ParsleyBox

ADMISSION DOCUMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who specialises in advising on the acquisition of shares and other securities and is duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the entire issued ordinary share capital of the Company. This document does not contain an offer of transferable securities to the public in the United Kingdom requiring the issue of a prospectus pursuant to section 85 of FSMA and, accordingly, this document has not been pre-approved by or filed with the Financial Conduct Authority ("**FCA**") or any other competent authority.

Application has been made for the entire issued ordinary share capital ("**Ordinary Shares**") of Parsley Box Group plc (the "**Company**") to be admitted to trading on AIM ("**Admission**"), a market operated by the London Stock Exchange plc ("**London Stock Exchange**"). It is expected that Admission will become effective, and unconditional dealings in the Ordinary Shares will commence, on 31 March 2021. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger more established companies. AIM securities are not admitted to the official list of the United Kingdom's Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors, whose names appear on page 8 of this document, and the Company, accept responsibility, collectively and individually, in accordance with the AIM Rules, for the information contained in this document. The Directors and the Company, who have taken all reasonable care to ensure that such is the case, declare that the information contained in this document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company is speculative and involves a high degree of risk. Prospective investors should carefully consider the section entitled "Risk factors" set out in Part II of this document. If certain of the risks described in this document occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters, and who are able to bear the loss of the whole of their investment.

Parsley Box Group plc

(Incorporated and registered in Scotland under the Companies Act 2006 with registered number SC685656)

Offers of 8,500,000 Ordinary Shares at a price of 200 pence per Ordinary Share

and

Admission to trading on AIM



Nominated Adviser and Broker

Share capital immediately following Admission

Number 41,914,368 Issued and fully paid Ordinary Shares Nominal value 1 penny each

The Company is offering 2,500,000 new Ordinary Shares (the "**New Shares**") under the Placing, Direct Subscription and the Customer Offer. In addition, the Selling Shareholders are offering 6,000,000 existing Ordinary Shares under the Placing and the Customer Offer (together the "**Offers**") (the "**Sale Shares**", together with the New Shares, the "**Offer Shares**") in aggregate for sale under the Offers. Further information on the Offers is set out in Part I ("**Information on Parsley Box**") of this document. All of the Offer Shares will, following Admission, rank *pari passu* in all respects with the other issued Ordinary Shares and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

finnCap, which is authorised and regulated in the UK by the FCA, is acting exclusively for the Company as nominated adviser and broker in connection with the Offers and Admission. finnCap's responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. finnCap is acting exclusively for the Company and no one else in connection with the Offers and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Offers and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Offers or any matters referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on finnCap by FSMA, finnCap does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offers. finnCap accordingly disclaims all and any liability (whether arising in tort, delict, under contract or otherwise) (save as referred to above), which it might otherwise have in respect of this document.

This document should be read in its entirety before making any decision to subscribe of or to purchase Ordinary Shares. Prospective investors should rely 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 the Company or finnCap. Neither the delivery of this document nor any issue or sale of Ordinary Shares made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time

The contents of this document should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the head office of the Company and offices of Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL for one month from the date of this document. This document is also available on the Company's website, www.Parsley Box.com.

IMPORTANT INFORMATION

Notice to overseas persons

The distribution of this document and the offer and sale of Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document, nor any advertisement or any other offering material may be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with any 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.

Save as described below, this document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, South Africa or Japan. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") nor under the applicable securities laws of any States of the United States, or any province or territory of Canada, Australia, South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not be offered or sold directly in or into the United States, Canada, Australia, South Africa, Japan or to any resident of the aforementioned jurisdictions. Furthermore, no actions have been or will be taken to allow any offering of Ordinary Shares under the applicable securities laws of any jurisdiction where action for that purpose may be required or doing so is restricted by law.

The Ordinary Shares are being offered and sold pursuant to exemptions from the registration requirements of the Securities Act, and will be offered and sold either (i) outside the United States to persons who are not "U.S. Persons" (within the meaning of Regulation S under the Securities Act) in transactions complying with Regulation S or (ii) in certain limited cases, within the United States in private placements to persons who are institutional persons who are Accredited Investors (within the meaning of Regulation D under the Securities Act) in transactions complying with Rule 506 of Regulation D.

AS SET OUT ABOVE, THE ORDINARY SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY US STATE SECURITIES COMMISSION OR AUTHORITY, NOR HAS ANY SUCH US AUTHORITY PASSED ON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE. THE ORDINARY SHARES HAVE NOT BEEN (AND WILL NOT BE) REGISTERED UNDER THE SECURITIES ACT OR SECURITIES LAWS OF ANY US STATE OR JURISDICTION AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

Each purchaser purchasing the Placing Shares in a Regulation D Placing will be required to execute and deliver a signed letter/subscription agreement to the Company containing representations and warranties such as the representation and warranty that such purchaser is an institutional person who is an Accredited Investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

Notice to prospective investors in the EEA

In relation to each member state of the EEA, no Ordinary Shares have been offered or will be offered pursuant to the Offers to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that



offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Member State:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) in such relevant Member State; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Offers will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law of the Member state implementing Article 2(e) of the Prospectus Regulation.

For these purposes, the expression "**an offer to the public**" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression the "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

Notice to prospective investors in the United Kingdom

No Ordinary Shares have been offered or will be offered pursuant to the Offers to the public in the United Kingdom prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the FCA, except that Ordinary Shares may be offered to the public at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- (3) in any other circumstances falling within section 86 of FSMA,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to section 85 of FSMA and each person (other than any PrimaryBid Offeree) who initially acquires any Ordinary Shares or to whom any offer is made under the Offers will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2 of the UK Prospectus Regulation.

For these purposes, the expression "**an offer to the public**" in relation to any offer of Ordinary Shares in the United Kingdom means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression the "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended), as it form part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This document is being distributed to, and is directed only at (i) the PrimaryBid Offerees (for the purposes of the Customer Offer); and (ii) such other persons in the United Kingdom who are "qualified investors" (within the meaning of Article 2 of the UK Prospectus Regulation) and (a) who 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 "**FPO**"); and/or (b) who are high net worth entities falling within Article 49(2)(a) to (d) of the FPO; and (iii) other persons to whom it may otherwise be lawfully distributed (each a "**relevant person**"). Any investment or investment activity to which this document relates is available only 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 this document. This document has been approved by PrimaryBid for the purposes of section 21 of FSMA and the terms of such approval limit the use of this document as so approved for the purposes of the Customer Offer only.

Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in Part I ("**Information on Parsley Box**") and Part II ("**Risk factors**") of this document.

Any forward-looking statements in this document reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations and growth strategy. Investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision. Subject to the requirements of applicable law or regulation (including MAR and the AIM Rules), the Group undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

Presentation of financial information

Unless otherwise indicated, financial information set out in this document has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"). Any unaudited financial information set out in this document has been extracted without material adjustment from the Group's accounting records. Certain non-IFRS measures such as operating profit and losses before exceptional items have been included in the financial information, as the Directors believe that these provide important alternative measures with which to assess the Group's performance. Prospective investors should not consider these as an alternative for revenue or operating profit which are IFRS measures. Additionally, the Company's calculations of non-IFRS measures may be different from the calculation used by other companies and therefore comparability may be limited.

Non-IFRS information

In relation to the reporting of certain financial information within this Document, the Board has adopted various alternative performance measures ("Alternative Performance Measures").



Alternative Performance Measures are financial measures of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS, being the applicable financial reporting framework in respect of the Company. The Board believes that the Alternative Performance Measures contained within this Document assist in providing additional useful information on the underlying trends, performance and financial position of the Company. The Alternative Performance Measures contained within this Document are unaudited.

The Alternative Performance Measures contained within this Document may not be directly comparable with other companies' Alternative Performance Measures, including those in the Company's industry. In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read the Document as a whole and not rely solely on the Alternative Performance Measures, which should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. Certain of the Alternative Performance Measures used within this Document relate to past performance. Past performance is not an indication of future results.

Presentation of currencies

Unless otherwise indicated, all references in this document to "sterling", "pounds sterling", "GBP", "£", "penny", "pence" or "p" are to the lawful currency of the United Kingdom. Unless otherwise indicated, the financial information set out in this document has been expressed in pounds sterling.

Roundings

The information contained in this document, including financial information presented in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the rounded numbers.

Market, economic and industry data

This document includes market share and industry data and forecasts that were obtained by the Group from industry publications and surveys and from the Group's knowledge of its industry. Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by that 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 and other statements in the immediately preceding paragraph. Certain market share information and other statements in this document regarding the industry in which the Group operates and the Group's position relative to its competitors are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Directors' best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industry in which it competes, as well as information published by its competitors.

No incorporation of websites

The contents of the Company's websites (or any other website) do not form part of this document.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended and as applied in the United Kingdom ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as applied in the United Kingdom; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary 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 MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary 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 Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap 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 MiFID II; 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 Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.



