

The Fulham Shore PLC

(“Fulham Shore”, the “Company” or the “Group”)

Unaudited interim results for the six months ended 25 September 2022

The Directors of Fulham Shore, the owner and operator of The Real Greek and Franco Manca restaurant businesses, are pleased to announce unaudited interim results for the six months ended 25 September 2022.

Financial Highlights

- Revenues increased 26% to £49.9m (2021: £39.5m)
- Headline EBITDA* of £10.5m (2021: £10.6m)
- Adjusted Headline EBITDA* of £6.0m (2021: £6.9m) reflecting the absence of the business rates holiday, lower VAT rate, and COVID-19 grants that were in place during the prior year comparable period
- Operating profit of £2.4m (2021: £4.5m) reflecting higher one-off pre-opening costs incurred on more new restaurant openings during the Half Year
- Profit after tax of £0.3m (2021: £2.4m)
- Operating cash inflow of £12.9m (2021: £15.6m)
- Net cash at the end of the Period (excluding lease liabilities) of £2.8m (2021: £5.1m)
- Post the period end:
 - RCF loan facility of £17m extended with HSBC by one year to expire in November 2025
 - As at 15 December 2022, the Group had net cash (excluding lease liabilities) of £0.7m
 - As at 15 December 2022, undrawn debt facilities of £16.9m out of total facilities of £17.75m

* Definition of Headline EBITDA and Adjusted Headline EBITDA can be found in note 3 to the unaudited interim financial information.

Operational Highlights

- Opened during the period:
 - 11 new Franco Manca pizzerias (one of which was a relocation)
 - 2 new The Real Greek restaurants (closed one due to end of lease)
- 93 restaurants operated as at 25 September 2022 (2021: 75)
- Post the period end:
 - 2 further Franco Manca opened (to 71 pizzeria)
 - 2 further The Real Greek opened (to 26 restaurants)
 - Agreed terms of a franchise territory agreement for Franco Manca in Spain which we believe is a potential major market
 - Strategic expansion into retail in November with launch of debut range of five premium Franco Manca Chef's Selection cook-at-home pizzas available to purchase in over 500 supermarkets across the UK, with encouraging levels of sales so far

David Page, Executive Chairman of Fulham Shore, said:

“The Group traded in line with management expectations during the period despite challenging trading circumstances. This creditable performance was underpinned by continued strong revenue growth at both Franco Manca and The Real Greek reflecting both businesses’ high-quality food and excellent value-for-money propositions.

During the six month period the Group made solid strategic progress, opening a total of 11 net new restaurants in the UK and since the period end have agreed the terms of a new franchise agreement for Franco Manca in Spain which will see the opening of two restaurants in the country early next year.

Our UK restaurant expansion is now complemented by the launch of our very first range of cook-at-home Franco Manca sourdough pizzas into 500 UK supermarkets. The customer reception to the range has been encouraging since its launch in November, and we look forward to seeing this develop further over the coming months and years.

Trading during the first two months of the second half of the financial year was well ahead of the comparable periods in 2019 and 2021, at 46% and 12% respectively. Furthermore, the Franco Manca loyalty programme continues to grow in user numbers with 350,000 users and over 50,000 loyalty pizzas enjoyed by our loyal customers. Notwithstanding this momentum, the Board remains mindful that we continue to operate against an unstable political and economic backdrop, which in turn has impacted consumer confidence and driven up our costs as well as facing significant challenges from the ongoing transportation disruption.

Reflecting on this, our aims over the coming 12 months are to conserve cash for our shareholders, to proceed cautiously, and take advantage of ever-decreasing rents.

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Notes for editors

Information on The Fulham Shore PLC

Fulham Shore owns and operates "The Real Greek" (www.therealgreek.com) and "Franco Manca" (www.francomanca.co.uk) restaurants.

Fulham Shore was incorporated in March 2012. The Directors believed that there were attractive investment opportunities within the restaurant sector in the UK and that, given their collective experience in the restaurant sector, they could take advantage of the opportunities which existed.

The ordinary shares of the Company were admitted to trading on AIM in October 2014 in order to capitalise on such opportunities and to give the company's employees, customers and public the ability to share in the enterprise.

The Real Greek

Since its foundation in London in 1999, The Real Greek business has grown steadily, now offering modern Greek cuisine in 26 restaurants across London and Southern England.

The Real Greek food centres on the delicious, healthy diet of the Eastern Mediterranean, staying true to the Greek ethos of food, family and friends. Dishes are created using premium ingredients sourced from Greece and Cyprus whenever possible, and developed by Tonia Buxton, the face of Greek food in the UK.

