	-	-	-	7,101
Right-of-use assets	-	7,659	689	-	-	-	-	8,348
<b>Total non-current assets</b>	<b>7,166</b>	<b>7,628</b>	<b>655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,449</b>
<b>Total assets</b>	<b>16,170</b>	<b>9,272</b>	<b>655</b>	<b>(363)</b>	<b>-</b>	<b>(1,266)</b>	<b>26</b>	<b>24,494</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	3,917	(1,840)	(46)	(363)	2,148	-	86	3,902
Lease liabilities	-	1,868	413	-	-	-	-	2,281
Borrowings	4,239	2,148	-	-	(2,148)	-	-	4,239
Corporation tax payable	294	-	-	-	-	-	-	294
<b>Total current liabilities</b>	<b>8,450</b>	<b>2,176</b>	<b>367</b>	<b>(363)</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>10,716</b>
<b>Non-current liabilities</b>								
Lease liabilities	-	5,910	384	-	-	-	-	6,294
Borrowings	2,357	-	-	-	-	-	-	2,357
Other provisions	160	-	-	-	-	-	-	160
Other payables	296	(388)	92	-	-	-	-	-
Deferred tax liabilities	337	201	(36)	-	-	(240)	(12)	250
<b>Total non-current liabilities</b>	<b>3,150</b>	<b>5,723</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>(240)</b>	<b>(12)</b>	<b>9,061</b>
<b>Total liabilities</b>	<b>11,600</b>	<b>7,899</b>	<b>807</b>	<b>(363)</b>	<b>-</b>	<b>(240)</b>	<b>74</b>	<b>19,777</b>
<b>NET ASSETS</b>	<b>4,570</b>	<b>1,373</b>	<b>(152)</b>	<b>-</b>	<b>-</b>	<b>(1,026)</b>	<b>(48)</b>	<b>4,717</b>
<b>Equity attributable to owners of ProCook Limited</b>								
Share capital	-	-	-	-	-	-	-	-
Revaluation reserve	472	-	-	-	-	-	-	472
Retained earnings	4,098	1,373	(152)	-	-	(1,026)	(48)	4,245
<b>TOTAL EQUITY</b>	<b>4,570</b>	<b>1,373</b>	<b>(152)</b>	<b>-</b>	<b>-</b>	<b>(1,026)</b>	<b>(48)</b>	<b>4,717</b>

## Income statement for the period ended 29 March 2020

	UK GAAP £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS Adjust- ment <sup>4</sup> £'000	FRS 102 Restate- ment <sup>5</sup>	IFRS £'000
<b>Revenue</b>	38,954	-	-	-	-	(86)	38,868
Cost of sales	(13,498)	-	-	-	(1,266)	26	(14,738)
<b>Gross profit</b>	25,456	-	-	-	(1,266)	(60)	24,130
Operating expenses	(23,417)	53	-	-	-	-	(23,364)
Other income	33	-	-	-	-	-	33
<b>Profit from operations</b>	2,072	53	-	-	(1,266)	(60)	799
Finance income	-	-	-	-	-	-	-
Finance expense	(241)	(242)	-	-	-	-	(483)
Gain on bargain purchase	-	-	-	-	-	-	-
Other gains/(losses)	(173)	-	-	-	-	-	(173)
<b>Profit before taxation</b>	1,658	(189)	-	-	(1,266)	(60)	143
Tax expense	(424)	36	-	-	240	12	(136)
<b>Profit for the period</b>	1,234	(153)	-	-	(1,026)	(48)	7
<b>Other comprehensive income</b>							
Total other comprehensive income	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	1,234	(153)	-	-	(1,026)	(48)	7

## Balance sheet at 4 April 2021

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS Adjust- ment <sup>4</sup> £'000	FRS 102 Restate- ment <sup>5</sup> £'000	IFRS £'000
<b>Assets</b>								
<b>Current assets</b>								
Inventories	9,892	41	-	-	-	-	10	9,943
Trade and other receivables	1,888	-	-	-	-	-	-	1,888
Cash and cash equivalents	5,879	-	-	-	-	-	-	5,879
<b>Total current assets</b>	<b>17,659</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>17,710</b>
<b>Non-current assets</b>								
Property, plant, and equipment	3,968	(65)	-	10	(67)	-	-	3,846
Right-of-use assets	-	8,348	7,234	-	-	-	-	15,582
Intangible assets	-	-	-	-	67	-	-	67
<b>Total non-current assets</b>	<b>3,968</b>	<b>8,283</b>	<b>7,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,495</b>
<b>Total assets</b>	<b>21,627</b>	<b>8,324</b>	<b>7,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>37,205</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	6,713	(15)	(135)	-	-	-	49	6,612
Lease liabilities	-	2,281	502	-	-	-	-	2,783
Borrowings	2,803	-	-	-	-	-	-	2,803
Corporation tax payable	413	-	-	-	-	-	-	413
<b>Total current liabilities</b>	<b>9,929</b>	<b>2,266</b>	<b>367</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>12,611</b>
<b>Non-current liabilities</b>								
Lease liabilities	-	6,294	8,342	-	-	-	-	14,636
Other provisions	160	-	-	-	-	-	-	160
Other payables	163	(296)	133	-	-	-	-	-
Deferred tax liabilities	426	(87)	(303)	-	-	-	(7)	29
<b>Total non-current liabilities</b>	<b>749</b>	<b>5,911</b>	<b>8,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>14,825</b>
<b>Total liabilities</b>	<b>10,678</b>	<b>8,177</b>	<b>8,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>27,436</b>
<b>NET ASSETS</b>	<b>10,949</b>	<b>147</b>	<b>(1,295)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32)</b>	<b>9,769</b>
<b>Equity attributable to owners of ProCook Limited</b>								
Share capital	-	-	-	-	-	-	-	-
Retained earnings	10,949	147	(1,295)	-	-	-	(32)	9,769
<b>TOTAL EQUITY</b>	<b>10,949</b>	<b>147</b>	<b>(1,295)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32)</b>	<b>9,769</b>

## Income statement for the period ended 4 April 2021

	UK GAAP £'000	IFRS Adjust- ment <sup>1</sup> £'000	IFRS Adjust- ment <sup>2</sup> £'000	IFRS Adjust- ment <sup>3</sup> £'000	IFRS Adjust- ment <sup>4</sup> £'000	IFRS FRS 102 Restate- ment <sup>5</sup> £'000	IFRS £'000
<b>Revenue</b>	53,465	-	-	-	-	(48)	53,417
Cost of sales	(16,775)	-	-	-	-	10	(16,765)
<b>Gross profit</b>	36,690	-	-	-	-	(38)	36,652
Operating expenses	(28,470)	(1,272)	-	-	-	-	(29,742)
Other income	2,848	-	-	-	-	-	2,848
<b>Profit from operations</b>	11,068	(1,272)	-	-	-	(38)	9,758
Finance income	-	-	-	-	-	-	-
Finance expense	(90)	(325)	-	-	-	-	(415)
Gain on bargain purchase	-	-	-	-	-	-	-
Other gains/(losses)	(949)	-	-	-	-	-	(949)
<b>Profit before tax</b>	10,029	(1,597)	-	-	-	(38)	8,394
Tax expense	(2,202)	303	-	-	-	7	(1,892)
<b>Profit for the period</b>	7,827	(1,294)	-	-	-	(31)	6,502
<b>Other comprehensive income</b>							
Total other comprehensive income	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	7,827	(1,294)	-	-	-	(31)	6,502



## PART 8

### DETAILS OF THE OFFER

#### 1. Summary of the Offer

This Part 8 should be read in conjunction with the sections headed "Expected timetable of principal events" and "Offer statistics" of this document.

The Offer Price is expected to be between 137 pence and 185 pence per Share and the Offer comprises an offer of, in aggregate, up to 43,666,658 Shares to be made by way of:

- (i) an offer to certain institutional and professional investors in the United Kingdom and elsewhere outside the United States in accordance with Regulation S and in the United States to QIBs, as defined in Rule 144A under the Securities Act (the "Institutional Offer"); and
- (ii) an offer to the Intermediaries for onward distribution to retail investors in the United Kingdom (the "REX Intermediaries Offer").

The sale of up to 43,666,658 Offer Shares will raise net proceeds for the Selling Shareholders of approximately £68.5 million (after the deduction of base placing commissions and amounts in respect of estimated fees and expenses for which the Selling Shareholders are liable of approximately £1.8 million, in aggregate, and assuming the Offer Size is set at the top of the Offer Size Range and that the Offer Price is set at the mid-point of the Price Range).

All Offer Shares sold pursuant to the Offer will be sold, payable in full, at the Offer Price at Admission. It is currently expected that the Offer Price will be set within the Price Range. However, the Price Range is indicative only; it may change during the course of the Offer and the Offer Price may be set within, above or below the Price Range. The amount to be raised and the number of Offer Shares to be sold by the Core Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) may be increased or decreased during the course of the Offer. The Offer Price will be determined by the Company and the Core Selling Shareholders following a book-building process and after having received a recommendation from, and having consulted with, the Sponsor. A number of factors will be considered in determining the Offer Price, the amount to be raised by the Selling Shareholders pursuant to the Offer and the basis of allocations to the investors, including the level and nature of the demand for the Offer Shares during the book-building process, the level of demand in the REX Intermediaries Offer, prevailing market conditions and the objective of establishing an orderly and liquid after-market in the Shares. A Pricing Statement containing the Offer Price, confirming the number of Offer Shares which are the subject of the Offer and containing any other outstanding information is expected to be published on or about 10 November 2021.

Any expenses incurred by any Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the REX Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries are able to charge any of their respective clients acquiring Offer Shares pursuant to the REX Intermediaries Offer.

The number of Offer Shares to be made available by the Core Selling Shareholders and Company (acting as agent for and on behalf of the Other Selling Shareholders) pursuant to the Offer is indicative only and the selling indications of the Selling Shareholders described in, assumed in or implied by this document are non-binding.

Applications are expected to be sought by the Intermediaries from their selected retail investor clients under the REX Intermediaries Offer for Shares on the basis that the exact number of Shares the subject of such applications will vary depending on the final Offer Price. A global application will then be made by the Intermediaries on behalf of their clients, through the REX Intermediaries Offer Co-ordinator, and this demand will be taken into account by the Company, the Core Selling Shareholders and Peel Hunt alongside indications of interest in the Institutional Offer in conducting the book-building in respect of the Offer.

The aggregate allocation of Offer Shares as between the Institutional Offer and the REX Intermediaries Offer will be determined by the Core Selling Shareholders in consultation with the Company. The allocation policy for the REX Intermediaries Offer will be determined by the Core Selling Shareholders in consultation with the Company and Peel Hunt. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares. Allocations under the Offer will be finally determined by the Company and Peel Hunt in accordance with an allocation policy to be determined by the Company and Peel Hunt.

Unless required to do so by law or regulation, the Company does not envisage publishing a supplementary prospectus or an announcement triggering the right to withdraw applications for the Shares pursuant to Article 17 of the Prospectus Regulation on determination of the Offer Price or the Offer Size. If the Offer Price is set within the Price Range and the Offer Size is set within the Offer Size Range, a Pricing Statement containing the Offer Price and confirming the number of Offer Shares which are comprised in the Offer and related disclosures are expected to be published on or about 10 November 2021 and will be available on the Company's website at [www.procookgroup.co.uk](http://www.procookgroup.co.uk). If (i) the Offer Price is set above the Price Range or the Price Range is revised higher and/or (ii) the Offer Size is set above or below the Offer Size Range, the Company would make an announcement via a RIS and prospective investors would have a statutory right to withdraw their application for Shares pursuant to Article 17 of the Prospectus Regulation. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to purchase Shares would be made clear in such announcement.

The Offer is subject to satisfaction of the conditions set out in the Placing Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. on 12 November 2021 (or such later time and/or date as the Company and the Sponsor may agree, being not later than 8.00 a.m. on 26 November 2021) and the Placing Agreement not having been terminated in accordance with its terms.

If admitted to trading, the Shares will be registered with ISIN GB00BNRR8331 and SEDOL BNRR8331 and will trade under the symbol "PROC". Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 November 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares on the London Stock Exchange will commence, at 8.00 a.m. on 12 November 2021. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued basis" and of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

Immediately following Admission, in excess of 25% of the Company's issued ordinary share capital will be held in 'public hands' (within the meaning of paragraph 6.1.19 of the Listing Rules).

The Offer Shares being offered for sale by Selling Shareholders will, on Admission, rank *pari passu* in all respects with the other Shares and will rank in full for all dividends and other distributions after that date declared, made or paid on the ordinary share capital of the Company. The Shares will be freely transferable in accordance with the Articles and will be credited as fully paid and free from all liens, equities, charges, encumbrances and other interests.

The Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Offer Shares offered pursuant to this document may not be offered or sold, directly or indirectly, in, into or within the United States or to or for the account or benefit of any persons within the United States except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certain restrictions that apply to the distribution of this document and the Offer Shares being sold under the Offer in jurisdictions outside the United Kingdom are described in paragraph 11 below headed "Selling and transfer restrictions".

The following table sets out the maximum number of Offer Shares the Selling Shareholders are selling in the Offer and the interests of the Selling Shareholders following Admission, assuming the maximum number of Offer Shares subject to the Offer are sold:

<i>Selling Shareholder</i>	<i>Maximum number of Offer Shares to be sold under the Offer</i>	<i>Shares owned following Admission</i>	<i>%</i>
Daniel O'Neill*	8,703,491	12,296,509	11.3%
Sarah O'Neill	8,289,039	11,710,961	10.7%
Daniel O'Neill* and Sarah O'Neill (as trustees of the O'Neill 2021 Discretionary Settlement)	4,144,520	5,855,480	5.4%
Michael O'Neill	20,308,146	28,691,854	26.3%
Stephen Sanders*	443,464	626,536	0.6%
Sarah Savery-Smith**	443,464	626,536	0.6%
Paul Neiss**	443,464	626,536	0.6%
Angeline England**	443,464	626,536	0.6%
Martin Challens**	223,804	316,196	0.3%
Andrew Kerr**	223,804	316,196	0.3%

\* A Director

\*\* An employee of the Group

The business address of all of the Selling Shareholders is the Company's registered office, ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY.

No new Shares will be issued pursuant to the Offer. The existing Shares together with Shares to be issued following the exercise of options to acquire Shares referred to in paragraph 6.3 of Part 10 and Shares to be acquired by the trustee of the EBT referred to in paragraph 3.9(v) of Part 10, will represent 100% of the total issued share capital of the Company immediately following Admission.

Greg Hodder has indicated an intention to the Company to apply for Offer Shares up to an aggregate value of £35,000 at the Offer Price.

## **2. Reasons for the Offer and use of proceeds**

The Directors believe that the Offer and Admission will position the Group for its next stage of development, including further raising the profile of the Group, assisting in retaining and incentivising employees and providing it with a platform for future growth.

Admission will also enable the Selling Shareholders to partially realise their investment in the Company.

Through the sale of the Offer Shares pursuant to the Offer, it is expected that the Selling Shareholders will receive net proceeds of up to approximately £68.5 million (after deducting placing commission and assuming the Offer Size is set at the top of the Offer Size Range and that the Offer Price is set at the mid-point of the Price Range).

The Company will not receive any of the proceeds from the sale of Offer Shares by the Selling Shareholders. However, the Company will incur estimated offering-related fees and other related expenses relating to the Offer and Admission of approximately £3.9 million.

## **3. The Offer**

### **3.1 The Institutional Offer**

Under the Institutional Offer, Offer Shares will be offered to (a) certain institutional and professional investors in the United Kingdom and elsewhere outside the United States in accordance with Regulation S and in the United States to QIBs, as defined in Rule 144A under the Securities Act. Certain restrictions that apply to the distribution of this document and the offer and sale of the Shares in jurisdictions outside the United Kingdom are described in paragraph 11 of this Part 8.

The latest time and date for indications of interest in acquiring Shares under the Institutional Offer are set out in the section headed "Expected timetable of principal events" of this document but are indicative and subject to change.

Participants in the Institutional Offer will be advised verbally or by electronic mail of their allocation as soon as practicable following pricing and allocation. Prospective investors in the Institutional Offer will be contractually committed to acquire the number of Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

### 3.2 ***The REX Intermediaries Offer***

Members of the general public will not be able to apply for Offer Shares in the Offer directly. They may, however, be eligible to apply for Offer Shares through the Intermediaries, by following their relevant application procedures, by no later than 9 November 2021. The Intermediaries may not permit the underlying applicants to make more than one application under the REX Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan).

The REX Intermediaries Offer is being made to retail investors in the United Kingdom only. No Offer Shares allocated under the REX Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom except in certain limited circumstances with the consent of Peel Hunt and the Company. For the avoidance of doubt, applicants in the United States will not be able to participate in the REX Intermediaries Offer.

Applications under the REX Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Offer Shares or the Offer Price. The minimum monetary amount per applicant is £1,000. There is no maximum monetary amount per applicant. An application for Offer Shares in the REX Intermediaries Offer means that the applicant agrees to acquire the Offer Shares at the Offer Price.

Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Offer Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be made in accordance with the terms provided by the Intermediary to the applicant. The Company, Peel Hunt and the Selling Shareholders accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will be required on appointment to agree, to adhere to and be bound by the Intermediaries Terms and Conditions, which regulate, inter alia, the conduct of the REX Intermediaries Offer on market standard terms and provide for the payment of commission to any Intermediary that elects to receive commission from the REX Intermediaries Offer Co-ordinator.

Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States. Under the REX Intermediaries Offer, Offer Shares will be offered to persons outside the United States in reliance on Regulation S under the Securities Act.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and shall not be reviewed or approved by the REX Intermediaries Offer Co-ordinator, the Company or the Selling Shareholders. Any liability relating to such documents shall be for the Intermediaries only. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide the Intermediary Terms and Conditions to any prospective investor who has expressed an interest in participating in the REX Intermediaries Offer.**

Each Intermediary will be informed by the REX Intermediaries Offer Co-ordinator by email of the aggregate number of Offer Shares allocated to their underlying clients (or to the Intermediaries themselves) and the total amount payable in respect thereof. The aggregate allocation of Offer Shares as between the Institutional Offer and the REX Intermediaries Offer will be determined by the Core Selling Shareholders in consultation with the Company. The allocation policy for the REX Intermediaries Offer will be determined by the Core Selling Shareholders in consultation with the Company and Peel Hunt. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares.

The publication of this document and/or any supplementary prospectus and any other actions of the Company, the Selling Shareholders, Peel Hunt, the Intermediaries or other persons in connection with the Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Offer Shares to be offered under the REX Intermediaries Offer or allocations within the REX Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the REX Intermediaries Offer Co-ordinator, the Company and the Selling Shareholders.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf (not on behalf of any other person) of the consideration for the Offer Shares allocated, at the Offer Price, to the REX Intermediaries Offer Co-ordinator in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Offer Shares at the time and/or date set out in the section headed "Expected timetable of principal events" of this document or at some other time and/or date after the day of publication of the Offer Price as may be agreed by the Company, the Core Selling Shareholders and the REX Intermediaries Offer Co-ordinator and notified to the Intermediaries.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option to be paid a commission by the REX Intermediaries Offer Co-ordinator in respect of the Offer Shares allocated to and paid for by them pursuant to the REX Intermediaries Offer.

#### **4. Bookbuilding and allocation under the Offer**

The rights attaching to the Offer Shares will be uniform in all respects and they will form a single class for all purposes. The purchase of the Offer Shares to be offered under the Offer has not been underwritten.

Peel Hunt will solicit indications of interest from prospective institutional and other investors to purchase Offer Shares in the Institutional Offer. On this basis, prospective investors will be asked to specify the number of Offer Shares that they are prepared to subscribe for and/or purchase at different prices. Multiple applications under the Institutional Offer are permitted.

Applications are expected to be sought by the Intermediaries from their selected retail investor clients under the REX Intermediaries Offer for Shares on the basis that the exact number of Shares the subject of such applications will vary depending on the final Offer Price. A global application will then be made by the Intermediaries on behalf of their clients, through the REX Intermediaries Offer Co-ordinator, and this demand will be taken into account by the Company, the Core Selling Shareholders and Peel Hunt alongside indications of interest in the Institutional Offer in conducting the book-building in respect of the Offer.

Allocations under the Offer will be finally determined by the Company and Peel Hunt in accordance with an allocation policy to be determined by the Company and Peel Hunt.

Upon accepting any allocation, prospective investors will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from such commitment.

## **5. Dealings and Admission**

The Offer is subject to the satisfaction of certain conditions contained in the Placing Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors, the Selling Shareholders and Peel Hunt. Further details of the Placing Agreement are described in paragraph 8 below and in paragraph 9 of Part 10 (Additional information) of this document.

Application will be made to the FCA for the Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 November 2021.

It is expected that Admission will become effective, and that unconditional dealings in the Shares on the London Stock Exchange will commence, at 8.00 a.m. on 12 November 2021. Settlement of dealings from that date will be on a two-day rolling basis.

It is expected that Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the sole risk of the persons concerned.

## **6. Payment for shares**

Each investor (which for the purpose of this provision includes any Intermediary) in the Offer will be required to undertake to pay the Offer Price for the Offer Shares sold to such investor in such manner as shall be directed by Peel Hunt.

In the event of any failure by any investor to pay as so directed by Peel Hunt, the relevant investor will be deemed thereby to have appointed Peel Hunt or any nominee of Peel Hunt to sell (in one or more transactions) any or all of the Offer Shares in respect of which payment has not been made as directed by Peel Hunt and such investor shall indemnify Peel Hunt and/or any relevant nominee of Peel Hunt in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales and/or any other loss suffered in connection with such failure.

If Admission does not occur, monies will be returned without interest at the risk of the applicant.

## **7. CREST**

With effect from Admission, the Articles will permit the holding of Shares in the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. Settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so. Investors applying for Shares in the Offer may elect to receive Shares in uncertificated form, if that investor is a system member (as defined in the CREST Regulations) with regard to CREST.

## **8. Placing arrangements**

The Company, the Directors, the Core Selling Shareholders and Peel Hunt have entered into the Placing Agreement pursuant to which Peel Hunt has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Offer Shares. In the event that it is unable to procure purchasers for the Offer Shares, Peel Hunt will not be obliged to purchase the Offer Shares itself.

The Placing Agreement contains provisions entitling Peel Hunt to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer (and the arrangements associated with it) will lapse and any monies received

in respect of the Shares will be returned without interest. This right of termination cannot be exercised after Admission.

Further details of the terms of the Placing Agreement are set out in paragraph 9 of Part 10 (Additional information) of this document.

## **9. Lock-up arrangements**

Pursuant to the Placing Agreement, the Company has given certain undertakings to Peel Hunt, including an undertaking that it will not, subject to certain exceptions, without the prior written consent of Peel Hunt, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing during the period of 180 days from the date of Admission.

Each of the Directors and the Selling Shareholders (and any person connected with them) who holds Shares as at Admission has agreed that, during the period of 365 days from the date of Admission, subject to certain customary exceptions, he or she will not, directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering of any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as the foregoing.

In addition, each of the Directors and the Selling Shareholders (and any person connected with them) who holds Shares as at Admission has agreed that, for a further period of 365 days following the expiry of their lock-up periods referred to above, subject to certain customary exceptions, they will not dispose of any Shares or interests in Shares other than through Peel Hunt (provided that Peel Hunt continues to be Company's broker) with a view to maintaining an orderly market in the Company's securities.

## **10. Withdrawal rights**

In the event that the Company is required to publish any supplementary prospectus, investors who have applied for Offer Shares in the Offer shall (to the extent provided in Article 23(2) of the Prospectus Regulation) have at least two clear working days following the publication of the relevant supplementary prospectus within which to withdraw their application to acquire Offer Shares in the Offer in its entirety. Any right to withdraw an application to acquire Offer Shares in the Offer in these circumstances will be available to all investors in the Offer. If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Offer will remain valid and binding. The arrangements for withdrawing offers to purchase Shares would be made clear in such announcement.

In addition if (i) the Offer Price is set above the Price Range or the Price Range is revised higher and/or (ii) the Offer Size is set above or below the Offer Size Range, the Company would make an announcement via a RIS and prospective investors would have a statutory right to withdraw their application for Offer Shares pursuant to Article 17 of the Prospectus Regulation before the end of the period of two business days commencing on the first business day after the date on which the an announcement of this has been published via a RIS (or such later date as may be specified in that announcement). The arrangements for withdrawing offers to purchase Shares would be made clear in such announcement.

Investors wishing to exercise statutory withdrawal rights must do so by lodging a written notice of withdrawal by hand (during normal business hours only) at the registered office of the Company or by email to [investor.relations@procook.co.uk](mailto:investor.relations@procook.co.uk) (during normal business hours only) within the time period stipulated by the Company. Notice of withdrawal given by any other means or which is deposited with or received by the Company after expiry of such period will not constitute a valid withdrawal.

Applicants who have applied for Shares in the Intermediary Offer through an Intermediary should contact the relevant Intermediary for details on how to withdraw an application.

## **11. Selling and transfer restrictions**

The distribution of this document and the Offer in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been, or will be, taken in any jurisdiction that would permit a public offering of the Offer Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction.

This document does not constitute an offer to subscribe for or purchase any of the Offer Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

### **11.1 United Kingdom and the European Economic Area**

No Offer Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the FCA, except that the Offer Shares may be offered to the public in the United Kingdom at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of Peel Hunt for any such offer; or
- (iii) in any other circumstances falling within Section 86 of FSMA,

provided that no such offer of Offer Shares shall require the Company to publish a prospectus pursuant to Section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares.

In relation to each Member State (each a "**Relevant State**" for the purposes of this provision), no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the EU Prospectus Regulation, except that offers of Offer Shares may be made to the public in that Relevant State at any time:

- (i) to any legal entity which is a qualified investor (as defined under Article 2 of the EU Prospectus Regulation);
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the EU Prospectus Regulation), subject to obtaining the prior consent of Peel Hunt for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.



For the purposes of this provision, the expression “an offer to the public” in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares. The expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129 as it applies in EU member states from time to time.

In the case of Offer Shares being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation or the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in the United Kingdom or a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of Peel Hunt has been obtained to each such proposed offer or resale.

The Company, Peel Hunt and their respective affiliates, and others, will rely upon the truth and accuracy of the representation, warranty and agreement referred to above. Notwithstanding the above, a person who is not a qualified investor and who has notified Peel Hunt of such fact in writing may, with the consent of Peel Hunt and the Company, be permitted to purchase Offer Shares in the Offer.

#### 11.2 **United States transfer restrictions**

Each purchaser of the securities in the United States will be deemed to have represented and agreed as follows:

- (i) The purchaser (a) is a qualified institutional buyer, or QIB, as defined in Rule 144A under the Securities Act or a broker-dealer acting for the account of a QIB, (b) is acquiring such securities for its own account or for the account of a QIB, and (c) is aware that the securities are restricted within the meaning of the Securities Act and may not be deposited into any unrestricted depository facility, unless at the time of such deposit the securities are no longer restricted.
- (ii) The purchaser is aware that the securities have not been and will not be registered under the Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the Securities Act.
- (iii) The purchaser understands and agrees that the securities may not be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB, **or** (b) outside the United States in accordance with Regulation S under the Securities Act, **or** (c) pursuant to an exemption from registration under the Securities Act, **or** (d) pursuant to an effective registration statement under the Securities Act.

#### 11.3 **Australia**

This document does not constitute a disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia, as amended (the “Corporations Act”), and will not be lodged with the Australian Securities and Investments Commission. The Shares will not be offered to persons who receive offers in Australia other than with the prior approval of Peel Hunt and on a basis that such offers of Shares for issue or sale do not need disclosure to investors under Part 6D.2 of the Corporations Act. Any offer of Shares received in Australia is void to the extent that it needs disclosure to investors under the Corporations Act. In particular, offers for the issue or sale of Shares will only be made in Australia in reliance on various exemptions from such disclosure to investors provided by Section 708 of the Corporations Act. Any person to whom Shares are issued or sold pursuant to an exemption provided by Section 708 of the Corporations Act must not (within 12 months after the issue

or sale) offer those Shares in Australia unless that offer is itself made in reliance on an exemption from disclosure provided by that section.

#### 11.4 **Japan**

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Law, as amended (the "FIEL"). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan. No such offer of securities for sale will be made except with the prior approval of Peel Hunt and unless made pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with the FIEL and other relevant laws and otherwise in compliance with such law and any other applicable laws, regulations or ministerial guidelines of Japan.

#### 11.5 **Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Offer Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document relating to the Offer has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the SFO and any rules made thereunder.

Each purchaser of the Offer Shares in Hong Kong will be deemed to have represented and agreed as follows:

- (i) that it (a) is a "professional investor" (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that ordinance); and (b) is not intending to offer or sell or otherwise deal with the Offer Shares in any way which would result in an offer to the public in the Hong Kong within the meaning of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32 of the Laws of Hong Kong); and
- (ii) that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Offer Shares in Hong Kong or to any national, resident or citizen of Hong Kong other than as may be permitted under the applicable law in Hong Kong and it acknowledges that the Offer Shares have not been and will not be registered under the applicable securities laws of Hong Kong, and, subject to certain exceptions, the Offer Shares are not being offered for subscription or sale, and may not, directly or indirectly, be offered, sold, transferred or delivered in Hong Kong.

#### 11.6 **Other jurisdictions**

The Shares have not been and will not be registered under the applicable securities laws of the Republic of South Africa or New Zealand. Subject to certain exceptions, the Shares may not be offered or sold in the Republic of South Africa or New Zealand or to or for the account or benefit of any resident of the Republic of South Africa or New Zealand.

## PART 9

### TAXATION

**The tax legislation of the investor's jurisdiction and of the country of incorporation of the Company may have an impact on the income received from Shares.**

*The following is a summary of certain United Kingdom tax considerations relating to an investment in Shares. It assumes that the Company is and remains resident for applicable tax purposes solely in the United Kingdom.*

*The comments set out below are based on current United Kingdom law and published HMRC practice (which is not generally binding on HMRC), as at the date of this document, and which may be subject to change, possibly with retrospective effect. They are intended as a general guide and, unless expressed otherwise, apply only to Shareholders resident and, in the case of an individual, domiciled for tax purposes in (and only in) the United Kingdom and to whom "split year" treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Shares directly and as an investment (and the Shares are not held through an Individual Savings Account, Self-Invested Personal Pension or any other investment vehicle) and who are the absolute beneficial owners of them. The discussion does not address all possible tax consequences relating to an investment in Shares. Certain categories of Shareholders, including personal representatives, trustees, those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with the Company and those for whom Shares are employment-related securities, may be subject to special rules and this summary does not apply to such Shareholders.*

*Shareholders or prospective Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.*

#### **1. Taxation of dividends**

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

A United Kingdom resident and domiciled (or deemed domiciled) individual Shareholder who receives a dividend from the Company in respect of their Shares will pay no income tax on the first £2,000 in aggregate of dividend income he/she receives in a year (the "Nil Rate Amount"). For dividends received in excess of the Nil Rate Amount, the rates of income tax are currently 7.5% for dividends taxed in the basic rate band, 32.5% for dividends taxed in the higher rate band and 38.1% for dividends tax in the additional rate band (though it has been announced that these rates will each increase by 1.25% with effect from April 2022 and legislation in respect of this increase is expected to be included in the Finance Bill 2022).

Dividend income falling within the Nil Rate Amount still counts towards an individual Shareholder's basic or higher rate limit, and will therefore impact on the level of savings allowance to which he/she is entitled, and the rate of tax applicable to any dividend income above the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the top slice of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Corporate Shareholders that are within the charge to corporation tax will be subject to corporation tax (currently at a rate of 19% but it has been enacted that this main rate will increase to 25% with effect from 1 April 2023) on dividends paid by the Company, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class as set out in Part 9A of the Corporation Tax Act 2009. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

No tax credit will attach to any dividend paid by the Company to a non-United Kingdom resident Shareholder. A Shareholder resident outside the United Kingdom may be subject to foreign taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the United Kingdom should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

## **2. Taxation of capital gains**

### **2.1 *United Kingdom resident individual Shareholders***

For a United Kingdom resident individual Shareholder within the charge to United Kingdom capital gains tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom capital gains tax to the extent this disposal generates a gain for the Shareholder.

Subject to available reliefs or allowances, gains arising on a disposal of Shares by an individual United Kingdom resident Shareholder will be taxed at the rate of 10% for individuals who are subject to income tax at the basic rate and to the extent that any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20%. The rate of capital gains tax is also 20% for individuals who are subject to income tax at the higher or additional rates. The capital gains tax annual exemption (£12,300 for the 2021/22 tax year) may be available to individual Shareholders (to the extent it has not already been utilised) to offset against chargeable gains realised on a disposal of their Shares.

### **2.2 *United Kingdom resident corporate Shareholders***

For a corporate Shareholder within the charge to United Kingdom corporation tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom corporation tax to the extent this disposal generates a gain for the Shareholder.

Corporation tax is charged on chargeable gains at the corporation tax rate (currently 19% but increasing to 25% with effect from 1 April 2023), subject to any available exemption or relief.

### **2.3 *Shareholders not resident in the United Kingdom***

An individual Shareholder who is only temporarily resident outside the United Kingdom may, under anti-avoidance legislation, still be liable to United Kingdom tax on any capital gain realised (subject to available allowances, exemptions or reliefs).

Shareholders who are not resident in the United Kingdom and, in the case of an individual Shareholder, not temporarily non-resident, will generally not be liable for United Kingdom tax on capital gains realised on a sale or other disposal of their Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the United Kingdom through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment.

Shareholders who are not resident in the United Kingdom may be subject to foreign taxation on any gain under local law.