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DIRECTORS, SECRETARY AND ADVISERS

Directors	<u>Chris</u> tiaan Richard David van der Kuyl CBE (<i>Non-Executive Chairman</i>) <u>Kevin</u> Matthew Dorren (<i>Chief Executive Officer</i>) <u>John</u> Beveridge Swan (<i>Chief Financial Officer</i>) Rosemary <u>Adrienne</u> Charlotte MacAulay (<i>Chief Product Officer</i>) <u>Chris</u> topher Paul Britton (<i>Senior Independent Non-Executive Director</i>) <u>Hazel</u> Dianne Cameron (<i>Independent Non-Executive Director</i>) <u>Ana</u> Cristina Stewart (<i>Independent Non-Executive Director</i>) All of whose business address is at the Company's registered office
Registered Office	Level 6 Quartermile 1 15 Lauriston Place Edinburgh United Kingdom EH3 9EN
Company Secretary	Stephen Cook
Company website	www.ParsleyBox.com
Nominated Adviser and Sole Broker	finnCap Ltd One Bartholomew Close London EC1A 7BL
Legal advisers to the Company	Shepherd and Wedderburn LLP 5th Floor 1 Exchange Crescent Conference Square Edinburgh Midlothian EH3 8UL
Legal advisers to finnCap	Penningtons Manches Cooper LLP 125 Wood St London EC2V 7AW
Auditors	Azets Holdings Ltd Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX
Reporting accountants	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB



Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Financial public relations advisers	Instinctif Partners Limited 65 Gresham Street London EC2V 7NQ



DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

Admission	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
AIM	AIM, a market operated by the London Stock Exchange plc
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange plc from time to time
AIM Rules for Nominated Advisers	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
A Ordinary Shares	A ordinary shares of 1 penny each in the capital of the Company, which are to be converted into Ordinary Shares immediately prior to Admission
Articles	the articles of association of the Company to be adopted immediately prior to and conditional upon Admission
Audit Committee	the audit committee of the Board, as constituted from time to time
Board	the board of directors of the Company from time to time, or a duly constituted committee of the board
Company	Parsley Box Group plc, a company incorporated under the laws of Scotland with company number SC685656
Companies Act	the Companies Act 2006 (as amended)
City Code	the City Code on Takeovers and Mergers published by the
	Takeover Panel from time to time
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
CREST CREST Regulations	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in
	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear the Uncertificated Securities Regulations 2001 (SI 2001 No.
CREST Regulations	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended) the offer of 646,745 Offer Shares to be issued and/or sold to PrimaryBid Offerees at the Offer Price, further details of which are set out in paragraph 14 of Part I ("Information on Parsley
CREST Regulations Customer Offer	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended) the offer of 646,745 Offer Shares to be issued and/or sold to PrimaryBid Offerees at the Offer Price, further details of which are set out in paragraph 14 of Part I ("Information on Parsley Box") of this document Diet Chef Limited, a company incorporated in Scotland under



Direct Subscription Agreement	the direct subscription agreement dated 24 March 2021 between the Company and certain existing beneficial shareholders in Parsley Box, further details of which are set out in paragraph 16.1.9 of Part IV ("Additional information") of this document
Euroclear	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales, the operator of CREST
Equiniti	Equiniti Financial Services Limited, which is registered in England and Wales with No. 6208699 and is authorised and regulated by the UK Financial Conduct Authority no. 468631
EU	the European Union
EMI Options	options granted as enterprise management incentive options pursuant to the provisions of Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003
Enlarged Ordinary Share Capital	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares and the New Shares
Executive Directors	each of Kevin Dorren, Adrienne MacAulay and John Swan
Existing Ordinary Shares	the 39,414,368 Ordinary Shares in issue immediately prior to Admission
FCA	the Financial Conduct Authority
finnCap	finnCap Ltd, the Company's nominated adviser and sole broker
Founding Shareholders	Gordon MacAulay, Adrienne MacAulay, Kevin Dorren, Andrew Veitch and Move Fresh
Founding Shareholders Concert Party	the Founding Shareholders together with their respective families and other connected persons
FSMA	the Financial Services and Markets Act 2000 (as amended)
Group	the Company and Parsley Box
IFRS	International Financial Reporting Standards as adopted by the European Union
London Stock Exchange	London Stock Exchange plc
MAR	Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse, as applied in the United Kingdom
MIP	the Parsley Box Group plc Management Incentive Plan
Mobeus VCTs	The Income & Growth VCT plc, Mobeus Income & Growth VCT plc, Mobeus Income & Growth 2 VCT plc and Mobeus Income & Growth 4 VCT plc
MoveFresh	Move Fresh Limited, a company incorporated in Scotland with company number SC507112 and the holding company of Diet Chef



NED Options	the options over an aggregate of 274,391 Ordinary Shares that have been granted, conditional on Admission, to the Non-Executive Directors as more fully described at paragraph 15.2 of Part IV ("Additional information") of this document
New Share Plans	the MIP and the SIP
New Shares	2,500,000 new Ordinary Shares to be issued by the Company pursuant to the Offers
Non-Executive Directors	each of Hazel Cameron, Chris Britton and Ana Stewart
Official List	the Official List of the FCA
Offer Price	200 pence per Offer Share
Offers	the Placing, the Direct Subscription and the Customer Offer
Offer Shares	the New Shares and the Sale Shares
Ordinary Shares	ordinary shares of 1 penny each in the capital of the Company
Parsley Box	Parsley Box Limited, a company incorporated under the laws of Scotland with company number SC561983
Parsley Box Limited Share Scheme	the Parsley Box Limited Enterprise Management Incentive Scheme
Parsley Box Share Account	the nominee service provided by Equiniti to eligible shareholders in the Company, in accordance with the terms and conditions applying to the Parsley Box Share Account (a copy of which will be available on the platform operated by PrimaryBid in respect of the Customer Offer)
Placing	the conditional placing of the Offer Shares by finnCap as agent for and on behalf of the Company and the Selling Shareholders pursuant to the terms of the Placing Agreement
Placing Agreement	the conditional agreement dated 25 March 2021 and made between the (1) Company (for itself and on behalf of the Selling Shareholders) (2) finnCap and (3) the Directors relating to the Placing, further details of which are set out in paragraph 16.1.1 of Part IV ("Additional information") of this document
Placing Shares	1,353,255 New Shares to be issued by the Company and 6,000,000 Sale Shares to be sold by the Selling Shareholders, in each case pursuant to the Placing
PrimaryBid	PrimaryBid Limited, a company incorporated in England and Wales with registered number 08092575
PrimaryBid Offerees	PrimaryBid's clients who are customers of Parsley Box who were detailed on Parsley Box's customer database system as at 9.00 a.m. on 22 March 2021 (or such later time and/or date as the Company may determine), or such other PrimaryBid clients as the Company may determine to accept applications in the Customer Offer from, in each case resident in the U.K.
Prospectus Regulation	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA from time to time



QCA	the Quoted Companies Alliance
QCA Code	the Corporate Governance Code, published by the Quoted Companies Alliance from time to time
Registrar	Equiniti Limited, which is registered in England & Wales with company number 6226088
Regulation D	Regulation D as promulgated under the Securities Act
Regulation S	Regulation S as promulgated under the Securities Act
Relationship Agreement	the agreement dated 25 March 2021 and made between the (1) Company and (2) Founding Shareholders, further details of which is set out in paragraph 16.1.5 of Part IV ("Additional information") of this document
Remuneration and Nomination Committee	the remuneration and nomination committee of the Board, as constituted from time to time
Replacement Options	the options over an aggregate of 1,973,359 Ordinary Shares to be granted by the Company to those participants in the Parsley Box Limited Share Scheme who have accepted an invitation to surrender their entitlements under that arrangement, as more fully described at paragraph 15.1 of Part IV ("Additional information") of this document
Sale Shares	6,000,000 Existing Ordinary Shares being sold on behalf of the Selling Shareholders pursuant to the Placing
SEDOL	Stock Exchange Daily Official List
Selling Shareholders	those persons whose names and addresses are set out in paragraph 24 of Part IV ("Additional information") of this document
Securities Act	US Securities Act of 1933, as amended, and the rules and regulations promulgated there under
Senior Management	Linzi Clingan and Nikki Forrest
Shareholder	a holder of Ordinary Shares
SIP	the Parsley Box Group plc Share Incentive Plan
Statutes	the Companies Acts, the CREST Regulations and every other Act (including any orders, regulations or other subordinate legislation made under any such Act) for the time being in force relating to companies and affecting the Company
Takeover Panel	the UK Panel on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US, USA or United States	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction

GLOSSARY

General Terms

The following glossary of terms applies throughout this document, unless the context otherwise requires:

2020 UK COVID Restrictions	the various UK Government restrictions enacted in 2020 aimed at preventing the spread of COVID, including the March 2020 and November 2020 nationwide lockdown restrictions, the three-tiered system of local COVID Alert Levels established in October 2020 (and as amended in December 2020)
Active Customers	Customers who have made at least one subsequent order (excluding first order) within the past 13 months
AOV	average order value
Baby Boomer+	We consider the Baby Boomer+ generation to be the age demographic over 60 years
CAC	customer acquisition cost
CAGR	compounded annual growth rate
Customer Cohort	customers acquired within each 6-month period since Parsley Box began trading
COVID	the outbreak of the strain of coronavirus that led to a pandemic in 2020 (also known as "COVID", "coronavirus", the "2019 novel coronavirus" or "2019-nCoV"), which has negatively impacted economic conditions globally
D2C	direct to consumer
FMCG	fast moving consumer goods
FY18	the year ended 31 March 2018
FY19	the year ended 31 March 2019
FY20	the year ended 31 December 2020
Gen X	a term for people born following the Baby Boomer+ and preceding the Millennials
KPIs	key performance indicators
Millennials	a term for people born in the early 1980s as starting birth years and the mid-1990s to early 2000s as ending birth years, with 1981 to 1996 being a widely-accepted defining range for the generation. The millennial cohort demographic are typically the children of the Baby Boomer+ cohort
PE19	the nine-month period ended 31 December 2019
Registered User	All individuals who have registered with Parsley Box, since the start of Parsley Box's trading



Alternative Performance Measures

In relation to the reporting of certain financial information within this Document, the Board has adopted various Alternative Performance Measures. Alternative Performance Measures are financial measures of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS, being the applicable financial reporting framework in respect of Parsley Box. The Board believes that the Alternative Performance Measures contained within this Document assist in providing additional useful information on the underlying trends, performance and financial position of the Group. The Alternative Performance Measures contained within this Document are unaudited.

The Alternative Performance Measures contained within this Document may not be directly comparable with other companies' Alternative Performance Measures, including those in the Group's industry. In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read the Document as a whole and not rely solely on the Alternative Performance Measures, which should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. Certain of the Alternative Performance Measures used within this Document relate to past performance. Past performance is not an indication of future results.