The Real Greek's menu and atmosphere retain the spirit of eating in Greece, encouraging diners to take their time eating amongst friends and family, be it a relaxed dinner, family get-together, or a fully catered party.

Franco Manca

Franco Manca opened its first restaurant in 2008 and now has 71 restaurants, primarily in London, but also with restaurants across the UK (e.g. Cardiff, Edinburgh, Glasgow, Manchester, Leeds, Cambridge, Birmingham, Brighton, Bristol and Exeter).

Franco Manca's pizza is made from slow-rising sourdough and is baked in an oven that produces high heat. The slow levitation and blast cooking process lock in the flour's natural aroma and moisture, giving a soft and easily digestible crust. Where possible, locally sourced and organic ingredients are used.

Franco Manca has received the following accolades:

- Winner of the Peach 20/20 Consumer Choice Award at the 2021 Hero & Icon Awards
- Winner of the Casual Dining Best Family Dining Experience Award 2020
- Winner of the R200 Best Value Restaurant Operator - Over 20 Sites Award 2019 and 2017

Chairman's statement

Introduction

I am pleased to announce the Group's unaudited interim results for the six months ended 25 September 2022 (the "Half Year" or the "Period").

During the Period, the Group traded in line with management expectations, with excellent growth in revenue driven by the enduring popularity of both Franco Manca and The Real Greek's excellent value-for-money propositions. This was achieved in spite of challenging political and macroeconomic circumstances as well as cost inflation and recent sporadic train and tube disruptions that impacted a number of our city centre locations.

Trading Performance

Group revenues for the Half Year were £49.9m (2021: £39.5m), an increase of approximately 38% when compared with the same period in 2019, prior to the onset of Covid-19, and some 26% ahead when compared with the same period to September 2021.

Headline EBITDA* for the Half Year was in-line with the prior year at £10.5m (2021: £10.6m). Our Adjusted Headline EBITDA* for the Half Year was lower at £6.0m (2021: £6.9m) as the business rates holiday, lower VAT rate and COVID grants, that the Group benefited from last year, ended.

Operating Profit for the Half Year was £2.4m (2021: £4.5m), reflecting the higher one off pre-opening costs incurred on opening 13 new restaurants during the Half Year (2021: 3 restaurants), while Profit Before Tax was £0.9m (2021: £3.1m).

During the Half Year, the Group generated positive cash inflow from operating activities of £12.9m (2021: £15.6m) and invested £10.6m (2021: £2.2m) predominantly in fitting out new restaurants. The Group benefited from landlord contributions which totalled over £0.7m on new sites acquired during the Half Year.

The Group's net cash position before lease liabilities recognised under IFRS 16 as at 25 September 2022 was £2.8m (2021: £5.1m).

New Openings

During the Half Year, we opened thirteen new restaurants (2021: 3) and closed two restaurants (2021: Nil), one of which was relocated nearby almost immediately. The opening programme resulted in pre-opening costs of £1.2m (2021: £0.2m).

Since the Half Year period end, the Group has opened two more Franco Manca pizzeria and two The Real Greek, including the first Franco Manca in Wales, in the centre of Cardiff, and the first The Real Greek in Scotland, which is located in the successful new shopping scheme St James Quarter, Edinburgh, and opened just in time for Christmas.

The Group continues to secure desirable sites at favourable rents, supported by high vacancy rates and lower rents than at the peak levels seen in 2019. The Group is in various stages of negotiations for eight proposed new restaurant leases due to open in the next financial year.

Franco Manca Cook At Home Range

Our retail cook at home pizza collaboration with a leading supermarket, announced on 1 November 2022, is showing early signs of success. Our delicious range of Franco Manca Chef's Selection sourdough pizzas are being sold in over 500 supermarkets across the UK. The first few weeks of sales have gone well, reviews are positive, and we believe this will develop an additional source of revenue over the next few years.

International Expansion

Following the franchise agreement for Greece signed in November 2021, the Group is pleased to announce that the terms of a franchise territory agreement for Franco Manca in Spain and Gibraltar have been agreed. The first two locations will be located in the Malaga area of southern Spain, with more sites to follow if these prove successful. The Board believes this to be a major market for the Group and hope to conclude the deal in the new year.

COVID-19 Business Interruption Insurance

We are making progress formulating a COVID 19 business interruption insurance claim. We believe our policy wording is similar to some recent successful outcomes for insured parties in our industry. At this stage, however, there can be no certainty of a financially beneficial outcome for the Group.

Current Trading

Group turnover during the first two months of the second half of the financial year was well ahead of the comparable periods in 2019 and 2021, by 46% and 12% respectively, however our costs continue to rise against the backdrop of subdued early and mid-week trading.