## **3. United Kingdom inheritance tax**

Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold

Shares bringing them within the charge to inheritance tax. Shareholders should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Shares through a trust or similar indirect arrangements. They should also seek professional advice in a situation where there is potential for a double charge to United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

#### **4. Stamp duty and stamp duty reserve tax ("SDRT")**

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Shareholders should note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

##### **4.1 The Offer**

Except in relation to depositary receipt systems and clearance services (to which the special rules outlined below apply), the transfer of, or agreement to transfer, Existing Shares sold by the Selling Shareholders under the Offer will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5% of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

The Core Selling Shareholders and the Company (on behalf of the Other Selling Shareholders) have agreed in the Placing Agreement to meet any liability to stamp duty and/or SDRT of initial purchasers of Offer Shares pursuant to the Offer at the normal rate that will arise on such sale under the Offer.

##### **4.2 Subsequent transfers**

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Instruments transferring Shares will generally be subject to stamp duty at the rate of 0.5% of the amount or value of the consideration given for the transfer (rounded up to the nearest multiple of £5). The purchaser normally pays the stamp duty. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is generally repayable, normally with interest, and otherwise the SDRT charge is cancelled.

Special rules apply where listed securities are transferred between connected companies (or their nominees). Corporate holders of Shares should consult an appropriate professional adviser if they intend to transfer Shares at less than full market value to a company with which they are connected.

##### **4.3 CREST**

Paperless transfers of Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration.

#### 4.4 ***Depository receipt systems and clearance services***

Following litigation, HMRC has accepted that the 1.5% SDRT higher rate charge is in breach of EU law and is no longer payable so far as it applies new issues of shares (or transfers that are an integral part of a share issue) by a UK incorporated company that are issued or transferred to a clearance service of depository receipt system. HMRC has confirmed in its published guidance that the 1.5% charge will remain disapplied under the terms of the European Union (Withdrawal) Act 2018 following the end of the Brexit transition period and that will remain the position unless stamp taxes on shares legislation is amended. HMRC's published view is that the 1.5% stamp duty or SDRT charge will continue to apply to other transfers of shares into a clearance service or depository receipt arrangement unless they are an integral part of an issue of share capital.

Consequently, where Shares are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depository receipts, stamp duty or SDRT may be payable at the higher rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the Shares. Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depository receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depository receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depository receipt system.

There is an exception from the 1.5% charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. Note that such elections are not available to depository receipts issuers. In these circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer on sale of Shares into such an account and on subsequent agreements to transfer such Shares within such account.

Given the ongoing uncertainty in this area, it may be appropriate to seek specific professional advice before payment of a 1.5% stamp duty or SDRT charge.

**Any person who is in any doubt as to their taxation position or who is liable to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.**

## PART 10

### ADDITIONAL INFORMATION

#### 1. Responsibility Statement

The Company and the Directors, whose names appear on page 44 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

#### 2. History and development

- 2.1 The Company was incorporated and registered in England and Wales on 14 October 2021 under the name of Project Berry Topco Limited with registered number 13679248 as a private company with limited liability under the 2006 Act. On 19 October 2021, the Company's name was changed to ProCook Group Limited. The LEI of the Company is 213800RWZMK3ARHMUN52.
- 2.2 The Company's registered office and its head office is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. It is domiciled in the United Kingdom.
- 2.3 The principal laws and legislation under which the Company operates and the Shares have been created are the 2006 Act and regulations made under that Act.
- 2.4 The Company is the ultimate holding company of the Group, and has the following significant subsidiaries and undertakings:

<i>Name</i>	<i>Country of incorporation</i>	<i>Principal Activity</i>
ProCook Limited	England and Wales	Trading
ProCook B.V.	The Netherlands	Trading
ProCook (Steamer Trading) Limited	England and Wales	Trading
ProCook (Kitchens) Limited	England and Wales	Dormant

The Company owns directly or indirectly 100% of the issued shares of the above companies and can exercise 100% of the voting rights.

- 2.5 The registered office of each of the above companies is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY (except ProCook B.V., the registered of which is at Veerpolder 1 b, 2361KV, Warmond, Netherlands).
- 2.6 ProCook Limited was founded in 2008 following a purchase of assets from Pro Realisations Limited (which formerly traded as ProCook) which went into administration as a result of its bank withdrawing its financing facilities during the financial crisis.

#### 3. Share capital

- 3.1 As at the date of this document, the issued and fully paid share capital of the Company was:

<i>Issued Shares</i>	
<i>£</i>	<i>Number</i>
£1,000,000	100,000,000

- 3.2 The Company does not have any limit on its authorised share capital as the concept of authorised share capital does not exist under the 2006 Act.
- 3.3 As at the date of this document, the Company holds no Shares in treasury.
- 3.4 As at the date of this document, there are no convertible securities, exchangeable securities or securities with warrants in the Company.

- 3.5 As at the date of this document, except under or pursuant to the Share Options there are no acquisition rights in the capital of the Company, obligations over authorised but unissued capital of the Company or undertakings to increase the capital of the Company.
- 3.6 The following alterations in the share capital of the Company have taken place since its incorporation:
- (i) on the incorporation of the Company, the issued share capital of the Company was £1 divided into 100 Shares taken by the subscribers to the Company's memorandum of association;
  - (ii) on 26 October 2021, the Company issued 9,900 Shares fully paid to holders of shares in ProCook Limited pursuant to the Share for Share Exchange Agreement;
  - (iii) on 28 October 2021, the Company issued 11,729,990,100 Shares fully paid to holders of Shares pursuant to the bonus issue referred to in paragraph 3.9(iii) below; and
  - (iv) on 29 October 2021, the Company reduced its share capital by the cancellation 11,630,000,100 Shares pursuant to the capital reduction referred to in paragraph 3.9(iv) below.
- 3.7 On 27 October 2021, options were granted to employees and Directors to subscribe for 536 Shares in exchange for Share Options. Following the bonus issue and capital reduction described in paragraph 3.9(iii) below, those options were adjusted proportionately and are now options to acquire 5,360,000 Shares. Any Share Options not exchanged for options to acquire Shares are expected to be released immediately prior to Admission (see further paragraph 5.2 below).
- 3.8 Save as disclosed above and in paragraph 6.3 below, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option. The Company proposes to make awards on Admission under the Employee Share Plans, as described in paragraphs 5.1, 5.2 and 6.4 below.
- 3.9 The Group has undertaken certain steps as part of a reorganisation of its corporate structure and will undertake certain further steps following the date of this document, as follows:

***Steps already taken***

- (i) on 26 October 2021, the Company acquired the entire issued share capital of ProCook Limited;
- (ii) on 27 October 2021, certain existing options to acquire ordinary shares in ProCook Limited were exchanged for options to acquire Shares as described in paragraph 3.7 above;
- (iii) on 28 October 2021, the Company undertook a bonus issue of shares to holders of Shares in proportion to their existing Shares of an additional 11,729,990,100 Shares to increase the Company's issued share capital; and
- (iv) on 29 October 2021, the Company undertook a capital reduction using the solvency statement procedure in the 2006 Act by cancelling 11,630,000,100 Shares in order to create distributable profits in the Company; and

***Steps expected to be taken following the date of this document***

- (v) prior to Admission, the trustee of the EBT will subscribe for Shares at par in order to satisfy certain awards under share incentive schemes intended to be put in place at Admission, in particular the All-Employee Share Purchase ESP Awards as described at paragraph 5.2 below; and
- (vi) prior to Admission, the Company will be re-registered as a public limited company with the name ProCook Group plc.



3.10 Pursuant to:

- (i) an ordinary resolution passed on 29 October 2021, the Directors were generally and unconditionally authorised in accordance with section 551 of the 2006 Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert securities into such shares up to an aggregate nominal amount of £333,333, such power being expressed to expire at the conclusion of the next annual general meeting of the Company or on 29 January 2023, whichever is the earlier; and
- (ii) a special resolution passed on 29 October 2021, the Directors were empowered (pursuant to section 570 of the 2006 Act) to allot equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authority described in paragraph 3.10(i) above as if section 561(1) of the 2006 Act did not apply to such allotment, such power being limited to (a) the allotment of equity securities by way of rights in proportion to the respective number of shares held by or deemed to be held by the holders of equity securities or other persons entitled to participate in the issue on the relevant record date and (b) in respect of any other issue, up to an aggregate nominal amount of £50,000, such power being expressed to expire at the conclusion of the next annual general meeting of the Company or on 29 January 2023, whichever is the earlier.

3.11 The Shares are in registered form and capable of being held in uncertificated form. None of the Shares are being marketed or made available in whole or in part to the public in conjunction with the applications for Admission other than pursuant to the Offer.

3.12 The currency of the Offer is Pounds Sterling.

#### **4. Articles of Association**

On 29 October 2021, the Company adopted the Articles with effect from Admission. This is a description of significant rights and does not purport to be complete or exhaustive.

(a) **Objects**

The Articles contain no specific restrictions on the company's objects and therefore, by virtue of section 31(1) of the 2006 Act the Company's objects are unrestricted.

(b) **Voting rights**

Subject to paragraph (g) below, and to any special terms as to voting upon which any shares may for the time being be held, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly appointed representative shall have one vote and, on a poll, every member present in person or by a representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

(c) **Variation of rights**

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(d) **Alteration of capital**

The Company may, by ordinary resolution, increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the 2006 Act, by special resolution, reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the 2006 Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

(e) ***Transfer of shares***

A member may transfer all or any of his shares (1) in the case of certificated shares, by instrument in writing in any usual or common form or in such other form as may be approved by the Directors and (2) in the case of uncertificated shares, through CREST in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or behalf of the transferee. The Directors may, in their absolute discretion, refuse to register a transfer of any share held in certificated form which is not fully paid, provided that dealings in the shares are not prevented from taking place on an open and proper basis. In the case of uncertificated shares, the Directors may only refuse to register a transfer in accordance with the CREST Regulations. The Directors may also refuse to register a transfer of shares (whether fully paid or not) if the transfer is in favour of more than four persons jointly. Subject to that and to paragraph (g) below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.

(f) ***Dividends***

The Company may, by ordinary resolution, declare dividends provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

Subject to the rights of persons, if any, holding shares with special dividend rights, and subject to paragraph (g) below, all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.

All dividends unclaimed for a period of 12 years after the payment date for such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend. The Directors may, at their discretion, make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas shareholders.

(g) ***Suspension of rights***

If a member or any other person appearing to be interested in shares held by such member has been duly served with notice under section 793 of the 2006 Act and is in default in supplying to the Company within 14 days (or such longer period as may be specified in such notice) the information thereby required, then, if the Directors so resolve, such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25% of the issued shares of that class (calculated exclusive of any treasury shares of that class), the payment of dividends may be withheld,

and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

(h) **Return of capital**

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of ordinary shares are entitled to share in any surplus assets pro rata to the amount paid up on their ordinary shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the 2006 Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A liquidator, with the sanction of a special resolution, may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

(i) **Pre-emption rights**

There are no rights of pre-emption under the Articles in respect of transfers of issued shares.

In certain circumstances, the members may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. Those statutory pre-emption rights would require the Company to offer new shares for allotment by existing members on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the members.

(j) **General meetings**

Annual general meetings should be held within the time periods specified by the 2006 Act. Other general meetings may be called whenever the Directors think fit or when one has been requisitioned in accordance with the 2006 Act. Two members present in person or by proxy (or, being a corporation, present by a duly appointed representative) at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings or a meeting at which it is proposed to pass a resolution requiring special notice are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held. Other general meetings are to be called on 14 days' notice in writing, exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. Notice is to be given to all members on the register at the close of business on a day determined by the Company, such day being not more than 21 days before the day that the notice of meeting is sent.

The Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered into the register in order to have the right to attend or vote at the meeting. In every notice calling a meeting of the Company, there shall appear, with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him/her, and that a proxy need not be a member.

(k) **Directors**

Save as provided in the Articles or by the terms of any authorisation given by the Directors, a Director shall not vote as a Director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he (or a person connected with him) has any interest which (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) and which conflicts or may conflict with the interests of the Company and, if he shall do so, his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

The Directors may authorise a Director to be involved in a situation in which the Director has or may have a direct or indirect interest which conflicts or may conflict with the interests of

the Company and may impose such terms or conditions on the grant of such authorisation as they think fit and, in doing so, will act in such a way, in good faith, as they consider will be most likely to promote the success of the Company.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters, namely:

- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) the granting of any indemnity or provision of funding pursuant to the Company's articles of association unless the terms of such arrangement confer upon such Director a benefit not generally available to any other Director;
- (iv) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter;
- (v) any matters involving or relating to any other company in which he or any person connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise) provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in 1%, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in all circumstances);
- (vi) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
- (vii) the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

Fees may be paid out of the funds of the Company to Directors who are not managing or executive directors at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £500,000 per annum (exclusive of value added tax if applicable) or such other figure as the Company may, by ordinary resolution, from time to time determine.

Any Director who devotes special attention to the business of the Company, or otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such additional remuneration as the Directors or any committee authorised by the Directors may determine.

The Directors (including alternate Directors) are entitled to be paid, out of the funds of the Company, all their travelling, hotel and other expenses properly incurred by them in and about the business of the Company, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

A Director may hold any other office or employment with the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the 2006 Act and other companies legislation, a Director or intending Director may enter into any contract,

arrangement, transaction or proposal with the Company relating to the tenure of any such other office or employment. Any such contract, arrangement, transaction or proposal, and any contract, arrangement, transaction or proposal in which any Director or any person connected with him is in any way interested (whether directly or indirectly) and which has been authorised by the Directors, cannot be avoided and a Director is not liable to account to the Company for any benefit realised from any such contract, arrangement, transaction or proposal by reason of either holding office as a Director or because of the fiduciary relationship established by that office if the Director has declared his interest in accordance with the 2006 Act.

Save as provided by the Articles or by the terms of any authorisation given by the Directors under the Articles, a Director shall not vote as a Director, or be counted in the quorum, in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal in which he has any interest which conflicts or may conflict with the interests of the Company (other than an interest in shares or debentures or other securities of or otherwise in or through the Company). If he does vote, his vote shall not be counted.

The remuneration and other terms and conditions of appointment of a Director appointed to any executive office or employment in the Company shall, from time to time (without prejudice to the provisions of any agreement between him and the Company), be fixed by the Directors or by any committee appointed by the Directors, and may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or by any combination of them.

(l) ***Borrowing Powers***

The Directors may exercise all the powers of the Company to borrow or raise money, to mortgage or charge all or any of its undertaking, property, assets and uncalled capital, to issue debentures and other securities and to give security, whether outright or as collateral security for any debt, liability or obligation of the Company, any subsidiary of the Company or of any third party provided that the Directors shall restrict the borrowings of the Company, and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (as regards subsidiaries, so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group and for the time being owing to persons outside the Group shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the greater of 2.5 times the adjusted capital and reserves of the Company and £150 million.

Those borrowing powers may be varied by an alteration to the Articles, which would require a special resolution of the Company.

## **5. Employee Share Plans**

The Company proposes to operate four new Employee Share Plans with effect from Admission. The Employee Share Plans and how they are intended to be operated are described below. The Employee Share Plans, to the extent that they relate to awards to be granted to Executive Directors, form part of their overall remuneration and benefits, brief details of which are set out in the outline Remuneration Policy.

In addition to the Employee Share Plans, as described in the Remuneration Policy, the Annual Bonus Plan has been adopted by the Company which will formalise annual bonuses for the Executive Directors and certain employees with effect from Admission. The annual bonuses will be subject to financial and other performance targets and, for Executive Directors, a proportion of any bonuses will be deferred into Shares pursuant to the DBP.

### **5.1 *The ProCook Group plc Performance Share Plan 2021 ("PSP")***

Awards granted under the PSP ("**PSP Awards**") will take the form of an option to acquire Shares for nil consideration, subject to remaining employed and (at the discretion of the

Remuneration Committee) subject to the achievement of performance conditions, as further described below. The PSP will also permit the grant of PSP Awards which are not subject to performance conditions.

Brief details of the PSP Awards which are to be granted to Executive Directors and Senior Managers on the date of Admission are set out in paragraph 6.4 of this Part 10 ("**Executive PSP Awards**").

#### 5.1.1 *Eligibility*

Executive Directors and employees of any company in the Group may be granted PSP Awards.

#### 5.1.2 *Grant*

The Remuneration Committee will have absolute discretion to select who will be granted PSP Awards and, subject to the limits set out below, in determining the number of Shares which are to be subject to a PSP Award.

PSP Awards may be granted during the period of 42 days commencing on: (a) the date of adoption of the PSP; (b) the date of Admission; (c) the dealing day immediately following the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year, provided that if the Shares are admitted to the Official List at the time in question, PSP Awards may not be granted during the first two dealing days following the date of any such announcement; or (d) any other time determined by the Remuneration Committee where, in its discretion, circumstances are considered to be so exceptional as to justify the grant of PSP Awards.

If the grant of a PSP Award on any of the above days would be prohibited by virtue of any share dealing code adopted by the Company ("**Share Dealing Code**"), then such PSP Award may be granted during the period of 40 days commencing immediately after the second dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of a PSP Award.

#### 5.1.3 *Plan Limits*

On any date, no PSP Award may be granted if, as a result of such grant, the aggregate nominal value of Shares which are issued or are issuable due to awards granted during the previous ten years under the PSP or any other employees' share scheme adopted by the Company would exceed 10% of the nominal value of the share capital of the Company in issue on that date.