Adjusted EBITDA	earnings before interest, tax, depreciation, amortisation and share-based payment charges
Adjusted Repeat EBITDA (Fully Loaded)	Gross profits relating to customers who have ordered from Parsley Box more than once, less marketing costs for branding and marketing costs for the targeting of repeat customers, and all overheads (excluding depreciation, amortisation and share based payment charges)



OFFER STATISTICS

Offer Price per Ordinary Share	200 pence
Number of Offer Shares, of which:	8,500,000
Number of New Shares; and	2,500,000
Number of Sale Shares	6,000,000
Number of Ordinary Shares in issue immediately following Admission (1	41,914,368
Estimated gross proceeds of the Offers receivable by the Company $\ensuremath{^{(2)}}$	£5.0 million
Estimated net proceeds of the Offers receivable by the Company $^{\scriptscriptstyle (2)}$	£3.9 million
Estimated gross proceeds of the Offers receivable by the Selling Shareholders $\ensuremath{^{(2)}}$	£12.0 million
Percentage of the Enlarged Ordinary Share Capital represented by the Offer Shares $^{\scriptscriptstyle (1)}$	20.3 per cent.
Percentage of the Enlarged Share Capital represented by the New Sha	ares ⁽¹⁾ 6.0 per cent.
Percentage of the Enlarged Share Capital represented by the Sale She	ares 14.3 per cent.
Expected market capitalisation of the Company at the Offer Price $^{\scriptscriptstyle (1)}$	£83.8 million
EPIC/TIDM	MEAL
ISIN	GBOOBNK9TZ56
SEDOL	BNK9TZ5
LEI	21380011BEY3JSQ3AU68

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021 ⁽³⁾
Publication of this Admission Document	26 March
Admission and commencement of unconditional dealings in the Ordinary Shares on AIM	31 March
Ordinary Shares credited to CREST accounts	At 8.00 a.m. on 31 March, or as soon as practicable after
Parsley Box Share Account statements made available online through the Shareview portfolio	Within 5 business days of Admission
Despatch of definitive share certificates (where applicable) $^{\scriptscriptstyle (4)}$	Within 10 business days of Admission
Notes	

Notes:

(1) Assuming that the maximum number of New Shares subject to the Offers is subscribed for.

- (2) The estimated net proceeds receivable by the Company are stated after deduction of Placing commissions and expenses.
- (3) Each of the times and dates set out in the above timetable (and referred to elsewhere in this document) is subject to change without further notice. All references to time in this document are to London time.
- (4) No temporary documents of title will be issued.



PART I INFORMATION ON PARSLEY BOX

1. INTRODUCTION

Background

Parsley Box delivers ready meals, that do not need to be stored in a fridge or freezer, direct to the underserved Baby Boomer+ consumer, broadly defined as those aged 60 and over. Its mission statement is to promote, support and celebrate independent living by making mealtimes easier and more enjoyable for everyone.

The Baby Boomer+ demographic is growing rapidly; it represented c.24 per cent. of the UK population (16.2 million people) in 2019 and is the only age demographic that is forecast to grow materially in the next 10 years (source: Government Office for Science, Future of an Ageing Population). This generation is not only the fastest growing but the wealthiest (source: Resolution Foundation/ ONS Wealth and Assets Survey, Net wealth per adult 2014-16). Parsley Box was formed specifically to target this highly attractive fast-growing market, unlike meal-kit box delivery service companies that have typically focused on Millennials or Gen X demographics with less spending power.

Based in Edinburgh, Parsley Box was founded in March 2017 by husband-and-wife team Gordon and Adrienne MacAulay following the couple's discovery of limited options for delivery of ready meals for Gordon's mother. Since then, Parsley Box has grown to offer a 'one stop shop' for its target market when it comes to mealtimes; providing a growing range of quick and simple ambient ready meals which require no refrigeration and have a shelf life of up to six months.

The core product range comprises over 60 single portion sized meals spanning various cuisines, with best sellers including Cottage Pie, Lamb Hotpot, Lasagne, Beef Stew and Sweet & Sour Chicken. The product range has expanded beyond its core menu of ready main meals to include wines, spirits, cakes and desserts, as well as gifting options such as chocolates. Customers benefit from easier product storage, a wide selection of meals that can be cooked within minutes, at a competitive price point with delivery as quick as the next working day.

Parsley Box has embraced the D2C model allowing it to gather detailed insights from customers, building meaningful relationships and allowing for high levels of innovation aligned with their demands. Parsley Box, which fields over 2,000 calls a day (2,048 daily average Mon-Sun, 2020), is capitalising on the structural move in consumer buying patterns towards D2C channels.

The UK grocery market has seen a substantial shift to online with share growing from 8.8 per cent. in 2019 to 14.3 per cent. in 2020 (source: Kantar: Winning Omnichannel July 2020). This structural shift from shopping in physical store to online has been a gradual one across many years, however, this online trend has been accelerated by the COVID pandemic and the 2020 UK COVID Restrictions. The rise of the internet has allowed companies to increasingly market directly to consumers; with the success of takeaway marketplace internet platforms providing evidence of how well accepted this business model has become. The Baby Boomer+ segment of the population represents part of the behavioural shift towards buying food online for home delivery.

Parsley Box has seen exceptional revenue growth since inception, with a revenue CAGR of 248 per cent. to ± 24.4 million for the 2 years to FY20, predominately driven by highly effective marketing investment, with a total of c. ± 5.0 million of equity investment to the end of FY20.

The Directors believe that this is because Parsley Box's business model services the significant structural changes in the market, both in respect of the growth in the Baby Boomer+ demographic and the shift towards e-commerce.

As of 8 January 2021, Parsley Box had c.154,000 Active Customers, with Parsley Box shipping c. 900,000 products to customers per month.

The Board considers that Parsley Box has a scalable model and is well positioned to take advantage of the structural shift in consumer buying patterns and a growing target demographic. The proceeds attributable to the Company from the Placing will help Parsley Box accelerate its growth plans primarily through investment in marketing spend with the aim of becoming a household name in a currently underserved market.

2. KEY STRENGTHS OF PARSLEY BOX

The Directors believe that the success of Parsley Box, and their expectations for continued momentum, are based on the following key strengths:

- We are a challenger brand that we believe is redefining the category, with first mover advantage supported by over 500,000 Registered Users.
- Parsley Box is targeting the Baby Boomer+ generation in the UK, which is an under-served, large, growing and wealthy market.
- The structural shift in the grocery market, shows a growing trend in shopping for food online and an increase in the D2C business model.
- The Board and Senior Management have significant experience operating in high growth environments, in D2C FMCG businesses, in listed business and in marketing to the BabyBoomer+ demographic.
- Our product has key differentiators by comparison to our direct peers, such as:
 - long-life ambient meals which do not require freezing or chilling;
 - faster cooking times;
 - a wider range of products including wine, fresh meat/fish and bakery; and
 - a direct customer relationship (opposed to franchise) which enables the business to implement swift changes and be in control of its own destiny.
- A track record of successful marketing, employing an evolving marketing mix with multichannel touch points, which has historically enabled Parsley Box to acquire a long term, high quality customer base.
- Parsley Box is highly scalable, operating a capital light model.
- There is significant scope to extend product and category range, which should lead to an increase in AOV.
- Strong customer lifetime value with historically low CAC through diverse marketing channels. In FY20, positive monthly Adjusted Repeat EBITDA (Fully Loaded) was earned from March 2020 onwards with the customer database gaining such critical mass that contributions from repeat orders were sufficient to cover Parsley Box's overheads.
- The market and business model is replicable in other countries.
- Growth across all key performance indicators.

3. HISTORY AND BACKGROUND

- Parsley Box was founded in March 2017 by husband and wife, Gordon and Adrienne MacAulay.
- June 2017: first funding round of c.£150k conducted with Kevin Dorren and Andrew Veitch joining the Board to provide their D2C insight and help scale the business.
- May 2018: Further investment round for c.£200k, consisting of angel investors and MoveFresh.
- May 2019: Mobeus, a leading growth capital investor in London invests £3m to drive new customer acquisition.



- October 2019: Chris van der Kuyl CBE (founder of 4J Studios, a games development studio best known for developing Minecraft Console Edition) joins the Board and makes an investment, Parsley Box conducts a wider c.£1.6m investment round.
- October 2020: Parsley Box reaches the milestone of 400,000 customers.
- 2020 UK COVID Restrictions: Significant ramp up in sales as consumer behaviour shifts towards buying groceries through e-commerce platforms, sees Parsley Box accelerate growth plans.
- January/February 2021: Investment round of c.£5.6m from existing and new shareholders to accelerate growth.

4. MARKET OVERVIEW

The UK ready meal market is a growing established market category worth £5.9 billion (source: Euromonitor November 2020, Ready Meals in the United Kingdom). Parsley Box operates in an attractive niche competing against relatively few players. Parsley Box's target demographic accounts for c.24 per cent. of the total UK ready meal market (£1.4bn).

Within its quadrant, the D2C ready meals market is distinct from meal-kit delivery services which target Millennials and use a subscription model. Meal-kits take longer to prepare, have a shorter shelf life and are more capital intensive. The ready meal market is less "crowded", with only two key direct competitors focused on offering a similar meal proposition to Parsley Box; Wiltshire Farm Foods and Oakhouse Foods.