During the second half of the financial year so far our restaurants and our customers have been buffeted by unstable political and economic circumstances which in turn have impacted consumer confidence. This is in addition to the restrictions caused by intermittent train and tube disruption. As a result, office occupancy in our urban locations has again fallen back to well below 2019 levels.

The Group's trade at weekends especially in suburban sites has held up well and is in line with management expectations. December has started well and Franco Manca sales especially have recovered, again driven by strong weekend trade.

Our restaurant businesses started life in central London and its inner suburbs. These sites still form a large geographic proportion of our sites. Following the lifting of COVID restrictions last year some of these office occupancy figures had been improving week by week. However recent surveys have shown office occupancy figures have stagnated, remaining at around 42% down from a weekly average occupancy of 63% back in 2019. Lower office occupancy has also impacted commuting numbers; in the year to March 2022, London Waterloo Station carried less than 50% of the commuters that it did in 2019/2020.

As a result, at our office centric locations, Monday and Friday trade has been particularly negatively impacted since the Half Year, exacerbated by a number of mid-week tube or rail strikes.

The majority of restaurants in the Group benefited from fixed price energy contracts that expired at the beginning of October 2022. Energy rates have doubled since these contracts ended, after taking into account the price cap introduced by the UK Government. We have been able to offset some of the resultant margin impact through an energy efficiency drive, benefiting from agreeing lower rateable values for some of our restaurants and from closing several rent reviews with nil increases. We will also review our menu pricing more regularly to cope with these additional costs whilst still aiming to be better value than a comparative basket of our peer group.

The Franco Manca loyalty programme continues to grow in user numbers, with 350,000 users and over 50,000 loyalty pizzas enjoyed by our loyal customers.

Bank facilities

In November 2022, we are pleased to have signed a one year extension of our £17m Revolving Credit Facility with HSBC taking the maturity date to November 2025. The Company's net cash position before lease liabilities recognised under IFRS 16 as at 15 December 2022 was over £ 0.7m. The Group therefore has undrawn bank facilities of £16.9m, providing substantial financial headroom of over £17.6m.

Outlook

In our recent Trading Update, announced on 1 November 2022, the Group stated: 'Macroeconomic challenges including inflation, rising interest rates and political uncertainty continue to affect consumer confidence and combined with input cost inflation, are presenting trading conditions that are more unstable and unpredictable than at any time in recent memory. These rising costs and the availability of any relevant government support leads to a lack of transparency for short term trading. The Group will review on an ongoing basis its restaurant opening target for the 2024 financial year, based on the ever-evolving economic and political outlook, and will share subsequent updates as appropriate'. This still remains the case.

The continued transport disruption on the approach to Christmas will inevitably continue to cause more interruptions to our normal trading patterns. We prudently assume that these transportation strikes are likely to be equally as disruptive in the coming months. In addition, whilst we hope to see some recovery, we must assume that the cost of living impacts on consumers will continue to influence particularly early and mid-week trading and office centric locations. As a result, the Group is conducting a number of initiatives in both businesses to boost trade early in the week and at lunchtime and these are showing early signs of improving sales. Sales from our retail launch of five cook-at-home Franco Manca pizzas will also partially mitigate expected lower footfall in the final quarter.

Due to these challenges, the Company expects that trade in the final quarter of the current financial year is likely to be behind any of the Group's first three quarters.

Despite the current turbulent trading conditions and the specific disruptions to trade our restaurants continue to be popular with the UK public driven by our fantastic value for money menu pricing and the operations team's devotion to quality food. This gives the Board the strong belief in the long term performance of the Company.

Although, the Group expects to deliver its 18th new opening in spring 2023, given the pressures outlined above, the Board believes that it would be imprudent to aim to maintain this opening frequency in the next financial year. Until the economic situation for our customers and the country improves and stability returns, the Group will look to target between 5 to 10 new openings for the next financial year and will continue to fund the opening programme largely out of operating cash flow.

In addition, several of our original restaurants are now ten years old and therefore we will be embarking on a refurbishment programme of our existing estate in 2023, with the aim of increasing covers where possible. We believe that capital expenditure in this area could match or exceed the return on investment of a new site.

Conserving cash for our shareholders, proceeding with openings cautiously and taking advantage of the ever-decreasing rents which are still prevalent will be our aim over the next 12 months.

The Board is highly experienced and has operated through many of these periodic social and economic upheavals over the past 40 years. We believe this political and economic hiatus will eventually pass and we look forward to a more 'normal' trading environment within the next 12 months.