On any date, no PSP Award may be granted if, as a result of such grant, the aggregate nominal value of Shares which are issued or are issuable due to awards granted during the previous ten years under the PSP or any other discretionary employees' share scheme adopted by the Company would exceed 5% of the nominal value of the share capital of the Company in issue on that date.

For the purposes of the limits set out above:

- any Shares which were subject to an option or other right (whether granted under the PSP or any other employees' share scheme adopted by the Company) which has lapsed or been surrendered will not count towards the limits set out above;
- Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company, on or following Admission, to any employee benefit trust established by the Company or other person for the purposes of the PSP or any other employees' share scheme operated by the Company; and
- Shares held in treasury which are used to satisfy awards or other rights (whether under the PSP or any other employees' share scheme adopted by the Company) shall be taken into account (unless treasury shares are no longer required to be included in anti-dilution limits by the Investment Association or any replacement body).

#### 5.1.4 *Individual Limit*

Each individual's participation is limited so that, in any financial year of the Company, the aggregate market value of the Shares which are subject to all PSP Awards (calculated as at the date of grant of each PSP Award) granted to the individual in that financial year, will not exceed 100% of the individual's basic salary at the date of grant. A PSP Award may be granted in excess of this limit, but only in circumstances which the Remuneration Committee in its absolute discretion considers to be sufficiently exceptional to justify the grant of a PSP Award in excess of such limit and any such PSP Award will not, in any circumstances, exceed 200% of the individual's basic salary at the date of grant. As shown in paragraph 6.4 of this Part 10, the Executive PSP Awards for Executive Directors will be awarded over such number of Shares as is equal to 100% of salary divided by the Offer Price (rounded down to the nearest whole number of Shares), save that the award to Dan Walden will be over such number of Shares as is equal to 200% of salary divided by the Offer Price (rounded down to the nearest whole number of Shares) to reflect the terms offered to Dan Walden as part of his recruitment.

#### 5.1.5 *Performance Conditions*

Unless decided otherwise by the Remuneration Committee at the time of grant of a PSP Award, the exercise of a PSP Award will be conditional upon the achievement of performance conditions prescribed at the time of grant ("**Performance Conditions**") and measured over a performance period determined by the Remuneration Committee at the time of grant, which will not normally be less than three years ("**Performance Period**").

The Executive PSP Awards and the PSP Awards to be granted to other senior employees on Admission will be subject to Performance Conditions measured over a three year period relating to profit before tax and exceptional items.

If events occur which cause the Remuneration Committee reasonably to consider that a Performance Condition should be waived or that a different or amended condition would be a fairer measure of performance, the Remuneration Committee may waive the Performance Condition or amend the original Performance Condition in such manner as it deems fit, provided that any such amended condition is not materially more challenging to meet or achieve than the original Performance Condition.

In circumstances where a PSP Award holder is permitted to exercise a PSP Award before the end of the relevant Performance Period (as a result of cessation of employment in certain circumstances or upon the occurrence of certain corporate events such as a change of control of the Company), the Remuneration Committee may, in its discretion, determine that the extent to which the relevant Performance Condition applying to the applicable PSP Award has been met may be measured by reference to the proportion of the Performance Period that has elapsed at the time of relevant event, or waive the Performance Condition entirely. The Remuneration Committee may make such modifications to the relevant Performance Condition as it thinks fit when applying its discretion in these circumstances, provided that the modified Performance Condition is not materially more difficult to meet or achieve than the original Performance Condition, taking into account the abbreviated period.

#### 5.1.6 *Vesting of PSP Awards*

PSP Awards will be capable of exercise following a date ("**Vesting Date**") specified at the time of grant which occurs after the expiry of the relevant Performance Period (if applicable) and when the Performance Conditions have been determined. It is intended that the Vesting Date for a PSP Award granted to an Executive Director will not normally occur before the third anniversary of the date of grant. The Vesting Date for the PSP Awards to be granted on Admission will be the third anniversary of Admission.

The Remuneration Committee may also determine that a PSP Award will be subject to a holding period which will commence on the Vesting Date ("**Holding Period**"). It is intended that PSP Awards granted to Executive Directors will be subject to a Holding Period. The Executive PSP Awards granted to Executive Directors will be subject to a two

year Holding Period. The Executive PSP Awards granted to Senior Managers will not be subject to a Holding Period.

#### 5.1.7 *Dividends*

Until a PSP Award has been exercised and the Shares which are subject to the PSP Award have been transferred to the PSP Award holder, the PSP Award holder shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer.

The Remuneration Committee can, however, determine that dividend equivalents will be awarded. If dividend equivalents are awarded, whenever a dividend or other distribution is paid by the Company in respect of its Shares and the PSP Award has not become exercisable, either under its terms or as a result of the Share Dealing Code, the number of Shares which are subject to the PSP Award shall be increased to reflect the value of the dividend.

The number of Shares to be added to the PSP Award ("**Dividend Equivalent Shares**") shall be equal to the number of Shares that could have been purchased, at the share price prevailing on the date the dividend is paid, from an amount equal to the dividend paid on each Share multiplied by the number of Shares under the PSP Award.

To the extent that a PSP Award does not vest and become exercisable in relation to any Shares, the PSP Award shall also cease to be exercisable in respect of a proportionate number of Dividend Equivalent Shares.

Dividend Equivalent Shares that have been issued and any Dividend Equivalent Shares that have been notionally added to a PSP Award shall be taken into account for the purposes of applying the PSP limits set out above. Any potential right to receive additional Dividend Equivalent Shares in the future shall not, however, be taken into account.

The Remuneration Committee may in its absolute discretion determine that a PSP Award holder shall, instead of receiving Dividend Equivalent Shares on exercise of their PSP Award, receive a cash payment equivalent in value to the Dividend Equivalent Shares, in which case the number of Dividend Equivalent Shares shall not count towards the PSP limits set out above.

#### 5.1.8 *Exercise and Lapse of PSP Awards*

Normally, a PSP Award may only be exercised in the period commencing on the day immediately following the Vesting Date, or the end of the Holding Period (if applicable) and ending on the day immediately prior to the tenth anniversary of the date of grant, to the extent that the Performance Conditions (if any) have been satisfied and provided that the participant is still an employee within the Group and has not given notice of cessation of employment. The Remuneration Committee may determine, in its discretion, to apply a shorter exercise period at the date of grant of the PSP Award.

PSP Awards may not be exercised during any period when exercise would be in breach of a Share Dealing Code.

A PSP Award cannot be exercised more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

The Remuneration Committee may in its absolute discretion determine that a PSP Award holder shall, instead of receiving Shares on exercise of their PSP Award, receive a cash payment equivalent in value to the Shares in respect of which their PSP Award is exercised.

#### 5.1.9 *Corporate Events*

Exercise of PSP Awards is possible earlier than the Vesting Date or earlier than the end of a Holding Period (if applicable) in the event of a takeover or certain other corporate events.

In the event of such a corporate event, PSP Awards may, normally, be exercised for a six month period following such event or immediately prior to such event, subject to, if



the event occurs prior to the applicable Vesting Date, pro-rating for time (i.e. reduced to reflect the period that has elapsed from the date of grant to the corporate event (on a daily basis)). The Remuneration Committee will have discretion to disapply the Performance Conditions and/or to disapply pro-rating. If the corporate event occurs during the Holding Period, time pro-rating will not apply unless the Remuneration Committee imposes pro-rating.

#### 5.1.10 *Cessation of Employment*

##### *Prior to the Vesting Date of a PSP Award*

In the event of cessation of employment by reason of a PSP Award holder's death, their personal representatives will be able to exercise their PSP Awards within the twelve month period immediately following death (subject to time pro-rating and to the application of any applicable performance conditions as at the date of death, as described below).

If a PSP Award holder ceases to be employed within the Group by reason of: injury, ill-health or disability (evidenced to the satisfaction of the Remuneration Committee); redundancy; or the sale or transfer out of the Group of the company or undertaking employing them, ("**Good Leaver**"), their PSP Awards may be retained and exercised during the six months following the Vesting Date (subject to time pro-rating and to the application of any applicable performance conditions). The Remuneration Committee may, in its absolute discretion permit a Good Leaver to exercise their PSP Awards during the six month period following the date the Good Leaver ceases to be an employee (subject to time pro-rating and to the application of any applicable performance conditions as at the date of cessation, as described below).

Where a PSP Award holder ceases to be employed within the Group for any other reason or gives notice to cease their employment, their PSP Awards will immediately lapse in full, unless the Remuneration Committee determines within three months of cessation of employment to allow them to exercise their PSP Awards, on such terms and conditions as the Remuneration Committee may impose.

The maximum number of Shares over which a PSP Award held by a Good Leaver or PSP Award holder who has died is capable of exercise will be subject to pro-rating (i.e. reduced to reflect the period up to the Vesting Date during which the employee has worked (on a daily basis)). The Remuneration Committee will have discretion to disapply the Performance Conditions and/or to disapply pro-rating.

##### *During a Holding Period*

If a PSP Award holder ceases to be employed within the Group during the Holding Period on account of death or as a Good Leaver, their PSP Awards may be exercised during the six month period (or twelve month period, in the case of death) following the date they cease to be an employee. The PSP Award will not be subject to pro-rating, unless the Remuneration Committee determines otherwise.

Where a PSP Award holder gives notice to cease employment, or otherwise ceases employment within the Group during the Holding Period, their PSP Awards will immediately lapse in full, unless the Remuneration Committee determines within three months of cessation of employment to allow them to exercise their PSP Awards, on such terms and conditions as the Remuneration Committee may impose.

#### 5.1.11 *Malus & Clawback*

The Remuneration Committee will have discretion to operate malus/clawback in respect of a PSP Award if at any time prior to the later of the second anniversary of the Vesting Date of such PSP Award (or the end of the Holding Period, if applicable) and the publication of the second audited accounts of the Company following the Vesting Date of such PSP Award (or the end of the Holding Period, if applicable), the Remuneration Committee becomes aware that:

- the PSP Award holder has committed gross misconduct; or

- there has been a material misstatement and/or significant downward revision in the financial results of any Group company for any period; or
- there has been an error in assessing or calculating the extent to which any Performance Condition has been met or any PSP Award has vested; or
- any other circumstances exist that in the sole opinion of the Remuneration Committee have (or would have if made public) a sufficiently significant impact on the reputation of any member of the Group or the business in which the PSP Award holder is employed to justify clawback applying.

If the Remuneration Committee operates clawback it will have discretion to: (a) reduce the number of Shares which are subject to subsisting PSP Awards held by the PSP Award holder; and/or (b) reduce the number of Shares or cash amount which may be subject to any other subsisting awards held by such PSP Award holder or may otherwise be payable to such PSP Award holder (whether pursuant to the PSP or any other arrangement); and/or (c) require a repayment or other reimbursement from the PSP Award holder.

If a PSP Award holder: (i) is suspended from employment or placed on paid leave in connection with a disciplinary or regulatory matter, (ii) is the subject of, is undergoing or is involved in an investigation in connection with a disciplinary or regulatory matter; or (iii) by virtue of his or her line management responsibilities could become the subject of, undergo or become involved in an investigation in connection with a disciplinary or regulatory matter, the Remuneration Committee will have absolute discretion to delay vesting of his PSP Awards until such time as the Remuneration Committee shall determine, and can apply clawback at any time during this period.

#### 5.1.12 *Other PSP Award terms*

PSP Awards are not capable of transfer or assignment.

Until PSP Awards are exercised, PSP Award holders have no voting or other rights in relation to the Shares which are subject to those PSP Awards.

Shares transferred on the exercise of a PSP Award shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise.

Benefits obtained under the PSP are not pensionable.

#### 5.1.13 *Adjustment of PSP Awards*

The number of Shares which are subject to a PSP Award may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue (other than an issue of Shares on the exercise of an option given to the shareholders of the Company to receive Shares in place of a dividend) or open offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

#### 5.1.14 *Administration & Amendment*

The PSP is administered by the Remuneration Committee. The Board or Remuneration Committee may amend the provisions of the PSP and terms of any PSP Award, save that the rules of the PSP which relate to:

- the persons to whom PSP Awards may be granted;
- the limits on the number of Shares which may be issued under the PSP;
- the maximum entitlement of any PSP Award holder;
- the basis for determining a PSP Award holder's entitlement to Shares or an employee's entitlement to PSP Awards; and

- the basis for determining the adjustment of any PSP Award granted under the PSP in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of Shares or reduction of capital or any other variation of capital of the Company,

cannot be amended to the advantage of any PSP Award holder or potential PSP Award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the PSP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any PSP Award holders, the Company or any Group company.

The Board or Remuneration Committee will have the right to amend the PSP or any outstanding PSP Awards to the extent necessary to comply with any relevant regulation or code of conduct, or to the extent required by any relevant regulator.

#### 5.1.15 *Overseas Employees*

The Board may adopt supplemental rules to the PSP to facilitate the granting of awards to individuals not resident in the UK provided that such supplemental rules will not result in awards being made upon terms that the Board in its discretion considers commercially more favourable than the PSP.

#### 5.1.16 *Termination*

The PSP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further PSP Awards can be granted after such termination. Termination will not affect the outstanding rights of existing PSP Award holders.

### 5.2 **The ProCook Group plc IPO Employee Share Plan ("IPO Employee Share Plan")**

Awards granted under the IPO Employee Share Plan ("**ESP Awards**") will only be granted on Admission and no further ESP Awards will be made following Admission. ESP Awards will take the form of an option to acquire Shares as further described below. As is described below, the terms of specific ESP Awards will depend on the reasons for the award.

Four different types of ESP Awards will be granted, as follows:

- an ESP Award will be granted to (broadly) all employees of the Group who were employed by the Group as at 31 March 2021, other than (for example) the Executive Directors and those employees who are being granted a Replacement ESP Award ("**All-Employee Share Purchase ESP Award**"). These ESP Awards are intended to reward the wider employee group for their contribution to the Company and motivate them going forwards. The number of Shares which will be subject to each award will depend, broadly, on the salary and length of tenure of the relevant employee. The number of Shares which are subject to the All-Employee Share Purchase ESP Awards will depend on the Offer Price and employee numbers as at Admission and will be satisfied by the transfer of Shares by the trustee of the EBT, which Shares will be subscribed for by the trustee of the EBT prior to Admission.
- an ESP Award will be granted to four employees of the Group, including to Stephen Sanders, ("**Replacement ESP Awards**"), to replace options over shares in ProCook Limited granted to these employees in November 2020 which will be waived with effect from Admission ("**Waived Options**"). The Waived Options had been expected to benefit from relief from income tax and National Insurance contributions but do not in fact benefit from such relief. The value of the Replacement ESP Awards is broadly equal to the value of the Waived Options, having regard to the amount by which the Offer Price exceeds the exercise price payable in respect of the Waived Options. Although the Waived Options were to have been exercisable on Admission, the holders of these options are expected to waive their options and to receive the Replacement ESP Awards with the terms described below.
- an ESP Award will be granted to Daniel Walden over a number of Shares not exceeding £250,000 divided by the Offer Price (rounded down to the nearest whole Share) ("**CFO**")

**Free Share ESP Award**”). The CFO Free Share ESP Award is intended to reward Mr Walden to reflect his significant contribution to the Group leading up to Admission and by way of compensation for him being unable to participate in the employee share incentive arrangements which were in place in the Group at the time he commenced employment with the Group and leading up to Admission.

- an ESP Award will be granted to Daniel Walden over a number of Shares not exceeding £1,000,000 divided by the Offer Price (rounded down to the nearest whole Share), subject to finalisation of the Offer Price (“**CFO Share Purchase ESP Award**”). The CFO Share Purchase ESP Award is intended to allow Mr Walden to purchase Shares after a period of time has elapsed following Admission at a price per Share equal to the Offer Price.

#### 5.2.1 *Other Terms of ESP Awards*

The terms of the PSP will apply to the ESP Awards, save as described below:

- The All-Employee Share Purchase ESP Awards will vest in three equal tranches commencing on the twelve month anniversary of the date of Admission and each anniversary thereafter. The Replacement ESP Awards will vest on the second anniversary of the date of Admission. The CFO Free Share ESP Award and the CFO Share Purchase ESP Award will vest on the third anniversary of the date of Admission.
- Other than in respect of the All-Employee Share Purchase ESP Awards and the CFO Share Purchase ESP Award, no exercise price will be payable to exercise the ESP Awards. The exercise price payable in respect of the All-Employee Share Purchase ESP Awards will be an amount equal to: (i) 30% of the Offer Price in respect of the first tranche of Shares in respect of which such awards may be exercised; (ii) 20% of the Offer Price in respect of the second tranche of Shares in respect of which such awards may be exercised; and (iii) 10% of the Offer Price in respect of the third tranche of Shares in respect of which such awards may be exercised.
- Each tranche of the All-Employee Share Purchase ESP Awards will be deemed to automatically exercise on each respective vesting date, provided that the share price at the date of vesting exceeds the respective exercise price applicable to such tranche. If the share price does not exceed the relevant exercise price on the date of proposed vesting, vesting of such tranche of the award will be deferred until the 12 month anniversary of such date and the relevant tranche will automatically exercise at that time, provided that the share price at the deferred date of such vesting exceeds the applicable exercise price. To the extent that the All-Employee Share Purchase ESP Awards are not exercised on the third anniversary of Admission, they will lapse.
- The individual’s participation limit set out in paragraph 5.1.4 above will not apply to ESP Awards.
- The ESP Awards will not be subject to performance conditions.
- No Holding Period will apply to the ESP Awards.
- The All-Employee Share Purchase ESP Awards will not benefit from dividend equivalents as described in paragraph 5.1.7 above, but the Replacement ESP Awards, CFO Free Share ESP Award and the CFO Share Purchase ESP Award will.
- Other than in respect of the Replacement ESP Awards, the holders of ESP Awards will be subject to leaver terms applicable to PSP Awards. On the basis that these awards replace awards that would otherwise have vested on Admission and would not therefore be subject to continued employment, the holders of Replacement ESP Awards will not be subject to leaver terms in respect of their awards and may retain their Replacement ESP Awards in full in the event that they cease employment or give notice in respect of their employment. For the same reason,

the Replacement ESP Awards will not be subject to pro-rating on cessation of employment or on a takeover or other corporate event.