Figure 1: The "Dinner-at-Home" market landscape, source: Company



Market Trends

Structural shift in consumer preferences to buying online and towards convenience

The structural shift from shopping in physical store to online has been happening for many years. However, this trend has been accelerated by the COVID pandemic and the 2020 UK COVID Restrictions, with the online share of the grocery market having moved from 8.8 per cent. in 2019 to 14.3 per cent. in 2020. Kantar research stated that "the most accelerated retail trend of 2020, was online grocery shopping in Europe... Longer-term...this is where the majority of grocery shopping – all shopping – is heading." There are a number of factors which may encourage this shift to the online market. Internet usage generally is rising, with the percentage of the UK adult population shopping online also increasing. This is further supported by research conducted by Euromonitor below into the channel distribution of ready meals (by retail value) and the significant increase in distribution by way of e-commerce, from 6 per cent. in 2015, to 15.4 per cent. in 2020:

Channel	% Breakdown 2020	% Breakdown 2015
Store-Based Retailing	84.6	94.0
Grocery Retailers	82.8	92.0
Modern Grocery Retailers	81.5	90.7
Convenience Stores	5.0	5.3
Discounters	16.4	15.4
Forecourt Retailers	0.1	0.2
Hypermarkerts	41.7	38.9
Supermarkets	18.4	30.9
Traditional Grocery Retailers	1.3	1.3
Independent Small Grocers	1.3	1.3
Mixed Retailers	1.8	2.0
Non-Store Retailing	15.4	6.0
E-Commerce	15.4	6.0

Figure 2: Euromonitor Report, Channel Distribution for Ready Meals (Retail Value RSP 2020 and percentage growth 2015-2020)

Kantar also identifies that the general shift online is coupled with an increased desire for convenience, stating "Our general shopping plans will be more flexible - less planned - again because they can be." Consumers are becoming more comfortable buying online and are looking to take advantage of the greater variety, convenience and information offered by e-commerce, which drives growth broadly across geographies and product categories.

Kantar's research is aligned with the Board's view that there has been and continues to be a structural shift to shopping online and a wider focus on convenience. They believe this has created a compelling commercial opportunity, which they intend to capitalise on further.



D2C channels of increasing importance

In addition, there is an increasing shift towards D2C channels, underpinned by the structural online shift. The Directors believe the D2C approach offers numerous benefits including increased control over the customer experience, the opportunity to develop a direct relationship with customers and greater control over marketing content. In addition, the return on marketing investment can be more accurately measured, which allows for more effective allocation of marketing spend.

The data points gathered from D2C sales enable companies to gain a detailed understanding of their customers. This data can be used to inform and speed up new product development decisions.

The importance of the D2C channel has been accentuated during the COVID-19 lockdown, with many traditional retailers closing their shops and consumers switching to online sales channels.

Target age demographic is the fastest growing UK population segment



Parsley Box has embraced the D2C business model to develop ready meals for the Baby Boomerconsumer, which represented 16.2 million people in 2019 (c.24 per cent. of the UK's population) (source: Government Office for Science, Future of an Ageing Population).

The UK population is ageing with gradual increases in life expectancy seen during the 20th century projected to continue. The 60 and over segment is the fastest growing age demographic within the UK population and by 2029 it is expected to reach 19.8 million people (c.27 per cent. of the population) (source: Government Office for Science, Future of an Ageing Population).





5. BUSINESS OVERVIEW

Customers

Parsley Box's target market is the UK Baby Boomers+ demographic; a growing segment of the UK population due to falls in historic birth rates and increases in average life expectancies. There is also a large cohort entering the Baby Boomer+ demographic searching for product and service models that suit their lifestyle and who are potential future Parsley Box customers.

Parsley Box is listening intently to its customers and aspires to champion the needs of the lifeloving 60+ population, whose voice has gone too long unheard and untapped. Similarly to the brands focused on Millennials and Gen X, Parsley Box aims to inspire, excite and engage its BabyBoomer+ customers.

Parsley Box communicates and takes orders from its customers across a number of mediums to suit a variety of customer preferences; online, by post and through call centres.

The UK Baby Boomers+ are embracing the shift to online, with Kantar reporting in February 2021 that "the rapid growth of online shopping, which hit a record share of 14.0 per cent. this month is being led by the oldest demographics...Retired households have boosted their online spend by a staggering 229 per cent. compared with January 2020. Older people are clearly getting more comfortable and proficient at ordering online and they now make up 28 per cent. of the 6.4 million who used online services in Great Britain in February 2021." (source: Kantar UK Grocery Market Share February 2021).

In the UK, the Baby Boomers+ are also the wealthiest age demographic; many are at the end of a career and have had time to accumulate savings, pensions and property.







Figure 3: Net family wealth per adult (median figure used, adjusted for inflation) 2014-16, Source: Resolution Foundation/ ONS Wealth and Assets Survey

Active Customers

As of 8 January 2021, Parsley Box had c.154,000 Active Customers. Accelerated by its marketing efforts and 2020 UK COVID Restrictions, the number of Active Customers increased 188 per cent. from December 2019 to December 2020. The Board believes increased market penetration will come from expanding Parsley Box's product range and categories.



Figure 4: Active customers since January 2019

Products and Services

Parsley Box launched with a small selection of ready meals focused around 'traditional' favourites such as cottage pie, lasagne and beef hotpot. Since then, the product range has been continuously expanded and now includes over 60 meals across c.135 products from a variety of different cuisines, sides, soups, puddings and drinks. The product range is also tailored to accommodate growing consumer trends such as 'free from', low sugar and vegetarian. The meals are designed to be simple to cook and to enable its target demographic of Baby Boomer+ customers to maintain a high level of independence.

Unlike other providers of ready meal delivery services that require meals to be chilled or frozen from production through to delivery, Parsley Box's primary meal options do not require refrigeration or freezing. They can be stored at ambient temperature for up to 6 months as a result of the cooking method used (pressure cooking) and each meal being vacuum sealed. This also means that the cooking time of the meals is significantly reduced.

Parsley Box's products are purchased as finished goods from a number of UK manufacturers. On receipt at the warehouse, the customers' orders are collated and sent by courier for next working day delivery.

Parsley Box charges an average price per meal of between $\pounds 3-\pounds 4$ directly to customers. Orders are placed via the Parsley Box website, by phone or by post. Customers are not required to commit to a subscription and the minimum order value to qualify for free next working day delivery is $\pounds 19$ (excluding the UK Highlands and Islands, Channel Islands and Northern Ireland).

The everyday nature of the product, at a competitive price point, is supported by customer research that suggests that two thirds of Parsley Box's customers consume Parsley Box meals once or more a week and of those, c.67% consume Parsley Box meals multiple times a week.

Parsley Box's proposition is customer led, driven by regular feedback on products and services. Feedback is primarily received through the call centre and TrustPilot, where Parsley Box has a 4.5 out of 5 star rating (based on 19,020 reviews at 10am on 4 March 2021).

Parsley Box approaches product development and strategy in three ways; through its internal product team, by using an external food innovation consultancy group and through customer focus groups. New products are developed based on feedback from regular customer focus groups and are then subject to small scale testing by Parsley Box's 'taste panels' and its customer focus groups. In late 2020, Parsley Box expanded the product range with chilled meats and fish boxes.

Based on its research, Parsley Box believes its customers are far less likely to purchase from a subscription-based model, and therefore does not offer such a service.

Revenue Model

Parsley Box provides meals to its customers via a D2C model rather than via third party retailers. Customers typically order their meals in batches.

The key drivers of revenue are growth in Active Customers, customer retention and AOV. Critical to the revenue model is attracting and retaining customers for Parsley Box's ready meals and associated products and expanding its product range to increase AOV. As set out in paragraph 11 below, Active Customers and AOV (across both new and repeat) have grown over the 3 year period ended 31 December 2020 (unaudited).

Marketing spend is the key cost directly associated with driving revenue, particularly in respect of new customer acquisition. Parsley Box has delivered tangible payback on marketing spend to date (as demonstrated in Figure 5 below). As the business grows the Directors believe that marketing spend will reduce as a proportion of overall revenue over time, as repeat orders increase and the Group benefits from economies of scale. The Directors believe that due to their



marketing approach they are able to predict customer behaviour with a high level of accuracy, as further detailed below.



Figure 5: Return on Marketing Spend (and future predicted returns), associated with recruiting a new customer, based on £20 average CAC, based on average cohort data from 2017-20

Customer Cohort analysis, coupled with data analytics around historical trends in customer behaviour, gives Parsley Box a high level of confidence in predicting future revenue. c.60 per cent. of revenue for the 6-month period to 31 December 2020 (unaudited) was from Customer Cohorts from previous periods. Trend analysis for 2019 and 2020 has demonstrated that 28 per cent. of customers reorder within 60 days of initial order and a third party data report commissioned by Parsley Box stated that after 60 days, customer behaviour in respect of order value over the next 12 months can be predicted with 88 per cent. accuracy.





Figure 6: Active customer reorder trend 2019 v 2020



Figure 7: Repeat customer contribution by revenue, by Customer Cohort

Operational model

Parsley Box operates a capital light operating model; minimal capital investment is required due to the outsourcing of logistics, manufacturing and delivery. Its outsourced business model has been critical in allowing management to focus on customer acquisition and customer service, which has enabled the rapid scaling of the business to date.

Outsourced manufacturing

Parsley Box outsources the manufacturing of its products to a number of suppliers, all of whom are rated 'A' by the British Retail Consortium's audit of food producers. All of its suppliers have significant additional capacity available to support further growth.

Outsourced fulfilment

Parsley Box use Diet Chef's warehouse and operations team which allows for flexibility without capital expenditure costs.

Outsourced delivery

A third party courier delivers orders across the UK direct to the consumer.

Customer contact centre & head office

Parsley Box's customer contact centre and head office are based in Edinburgh. Parsley Box's sales, marketing and finance functions are all based in Edinburgh.

Marketing

Marketing has been, and will continue to be, important in further strengthening the Parsley Box brand, acquiring new customers and retaining Active Customers. Management has significant experience in targeting this demographic and employ an evolving marketing mix with multichannel touch points, which has driven Parsley Box's positive trend in customer growth (with a positive trend prior to the 2020 COVID Restrictive Measures and further acceleration during that period). As a result, Parsley Box's Active Customer base has grown exponentially and cost effectively, with Parsley Box attracting loyal customers who increase their AOV over time at a historically low CAC, leading to increased profit contribution.





Historically, Parsley Box's marketing was predominately directed through newspapers, inserts in catalogues (gardening) and cold mail (distributed to those customers who have bought via mail order), which were the channels most appropriate to the target demographic. More recently, TV advertising campaigns and online marketing have been driving brand awareness and sales.