David Page
Chairman

16 December 2022

* Definition of Headline EBITDA and Adjusted Headline EBITDA can be found in note 3 to the unaudited interim financial information.

The Fulham Shore PLC
Unaudited Consolidated Statement of Comprehensive Income
for the six months ended 25 September 2022

		Six months ended 25 September 2022	Six months ended 26 September 2021	Year ended 27 March 2022
	Notes	Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Revenue		49,888	39,458	82,702
Cost of sales		(30,572)	(24,185)	(51,093)
Gross profit		19,316	15,273	31,609
Administrative expenses		(15,181)	(11,827)	(25,039)
Other income		35	1,688	2,401
Headline operating profit		4,170	5,134	8,971
Share based payments		(15)	(41)	(80)
Pre-opening costs		(1,236)	(162)	(733)
Amortisation of brand		(411)	(411)	(821)
Exceptional costs				
– impairment of property, plant and equipment		-	-	(602)
– other exceptional costs		(111)	-	-
Operating profit		2,397	4,520	6,735
Finance income		-	1	2
Finance costs	4	(1,537)	(1,427)	(2,863)
Profit before taxation		860	3,094	3,874
Income tax expense	5	(589)	(677)	(211)
Profit and total comprehensive income for the year attributable to owners of the company		271	2,417	3,663
Basic	6	0.0p	0.4p	0.6p
Diluted	6	0.0p	0.4p	0.6p

There were no other comprehensive income items.

The Fulham Shore PLC
Unaudited Consolidated Balance Sheet
as at 25 September 2022

		As at 25 September 2022 Unaudited £'000	As at 26 September 2021 Unaudited £'000	As at 27 March 2022 Audited £'000
	Notes			
Non-current assets				
Intangible assets		22,797	23,679	23,233
Property, plant and equipment		126,376	100,373	110,499
Investments		66	-	66
Trade and other receivables		742	788	672
Deferred tax assets		556	823	806
		<u>150,537</u>	<u>125,663</u>	<u>135,276</u>
Current assets				
Inventories		3,002	2,153	2,399
Trade and other receivables		6,817	4,395	4,308
Cash and cash equivalents	7	3,674	16,211	6,141
		<u>13,493</u>	<u>22,759</u>	<u>12,848</u>
Total assets		<u>164,030</u>	<u>148,422</u>	<u>148,124</u>
Current liabilities				
Trade and other payables		(27,696)	(21,133)	(20,707)
Borrowings	8	(7,270)	(12,311)	(6,527)
Income tax payables		(714)	(743)	(368)
		<u>(35,680)</u>	<u>(34,187)</u>	<u>(27,602)</u>
Net current liabilities		<u>(22,187)</u>	<u>(11,428)</u>	<u>(14,754)</u>
Non-current liabilities				
Borrowings	8	(87,251)	(74,959)	(79,702)
Deferred tax liabilities		(1,448)	(1,438)	(1,455)
		<u>(88,699)</u>	<u>(76,397)</u>	<u>(81,157)</u>
Total liabilities		<u>(124,379)</u>	<u>(110,584)</u>	<u>(108,759)</u>
Net assets		<u>39,651</u>	<u>37,838</u>	<u>39,365</u>
Equity				
Share capital		6,348	6,205	6,348
Share premium account		9,376	9,153	9,376
Merger relief reserve		30,459	30,459	30,459
Reverse acquisition reserve		(9,469)	(9,469)	(9,469)
Retained earnings		2,937	1,490	2,651
Total equity		<u>39,651</u>	<u>37,838</u>	<u>39,365</u>

The Fulham Shore PLC
Unaudited Consolidated Statement of Changes in Equity
for the six months ended 25 September 2022

Six months ended 25 September 2022
Unaudited

	Attributable to owners of the Company					
	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Equity Share- holders ' Funds £'000
At 27 March 2022	6,348	9,376	30,459	(9,469)	2,651	39,365
Profit for the period	-	-	-	-	271	271
Total comprehensive income for the period	-	-	-	-	271	271
Transactions with owners: Share based payments	-	-	-	-	15	15
Total transactions with owners	-	-	-	-	2,937	2,937
At 25 September 2022	6,348	9,376	30,459	(9,469)	2,937	39,651

Six months ended 26 September 2021
Unaudited

	Attributable to owners of the Company					
	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Equity Share- holders ' Funds £'000
At 29 March 2020	6,191	9,078	30,459	(9,469)	(802)	35,457
Profit for the period	-	-	-	-	2,417	2,417
Total comprehensive income for the period	-	-	-	-	2,417	2,417
Transactions with owners:						
Share based payments	-	-	-	-	41	41
Deferred tax on share based payments	-	-	-	-	(166)	(166)
Issue of new ordinary shares	14	75	-	-	-	89
Total transactions with owners	14	75	-	-	2,292	2,381
At 26 September 2021	6,205	9,153	30,459	(9,469)	1,490	37,838