- The holders of ESP Awards will be subject to the malus and clawback provisions as set out in paragraph 5.1.11 above.

### 5.3 **The ProCook Group plc Deferred Bonus Plan 2021 ("DBP")**

The Annual Bonus Plan permits the Remuneration Committee to require that a proportion of any bonus which is payable will be deferred into Shares. As described in the Remuneration Policy, a proportion, not expected to be less than 25%, of annual bonuses awarded to Executive Directors will be subject to deferral. Any such deferral will be made by means of awards granted under the DBP ("**DBP Awards**").

DBP Awards will take the form of an option to acquire Shares for nil consideration, as further described below.

#### 5.3.1 *Eligibility*

DBP Awards may be granted to Executive Directors and any other employees of any company in the Group.

#### 5.3.2 *Grant*

DBP Awards may be granted during the period of 42 days commencing on: (a) the dealing day immediately following the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year, provided that if the Shares are admitted to the Official List at the time in question, DBP Awards may not be granted during the first two dealing days following the date of any such announcement; or (b) any other time determined by the Remuneration Committee where, in its discretion, circumstances are considered to be so exceptional as to justify the grant of DBP Awards.

If the grant of a DBP Award on any of the above days would be prohibited by virtue of the Share Dealing Code then such DBP Award may be granted during the period of 40 days commencing immediately after the second dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of a DBP Award.

#### 5.3.3 *Plan Limits*

On any date, no DBP Award may be granted if, as a result of such grant, the aggregate nominal value of Shares which are issued or are issuable due to awards granted during the previous ten years under the DBP or any other employees' share scheme adopted by the Company would exceed 10% of the nominal value of the share capital of the Company in issue on that date.

On any date, no DBP Award may be granted if, as a result of such grant, the aggregate nominal value of Shares which are issued or are issuable due to awards granted during the previous ten years under the DBP or any other discretionary employees' share scheme adopted by the Company would exceed 5% of the nominal value of the share capital of the Company in issue on that date.

For the purposes of the limits set out above:

- any Shares which were subject to an option or other right (whether granted under the DBP or any other employees' share scheme adopted by the Company) which has lapsed or been surrendered will not count towards the limits set out above;
- Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company, on or following Admission, to any employee benefit trust established by the

Company or other person for the purposes of the DBP or any other employees' share scheme operated by the Company; and

- Shares held in treasury which are used to satisfy awards or other rights (whether under the DBP or any other employees' share scheme adopted by the Company) shall be taken into account (unless treasury shares are no longer required to be included in anti-dilution limits by the Investment Association or any replacement body).

#### 5.3.4 *Individual Limit*

DBP Awards will comprise a nil cost option granted over Shares having a value, as the date of grant, equal to the value of the annual bonus which is to be deferred. The number of Shares which will be subject to a DBP Award will be determined by reference to the value of the deferred element of the annual bonus and the market value of the Shares as at the date of grant.

#### 5.3.5 *Vesting of DBP Awards*

DBP Awards will be capable of exercise following a date ("**Vesting Date**") specified at the time of grant, which will not normally be prior to the second anniversary of the date of grant of the DBP Award.

#### 5.3.6 *Dividends*

Until a DBP Award has been exercised and the Shares which are subject to the DBP Award have been transferred to the DBP Award holder, the DBP Award holder shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer.

The Remuneration Committee can, however, determine that dividend equivalents will be awarded. If dividend equivalents are awarded, whenever a dividend or other distribution is paid by the Company in respect of its Shares and the DBP Award has not become exercisable, either under its terms or as a result of the Share Dealing Code, the number of Shares which are subject to the DBP Award shall be increased to reflect the value of the dividend.

The number of Shares to be added to the DBP Award ("**Dividend Equivalent Shares**") shall be equal to the number of Shares that could have been purchased, at the share price prevailing on the date the dividend is paid, from an amount equal to the dividend paid on each Share multiplied by the number of Shares under the DBP Award.

To the extent that a DBP Award does not vest and become exercisable in relation to any Shares, the DBP Award shall also cease to be exercisable in respect of a proportionate number of Dividend Equivalent Shares.

Dividend Equivalent Shares that have been issued and any Dividend Equivalent Shares that have been notionally added to a DBP Award shall be taken into account for the purposes of applying the DBP limits set out above. Any potential right to receive additional Dividend Equivalent Shares in the future shall not, however, be taken into account.

The Remuneration Committee may in its absolute discretion determine that a DBP Award holder shall, instead of receiving Dividend Equivalent Shares on exercise of their DBP Award, receive a cash payment equivalent in value to the Dividend Equivalent Shares.

#### 5.3.7 *Exercise and Lapse of DBP Awards*

Normally, a DBP Award may only be exercised in the period commencing on the day immediately following the Vesting Date and ending on the day immediately before the tenth anniversary of the date of grant provided that the participant is still an employee within the Group and has not given notice of cessation of employment. The

Remuneration Committee may determine, in its discretion, to apply a shorter exercise period at the date of grant of the DBP Award.

DBP Awards may not be exercised during any period when exercise would be in breach of a Share Dealing Code.

A DBP Award cannot be exercised more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

The Remuneration Committee may in its absolute discretion determine that a DBP Award holder shall, instead of receiving Shares on exercise of their DBP Award, receive a cash payment equivalent in value to the Shares in respect of which their DBP Award is exercised.

#### 5.3.8 *Corporate Events*

Exercise of DBP Awards is possible earlier than the Vesting Date in the event of a takeover or certain other corporate events.

In the event of such a corporate event, DBP Awards may normally be exercised for a six month period following such event or immediately prior to such event. DBP Awards will not be pro-rated for time.

#### 5.3.9 *Cessation of Employment prior to the Vesting Date*

In the event of cessation of employment by reason of a DBP Award holder's death, their personal representatives will be able to exercise their DBP Awards within the twelve month period immediately following death.

If a DBP Award holder ceases to be employed within the Group by reason of: injury, ill-health or disability (evidenced to the satisfaction of the Remuneration Committee); redundancy; or the sale or transfer out of the Group of the company or undertaking employing them, ("**Good Leaver**"), their DBP Awards may be retained and exercised during the six months following the Vesting Date. The Remuneration Committee may also deem any other leaver to be a Good Leaver. The Remuneration Committee may, in its absolute discretion permit a Good Leaver to exercise their DBP Awards during the six month period following the date the Good Leaver ceases to be an employee.

Where a DBP Award holder ceases to be employed within the Group for any other reason or gives notice to cease their employment, and the Remuneration Committee does not deem them to be a Good Leaver, their DBP Awards will immediately lapse in full.

The maximum number of Shares over which a DBP Award held by a Good Leaver or DBP Award holder who has died is capable of exercise will not be subject to pro-rating (i.e. reduced to reflect the period up to the Vesting Date during which the employee has worked (on a daily basis)) unless the Remuneration Committee determines otherwise.

#### 5.3.10 *Malus & Clawback*

The Remuneration Committee will have discretion to operate malus/clawback in respect of a DBP Award if at any time prior to the later of the second anniversary of the Vesting Date of such DBP Award and the publication of the second audited accounts of the Company following the Vesting Date of such DBP Award, the Remuneration Committee becomes aware that:

- the DBP Award holder has committed gross misconduct; or
- there has been a material misstatement and/or significant downward revision in the financial results of any Group company for any period; or
- there has been an error in assessing or calculating an annual bonus, which has resulted in the DBP Award being granted in respect of too many Shares; or

- any other circumstances exist that in the sole opinion of the Remuneration Committee have (or would have if made public) a sufficiently significant impact on the reputation of any member of the Group or the business in which the DBP Award holder is employed to justify clawback applying.

If the Remuneration Committee operates clawback it will have discretion to: (a) reduce the number of Shares which are subject to subsisting DBP Awards held by the DBP Award holder; and/or (b) reduce the number of Shares or cash amount which may be subject to any other subsisting awards held by such DBP Award holder or may otherwise be payable to such DBP Award holder (whether pursuant to the DBP or any other arrangement); and/or (c) require a repayment or other reimbursement from the DBP Award holder.

If a DBP Award holder: (i) is suspended from employment or placed on paid leave in connection with a disciplinary or regulatory matter, (ii) is the subject of, is undergoing or is involved in an investigation in connection with a disciplinary or regulatory matter; or (iii) by virtue of his or her line management responsibilities could become the subject of, undergo or become involved in an investigation in connection with a disciplinary or regulatory matter, the Remuneration Committee will have absolute discretion to delay vesting of his DBP Awards until such time as the Remuneration Committee shall determine, and can apply clawback at any time during this period.

#### 5.3.11 *Other DBP Award terms*

DBP Awards are not capable of transfer or assignment.

Until DBP Awards are exercised, DBP Award holders have no voting or other rights in relation to the Shares which are subject to those DBP Awards.

Shares transferred on the exercise of a DBP Award shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise.

Benefits obtained under the DBP are not pensionable.

#### 5.3.12 *Adjustment of DBP Awards*

The number of Shares which are subject to a DBP Award may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue (other than an issue of Shares on the exercise of an option given to the shareholders of the Company to receive Shares in place of a dividend) or open offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

#### 5.3.13 *Administration & Amendment*

The DBP is administered by the Remuneration Committee. The Board or Remuneration Committee may amend the provisions of the DBP and terms of any DBP Award, save that the rules of the DBP which relate to:

- the persons to whom DBP Awards may be granted;
- the limits on the number of Shares which may be issued under the DBP;
- the maximum entitlement of any DBP Award holder;
- the basis for determining a DBP Award holder's entitlement to Shares or an employee's entitlement to DBP Awards; and
- the basis for determining the adjustment of any DBP Award granted under the DBP in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of Shares or reduction of capital or any other variation of capital of the Company,



cannot be amended to the advantage of any DBP Award holder or potential DBP Award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the DBP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any DBP Award holders, the Company or any Group company.

The Board or Remuneration Committee will have the right to amend the DBP or any outstanding DBP Awards to the extent necessary to comply with any relevant regulation or code of conduct, or to the extent required by any relevant regulator.

#### 5.3.14 *Overseas Employees*

The Board may adopt supplemental rules to the DBP to facilitate the granting of awards to individuals not resident in the UK provided that such supplemental rules will not result in awards being made upon terms that the Board in its discretion considers commercially more favourable than the DBP.

#### 5.3.15 *Termination*

The DBP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further DBP Awards can be granted after such termination. Termination will not affect the outstanding rights of existing DBP Award holders.

### 5.4 **The ProCook Group plc Save As You Earn Scheme ("SAYE Scheme")**

The SAYE Scheme is designed to meet the requirements of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**"), so as to permit the grant of tax advantaged options to participants.

#### 5.4.1 *Eligibility*

Participation in the SAYE Scheme will be offered to all employees, (including full-time Executive Directors) of the Company and its participating subsidiaries who satisfy certain criteria. The criteria are that:

- the employee must have been employed for a continuous period to be determined by the Board or a duly appointed committee thereof (not exceeding five years ending on the date of grant of the relevant option); and
- the employee's earnings from employment are general earnings (or would be if there were any) for a tax year in which the employee is resident in the United Kingdom.

In addition, certain other employees of the Company or a company in the Group nominated by the Board may be permitted to participate in the SAYE Scheme.

#### 5.4.2 *Issue of Invitations*

Invitations to apply for an option may be issued to eligible employees during the period of 42 days commencing on: (a) the date of Admission; (b) the date on which the SAYE Scheme was adopted by the Board; (c) the dealing day immediately following the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year (provided that if the Shares are admitted to the Official List at the time in question and have been so admitted for not less than three Dealing Days, no invitations shall be issued during the first three Dealing Days following the date of any such announcement); (d) any day on which a change to the legislation affecting schemes that meet the qualifying criteria in Schedule 3 of ITEPA is proposed or takes effect; or (e) any day on which a new savings contract prospectus is announced or takes effect.

If the issue of an invitation during any of the above periods would be prohibited by virtue of the Share Dealing Code, then such invitation may be issued during the period

of 39 days commencing immediately after the third dealing day following the time that such prohibition shall cease to have effect.

Each eligible employee who receives an invitation may, within 21 days from the date of the invitation (or such shorter period not being less than 14 days as the Board may determine), apply for an option.

#### 5.4.3 "Save-As-You-Earn" Contract and Grant of Options

An eligible employee who wishes to be granted an option must enter into a save-as-you-earn contract ("**SAYE contract**") with an approved savings body selected by the Board. Under the SAYE contract, the eligible employee will save a regular sum each month for three or five years (such period to be selected at the discretion of the Board on or prior to issuing the invitations or where the Board allows, by the eligible employee) of not less than £5 nor more than £500 per month (or such greater amount as may from time to time be permitted by law). Employees who complete an SAYE contract will be entitled to a bonus from the savings body provided that such a bonus is payable in respect of the SAYE contract concerned.

An option to acquire Shares will be granted to each eligible employee who enters into an SAYE contract. The number of Shares subject to such an option will be the number of Shares which have an aggregate option price as near to, but not exceeding, the projected proceeds of the SAYE contract concerned (including the bonus, if available, subject to any scaling back as described below).

No consideration is payable for the grant of an option.

#### 5.4.4 *Scaling Back*

If there are insufficient Shares available to satisfy in full all applications received for an option from eligible employees, the Board may scale down the applications by taking one or more prescribed steps set out in the rules of the SAYE Scheme to reduce the amount of savings made under each SAYE contract or otherwise reduce the proceeds derived from each SAYE contract so as to ensure that the options are granted over such number of Shares as does not exceed the number of Shares available to satisfy those options.

#### 5.4.5 *Exercise Price*

Subject to the constraints set out below, the option price per Share subject to an option will be selected by the Board.

The option price must not be less than 80% (or such other percentage as may from time to time be permitted by Schedule 3 of ITEPA) of the market value of a Share on the day on which the invitations to apply for options are issued provided that, in the case of an option to subscribe for Shares, the option price per Share subject to an option selected by the Board shall not be less than the greater of: (i) the nominal value of a Share; and (ii) an amount equal to 80% (or such other percentage as may from time to time be permitted by Schedule 3 of ITEPA) of the market value of a Share on the day on which the invitations to apply for options are issued. While the Shares are traded on the Official List (and have been so for not less than three dealing days) the market value of a Share will be the average of the closing middle market price of a Share as derived from the Official List for the three dealing days immediately preceding the date of the invitation.

The option price (as well as the number of Shares under option and their description) may be adjusted by the Board in the event of any capitalisation issue or rights issue (other than an issue of Shares pursuant to the exercise of an option given to the shareholders of the Company to receive Shares in lieu of a dividend) or open offer or any other variation in the share capital of the Company, including (without limitation) any consolidation, subdivision or reduction of capital. Any such adjustments may not be made if they would result in the requirements of Schedule 3 of ITEPA not being met in relation to the option and any adjustments made must secure that the total market

value of the Shares which may be acquired by the exercise of the option and the total price at which those Shares may be acquired are immediately after such adjustments substantially the same as what they were immediately before the adjustments.

#### 5.4.6 *SAYE Scheme Limits*

On any date, no option may be granted under the SAYE Scheme if as a result the aggregate nominal value of Shares issued or issuable pursuant to options or other rights granted during the previous ten years under the SAYE Scheme or any other employees' share scheme adopted by the Company would exceed 10% of the nominal value of the share capital of the Company in issue at that date.

For the purposes of the limits set out above:

- any Shares which were subject to an option or other right (whether granted under the SAYE Scheme or any other employees' share scheme adopted by the Company) which has lapsed or been surrendered will not count towards the limits set out above;
- Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company, on or following Admission, to any employee benefit trust established by the Company or other person for the purposes of the SAYE Scheme or any other employees' share scheme operated by the Company; and
- Shares held in treasury which are used to satisfy awards or other rights (whether under the SAYE Scheme or any other employees' share scheme adopted by the Company shall be taken into account) (unless treasury shares are no longer required to be included in anti-dilution limits by the Investment Association or any replacement body).