Parsley Box analyses its marketing spend in respect of new customer acquisition and repeat customer retention, with data science supporting a predictive customer behaviour and lifetime value. New marketing represents the costs incurred by Parsley Box to entice new customers and has predominantly been through a balanced marketing mix including TV, direct mail, Google paid search and Facebook advertising. Direct mail and email repeat marketing campaigns to the current customer base have a lower cost base. Since FY18, and the increasing importance of digital advertising, the strategy has evolved to reduce reliance on press adverts and achieve a balanced marketing mix with no single channel representing more than 35 per cent. of monthly spend.

Given the marketing channels used, marketing spend per new order is significantly higher than that per repeat order. The business model is to entice new customers with upfront offers and marketing spend before retaining these customers and encouraging a higher spend per individual order. The marketing expense has increased across the review period in order to gain a critical mass of customers as there is a clear trend between marketing costs and the attraction of new customers.

As the business matures and the Company consistently retains a proportion of new customers the split of revenues continues to trend toward the more profitable repeat customers. Furthermore, marketing expenses, measured as a percentage of revenue, have decreased, as demonstrated in Figure 9 below. Repeat orders provide significantly higher gross margin and therefore profit contribution. Therefore, whilst new marketing spend is key to driving customer acquisition, it is repeat orders that will drive Parsley Box's future profitability, Adjusted Repeat EBITDA (Fully Loaded) being a metric which is used by management to assess the underlying profitability of the overall business. Positive monthly Adjusted Repeat EBITDA (Fully Loaded) has been from March 2020 onwards with the customer database gaining such critical mass that contributions from repeat orders were sufficient to cover Parsley Box's overheads.



Figure 9: Marketing spend on new and repeat customers against new and repeat revenue growth over time (unaudited)

Parsley Box also monitors what channels orders are coming from (online, post and call centre) to inform how they target customers through marketing efforts.

Environmental Awareness



Figure 10: Traditional food supply chain sequence is based on a study by WRAP https://wrap.org.uk/sites/files/wrap/Food-surplus-and-waste-in-the-UK-key-facts-Jan-2020.pdf

Parsley Box recognises the importance of doing business responsibly and reducing any adverse impacts of its operations on the environment and of encouraging the same values through its entire supply chain. Environmental considerations are at the core of its proposition. The Directors believe that Parsley Box is more sustainable than its direct peers as well as traditional grocers, simply by virtue of its supply chain; delivery from the warehouse direct to consumer with no need for refrigerated transport and storage. The Directors believe that there is typically a lot of wastage in a traditional supply chain due to the food waste incurred between the manufacturer (via the wholesaler) to the warehouse and further food waste incurred from the warehouse (via the supermarket) to the home.

The ambient nature of the product removes requirement for a refrigerated or frozen supply chain, significantly reducing cost and improving speed of delivery. A Parsley Box meal produces approximately 44 per cent. less CO₂ emissions compared to an equivalent home cooked meal (source: Green Element Research for Parsley Box January 2021, taken from the median of three Parsley Box meals). Its packaging is widely recyclable.

Social Responsibility

Parsley Box works with a number of social causes throughout the year to help support its local community. In December 2020, Parsley Box worked with West Lothian Council to distribute meals to the homeless over the Christmas period. Parsley Box also has a partnership with registered charity FareShare to donate and distribute meals to worthy causes throughout the year.

Competition

The Directors consider Wiltshire Farm Foods and Oakhouse Foods to be Parsley Box's main competitors.

Wiltshire Farm Foods is part of the Apetito Group and is a market leader in ready meal delivery. Founded in 1991, it incorporates a frozen supply chain and has a number of franchise partners throughout the UK.

Oakhouse Foods is owned by the Kerry Food Group. Oakhouse Foods also incorporates a frozen supply chain through franchise partners across the UK.

The Board believe Parsley Box's core products have the following differentiating factors:

- long-life ambient meals which do not require freezing or chilling;
- next working day delivery available to most customers, free on orders over £19, with no requirements to book specific delivery slots in advance;
- a much faster cooking speed by virtue of the ambient temperature of its product;
- a wider range of products including wine, fresh meat/fish and bakery; and
- a direct business model, as opposed to a franchise, which enables Parsley Box to implement swift changes and be in control of its own destiny.

6. THE GROUP'S GROWTH STRATEGY

Organic Growth

In the short term, Parsley Box seeks to secure its position as a market leader in the UK through the combination of:

- effective marketing and new customer acquisition;
- improved customer service to ensure customer retention; and
- continuous improvement to the product range to increase AOV.

Parsley Box's business model presents it with growth opportunities outside its core business. The Board believe that Parsley Box's platform will provide opportunities for further expansion into non-grocery products such as wellness and other FMCG.

In addition, the worldwide growth of online shopping provides possibilities for replicating the Group's business model in other international markets.

The Board summarises the key opportunities to expand the product offering and to leverage its customer base and distribution platform as follows:

- New products: innovate and react to evolving consumer demands to capture significant increases in at-home consumption
 - food type segmentation (premium, dietary specific, etc)
 - other meal occasions (chilled, frozen, breakfast, lunch, staples, snacks)
- New categories: diversify channel mix to capture significant increases in at-home consumption
 - other wellness (vitamins, supplements etc)
 - other FMCG (personal care, household items etc)
- Brand partnerships: use our D2C platform to distribute complementary brand products with the intention of extending our customer base and carefully choosing partners whose reputational standards align with Parsley Box's
- International expansion: replicating the business model overseas, with future opportunities being considered in regions with markets that are presenting similar characteristics to the UK

Inorganic Growth

Whilst not part of Parsley Box's primary growth strategy, the Board will consider strategic acquisitions where appropriate.



7. REGULATORY ENVIRONMENT

Parsley Box's business activities are subject to various UK laws and regulations that affect all companies conducting distance selling of FMCG directly to consumers. These include, in particular, the UK's consumer protection legislation (which provides for a strict liability regime for defective products), the UK data protection and electronic communications regimes and the UK's advertising and product labelling legislation and regulations.

8. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Brief biographies of the Directors and the Senior Management of the Company are set out below. Paragraph 9 of Part IV of this document contains further details of current and past directorships and certain other important information regarding the Directors.

8.1 Directors and Senior Management

Christiaan van der Kuyl CBE, aged 51 - Non-Executive Chairman

Chris joined Parsley Box as Non-Executive Chairman in 2019. He is a serial entrepreneur in the technology, media and entertainment sectors and co-founded 4J Studios Limited, a games developer most famous for its console versions of Minecraft.

Chris sits on the board of a number of high growth and entrepreneurial companies, including TV Squared Limited, Broker Insights Limited, Puny Astronaut Limited and Ace Aquatec Limited. He was previously Chief Executive Officer of brightsolid, the holding company for an online family history business called findmypast.

Chris is a visiting professor of digital entertainment at University of Abertay Dundee and has been awarded an honorary Doctor of Laws degree from the University of Dundee, an honorary Doctor of Business degree from Edinburgh Napier University and Doctor honoris causa from the University of Edinburgh. Elected as one of the youngest Fellows of the Royal Society of Edinburgh, Chris has been convener of the RSE Young People's Committee. He is also the founding Chairman of Entrepreneurial Scotland (ES). Chris was awarded a CBE, Commander of the British Empire, in the Queen's birthday honours 2020 for services to the economy.

Kevin Dorren, aged 52 - Chief Executive Officer

Kevin is a founding member of Parsley Box and has been a key influencer in the strategic direction of the business, he has been Chief Executive Officer of Parsley Box since mid- 2019. He previously founded Move Fresh Limited, an investment company for e-commerce FMCG brands and the holding company of Diet Chef Limited.

Kevin has founded a number of start-up companies in the UK and USA across various sectors, including technology, FMCG and advisory. Kevin was previously a board member on a number of start-up companies, including Machine Labs Limited and Fine Coffee Club Limited. He is a Non-Executive Director of TV Squared Limited and of MoveFresh Limited.

Prior to his focus on start-ups, Kevin was Chief Executive Officer of Orbital Software plc, a person-to-person knowledge management company. Kevin was actively involved in the funding and management of the company, which was listed on the London Stock Exchange during his tenure before merging with Sopheon plc in 2001.

John Swan, aged 64 - Chief Financial Officer

John is Chief Financial Officer and joined Parsley Box in February 2019.

John previously held positions as the Vice President of Finance at Quintiles Ltd for 15 years and was responsible for the UK Shared Service Centre delivering finance and back office services for QuintilesIMS, a US quoted corporation providing a broad range of professional services, information and partnering solutions to the pharmaceutical, biotechnology and healthcare industries. Prior to this John was Financial Controller at Adobe Systems Europe.



John was Chief Financial Officer of Orbital Software plc, a person-to-person knowledge management company. between July 2001 and January 2002. He was involved in a strategic review which resulted in a merger with Sopheon plc and he was instrumental in the merger process, which completed in 2001 at which point he left the business to join another start-up business.

John trained at Deloitte Haskins & Sells and is an ICAS qualified finance professional with extensive international experience in fast changing, high tech environments.

Adrienne MacAulay, aged 52 - Chief Product Officer

Adrienne is the co-founder and Head of Product at Parsley Box. Adrienne co-founded the new ready meal brand alongside her husband in Edinburgh. During the initial phase she managed all design and product sourcing, marketing and the general business setup, as well as establishing the finance and HR functions.

Adrienne then oversaw the development of product, UK supplier contract negotiations, general management and design oversight for expanding the product range.

Previously, Adrienne founded Ness Clothing Ltd in 1996 and worked for over 20 years on the Edinburgh based clothing brand before arranging the sale of a majority interest in the company to a private equity investor.

<u>Chris</u>topher Britton, aged 63 – Senior Independent Non-Executive Director

Chris joined the Company on 5 March 2021 as the Senior Independent Non-Executive Director.

Chris has significant experience, both at Board level and as an investor, in a number of food and drink companies; including Ella's Kitchen, Graze and Findus Group.