Year ended 27 March 2022
Audited

	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained Earnings £'000	Total Equity £'000
At 28 March 2021	6,191	9,078	30,459	(9,469)	(802)	35,457
Profit for the year	-	-	-	-	3,663	3,663
Total comprehensive income	-	-	-	-	3,663	3,663
Transactions with owners:						
Share based payments	-	-	-	-	80	80
Deferred tax on share based payments	-	-	-	-	(290)	(290)
Exercise of share options	157	298	-	-	-	455
Total transactions with owners	157	298	-	-	3,453	3,908
At 27 March 2022	6,348	9,376	30,459	(9,469)	2,651	39,365

The Fulham Shore PLC
Unaudited Consolidated Cash Flow Statement
for the six months ended 25 September 2022

		Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
	Notes			
Net cash from operating activities	9	12,929	15,642	24,453
Investing activities				
Acquisition of property, plant and equipment		(10,639)	(2,165)	(7,799)
Acquisition of intangible assets		(4)	(2)	(2)
Acquisition of investments		-	-	(66)
Net cash flow used in investing activities		(10,643)	(2,167)	(7,867)
Financing activities				
Proceeds from issuance of new ordinary shares (net of expenses)		-	89	455
Capital repaid on bank borrowings		(1,000)	(4,738)	(14,000)
Principal element of lease payments		(2,216)	(3,459)	(6,309)
Interest received		-	1	2
Interest paid		(1,537)	(1,427)	(2,863)
Net cash used in financing activities		(4,753)	(9,534)	(22,715)
Net increase in cash and cash equivalents		(2,467)	3,941	(6,129)
Cash and cash equivalents at beginning of the period		6,141	12,270	12,270
Cash and cash equivalents at end of period	7	3,674	16,211	6,141

The Fulham Shore PLC
Notes to the Unaudited Interim Financial Information
for the six months ended 25 September 2022

1. General information

The Fulham Shore PLC is a public limited company incorporated and domiciled in England and Wales. The address of the registered office is 1st Floor, 50-51 Berwick Street, London, W1F 8SJ, United Kingdom. Copies of this Interim Statement may be obtained from the above address or the investor section of the Group's website at <http://www.fulhamshore.com>.

2. Basis of preparation

The unaudited interim financial information for the six months ended 25 September 2022 has been prepared under applicable law UK-adopted International Accounting Standards (UK-IAS) based on the accounting policies consistent with those used in the financial statements for the period ended 27 March 2022, but does not contain all the information necessary for full compliance with UK-IAS.

The unaudited interim financial information was approved and authorised for issue by the Board on 16 December 2022.

The unaudited interim financial information for the six months ended 25 September 2022 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and should be read in conjunction with the statutory accounts for the period ended 27 March 2022. The information for the period ended 27 March 2022 has been extracted from the statutory accounts for that period which have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain a statement under sections 498(2)-(3) of the Companies Act 2006.

The unaudited interim financial information are presented in Pounds Sterling because that is the currency of the primary economic environment in which the company operates. All values are rounded to the nearest one thousand Pounds (£'000) except when otherwise indicated.

Changes in accounting policies and disclosures:

There were no changes in accounting policies and disclosures during the period.

Going Concern

The Directors have reviewed the Group's working capital position, forecasts, the impact of inflation, availability of potential equity funding, other longer term plans and the financial resources and bank facilities in place that are available to deal with the business risks of the Group along with the significant covenant headroom. The Group had net funds, before lease liabilities recognised under IFRS 16, as at 15 December 2022 of £0.7m thus having headroom of some £17.6m available. The main long term revolving credit facility was extended in November 2022 by an additional year and does not require repayment before November 2025. Additionally, the Group's opening programme has been and can be adjusted fluidly to take account of business risks and the wider economic risks. The Directors feel well placed to manage the business risks successfully within the present financial arrangements.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of this financial information. Thus, they continue to adopt the going concern basis of accounting in preparing the interim financial information.

3. Segment information

For management purposes, the Group was organised into two operating divisions during the 6 months ended 25 September 2022. These divisions, The Real Greek and Franco Manca, are the basis on which the Group reports its primary segment information as identified by the chief operating decision maker which is the Group's board of directors.