#### 5.4.7 *Exercise and Lapse of Options*

Options are not transferable and (except in the circumstances described below) an option may normally only be exercised within a period of six months following the maturity of the relevant SAYE contract by a person who remains a director or employee.

Where an option holder dies before the maturity of their SAYE contract, their personal representatives may exercise their options within a period of twelve months from the date of their death. Where an option holder dies within a period of six months following the maturity of the applicable SAYE contract without having exercised their option, their personal representatives may exercise such option within a period of twelve months following the date of maturity of the SAYE contract.

An option holder may exercise their option early within a period of six months following the date that they are no longer an employee of the Company or any "associated company" of the Company (as defined in Schedule 3 of ITEPA) where the cessation occurs as a result of:

- injury, disability, redundancy (within the meaning of the Employment Rights Act 1996), retirement or a transfer of the option holder's employment within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE Transfer");
- their employing company ceasing to be under the control of the Company; or
- their office or employment being transferred to a company which is not under the control of the Company where such transfer does not amount to a TUPE Transfer.

Options will lapse upon cessation of employment of the option holder in any other circumstances not referred to above.

An option holder may also exercise their option early within a limited period following takeover or certain other corporate events.

Where there is a change of control of the Company in certain circumstances, option holders may release their rights under options in consideration of the grant to them of equivalent rights over Shares in the acquiring company which gains control of the Company.

Where an option is exercised early the number of Shares acquired on exercise will in any event be limited by reference to the savings accrued under the relevant SAYE contract up to the date of exercise.

#### 5.4.8 *Other Option Terms and issue of Shares*

The SAYE Scheme provides the facility for the exercise of options to be satisfied by either the issue of Shares, the transfer of Shares held by an existing shareholder who has agreed to satisfy the exercise of the option or by the transfer of Shares held in treasury.

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Shares subject to those options.

Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of allotment. Shares transferred on the exercise of an option shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise. For so long as the Shares are listed on the Official List, the Company will use its best endeavours to procure that the Shares issued following exercise of any options are admitted to the Official List as soon as practicable after allotment.

Benefits obtained under the SAYE Scheme are not pensionable.

#### 5.4.9 *Amendments*

The SAYE Scheme is administered by the Board. The Board may amend the provisions of the SAYE Scheme. However, no amendment to a key feature of the SAYE Scheme may be made which would result in the requirements of Schedule 3 of ITEPA not being met in relation to the SAYE Scheme.

Furthermore, the rules of the SAYE Scheme which relate to:

- the persons to whom options may be granted;
- the limits on the number of Shares which may be issued under the SAYE Scheme;
- the maximum entitlement of any option holder;
- the basis for determining an option holder's entitlement to Shares or options; and
- basis for determining the adjustment of any option granted under the SAYE Scheme in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital of the Company,

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the SAYE Scheme, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any option holder, the Company or any Group company from time to time.

#### 5.4.10 *Overseas employees*

The Board may adopt supplemental rules to the SAYE Scheme to facilitate the granting of options to individuals not resident in the UK provided that such supplemental rules

will, so far as the Board in its discretion considers reasonably practicable, follow the rules of the SAYE Scheme.

#### 5.4.11 *Termination*

The SAYE Scheme may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption by the Company so that no further options can be granted under the SAYE Scheme after such termination. Termination shall not affect the outstanding rights of existing option holders.

### 5.5 ***The ProCook Employee Benefit Trust ("EBT")***

The EBT was (or will prior to Admission be) settled by the Company pursuant to a trust deed entered into between the Company and Intertrust Employee Benefit Trustee Limited ("**Trustee**"). The Company has the power to remove the Trustee and appoint a new trustee.

The EBT is a discretionary settlement set up for the benefit of executive directors, employees and former executive directors and employees (and their immediate dependants) of the Company and its subsidiaries, excluding any individuals who are resident in Jersey for tax purposes. The Company intends to use the EBT to satisfy awards made under the Company's employee share plans. The Trustee may either purchase existing Shares in the market or subscribe for new Shares. The Company may from time to time contribute or lend funds to the EBT on such terms as it may decide.

The maximum number of Shares in the Company which may be held by the Trustee at any time may not exceed 5% of the Company's issued share capital at that time.

### 5.6 ***Outline Remuneration Policy***

The Company's approach to remuneration reflects its culture and supports the delivery of its business strategy. The aim is to attract, retain and motivate talented people to help ensure continued growth and success as the Company enters the next stage of its development, operating in a listed company environment.

Remuneration levels for the Executive Directors and senior managers have been set at a level that is considered by the Remuneration Committee to be appropriate for the size and nature of the business. Performance-related pay will form a significant part of the remuneration package of the Executive Directors and senior managers and will be based on performance targets, as relevant.

The approach to Executive Directors' remuneration aims to align their interests with the long-term interests of Shareholders. Furthermore, it aims to promote a high performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk-taking or unsustainable Company performance.

The Company intends to deliver these outcomes via a remuneration framework which combines annual salary, benefits, pension and/or pension equivalents, an annual bonus plan (a portion of which, in the case of Executive Directors, will be deferred into an award over Shares pursuant to the DBP) and share-based awards under the PSP and SAYE Scheme.

Further details of the Executive Directors' remuneration are set out below and in paragraphs 7 and 8 of this Part 10. The Company will submit its remuneration policy (as it relates to the Executive Directors) to a binding vote of Shareholders at the annual general meeting of the Company held in the first financial year which follows Admission. Accordingly, the Company will outline the detail of its future policy relating to the Executive Directors' remuneration, including participation in the Annual Bonus Plan, DBP, PSP and SAYE Scheme, in its annual report and accounts in due course.

The following represents the spirit and intent of the Company's intended approach to Executive Director remuneration as at the date of this document and as agreed by the Remuneration Committee.

#### 5.6.1 *Annual salary*

The Executive Directors' salary is positioned to reflect each individual's professional experience and level of responsibility in their role. Salaries of Executive Directors as at Admission are set out in paragraph 7.1 of this Part 10.

Salaries will typically be reviewed on an annual basis. The Remuneration Committee will consider increasing salaries over time subject to personal and company performance and taking into account various factors, including but not limited to the remuneration policies, practices and philosophy of the Company, the pay conditions in the Group, reasonably available market data for similar roles in comparable companies and the economic environment. Salary increases will normally be in line with increases to the wider workforce salaries. Higher increases may be appropriate where, for example, there are additional responsibilities or complexity or where individuals are recruited or newly promoted to the Board.

#### 5.6.2 *Pension and benefits*

Executive Directors are eligible to receive a contribution to a pension arrangement or a cash payment in lieu, which is in line with the contribution available to the majority of the UK workforce. The current Executive Directors receive 3% of their basic salary as an employer contribution.

Executive Director benefits are currently aligned to the UK workforce and may include (but are not limited to) life assurance (subject to service and policy provider requirements). Other market standard benefits may be provided as appropriate.

#### 5.6.3 *Annual Bonus Plan and DBP*

The Annual Bonus Plan is designed to reward performance against selected financial and other performance measures for the relevant year, linked to Group strategy.

For Executive Directors, it is expected that a proportion, not expected to be less than 25%, of annual bonuses will be deferred into an award over Shares granted under the DBP. The award under the DBP will then vest after a vesting period currently expected to be two years following the date of grant. The level of deferral and period for deferral may change in relation to future financial years.

Bonuses and DBP awards will be subject to the malus and clawback provisions set out in the rules of the Annual Bonus Plan and DBP respectively.

Further details of the DBP are set out in paragraph 5.3 of this Part 10.

#### 5.6.4 *Performance Share Plan and IPO Employee Share Plan*

Awards under the PSP will normally be granted annually. The PSP is designed to reward delivery of the Company's strategy and growth in shareholder value over a multi-year period and is intended to align Executive Directors' interests with those of Shareholders.

Awards granted to Executive Directors under the PSP are expected to vest after a three year period, subject to the achievement of performance measures, and will then be subject to an additional holding period of two years. PSP awards will be subject to the malus and clawback provisions, as set out in the rules of the PSP.

Further details of the PSP are set out in paragraph 5.1 of this Part 10.

Awards will be made under the PSP on Admission, as set out in paragraphs 5.1 and 6.4 of this Part 10. For initial awards to Executive Directors made on Admission, performance targets will relate to profit before tax and exceptional items. Alternative vesting periods, holding periods or performance targets may be imposed in relation to future awards.

Details of one-off awards made to the Executive Directors on Admission pursuant to the IPO Employee Share Plan are set out in paragraphs 5.2 and 6.4 of this Part 10. Awards will not be made under the IPO Employee Share Plan following Admission.

#### 5.6.5 SAYE Scheme

The Company is intending to issue invitations to all employees, including the Executive Directors, under the SAYE Scheme after Admission. Options can only be granted under the SAYE Scheme within the legislative limits as set out in paragraph 5.4 of this Part 10. Further details of the SAYE Scheme are set out in paragraph 5.4 of this Part 10.

#### 5.6.6 Share ownership guidelines

During employment, Executive Directors are required to build and maintain a minimum shareholding of Shares over a period which is to be determined by the Remuneration Committee and which will be described in the more detailed remuneration policy which is to be put to Shareholders at the Company's next annual general meeting. This policy will also describe the shareholding which will be required to be maintained by Executive Directors following cessation of their role.

#### 5.6.7 Non-Executive Directors

Following Admission, the Non-Executive Directors will receive an annual cash fee for their services, with additional fees for committee chairs. Additional fees may be paid for membership of committees or for other Board duties. Fee levels have been set to ensure the attraction of appropriate levels of experience required and to reflect the sector in which the Group operates.

Details of fees to be paid to Non-Executive Directors on Admission are set out in paragraph 7.2 of this Part 10.

## 6. Directors', Senior Managers' and other interests

- 6.1 The Directors and Senior Managers, their functions within the Group and brief biographies are set out in Part 3 (Directors, Senior Managers and corporate governance).
- 6.2 The interests of each Director and Senior Manager, all of which are beneficial (except as noted below), in the share capital of the Company are as follows:

	<i>Shares</i>	<i>%</i>
<b>Directors</b>		
Greg Hodder	nil	–
Daniel O'Neill*	51,000,000	51
Steve Sanders	nil	–
Dan Walden	nil	–
Gillian Davies	nil	–
Luke Kingsnorth	nil	–
David Stead	nil	–
<b>Senior Managers</b>		
Sarah Savery-Smith	nil	–
Andy Kerr	nil	–
Paul Neiss	nil	–
Richard O'Neill	nil	–
Sarah Wheatley	nil	–

\* This includes 20,000,000 Shares legal and beneficially held by Sarah O'Neill (Daniel O'Neill's wife) and 10,000,000 Shares held by Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement.

- 6.3 The Directors and Senior Managers were also interested in unissued shares in ProCook Limited under the Share Options, which have been exchanged for options to acquire Shares. The options to acquire Shares following the exchange of options and bonus issue and capital reduction described in paragraph 3.9 of this Part 10 are set out in the table below. It is proposed that those options will be exercised immediately prior to Admission:

	<i>Exercise price</i>	<i>Shares</i>	<i>Latest exercise date</i>
Steve Sanders	£0.010173	1,070,000	21 October 2025
Paul Neiss	£0.010173	1,070,000	21 October 2025
Sarah Savery-Smith	£0.010173	1,070,000	21 October 2025
Andy Kerr	£0.010173	540,000	21 October 2025

The Directors and Senior Managers are also interested in unissued shares in ProCook Limited under the Share Options as set out in the table below, which are expected to be released immediately prior to Admission:

	<i>Exercise price</i>	<i>Shares</i>	<i>Latest exercise date</i>
Steve Sanders	£207.69	108	16 November 2030
Sarah Savery-Smith	£207.69	54	16 November 2030
Richard O'Neill	£207.69	107	16 November 2030
Andy Kerr	£207.69	53	16 November 2030

6.4 The Directors and Senior Managers will on Admission be interested in unissued shares in the Company under the Employee Share Plans as follows:

	<i>Employee Share Plan</i>	<i>Exercise price</i>	<i>Number of Shares</i>	<i>Exercise period</i>
<b>Directors</b>				
Daniel O'Neill	PSP	nil	Such number of Shares as is equal to his annual salary divided by the Offer Price*	From the fifth anniversary of Admission to the tenth anniversary of Admission
Steve Sanders	PSP	nil	Such number of Shares as is equal to his annual salary divided by the Offer Price*	From the fifth anniversary of Admission to the tenth anniversary of Admission
Steve Sanders	IPO Employee Share Plan (Replacement ESP Award)	nil	Such number of Shares as have a value broadly equal to the value of his Waived Option, having regard to the amount by which the Offer Price exceeds the exercise price payable in respect of the Waived Option, divided by the Offer Price	From the second anniversary of Admission to the tenth anniversary of Admission



	<i>Employee Share Plan</i>	<i>Exercise price</i>	<i>Number of Shares</i>	<i>Exercise period</i>
Dan Walden	PSP	nil	Such number of Shares as is equal to 200% of his annual salary divided by the Offer Price*	From the fifth anniversary of Admission to the tenth anniversary of Admission
Dan Walden	IPO Employee Share Plan (CFO Free Share ESP Award)	nil	A number of Shares not exceeding £250,000 divided by the Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Dan Walden	IPO Employee Share Plan (CFO Share Purchase ESP Award)	the Offer Price	A number of Shares not exceeding £1,000,000 divided by the Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
<b>Senior Managers</b>				
Sarah Savery-Smith	PSP	nil	Such number of Shares as is equal to 50% of her salary divided by Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Sarah Savery-Smith	IPO Employee Share Plan (Replacement ESP Award)	nil	Such number of Shares as have a value broadly equal to the value of her Waived Option, having regard to the amount by which the Offer Price exceeds the exercise price payable in respect of the Waived Option, divided by the Offer Price	From the second anniversary of Admission to the tenth anniversary of Admission
Richard O'Neill	PSP	nil	Such number of Shares as is equal to 50% of his salary divided by Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Richard O'Neill	IPO Employee Share Plan (Replacement ESP Award)	nil	Such number of Shares as have a value broadly equal to the value of his Waived Option, having regard to the amount by which the Offer Price exceeds the exercise price payable in respect of the Waived Option, divided by the Offer Price	From the second anniversary of Admission to the tenth anniversary of Admission

	<i>Employee Share Plan</i>	<i>Exercise price</i>	<i>Number of Shares</i>	<i>Exercise period</i>
Andy Kerr	PSP	nil	Such number of Shares as is equal to 50% of his salary divided by Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Andy Kerr	IPO Employee Share Plan (Replacement ESP Award)	nil	Such number of Shares as have a value broadly equal to the value of his Waived Option, having regard to the amount by which the Offer Price exceeds the exercise price payable in respect of the Waived Option, divided by the Offer Price	From the second anniversary of Admission to the tenth anniversary of Admission
Paul Neiss	PSP	nil	Such number of Shares as is equal to 50% of his salary divided by Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Sarah Wheatley	PSP	nil	Such number of Shares as is equal to 50% of her salary divided by Offer Price*	From the third anniversary of Admission to the tenth anniversary of Admission
Sarah Wheatley	IPO Employee Share Plan (All-Employee Share Purchase ESP Award)	30% of the Offer Price in respect of the first tranche of Award to vest  20% of the Offer Price in respect of the second tranche of Award to vest  10% of the Offer Price in respect of the third tranche of Award to vest	Such number of Shares as is determined by the Remuneration Committee using the same broad principles as all All-Employee Share Purchase ESP Awards	Award vests and is automatically exercised in three equal tranches commencing on the twelve month anniversary of Admission and each anniversary thereafter, provided that the share price at the date of vesting exceeds the respective exercise price applicable to such tranche. If it does not, the vesting is deferred. See paragraph 5.2.1 of Part 10 for further information

\* Awards are rounded down to the nearest whole number of Shares.