Chris was a Non-Executive Director of Alliance Boots for 6 years, and until recently, was a Non-Executive Director at DS Smith Plc, the FTSE 100 packaging company, for 7 years. He was also a co-founder and partner at B&B Investment Partners LLP, a specialist consumer fund where he was Director of PhD Nutrition, The Protein Works and Aromatherapy Associates.

Earlier in his career, Chris was an executive board member and president of the baby food division of Royal Numico before the sale to Danone. He also worked for Diageo in several management positions including Global CEO of Malibu and Baileys, President of Diageo USA-SW, and latterly as Global Marketing Director.

Hazel Cameron, aged 54 - Independent Non-Executive Director

Hazel joined the Company on 5 March 2021 as an Independent Non-Executive Director.

Hazel has non-executive director experience across a range of business sizes, stages and sectors including TMT, retail, housebuilding, facilities management, pharmaceutical and biotechnology. Hazel has investment exposure to companies in the UK, Europe, US and Asia. She currently holds roles as a Senior Adviser to Gresham House and Growth Capital Partners.

Hazel's career has primarily been in venture capital and private equity, where she has had a particular focus on strengthening boards and board functionality, working on strategy, mergers& acquisitions, preparing and positioning companies for fundraising and partial or full exit. Hazel is a chartered accountant and qualified with Arthur Andersen & Co.

Ana Stewart, aged 51 - Independent Non-Executive Director

Ana joined the Company on 5 March 2021 as an Independent Non-Executive Director.

Ana is a creative entrepreneur with quoted board experience as CEO of i-design Group plc and a 25-year record in start-ups, venture capital funding, IPOs and exits. Ana founded i-design Group plc, which she floated onto AIM in July 2007 and subsequently led the sale to Cardtronics Inc.

Her career spans entrepreneurial and corporate business environments across fin-tech and digital media industries with particular focus on product and business development and delivery, marketing and innovation.

Ana is currently a Non-Executive Director for the Scottish Football Association, as well as Bella & Duke, an online based pet wellness start-up. Ana is also an Investment Partner at Eos Advisory, a specialist in early stage funding of Scottish based science and engineering start-ups. She is also a public interest member on the main council of the Institute of Chartered Accountants in Scotland, she also sits on the Oversight Board, Qualifications Board and Equality and Diversity Group.

Senior Management

Linzi Clingan - Chief Marketing Officer

Linzi joined Parsley Box in 2019 and is an experienced and commercially focused senior marketing professional. Linzi has a proven track record in creating and delivering crossmedia, multi-channel marketing strategies which deliver business change and sales growth. Her success has been driven by effective data insights as the base for decision-making.

Prior to Parsley Box, Linzi was Head of Consumer Marketing at Golden Charter Ltd for 10 years.

Nikki Forrest- Head of Operations

Nikki joined Parsley Box in 2019 as Customer Operations Manager. He is responsible for leading and motivating a dynamic group of Customer Service Team Leaders and Customer Service Advisers through both inbound and outbound channels to deliver Parsley Box's strategic priorities. Nikki is experienced in supporting businesses through rapid expansion and growth whilst embedding a customer centric ethos.

Previously, Nikki was a Customer Operations Manager at Centrica plc for 13 years and successfully led a British Gas customer service teams of 13 Team Managers and 144 Customer Service Advisers.

8.2 Employees

The Directors believe that the recruitment, motivation and retention of highly skilled, high quality personnel is fundamental to its ability to continue to meet the requirements of its clients and to its continuing success.

For the financial year ended 31 December 2020, Parsley Box had a monthly average of 87 employees as follows:

Board/senior management	5
Marketing	4
New product development	1
IT & E-commerce	1
Finance	3
Call centre & customer services	74
Average monthly total	87



9. SUMMARY HISTORICAL FINANCIAL INFORMATION

The following summary of historical financial information relating to Parsley Box's activities for FY18, FY19, PE19 and FY20 have been extracted without material adjustment from the historical financial information on Parsley Box set out in Part III of this document. **In order to make a proper assessment of the financial performance of Parsley Box's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	12 months ended 31 March 2018 £'000 Audited	12 months ended 31 March 2019 £'000 Audited	9 months ended 31 December 2019 £'000 Audited	12 months ended 31 December 2020 £'000 Audited
Revenue	252	3,082	6,111	24,376
Gross profit	14	810	1,537	6,791
Operating loss	(205)	(526)	(1,965)	(3,180)
Loss on ordinary activities before taxation	(205)	(526)	(1,973)	(3,204)

10. UNAUDITED FINANCIAL INFORMATION FOR THE PERIODS ENDED 31 DECEMBER 2018 AND 2019

In addition, in order to provide historical year-on-year comparison against the year ended 31 December 2020, the following numbers for the 2 years ended 31 December 2019 are unaudited numbers that have been extracted from the Parsley Box's underlying accounting records.

The Group utilises a range of alternative performance measures ("APMs") to assess its performance, and this document contains certain financial measures that are not defined or recognised under IFRS. The calculation or methodology for each APM is as described in the Glossary.

The Directors consider Revenue, Gross Profit, Adjusted EBITDA and Adjusted Repeat EBITDA (Fully Loaded) to be the financial APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies.

	12 months to 31 December 2018 £'000 Unaudited	12 months to 31 December 2019 £'000 Unaudited	12 months to 31 December 2020 £'000 Audited
Revenue	2,002	7,386	24,376
Gross profit	496	1,874	6,791
Loss on ordinary activities before taxation	(382)	(2,217)	(3,204)

	Unaudited	Unaudited	Unaudited
Adjusted EBITDA	(375)	(2,110)	(2,324)
Adjusted Repeat EBITDA (Fully Loaded)	(130)	(238)	2,334



11. KEY PERFORMANCE INDICATORS (KPIS)

The Directors also consider certain business KPIs and believe that these, in addition to IFRS measures, provide an enhanced understanding of the Parsley Box's results and related trends, increasing transparency and clarity of the core results of the business. The Directors believe these metrics are useful in evaluating Parsley Box's operating performance.

KPIs have been analysed based on the unaudited management accounts and have are presented in a format consistent with Parsley Box's financial year end, 31 December.

	12 months to 31 December 2018 Unaudited	12 months to 31 December 2019 Unaudited	12 months to 31 December 2020 Unaudited
Active customers (as at period end)	-	50,988	146,824
Orders – new customers	45,685	112,757	291,959
Orders - repeat customers	30,615	131,407	424,574
AOV – new customer order	£22.46	£21.40	£23.46
AOV – repeat customer order	£31.88	£38.13	£42.17
Repeat orders as a % of Registered Users	11%	11%	11%
Marketing as a % of revenue	29%	34%	24%

12. CURRENT TRADING, OPERATIONAL TRENDS AND PROSPECTS

Current trading

For the two months ended 28 February 2021, Parsley Box saw strong trading, with revenue in line with management's expectations.

Management have also continued investing in marketing opportunities. Parsley Box acquired 55,272 customers in the first two months, as compared to 22,435 customers in the same period in 2020.

Revenue from repeat orders was up year-on-year by 2.7x from £1.35 million in the same period in 2020 to £3.65 million in 2021, showing the continued growth in loyal customers.

Trends

The key factors that have and will contribute to the development of Parsley Box's results of operational and financial results are primarily number of Active Customers, AOV and marketing. We believe that these areas are subject to a range of influences and depend on a number of factors, including the following:

- Growth of online penetration, convenience shopping and D2C model, further detail of which can be found in paragraph 4 of Part I of this document.
- Growth of the Baby Boomer+ demographic, further detail of which can be found in paragraph 4 of Part I of this document. This is particularly relevant for deriving revenue from Active Customers.
- Retention of Active Customers and increasing AOV is affected by customer experience, product offering, brand recognition and reputation, price comparison and competition in the market.


- Marketing has been and continues to be important for strengthening Parsley Box's brand, acquiring new customers and retaining Active Customers, further detail of which can be found in paragraph 5 of Part I of this document.
- Pre COVID, revenue grew organically, stimulated by marketing spend, however revenue and associated Active Customer growth was accelerated significantly in March 2020 with 2020 COVID Restrictions accelerating the change in consumer habits to online/ home delivery. The repeat orders as a percentage of the customer database averaged 11 per cent. in the 12 months pre March 2020. From September 2020, there was a return of steady organic growth in the customer base and a return to the average 11 per cent. repeat orders as a percentage of the customare database. Additionally, the percentage of the customer database deemed active remained at c. 30 per cent. for the entirety of 2020, with no significant change in trends during or post the March 20 lockdown. The Directors believe that 2020 COVID Restrictions were a catalyst for an already shifting trend to online ordering and therefore are of the opinion that the business will continue to grow from its current base regardless of the impact of COVID.

13. REASONS FOR ADMISSION

The net proceeds of the Offers receivable by the Company are approximately ± 3.9 million. The net proceeds will be applied principally as follows:

- To accelerate the Group's growth profile through investment into marketing and customer acquisition;
- New product development and category expansion to help drive AOV; and
- Costs relating to Admission and an additional working capital buffer.

The Directors believe that Admission will be beneficial to the Group for the following reasons:

- it will raise the Group's profile;
- the Group will be better positioned to attract, recruit and retain key employees who may be further incentivised through the New Share Plans;
- it will provide the Group with more flexibility for further growth; and
- the Company will be able to issue Ordinary Shares as consideration in connection with acquisition opportunities.

In addition, the Offers will provide a partial realisation for certain of its existing Shareholders. The Selling Shareholders will be raising approximately £11.5 million (net of expenses) from the sale of the Sale Shares in the Offers. The Company is not a beneficiary of these proceeds.

14. DETAILS OF THE OFFERS AND ADMISSION

The Placing

The Company (for itself and on behalf of the Selling Shareholders), the Directors and finnCap have entered into the Placing Agreement pursuant to which, subject to certain conditions, finnCap has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares to be issued by the Company and purchasers for the Sale Shares to be sold by the Selling Shareholders under the Placing. The Placing has not been underwritten. The Placing Shares will represent approximately 17.5 per cent. of the Enlarged Ordinary Share Capital.