For the six months ended 25 September 2022 (Unaudited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
External revenue	18,482	31,494	(88)	49,888
Headline EBITDA*	3,752	7,136	(435)	10,453
Depreciation and amortisation	(1,930)	(4,340)	(13)	(6,283)
Headline operating profit/(loss)	<u>1,822</u>	<u>2,796</u>	<u>(448)</u>	<u>4,170</u>
Share based payments	(4)	(5)	(6)	(15)
Pre-opening costs	(222)	(1,014)	-	(1,236)
Amortisation of brand	-	(411)	-	(411)
Exceptional costs	(12)	(99)	-	(111)
Operating profit/(loss)	<u>1,584</u>	<u>1,267</u>	<u>(454)</u>	<u>2,397</u>
Finance income	-	-	-	-
Finance costs	(497)	(930)	(110)	(1,537)
Segment profit/(loss) before taxation	<u>1,087</u>	<u>337</u>	<u>(564)</u>	<u>860</u>
Income tax expense				(589)
Profit for the period				<u>271</u>
Assets	47,255	115,368	1,407	164,030
Liabilities	(42,227)	(79,093)	(3,059)	(124,379)
Net assets/(liabilities)	<u>5,028</u>	<u>36,275</u>	<u>(1,652)</u>	<u>39,651</u>
Capital additions to PPE	<u>5,194</u>	<u>17,832</u>	<u>-</u>	<u>23,026</u>
Capital expenditure excluding right of use assets	<u>1,235</u>	<u>9,404</u>	<u>-</u>	<u>10,639</u>

For the six months ended 26 September 2021 (Unaudited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
External revenue	13,712	25,746	-	39,458
Headline EBITDA*	4,247	7,098	(792)	10,553
Depreciation and amortisation	(1,451)	(3,954)	(14)	(5,419)
Headline operating profit/(loss)	<u>2,796</u>	<u>3,144</u>	<u>(806)</u>	<u>5,134</u>
Share based payments	(14)	(20)	(7)	(41)
Pre-opening costs	(40)	(122)	-	(162)
Amortisation of brand	-	(411)	-	(411)
Operating profit/(loss)	<u>2,742</u>	<u>2,591</u>	<u>(813)</u>	<u>4,520</u>
Finance income	-	1	-	1
Finance costs	(394)	(836)	(197)	(1,427)
Segment profit/(loss) before taxation	<u>2,348</u>	<u>1,756</u>	<u>(1,010)</u>	<u>3,094</u>
Income tax expense				(677)
Profit for the period				<u>2,417</u>
Assets	41,664	102,124	4,634	148,422
Liabilities	(31,179)	(65,364)	(14,041)	(110,584)
Net assets/(liabilities)	<u>10,485</u>	<u>36,760</u>	<u>(9,407)</u>	<u>37,838</u>
Capital additions to PPE	<u>4,726</u>	<u>6,065</u>	<u>2</u>	<u>10,793</u>
Capital expenditure excluding right of use assets	<u>601</u>	<u>1,562</u>	<u>2</u>	<u>2,165</u>

For the year ended 27 March 2022 (Audited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue from external customers	29,121	53,465	116	82,702
Headline EBITDA*	7,635	14,157	(1,454)	20,338
Depreciation and amortisation	(3,285)	(8,055)	(27)	(11,367)
Headline operating profit/(loss)	4,350	6,102	(1,481)	8,971
Share based payments	(27)	(37)	(16)	(80)
Pre-opening costs	(346)	(387)	-	(733)
Amortisation of brand	-	(821)	-	(821)
Impairment of property plant and equipment	(602)	-	-	(602)
Operating profit/(loss)	3,375	4,857	(1,497)	6,735
Finance income	-	2	-	2
Finance costs	(855)	(1,649)	(359)	(2,863)
Segment profit/(loss) before taxation	2,520	3,210	(1,856)	3,874
Income tax expense				(211)
Profit for the year from continuing operations				3,663
Assets	43,753	103,091	1,280	148,124
Liabilities	(36,566)	(67,567)	(4,626)	(108,759)
Net assets/(liabilities)	7,187	35,524	(3,346)	39,365
Capital additions to PPE	12,814	14,679	7	27,500
Capital additions excluding right of use assets	3,313	4,479	7	7,799

In addition to the revenues generated from external customers, The Real Greek segment also generated internal revenues from another segment to the value of £203,000 (2021: £155,000).

Head office and PLC costs are not related to the Group's two business segments and are therefore included in other unallocated and are not part of a business segment.

The Group's two business segments primarily operate in one geographical area which is the United Kingdom.