- 6.5 Save as disclosed above, no Director or Senior Manager has any interest in the share capital or loan capital of the Company nor does any person connected with any of the Directors or Senior Managers (within the meaning of section 252 of the 2006 Act) have any such interests, whether beneficial or non-beneficial.
- 6.6 The Directors and Senior Managers have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document (other than directorships held in the Company and its Subsidiaries):

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
<b>Directors</b>		
Greg Hodder	Hotel Chocolat plc Jarrod & Sons Limited	IG Design Group plc Majestic Wines plc
Daniel O'Neill	Roasted Café Limited Quella Bicycle Limited Green Avenue Ltd	Quella Ltd
Steve Sanders	None	Fohan Ltd
Dan Walden	None	Booking.com Transport Limited Traveljigsaw Insurance Limited Rentalcars (Call Centre) Spain S.L.
Gillian Davies	Knights Group Holdings plc Ten Lifestyle Group plc Iverna Financial Ltd	Harwood Wealth Management Group Limited
Luke Kingsnorth	None	None
David Stead	Card Factory plc Joules Group plc Naked Wines plc	University of Birmingham Alfa Financial Software Holdings plc
<b>Senior Managers</b>		
Sarah Savery-Smith	None	None
Andy Kerr	None	None
Paul Neiss	None	None
Richard O'Neill	None	None
Sarah Wheatley	None	None

- 6.7 Save as disclosed above, no Director or Senior Manager has at any time within the previous five years:
- (i) had any convictions in relation to fraudulent offences; or
  - (ii) been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
  - (iii) been a director of any company which, while he was a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
  - (iv) been a partner of any partnership which, while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset: or
  - (v) had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
  - (vi) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

- 6.8 In 1993, Daniel O'Neill was a director of MJN Technology Limited when it went into administration. In connection with those circumstances, for a period of five years from 1996 following a charge of trading whilst insolvent, he was disqualified from acting as a director and in 2000, he pleaded guilty to fraudulent trading in carrying on the business of MJN Technology Limited for which he was ordered to pay the minimum fine of £2,000 and compensation of £17,500.
- 6.9 So far as the Directors are aware, there are no arrangements the operation of which may, at a later date, result in a change of control of the Company.
- 6.10 Save as disclosed in paragraphs 6.2 and 6.3 above and as set out below, the Company is not aware of any person who is directly or indirectly interested in 3% or more of the issued share capital or voting rights of the Company:
- | <i>Name</i>   | <i>Shares</i> | <i>%</i> |
|---|---------------|----------|
| Daniel O'Neill  | 21,000,000    | 21       |
| Sarah O'Neill   | 20,000,000    | 20       |
| Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement | 10,000,000    | 10       |
| Michael O'Neill   | 49,000,000    | 49       |
- 6.11 None of the Company's major holders of shares listed above has voting rights which are different from other holders of Shares. It is anticipated that a relationship agreement (as mandated by the Listing Rules), will be entered into on Admission to govern the relationship between the Company and any controlling shareholders.
- 6.12 There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director or Senior Manager.
- 6.13 Save as set out in note 32 to the historical financial information in Part 7 (Historical financial information) of this document, no Director or Senior Manager is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by any member of the Group during the current or immediately preceding financial year or which was effected by any member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.

## **7. Directors service contracts, letters of appointment, remuneration and other matters**

- 7.1 Daniel O'Neill, Steve Sanders and Dan Walden are engaged under service agreements with ProCook Limited, each dated 19 October 2021 in respect of their positions as Chief Executive Officer, Chief Operating Officer and Chief Financial Officer respectively. The Directors, ProCook Limited and the Company intend that, immediately following Admission, those agreements will be transferred by ProCook Limited to the Company, with those Directors' employment transferring from ProCook Limited to the Company.

The principal terms of those service agreements are summarised below:

### ***Termination***

Each Executive Director's service agreement is terminable by the Company or the respective Executive Director on six months' written notice. The Company is also entitled to terminate each Executive Director's service agreement with immediate effect by payment in lieu of notice equal to the basic annual salary that would have been payable to the Executive Director during the notice period, or without payment of notice in certain circumstances (e.g. gross misconduct). Each director may be placed on garden leave for the period of any notice.

### ***Base salary***

Daniel O'Neill receives a basic salary of £300,000 per annum, Steve Sanders receives a basic salary of £200,000 per annum and Dan Walden receives a basic salary of £175,000 per annum (although Dan Walden has a contractual entitlement which will result in his base salary increasing to £250,000 per annum upon Admission). The Executive Directors' salaries will be

reviewed annually by the Remuneration Committee. There is no obligation to increase the relevant Executive Director's salary following a review.

### ***Bonus and incentives***

Each Executive Director may be allowed to participate in such bonus and incentive schemes as the Company operates and on such terms as the Board may determine from time to time. Details of the incentive arrangements which the Executive Directors may benefit from following Admission are set out in paragraph 5 above.

### ***Pension and other benefits***

Each Executive Director is entitled to a contributory workplace pension, to which they will be automatically enrolled, if eligible. Each Executive Director is entitled to participate in the Company's life assurance scheme after completing two years' service.

### ***Confidentiality and other undertakings***

Each Executive Director is subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation, non-dealing and non-hiring restrictive covenants for a period of 12 months after the termination of their employment arrangement.

- 7.2 Greg Hodder, David Stead, Gillian Davies and Luke Kingsnorth are engaged under letters of appointment with the Company, each dated 29 October 2021, in respect of their positions as Chair, Senior Independent Non-Executive Director, Independent Non-Executive Director and Independent Non-Executive Director respectively.

The principal terms of those letters of appointment are summarised below:

#### ***Term of appointment***

Each appointment is for a fixed term of three years and can be renewed for a further period of three years or other additional period. Each appointment is subject to annual re-election by shareholders at each annual general meeting.

Each Non-Executive Director's appointment may be terminated at any time by either the Company or the respective Non-Executive Director giving the other three months' written notice or in accordance with the Articles.

Each Non-Executive Director's appointment will terminate automatically on 31 December 2021 if Admission has not occurred by that date.

#### ***Remuneration and benefits***

Greg Hodder is entitled to receive £120,000 per annum for his role as Non-Executive Chair. That fee is inclusive of membership of any committees of the Board and his role as chair of the Nomination Committee.

David Stead is entitled to receive £45,000 per annum for his role as Non-Executive Director, and additional £5,000 per annum for his role as Senior Independent Non-Executive Director and an additional £5,000 per annum for his role as chair of the Remuneration Committee. Those fees are inclusive of membership of any committees of the Board.

Gillian Davies is entitled to receive £45,000 per annum for her role as Non-Executive Director and an additional £5,000 per annum for her role as chair of the Audit and Risk Committee. Those fees are inclusive of membership of any committees of the Board.

Luke Kingsnorth is entitled to receive £45,000 per annum for his role as Non-Executive Director. That fee is inclusive of membership of any committees of the Board.

Each of the Non-Executive Directors is entitled to reimbursement of reasonable and properly incurred expenses (including travel expenses).

### **Confidentiality and other undertakings**

Each Non-Executive Director is subject to a confidentiality undertaking without limitation in time.

- 7.3 Save as set out in paragraphs 7.1 and 7.2 above, there are no service agreements or letters of appointment in existence between any of the Directors and any member of the Group.

### **8. Directors' and Senior Managers' remuneration in the financial period ended 4 April 2021**

- 8.1 Under the terms of their service agreements and applicable incentive plans, in the financial period ended 4 April 2021, the aggregate remuneration and benefits of the Directors and the Senior Managers who served during that financial year, consisting of seven individuals, was £926,063.

The remuneration of each Director and Senior Manager for the financial period ended 4 April 2021 was as follows:

	<i>Salary/fees</i>	<i>Bonus</i>	<i>Pension contribution</i>	<i>Taxable benefits</i>	<i>Total</i>
	£	£	£	£	£
<b>Directors</b>					
Daniel O'Neill	9,410	549	112	8,735	18,806
Steve Sanders	122,308	89,120	1,313	-	212,741
Dan Walden	-	-	-	-	-
<b>Senior Managers</b>					
Sarah Savery-Smith	71,346	89,120	1,313	-	161,779
Andy Kerr	71,346	89,120	1,313	-	161,779
Paul Neiss	71,346	89,120	1,313	-	161,779
Richard O'Neill	68,269	77,996	1,313	-	147,578
Sarah Wheatley	54,519	7,386	1,313	-	63,218

- 8.2 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

- 8.3 For the financial period ended 4 April 2021, the Group made pension contributions (and other retirement related benefits (if any)) on behalf of the Directors and the Senior Managers who served during that financial year, consisting of eight individuals, in an aggregate amount of £7,990.

### **9. Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by any member of the Group during the two years preceding the date of this document and are or may be material or contain any provision under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

#### **9.1 Sale and leaseback**

ProCook Limited sold its long leasehold interest in Unit 2 Gateway, 12 Business Park, Davy Way, Waterwells, Gloucester on 10 September 2020 to Leftfield Logistics IX Limited ("the Buyer") for an aggregate consideration of £5,150,000. Immediately on completion of that sale, the Buyer granted an underlease back to the Company for a term of 20 years at an annual rent of £303,225 which is to be reviewed every 5 years in line with the open market.

## 9.2 **Share for share exchange**

Please see paragraph 3.9(i) of this Part 10. The Company is party to a share exchange agreement with the shareholders of ProCook Limited pursuant to which that transaction was agreed and completed.

## 9.3 **Agreement for lease**

ProCook Limited entered into an agreement for lease with St Modwen Developments Limited on 2 September 2021 in relation to Unit 10, St Modwen Park, Gloucester GL10 3EZ ("the New Site"). The agreement for lease is conditional upon planning permission and vacant possession. There is a long stop date for satisfaction of those conditions of 2 March 2022. The New Site is intended to have an area of 167,268 square feet with rent based on the square footage of the New Site, when developed. The term of the lease which would be granted on completion of the agreement for lease is 15 years and ProCook Limited, as tenant, would benefit from security of tenure.

## 9.4 **Bank facility**

On 14 October 2021, ProCook Limited entered into a new trade finance agreement with HSBC UK Bank plc, pursuant to which HSBC will provide a committed trade finance facility with an expiry date of 1 October 2023 and up to £5 million, with the ability for ProCook Limited to increase that amount to £6 million. The agreement contains covenants which the Directors consider are normal for an agreement of this nature.

## 9.5 **Placing Agreement and lock-up arrangements**

### *Placing Agreement*

On 1 November 2021, the Company, the Directors, the Core Selling Shareholders and Peel Hunt entered into the Placing Agreement. The Placing Agreement is conditional, amongst other things, upon Admission occurring no later than 8.00 a.m. on 12 November 2021 or such later time and/or date as the Company and Peel Hunt may agree in writing.

Pursuant to the Placing Agreement:

- the Core Selling Shareholders and the Company (as agent for and on behalf of the Other Selling Shareholders) have agreed, subject to certain conditions, to sell the Offer Shares at the Offer Price;
- Peel Hunt has agreed, subject to the satisfaction or waiver of customary conditions as set out in the Placing Agreement, to use its reasonable endeavours to procure purchasers for the Offer Shares to be sold under the Offer at the Offer Price and to remit the sale proceeds it receives, net of commissions and expenses, to the Core Selling Shareholders and, as applicable, the Company (as agent for and on behalf of the Other Selling Shareholders);
- subject to the conditions in the Placing Agreement having been satisfied or waived and the Placing Agreement not having been terminated in accordance with its terms, the Placing Agreement provides for Peel Hunt to be paid a commission by the Core Selling Shareholders and the Company (as agent on behalf of the Other Selling Shareholder) in respect of the Offer Shares. The base commission is 2.5% of the aggregate of an amount equal to the Offer Price multiplied by the aggregate number of the Offer Shares sold under the Offer on Admission. The Core Selling Shareholders may also, in their absolute discretion, determine that an additional discretionary commission of 1% of the aggregate of an amount equal to the Offer Price multiplied by the aggregate number of the Offer Shares sold under the Offer is payable;
- in addition to the commissions detailed above, the Core Selling Shareholders and the Company (as agent for and on behalf of the Other Selling Shareholders) have agreed to reimburse Peel Hunt for any commission paid or payable by the REX Intermediaries Offer Co-ordinator to the Intermediaries pursuant to the Intermediaries Terms and Conditions, which shall be capped for each Intermediary at 0.5% of the aggregate of an

amount equal to the Offer Price multiplied by the aggregate number of the Offer Shares purchased by that Intermediary under the REX Intermediaries Offer;

- in addition to the commissions detailed above, the Company has agreed to reimburse Peel Hunt for the costs, charges, fees and expenses reasonably incurred by Peel Hunt in connection with the Offer, Admission and the Placing Agreement;
- the Company has given an indemnity to Peel Hunt on customary terms;
- each of the Company, the Directors and the Core Selling Shareholders has given certain representations, warranties and undertakings to Peel Hunt. The liability of the Company is not limited as to amount or by time. The liabilities of the Directors and Core Selling Shareholders are subject to limitations; and
- the parties to the Placing Agreement have given certain covenants to each other, including regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

The Placing Agreement can be terminated at any time prior to Admission in certain customary circumstances set out in the agreement. If this right is exercised, the Offer and any placing arrangements will lapse and any monies received in respect of the Offer will be returned to applicants without interest.

#### *Lock-up arrangements*

##### *Company lock-up arrangements*

Pursuant to the Placing Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of Peel Hunt, issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of, any securities of the Company (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing.

##### *Shareholder lock-up arrangements*

Pursuant to the Placing Agreement, except pursuant to certain customary exceptions, the Core Selling Shareholders have agreed they will not (and will use their best endeavours to procure that their connected persons do not) sell or otherwise dispose of their remaining Shares, without the prior written consent of Peel Hunt, for 365 days from the date of Admission, and to abide by orderly marketing restrictions for a further 365 days thereafter. In addition, pursuant to the Deeds of Election, each of the Other Selling Shareholders have agreed to be subject to equivalent lock-up restrictions with respect to the Shares held by them.

## **10. Related party transactions**

- 10.1 Save as set out below and in note 32 of the historical financial information in Part 7 (Historical financial information) of this document, there are no related party transactions that were entered into by members of the Group during the period covered by the financial information contained in Part 7 (Historical financial information) of this document or during the period from 5 April 2021 to 1 November 2021, being the date of this document:

Quella Bicycle Limited, a company of which Daniel O'Neill is a director, has entered into a lease dated 27 October 2021 for a term of three years from the date of the lease to rent space at the Company's premises at Unit 2, St Modwen Park, Gloucester GL10 3EZ, for an annual rental of £7,000.

## **11. Investments and joint ventures**

- 11.1 The Company currently has no material investments (in progress or planned for the future on which the Directors have made firm commitments or otherwise) other than the subsidiaries listed in paragraph 2.4 above and its planned investment in a new warehouse which, if it were to proceed, is anticipated to incur capital expenditure of approximately £1 million which would be funded from the Group's own resources.



11.2 The Company does not hold a proportion of the capital in any joint venture or undertakings, which is likely to have a significant effect on the assessment of its assets, liabilities, financial position or profits and losses, other than the subsidiaries listed in paragraph 2.4 above.

## **12. Working capital**

In the opinion of the Company, taking into account the bank facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

## **13. Significant change**

There has been no significant change in the financial position or financial performance of the Group since 27 June 2021, being the date to which the latest historical financial information for the Group set out in Part 7 (Historical financial information) of this document was prepared.

## **14. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which, during the 12 months immediately preceding the date of this document, may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

## **15. Takeover bids**

The City Code is issued and administered by Takeover Panel. The Company is subject to the City Code and therefore its Shareholders are entitled to the protections afforded by the City Code.

## **16. Mandatory bids**

Rule 9 of the City Code provides that, except with the consent of the Takeover Panel, when (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with it are interested) carries 30% or more of the voting rights of a company or (b) any person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested, then, in either case, that person, together with the persons acting in concert with it, is normally required to extend offers in cash, at the highest price paid by it (or any persons acting in concert with it) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

The Concert Party, are beneficially interested in 100% of the existing Shares. Following Admission, depending on the number of Offer Shares sold pursuant to the Offer, the Concert Party members will be beneficially interested in between a minimum of approximately 54% (if the Offer Size is at the top end of the Offer Size Range and the Offer Price at the low end of the Price Range) and a maximum of approximately 69% of the Shares (if the Offer Size is at the low end of the Offer Size Range and the Offer Price at the top end of the Price Range). As the Concert Party will hold more than 50% of the voting rights in the Company, any member of the Concert Party would be able to acquire any further Shares without incurring an obligation to make a general offer for the Company in accordance with Rule 9 of the City Code unless (save in respect in of the exercise of options to acquire Shares granted at Admission as described in paragraph 6.4 of Part 10) (i) that member of the Concert Party is interested in Shares carrying 30% or more of the voting rights in the Company but does not hold shares carrying more than 50% of the voting rights in the Company or (ii) that member of the Concert Party's interest in Shares would increase to shares carrying 30% or more of the voting rights in the Company, in which case the Takeover Panel may deem such an obligation to have arisen.

Assuming that: (1) the options to acquire Shares granted at Admission described in paragraph 6.4 of Part 10 (Additional information) vest in full; (2) the Offer Size is at the low end of the Offer Size

Range; and (3) the Offer Price is at the top end of the Price Range, the interests of the Concert Party in Shares would be 70%.

## **17. Squeeze-out**

Under the 2006 Act, if a "takeover offer" (as defined in section 974 of the 2006 Act) is made for the Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Shares to which the takeover offer relates (the "Takeover Offer Shares") and not less than 90% of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it is able to acquire compulsorily the remaining 10%. In order to do so, it would send a notice to Shareholders who had not, at such time, accepted the offer telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for those Shareholders in the event that they had not accepted the offer at such time. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

## **18. Sell-out**

The 2006 Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held, or had agreed to acquire, not less than 90% of the Shares to which the offer related, any holder of Shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those Shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his or her rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

## **19. Intermediaries**

- 19.1 The Intermediaries authorised at the date of this document to use this document in connection with the REX Intermediaries Offer are AJ Bell Securities Limited, Equiniti Financial Services Limited, Hargreaves Lansdown Asset Management Limited, Interactive Investor Services Limited and Redmayne Nominees Limited.
- 19.2 Any new information with respect to financial intermediaries unknown at the time of publication of this document, including in respect of (a) any intermediary financial institution that is appointed by the Company in connection with the REX Intermediaries Offer after the date of this document, following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions and (b) any Intermediary that ceases to participate in the REX Intermediaries Offer, will be made available (subject to certain restrictions) on the Company's website at [www.procookgroup.co.uk](http://www.procookgroup.co.uk).