The Placing will raise approximately $\pounds 2.7$ million (before expenses) for the Company from the issue of the New Shares. The Company is not party to the proceeds from the Sale Shares.

The New Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.



The Placing Agreement is conditional upon, amongst other things, Admission having become effective by not later than 8.00 a.m. on 31 March 2021 or such later time and date, being not later than 8.00 a.m. on 30 April 2021, as the Company and finnCap shall agree.

finnCap and the Company shall agree the allocation of Offer Shares in line with the principles for allocation and agreed objectives.

Further details of the Placing Agreement are set out in paragraph 16.1.1, of Part IV of this document.

The Direct Subscription

The Company and two existing beneficial shareholders in Parsley Box (being Luxury Holdings, LLC and PV DE Holdings (Barbados) Inc.) entered into the Direct Subscription Agreement pursuant to which the Company has agreed, conditional upon Admission, to allot and issue (at the Offer Price) 250,000 New Shares to Luxury Holdings, LLC and 250,000 New Shares to PV DE Holdings (Barbados) Inc. The Direct Subscription will raise approximately £1.0 million (before expenses) for the Company. The New Shares to be issued pursuant to the Direct Subscription Agreement will represent approximately 1.2 per cent. of the Enlarged Ordinary Share Capital.

Further details of the Direct Subscription Agreement are set out in paragraph 16.1.9 of Part IV of this document.

The Customer Offer

The Customer Offer is being arranged by PrimaryBid through the PrimaryBid platform (https://primarybid.com) and the other terms and conditions of the Customer Offer will be made available to PrimaryBid Offerees on the PrimaryBid platform. The maximum amount (before expenses) which may be raised pursuant to the Customer Offer will however be £6.75 million (before expenses).

PrimaryBid Offerees must apply for a minimum investment of £500. Applications can only be made in pounds sterling, via the PrimaryBid platform; albeit that the Company reserves the right (at its absolute discretion) to accept applications made by other means. The latest time for submission of an application in the Customer Offer is 9.00 a.m. on 22 March 2021 (or such later time and/or date as the Company may determine). PrimaryBid Offerees who apply for Offer Shares should note that any such subscription or purchase by them of Offer Shares will be made only on the basis of the information contained in the final version of this admission document which will be published in due course and that applications in the Customer Offer may not be withdrawn by them. In particular, as the Offer Price may not be known until after the latest time for submission of applications, applications in the Customer Offer are required to be based on the amount in pound sterling that PrimaryBid Offerees wish to invest (and not on the number of Offer Shares they wish to acquire). In the event that the Customer Offer is oversubscribed, then applications will be scaled back in such manner as the Company (in its absolute discretion) shall determine. No fractional entitlements to Offer Shares will be allocated. Applications in the Customer Offer will be settled on or shortly after Admission. In the event that Admission has not occurred by 8.00 a.m. on 30 April 2021, all applications in the Customer Offer will automatically lapse.

As the arranger of the Customer Offer, PrimaryBid will be paid a commission by either the Company or the Selling Shareholders (as the case may be) on the proceeds from the Customer Offer. The principal terms of the PrimaryBid's appointment are summarised in paragraph 16.1.4 of Part IV of this document.

Ordinary Shares acquired in the Customer Offer may, if the PrimaryBid Offeree so elects in their application, be held in the Parsley Box Share Account. The Parsley Box Share Account is a Company-sponsored nominee arrangement (the terms and conditions of which will be available for review on the PrimaryBid platform) pursuant to which Ordinary Shares will be held electronically within the CREST system (on behalf of those Shareholders who elect to use the

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service) in the name of Equiniti Corporate Nominees Limited (as appointed by Equiniti Financial Services Limited). The charges and costs of the Parsley Box Share Account will be available for review on the PrimaryBid platform, and thereafter from Equiniti Financial Services Limited).

The Customer Offer has raised approximately £1.3 million for the Company (before commission and expenses). The New Shares issued under the Customer Offer will represent approximately 1.5 per cent. of the Enlarged Share Capital on Admission. The New Shares will be issued credited as fully paid and will, when issued, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

15. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS AND RELATIONSHIP AGREEMENT

15.1 Lock-in and orderly market arrangements

Each of the Directors and certain Shareholders (together the "**Covenantors**"), holding, in aggregate, 54.6 per cent. of the Enlarged Ordinary Share Capital, has undertaken to the Company and finnCap (subject to certain limited exceptions including transfers to family members or to trustees for their benefit, disposals by way of acceptance of a recommended takeover offer of the entire issued share capital of the Company and at the discretion of finnCap for such time as it shall remain nominated adviser and broker to the Company, and the Independent Directors if it is considered to be in the interests of maintaining an orderly market at that time) not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Companies Act)) (the "**Restricted Shares**") following Admission or any other securities issued in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission (the "**Lock-in Period**") without the prior written consent of finnCap.

Furthermore, each of the Covenantors (other than the Mobeus VCTs) has also undertaken to the Company and finnCap not to dispose of the Restricted Shares for the period of 6 months, and in the case of each of the Mobeus VCTs, 3 months, following the expiry of the Lock-in Period otherwise than through finnCap, for such time as it shall remain nominated adviser and broker to the Company.

In addition, the remaining Selling Shareholders have entered into orderly marketing deeds with the Company and finnCap under which they have undertaken that they will observe orderly market restrictions with respect to the disposal of such shares in the period of 12 months following the date of Admission.

Further details of these arrangements are set out in paragraph 16.1.3 of Part IV of this document.

15.2 Relationship Agreement

In light of Founding Shareholders Concert Party aggregate shareholding in the Enlarged Ordinary Share Capital immediately following Admission, as set out in paragraph 16.1.5 of Part IV of this document, the Founding Shareholders have entered into the Relationship Agreement in order to regulate the relationship between the Founding Shareholders and the Company.

16. CORPORATE GOVERNANCE

AIM quoted companies are required to state which recognised corporate governance code they will follow from admission of their shares to trading on AIM and how they comply with such code and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given Parsley Box's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code.



Matters reserved for the Board

The Board is responsible for the overall management of the Group, for setting the Group's values, standards and policies, for approving the Group's strategic aims and objectives, for approving the Group's annual operating and capital expenditure budgets (and any material changes to them) and for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls). The Board must also approve any changes to the capital, corporate and/or management structure of the Group and any major contracts or transactions by the Group.

Board constitution and independence

Upon Admission, the Board will comprise seven Directors, three of whom shall be executive directors (Kevin Dorren, John Swan and Adrienne MacAulay) and four of whom shall be non-executive directors, reflecting a blend of different experiences and backgrounds. The non-executive directors will comprise a non-executive chairman (Chris van der Kuyl) and three further non-executive directors (Hazel Cameron, Chris Britton and Ana Stewart).

The Board considers Hazel Cameron, Christopher Britton and Ana Stewart to be independent non-executive directors for the purposes of the QCA Code, and as such, free of any relationship which could materially interfere with the exercise of their independent judgement. The Board does not consider Chris van der Kuyl to be independent by reason of his and 4J Studio Limited's (a company connected with him) significant shareholdings in the Company.

The Board has appointed Chris Britton as the senior independent director to be available to Shareholders if they have concerns over an issue that the normal channels of communication (through the chairman or the chief executive officer) have failed to resolve or for which such channels of communication are inappropriate.

The Board has delegated specific responsibilities to the committees referred to below, all of which have written terms of reference and formally delegated duties. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Audit Committee

The Audit Committee's role is to monitor the integrity of the Group's financial reporting, to keep under review the effectiveness of the Group's internal controls and risk management systems, to consider annually whether the Group should have an internal audit function and to have oversight of the external audit of the Group. The Audit Committee will meet at least three times a year and will have at least three members, all of whom shall be non-executive directors. At least one member of the Audit Committee shall have recent and relevant financial experience and at least one member of the Audit Committee shall be an independent non-executive director. On Admission, the members of the Audit Committee will be Hazel Cameron, Chris Britton and Ana Stewart, with Hazel Cameron as chairperson.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee's role is:

• As regards remuneration, the Remuneration and Nomination Committee has delegated responsibility for setting (and keeping under review) the remuneration policy for the executive directors, chairman, company secretary and such other members of the executive management as are designated by the Board for it to consider. The Remuneration and Nomination Committee shall also, within the terms of the remuneration policy and in consultation with the chairman and chief executive officer, determine the total individual remuneration package of each executive director and such other members of the executive management as are designated by the Board for it to consider. The Remuneration and Nomination Committee will also approve the design of (and will determine the targets for) any performance related pay schemes operated by the Group and will review the design of all share incentive plans of the Group. As regards the Group's share incentive plans, the



Remuneration and Nomination Committee will determine each year whether any awards or grants will be made, and if so, the overall amount of such awards or grants, the individual awards or grants to executive directors, company secretary and other senior executives and any performance targets to be used. The Remuneration and Nomination Committee will also produce an annual remuneration report which will form part of the Company's annual report. No director will take part in any discussions (or vote on) their own remuneration.

• As regards nomination, the Remuneration and Nomination Committee's role is to assist the Board in determining the structure, size and composition of the Board, giving consideration to succession planning for Directors and other senior executives and identifying and nominating for approval by the Board candidates to fill Board vacancies when they arise. The Remuneration and Nomination Committee is also responsible for ensuring a formal, rigorous and transparent process of evaluating appointments to the Board.

The Remuneration and Nomination Committee will meet not less than twice in each financial year.

The Remuneration and Nomination Committee shall be made up of at least three directors, all of whom shall be non-executive directors and at least one of whom shall be an independent non-executive director. On Admission, the members of the Remuneration and Nomination Committee will be Hazel Cameron, Chris Britton and Ana Stewart, with Ana Stewart as chairperson.