* Headline EBITDA and Adjusted Headline EBTIDA are key measures for the Group as well as industry analysts as they are indicative of ongoing EBITDA generation of the businesses. Headline EBITDA is defined as EBITDA before share based payments and pre-opening costs, where EBITDA is defined as operating profit before depreciation and amortisation, amortisation of brand, impairment of property, plant and equipment, impairment of goodwill and intangible assets, impairment and changes in fair value of investments, COVID-19 related costs, restructuring costs, costs of reverse acquisition, cost of acquisition and loss on disposal of property, plant and equipment. Adjusted Headline EBITDA is defined as Headline EBITDA less rent expense calculated on an accrual basis which excludes the effect of IFRS16.

	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Profit before taxation	860	3,094	3,874
Finance costs	1,537	1,427	2,863
Finance income	-	(1)	(2)
Operating profit	2,397	4,520	6,735
Depreciation and amortisation	6,283	5,419	11,367
Amortisation of brand	411	411	821
Exceptional costs:			
– impairment of property, plant and equipment	-	-	602
– other exceptional costs	111	-	-
EBITDA	9,202	10,350	19,525
Share based payments	15	41	80
Pre-opening costs	1,236	162	733
Headline EBITDA	10,453	10,553	20,338
<i>Adjustment for rent expenses</i>	<i>(4,415)</i>	<i>(3,697)</i>	<i>(7,945)</i>
Adjusted headline EBITDA	6,038	6,856	12,393

4. Finance costs

	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Interest expense on bank loans and overdrafts	110	201	362
Interest on lease liabilities recognised under IFRS16	1,427	1,226	2,501
	<u>1,537</u>	<u>1,427</u>	<u>2,863</u>
	<u><u>1,537</u></u>	<u><u>1,427</u></u>	<u><u>2,863</u></u>

5. Income Tax Expense

	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Income tax expense on continuing operations			
Based on the result for the period:			
UK Corporation tax at 19% (2021: 19%)	346	734	627
Adjustment in respect of prior periods	-	-	(269)
Total current tax	<u>346</u>	<u>734</u>	<u>358</u>
Deferred taxation:			
Current year	243	(57)	(147)
Total deferred tax	<u>243</u>	<u>(57)</u>	<u>(147)</u>
Total taxation expense on profit from continuing operations	<u><u>589</u></u>	<u><u>677</u></u>	<u><u>211</u></u>

6. Earnings per share

	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Profit for the purposes of basic and diluted earnings per share (continuing operations):	271	2,417	3,663
Share based payments	15	41	80
Deferred tax on share based payments	(25)	(95)	(81)
Pre-opening costs	1,236	162	733
Amortisation of brand	411	411	821
Deferred tax on amortisation of brand	(68)	(69)	(137)
Loss on disposal	-	-	64
Exceptional costs			
– impairment of property, plant and equipment	-	-	602
– other exceptional costs	111	-	-
	<hr/>	<hr/>	<hr/>
Headline profit for the period for the purposes of Headline basic and diluted earnings per share	1,951	2,867	5,745
	<hr/>	<hr/>	<hr/>
	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	629,475	619,230	626,794
Effect of dilutive potential ordinary shares:			
- Share options	10,385	24,739	12,386
	<hr/>	<hr/>	<hr/>
Weighted average number of shares for the purpose of diluted earnings per share	639,860	643,969	639,180
	<hr/>	<hr/>	<hr/>
	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Earnings per share:			
Basic earnings per share	0.0p	0.4p	0.6p
Diluted earnings per share	0.0p	0.4p	0.6p
	<hr/>	<hr/>	<hr/>
Headline basic	0.3p	0.5p	0.9p
Headline diluted	0.3p	0.4p	0.9p
	<hr/>	<hr/>	<hr/>

7. Cash and cash equivalents

	As at 25 September 2022 Unaudited £'000	As at 26 September 2021 Unaudited £'000	As at 27 March 2022 Audited £'000
Cash at bank and in hand	3,674	16,211	6,141

Bank balances comprise cash held by the Group on a short term basis with maturity of three months or less. The carrying amount of these assets approximates their fair value.

8. Borrowings

	As at 25 September 2022 Unaudited £'000	As at 26 September 2021 Unaudited £'000	As at 27 March 2022 Audited £'000
Short term borrowings:			
Bank loans	-	4,850	-
Lease liabilities	7,270	7,461	6,527
	<u>7,270</u>	<u>12,311</u>	<u>6,527</u>
Long term borrowings:			
Bank loans	850	6,262	1,850
Lease liabilities	86,401	68,697	77,852
	<u>87,251</u>	<u>74,959</u>	<u>79,702</u>
	<u>94,791</u>	<u>87,270</u>	<u>86,229</u>

As at 25 September 2022, the Group's committed Sterling borrowing facilities comprised a revolving credit facility of £17,000,000 (2021: £14,250,000) expiring between one and five years and a bank overdraft facility of £750,000 repayable on demand, all of which are secured by a mortgage debenture in favour of HSBC Bank PLC representing fixed or floating charges over the assets of the Group. As at 25 September 2022, the Group had £16,900,000 undrawn headroom across its banking facilities.