## **20. General**

- 20.1 BDO LLP has given and has not withdrawn its written consent to the inclusion in this document of its report in Section A of Part 7 (Historical financial information) of this document, and has authorised the contents of that report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. A written consent under the Prospectus Regulation Rules is different from a consent filed with the United States Securities and Exchange Commission under Section 7 of the Securities Act. BDO LLP has not filed and will not be required to file a consent under Section 7 of the Securities Act.

20.2 The annual accounts of ProCook Limited have been audited in accordance with national law for the financial periods ended 31 March 2019 and 29 March 2020 and 4 April 2021 by Saffrey Champness LLP, Chartered Accountants, of St Catherine's Court, Berkeley Place, Clifton, Bristol, BS8 1BQ. Auditors' reports in respect of each statutory accounts for the financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 have been made and each such report was an unqualified report.

20.3 The Shares will only be listed on the Official List of the FCA.

20.4 The Company's registrar and paying agent for the payment of dividends is Link Market Services Limited, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. The Company's registrar will maintain the records of securities held in certificated form and book-entry form.

## **21. Documents available for inspection**

Copies of the following documents will be available on the Group's website, at [www.procookgroup.co.uk](http://www.procookgroup.co.uk), for a period of 12 months following the date of this document:

21.1 the Articles;

21.2 the historical financial information of ProCook Limited for the three financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 and 12 weeks ended 27 June 2021 together with the related accountant's report from BDO LLP which is set out in Part 7 (Historical financial information);

21.3 the consent letter referred to in paragraph 20.1 above; and

21.4 this document.

For the purposes of 3.2.2 of the Prospectus Regulation Rules, this document will be published in electronic form and available on the Company's website, at [www.procookgroup.co.uk](http://www.procookgroup.co.uk), subject to certain access restrictions.

Dated: 1 November 2021

## DEFINITIONS

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

"2006 Act"	the Companies Act 2006, as amended
"Admission"	the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
"Annual Bonus Plan"	the ProCook Group plc Annual Bonus Plan described in paragraph 5 of Part 10 (Additional information) of this document
"Articles" or "Articles of Association"	the articles of association of the Company which, should it proceed with an initial public offering in the United Kingdom, it would adopt conditional on Admission
"Audit and Risk Committee"	the audit and risk committee of the Board
"Board" or "Directors"	the board of directors of the Company
"Brexit"	the United Kingdom's exit from the European Union
"Chair"	the chair of the Board
"City Code" or "Code"	the UK City Code on Takeovers and Mergers, as amended, supplemented or replaced
"Company" or "ProCook"	ProCook Group Limited
"Concert Party"	the Controlling Shareholders
"Controlling Shareholders"	(a) Daniel O'Neill, (b) Sarah O'Neill, (c) Michael O'Neill, (d) Richard O'Neill and (e) Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement
"Core Selling Shareholders"	(a) Daniel O'Neill, (b) Sarah O'Neill, (c) Michael O'Neill and (d) Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement
"Covid-19"	the coronavirus which is known or referred to as "Covid-19"
"CREST"	the paperless settlement system operated by Euroclear UK & International Limited enabling securities to be evidenced other than by certificates and transferred other than by written instrument
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"DBP"	the ProCook Group plc Deferred Bonus Plan 2021 described in paragraph 5.3 of Part 10 (Additional information) of this document
"Deeds of Election"	the elections dated 1 November 2021 entered into by each of the Other Selling Shareholders appointing the Company to sell certain Offer Shares as agent on each of their respective behalves
"DO/SO Shareholders"	(a) Daniel O'Neill, (b) Sarah O'Neill and (c) Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement
"EBT"	the ProCook Employee Benefit Trust described in paragraph 5.5 of Part 10 (Additional information) of this document

"Disclosure and Transparency Rules"	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
"EEA" or "European Economic Area"	together, the EU, Iceland, Norway and Liechtenstein
"Employee Share Plans"	the employee share incentive plans described in paragraph 5 of Part 10 (Additional information) of this document
"EU"	the European Union
"EUWA"	European Union (Withdrawal) Act 2018 (as amended from time to time)
"Excluded Territories"	each of Australia, Canada, Japan, the Republic of South Africa, New Zealand and the United States, and any other jurisdiction where the availability of the Offer would breach any applicable laws or regulations and "Excluded Territory" shall mean any of them
"Executive Directors"	the executive directors of the Company
"FCA"	the UK Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"GDPR"	Regulation (EU) 2016/679
"Group"	the Company and its Subsidiaries from time to time
"HMRC"	Her Majesty's Revenue and Customs
"IFRS"	International Financial Reporting Standards as adopted by the EU
"IPO Employee Share Plan"	the ProCook Group plc IPO Employee Share Plan described in paragraph 5.2 of Part 10 (Additional information) of this document
"Institutional Offer"	the offer of Offer Shares to certain institutional and professional investors in the United Kingdom and elsewhere as described in Part 8 (Details of the Offer) of this document
"Intermediaries"	the intermediaries listed in paragraph 19 of Part 10 (Additional Information) of this document, together with any other intermediary financial institution (if any) that is appointed by the Company in connection with the REX Intermediaries Offer after the date of this document and who agrees to adhere to and be bound by the Intermediaries Terms and Conditions
"Intermediaries Booklet"	the booklet entitled "ProCook Group Limited Share Offer: Information for Intermediaries" and containing, amongst other things, the Intermediaries Terms and Conditions
"Intermediaries Terms and Conditions"	the terms and conditions agreed between the Company, the Core Selling Shareholders, the REX Intermediaries Offer Co-ordinator and the Intermediaries in relation to the REX Intermediaries Offer, and contained in the Intermediaries Booklet, a summary of which is contained in paragraph 3.2 of Part 8 (Details of the Offer) of this document
"LEI"	legal identity identifier
"Listing Rules"	the listing rules of the FCA made under section 73A(1) of FSMA
"London Stock Exchange"	London Stock Exchange plc

"Member State"	member states of the EEA
"Nomination Committee"	the nomination committee of the Board
"Non-Executive Directors"	the non-executive directors of the Company (including the Chair)
"Offer"	the Institutional Offer and the REX Intermediaries Offer
"Offer Price"	the price at which each Offer Share is to be sold pursuant to the Offer
"Offer Shares"	the Shares which the Core Selling Shareholders and the Company (acting as agent for and on behalf of the Other Selling Shareholders) intend to sell pursuant to the terms set out in this document
"Offer Size"	the number of Offer Shares to be sold pursuant to the Offer, to be set out in the Pricing Statement
"Offer Size Range"	the range within which the Offer Size is currently expected to be set, being between 27,044,744 Shares and 43,666,658 Shares
"Official List"	the official list of the FCA
"Other Selling Shareholders"	all of the persons who will hold Shares as at Admission other than the Core Selling Shareholders who are selling Offer Shares pursuant to the Offer
"PCI-DSS"	the Payment Card Industry – Data Security Standard
"Peel Hunt" or "Sponsor" or "REX Intermediaries Offer Co-ordinator"	Peel Hunt LLP
"PECR"	the Privacy and Electronic Communications (EC Directive) Regulations 2003, as amended from time to time
"Placing Agreement"	the Placing Agreement dated 1 November 2021 and entered into between the Company (for itself and as agent for and on behalf of the Other Selling Shareholders), the Directors, the Core Selling Shareholders and the Sponsor, as described in paragraph 9.5 of Part 10 (Additional information) of this document
"Pounds Sterling" or "£"	pounds sterling, the lawful currency of the UK
"Price Range"	between 137 pence and 185 pence
"Pricing Statement"	the pricing statement to be published by the Company on or around 10 November 2021 detailing the Offer Price and the number of Offer Shares which are the subject of the Offer
"Prospectus Regulation"	Regulation (EU) 2017/1129 as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation from time to time
"Prospectus Regulation Rules"	the prospectus regulation rules of the FCA made under section 73A(1) of FSMA
"PSP"	the ProCook Group plc Performance Share Plan 2021 described in paragraph 5.1 of Part 10 (Additional information) of this document
"Regulation S"	Regulation S under the Securities Act

“Relationship Agreement”	the relationship agreement between the Company and the Controlling Shareholders
“Remuneration Committee”	the remuneration committee of the Board
“Remuneration Policy”	the outline remuneration policy for Executive Directors, described in paragraph 5.6 of Part 10 (Additional information) of this document
“REX Intermediaries Offer”	the offer of Offer Shares to the Intermediaries using the Peel Hunt REX portal as described in Part 8 (Details of the Offer) of this document
“RIS”	any channel recognised as a channel for the dissemination of regulatory information by listed companies, as defined in the Listing Rules
“SAYE Scheme”	the ProCook Group plc Save As You Earn Scheme described in paragraph 5.4 of Part 10 (Additional information) of this document
“Securities Act”	the US Securities Act 1933, as amended
“Selling Shareholders”	the Core Selling Shareholders and the Other Selling Shareholders
“Senior Managers”	those individuals identified as such in Part 3 (Directors, Senior Managers and corporate governance) of this document
“Shareholders”	the holders of Shares from time to time
“Share for Share Exchange Agreement”	the agreement dated 26 October 2021 pursuant to which the shareholders of ProCook Limited transferred their shares in ProCook Limited to the Company in exchange for the issue of an aggregate of 9,900 Shares, issued fully paid
“Share Options”	the options to acquire an aggregate of 858 ordinary shares of £0.01 in ProCook Limited held by certain Directors, Senior Managers and employees, certain of which have been exchanged for options to acquire Shares and certain of which are expected to be released immediately prior to Admission
“Shares” or “Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Subsidiary”	has the meaning given to it in section 1159 of the 2006 Act and includes group companies included in the consolidated financial statements of the Group from time to time
“Takeover Panel”	the UK Panel on Takeovers and Mergers
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council
“UK GDPR”	Regulation (EU) 2016/679 as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation from time to time
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Waived Options”	the meaning given to it in paragraph 5.2 of Part 10 (Additional information) of this document

## GLOSSARY

The following technical terms or other abbreviations (or variations of them) are used in this document:

AOV	average order value
bps	a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%
CAGR	compound annual growth rate
CRM	customer relationship management
CSR	corporate social responsibility
Designer Outlet Centre store	a ProCook store located in out of town retail centres predominantly occupied by "premium" brand retailers
Destination Retail store	a ProCook store located in a large shopping centre, such as Bluewater in Kent, which are seen as an all day retail and leisure experience by the consumer
EPOS	electronic point of sale
ESG	environmental, social and governance
FY	financial year ending in the year indicated
Garden Centre store	a ProCook store located in a garden centre which, together with associated retail offerings on site, is seen as an all day retail and leisure experience by the consumer
H	the relevant half of a calendar year, e.g., H1 2021 is the first half of 2021
KPI	key performance indicator
PPC	pay-per-click
retail	in relation to the Group, its retail channel
ROAS	return on advertising spend
Q	the relevant quarter of a calendar year, e.g., Q1 2021 is the first quarter of 2021
SKU	stock keeping unit



## SCHEDULE OF CHANGES

The registration document published by Project Berry Topco Limited on 15 October 2021 (the "Registration Document") contained the information required to be included in a registration document for equity securities by Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 (supplementing Regulation (EU) 2017/1129) which is part of UK law as it forms part of retained EU law (the "Prospectus Delegated Regulation"). This document ("the Prospectus"), which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 to the Prospectus Delegated Regulation ("Securities Note") and summary information for equity securities as prescribed by Article 7 of the Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any equity investor participating in the Offer should invest solely on the basis of the Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the "Schedule of Changes") sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

### **Purpose**

The purpose of this Schedule of Changes is to:

- highlight material changes made in the Prospectus, as compared to the Registration Document;
- highlight the new disclosure made in the Prospectus to reflect information required to be included in a Securities Note; and
- highlight the new disclosure made in the Prospectus to reflect information required to be included in a Summary.

### **1. REGISTRATION DOCUMENT CHANGES**

- 1.1 Unless the context requires otherwise, references to the Company have been revised to refer to ProCook Group Limited, as opposed to Project Berry Topco Limited.
- 1.2 The information under the section "Directors, Secretary, Registered and Head Office and Advisers" on page 28 of the Registration Document has been updated in the Prospectus to reflect the details of the advisors connected to the Admission. Please see the section "Directors, Secretary, Registered and Head Office and Advisers" on page 44 of the Prospectus.
- 1.3 The section titled "Corporate governance" on pages 67 to 69 in Part 3 of the Registration Document has been amended and also updated in the Prospectus to include the sections 3.1 (The Board), 3.2 (Compliance with corporate governance arrangements), 3.3 (Board committees), 4 (Share dealing code) and 5 (Relationship Agreement with the Controlling Shareholders) in the Prospectus. Please see pages 86 to 89 of the Prospectus.
- 1.4 The section titled "Conflicts of interest" on page 69 in Part 3 of the Registration Document has been updated to include reference to the potential conflict of interest which may exist between those Directors who are part of the Concert Party and the interests of other Shareholders. Please see page 89 of the Prospectus.
- 1.5 The section titled "Exceptional costs" on page 78 of Part 5 of the Registration Document has been updated to include additional exceptional costs related to Share option awards. Please see page 98 of the Prospectus.
- 1.6 Note 14 of the Historical Financial Information contained on page 119 of the Registration Document has been updated to include reference the capital reduction referred to in section 3.9 of Part 10 of the Prospectus. Please see pages 140 and 141 of the Prospectus.

- 1.7 Note 29 of the Historical Financial Information contained on page 130 of the Registration Document has been updated to include an additional paragraph connected to a contingent fee liability. Please see page 152 of the Prospectus.
- 1.8 Section 3 of Part 7 headed "Share Capital" on pages 145 to 146 of the Registration Document has been updated in the Prospectus to reflect the Company's share capital information and shareholder resolutions passed immediately prior to publication of the Prospectus. Please see pages 180 to 182 of the Prospectus.
- 1.9 Section 5 of Part 7 headed "Share incentive schemes" on page 151 of the Registration Document has been deleted and replaced with a new section 5 headed "Employee Share Plans" describing the incentive arrangements to be in place following Admission on pages 186 to 204 of the Prospectus.
- 1.10 A new section 6.4 has been added into Part 10 of the Prospectus on pages 205 to 207 to reflect the share awards to Directors and Senior Managers under the Employee Share Plans.
- 1.11 A new section 9.5 has been added into Part 10 of the Prospectus on pages 212 to 213 titled "Placing Agreement and lock up arrangements" to reflect the entry into of the Placing Agreement and related agreements in connection with Admission.
- 1.12 Section 10 of Part 7 on page 156 of the Registration Document has been updated in the Prospectus to include the date of the lease entered into with Quella Bicycle Limited. Please see page 213 of the Prospectus.

## **2. SECURITIES NOTE INFORMATION**

- 2.1 A new section entitled "Risks specific to the Offer and the Shares" has been added into the Prospectus to describe the risks relating to the Offer and the Shares. Please see pages 34 to 37 of the Prospectus.
- 2.2 New sections entitled "Expected timetable of principal events" and "Offer statistics" have been added into the Prospectus, please see pages 46 to 47 of the Prospectus.
- 2.3 A new section entitled "Capitalisation and indebtedness" has been added as Part 6 into the Prospectus, describing the consolidated capitalisation of the Group as at 27 June 2021 and its unaudited indebtedness as at 19 September 2021. Please see pages 115 to 116 of the Prospectus.
- 2.4 Part 8 "Details of the Offer" has been added into the Prospectus, describing the means through which the Offer Shares will be offered pursuant to the Offer, please see pages 166 to 175 of the Prospectus. The "Details of the Offer" disclosure also includes: (i) the Placing Agreement entered into between the Company and Peel Hunt, among other parties; and (ii) the lock-up arrangements that have been entered into or will be entered into ahead of Admission.
- 2.5 A new section entitled "Taxation" has been added as Part 9 into the Prospectus to provide a general guide to certain UK tax considerations relevant to the acquisition, ownership and disposition of Shares. Please see pages 176 to 179 of the Prospectus.
- 2.6 A new section entitled "Working capital" has been added into the Prospectus at section 12 of Part 10, confirming the adequacy of the Group's working capital. Please see page 214 the Prospectus.
- 2.7 New sections entitled "Takeover bids", "Mandatory bids", "Squeeze-out" and "Sell-out" have been added into the Prospectus at sections 15, 16, 17 and 18 of Part 10 describing the provisions of the City Code and the 2006 Act applicable to mandatory bids and buy-out and sell-out rights applicable to the Company. Please see pages 214 to 215 of the Prospectus.

## **3. SUMMARY INFORMATION**

A new section entitled "Summary" has been added into the Prospectus, to reflect the addition of a Summary as required by Article 7 of the UK Prospectus Regulation. Please see pages 7 to 13 of the Prospectus.