9. Note to cash flow statements

Reconciliation of net cash flows from operating activities

	Six months ended 25 September 2022 Unaudited £'000	Six months ended 26 September 2021 Unaudited £'000	Year ended 27 March 2022 Audited £'000
Profit/(loss) for the period	271	2,417	3,663
Adjustments:			
Income tax expense	589	677	211
Profit before tax for the period	860	3,094	3,874
Finance income	-	(1)	(2)
Finance costs	1,537	1,427	2,863
Operating profit for the period	2,397	4,520	6,735
Depreciation and amortisation	6,694	5,829	12,188
Impairment of property, plant and equipment	-	-	602
Loss on disposal of property, plant and equipment	15	-	65
Other exceptional costs	96	-	-
Share based payments expense	15	41	80
Operating cash flows before movement in working capital	9,217	10,390	19,670
Increase in inventories	(603)	(177)	(423)
Increase in trade and other receivables	(2,674)	(1,527)	(1,324)
Increase in trade and other payables	6,989	6,956	6,530
Cash generated from operations	12,929	15,642	24,453
Income taxes paid	-	-	-
Net cash from operating activities	12,929	15,642	24,453

9. Note to cash flow statements (continued)

Changes in net debt from financing activities

Six months ended 25 September 2022 (Unaudited)

	Cash and Cash Equivalents £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total before lease liabilities £'000	Lease liabilities due within 1 year £'000	Lease liabilities due after 1 year £'000	Total £'000
Net cash/(debt) as at 27 March 2022	6,141	-	(1,850)	4,291	(6,527)	(77,852)	(80,088)
Cash flows	(2,467)	-	1,000	(1,467)	2,216	-	749
Reallocation	-	-	-	-	(1,984)	1,984	-
Additions to lease liabilities	-	-	-	-	(1,048)	(10,746)	(11,794)
Remeasurements to lease liabilities	-	-	-	-	(6)	(586)	(592)
Reduction to lease liabilities	-	-	-	-	79	799	878
Net cash/(debt) as at 25 September 2022	<u>3,674</u>	<u>-</u>	<u>(850)</u>	<u>2,824</u>	<u>(7,270)</u>	<u>(86,401)</u>	<u>(90,847)</u>

Net cash/ (net debt) before lease liabilities recognised under IFRS 16 as at 25 September 2022 was net cash of £2,824,000 (2021: £5,099,000).

Six months ended 26 September 2021 (Unaudited)

	Cash and Cash Equivalents £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total before lease liabilities £'000	Lease liabilities due within 1 year £'000	Lease liabilities due after 1 year £'000	Total £'000
Net cash/(debt) as at 28 March 2021	12,270	(3,730)	(12,120)	(3,580)	(7,909)	(63,078)	(74,567)
Cash flows	3,941	3,730	1,008	8,679	3,459	-	12,138
Reallocation	-	(4,850)	4,850	-	(2,230)	2,230	-
Additions to lease liabilities	-	-	-	-	(759)	(6,953)	(7,712)
Remeasurements to lease liabilities	-	-	-	-	(22)	(896)	(918)
Net cash/(debt) as at 26 September 2021	<u>16,211</u>	<u>(4,850)</u>	<u>(6,262)</u>	<u>5,099</u>	<u>(7,461)</u>	<u>(68,697)</u>	<u>(71,059)</u>

Year ended 27 March 2022 (Audited)

	Cash and Cash Equivalents £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total before lease liabilities £'000	Lease liabilities due within 1 year £'000	Lease liabilities due after 1 year £'000	Total £'000
Net cash/(debt) as at 28 March 2021	12,270	(3,730)	(12,120)	(3,580)	(7,909)	(63,078)	(74,567)
Cash flows	(6,129)	-	14,000	7,871	6,309	-	14,180
Reallocation	-	3,730	(3,730)	-	(3,242)	3,242	-
Additions to lease liabilities	-	-	-	-	(1,662)	(17,050)	(18,712)
Remeasurements to lease liabilities	-	-	-	-	(23)	(966)	(989)
Net cash/(debt) as at 27 March 2022	<u>6,141</u>	<u>-</u>	<u>(1,850)</u>	<u>4,291</u>	<u>(6,527)</u>	<u>(77,852)</u>	<u>(80,088)</u>