Share dealings

The Company has adopted a share dealing code, with effect from Admission, for Directors and applicable employees (as defined in the AIM Rules) of the Company for the purpose of ensuring compliance by such persons with the provisions of Rule 21 of the AIM Rules and MAR relating to dealings in the Company's securities. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take appropriate steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of MAR.

17. DIVIDEND POLICY

The declaration and payment by the Company of any future dividends on the Ordinary Shares and the amount will depend on the results of the Company's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. However, given the Company's early stage of development, the Directors do not envisage that the Company will pay dividends in the foreseeable future and intend to re-invest surplus funds in the development of the Company's business.

18. SHARE INCENTIVE ARRANGEMENTS

Arrangements to be established on Admission

The Board recognises the importance of share participation as a mechanism for incentivising and rewarding employees and aligning their interests with those of Shareholders.

Accordingly, the Company has established, conditional on Admission, the following New Share Plans under which the Executive Directors and other employees will be eligible for awards of Ordinary Shares or options over Ordinary Shares:

- the MIP, being a "discretionary scheme" in terms of which participation will be offered to selected members of the senior management team (including the Executive Directors) and certain other employees; and
- the SIP, which will be "all-employee" plan.

It is currently anticipated that the initial tranche of awards under the MIP will be granted on, or shortly after, Admission to a total of five individuals, including the Company's three Executive



Directors (Kevin Dorren, John Swan and Adrienne MacAulay) over Ordinary Shares with an aggregate market value (by reference to the Offer Price) of approximately £3,644,750. It is envisaged that the awards to be granted to the Executive Directors (the vesting of which will normally be dependent on continued employment and the satisfaction of specified performance conditions) will be granted in the form of "nominal value" options.

Further details of the New Share Plans, including additional information on the terms of the awards that will be granted on or around Admission pursuant to the MIP, are set out in paragraph 15 of Part IV of this document.

Existing options over Ordinary Shares

At the time of the Company's acquisition of Parsley Box (further details of which are provided at paragraph 16.1.8 of Part IV of this document), certain directors, employees and former employees of the Group will hold options over ordinary shares in Parsley Box that had been granted under the Parsley Box Limited Share Scheme. As part of this acquisition process, these individuals have been invited by the Company to surrender those entitlements in exchange for the grant of Replacement Options over Ordinary Shares that are on equivalent terms. It is anticipated that, at Admission, Replacement Options over 1,456,066 Ordinary Shares will be exercised at Admission, leaving Replacement Options outstanding over 517,293 Ordinary Shares, which will not count towards the ongoing dilution limits contained in the New Share Plans.

Further information in relation to the Replacement Options is set out at paragraph 15.1 of Part IV of this document.

19. TAXATION

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 20 in Part IV of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

20. THE CITY CODE ON TAKEOVERS AND MERGERS

The City Code applies to the Company. The City Code operates principally to ensure that the Shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code also provides an orderly framework within which takeovers are conducted.

Rule 9 of the City Code is designed to prevent the acquisition or consolidation of control of a company subject to the City Code without a general offer being made to all shareholders. Rule 9 states that when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of the company, such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company. Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company subject to the City Code, but does not hold shares carrying more than 50 per cent. of such voting rights, must normally make a general offer for the balance of the issued share capital if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested. An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and be at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel Executive that the Founding Shareholders should be considered to be acting in concert with each other for the purposes of the City Code. The Founding Shareholders Concert Party comprises of Kevin Dorren, Andrew Veitch, Move Fresh, Adrienne MacAulay and Gordon MacAulay, together with their close families, related trusts and other connected persons.



Immediately following Admission, the Founding Shareholders Concert Party will hold, in aggregate, 12,874,931 Shares representing 30.7 per cent. of the Enlarged Share Capital. As more fully described below, the Founding Shareholders Concert Party could (based on a number of assumptions set out below) potentially come to hold 14,391,783 Ordinary Shares in aggregate as a result of the exercise of options and other awards granted to them, representing a maximum potential percentage interest of 33.1 per cent. in the Company's Ordinary Share capital with voting rights at such time.

The Founding Shareholders Concert Party will therefore on Admission be interested in shares carrying more than 30 per cent. but will not hold more than 50 per cent. of the voting rights of the Company. Save as set out below, or with the consent of the Panel, any further increase in that aggregate interest in Shares will be subject to the provisions of Rule 9 of the City Code.

To the extent that the Founding Shareholders Concert Party's interest in Ordinary Shares increases through a Rule 9 threshold as a result of the action(s) described below, the Takeover Panel has confirmed that any such increase would not trigger an obligation to make a mandatory offer pursuant to Rule 9 of the City Code on the basis that the consequences of such increases have been fully disclosed in this Admission Document:

- (a) Adrienne MacAulay will, immediately following Admission, hold a Replacement Option over 54,352 Ordinary Shares. This Replacement Option will be fully exercisable in accordance with its terms immediately following Admission (as more particularly described in paragraph 15.1 of Part IV of this document) and, should it be exercised in full, the interest of the Founding Shareholder Concert Party in Shares would increase to 12,929,283 Ordinary Shares, representing 30.8 per cent. of the Enlarged Share Capital (as enlarged by that exercise); and
- (b) Kevin Dorren and Adrienne MacAulay will be granted awards over a further 1,125,000 Ordinary Shares and 337,500 Ordinary Shares respectively, being awards over an aggregate of 1,462,500 Ordinary Shares, pursuant to the MIP (as more fully set out in paragraph 15.3 of Part IV of this document). These awards are separated into three equal tranches and within each tranche, equal sub tranches, of which the earliest time of exercise is as follow (with the numbers below assuming full vesting of all tranches):
 - Tranche 1:
 - Sub tranche 1 of 162,500 Ordinary Shares: 31 March 2022
 - Sub tranche 2 of 162,500 Ordinary Shares: 31 March 2023
 - Sub tranche 3 of 162,500 Ordinary Shares: 31 March 2024
 - Tranche 2:
 - Sub tranche 1 of 162,500 Ordinary Shares: 31 March 2023
 - Sub tranche 2 of 162,500 Ordinary Shares: 31 March 2024
 - Sub tranche 3 of 162,500 Ordinary Shares: 31 March 2025
 - Tranche 3:

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- Sub tranche 1 of 162,500 Ordinary Shares: 31 March 2024
- Sub tranche 2 of 162,500 Ordinary Shares: 31 March 2025
- Sub tranche 3 of 162,500 Ordinary Shares: 31 March 2026

Should these awards over Ordinary Shares be exercised in full pursuant to their terms, the interest of the Founding Shareholders Concert Party in Shares would increase to 14,337,431 Ordinary Shares, representing 33.1 per cent. of the Enlarged Share Capital (as enlarged by that exercise).

(c) Should each of (a) and (b) above occur, the maximum potential shareholding of the Founding Shareholders Concert Party would be 14,391,783 Ordinary Shares, in aggregate representing 33.1 per cent. of the Enlarged Share Capital (as enlarged by the issue of new Shares pursuant to (a) and (b) above).

In each of the above cases, it is assumed that the exercise of the awards is in full and at the earliest time and that there have been no other or prior changes to the Enlarged Share Capital or to the shareholding of the Founding Shareholders Concert Party.

Certain further information on the provisions of the City Code can be found in paragraph 8 of Part IV of this document.

21. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Offers, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 31 March 2021.

No temporary documents of title will be issued. All documents sent by or to a Shareholder, or at their direction, will be sent through the post at the Shareholder's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Those PrimaryBid Offerees who elect (as part of their application) for the Ordinary Shares to be acquired by them in the Customer Offer to be held in the Parsley Box Share Account will be able to view, on their Shareview portfolio (details of which will be emailed to you by Equiniti), a statement from Equiniti Corporate Nominees Limited within five days of Admission confirming the number of Ordinary Shares so held on their behalf.

22. FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III to IV of this document which contain further additional information on the Company.



PART II RISK FACTORS

Investing in and holding Ordinary Shares involves financial risk. Prior to making an investment decision, prospective investors in the Ordinary 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 Ordinary Shares, the Group's business and the industry in which it participates.

The risk factors set out below apply to the Company and Company as at the date of this document. The risk factors which are most material, in the assessment of the Company, are set out first.

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 Company and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Company and should be used as guidance only. Additional risks and uncertainties relating to the Company and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems 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 and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline, and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective 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 any part of this document.

RISKS RELATING TO THE GROUP'S BUSINESS

The UK meal delivery and food retail market is highly competitive and the Group may not continue to compete effectively

Businesses in the UK meal delivery market compete on the price, quality, variety and suitability of their product offerings, standard of customer service and on brand recognition and loyalty. The Group has a number of competitors in this market, some of whom have been operating for longer and have larger market shares than that of the Group. Parsley Box also faces competition from traditional offline food retailers, online and offline food delivery service providers, other companies that address the food at home market and potential new market entrants. The highly competitive nature of the market means that the Group must continually innovate its products, maintain high standards of customer service and successfully market its offering. To date, the Group has been successful in expanding its business. There can be no assurance that the Group will continue to be so. Existing competitors of the Group (or indeed new market entrants) may offer more attractive product ranges and better standards of customer service and may be more effective in their marketing activities. If the Group fails to respond successfully to such competition then it may fail to continue to expand its business (or indeed may suffer a loss of business), may lose (or fail to increase) market share and / or the Group's operating margins may erode, any of which may have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's key markets may not grow at the same pace they have historically or as fast as the forecasts indicate

The Group's strategy is based on certain key trends and the projected growth of its key markets. However, historical trends may not be indicative of future trends and forecast or estimated growth rates may not be accurate, in whole or part, or ever materialise. Further, underlying markets could decline, overall growth rates in the ready meal market, online shopping, D2C e-



commerce and the growth of the Baby Boomer+ age demographic could be slower than anticipated. If any of the assumptions underlying the Group's strategy are inaccurate or fail to materialise that could have an adverse impact on the Group's business, results of operations and financial condition.

The growth experienced by the Group during 2020 was due, in part, to the COVID lockdown and it is unclear to what extent new customers secured during that lockdown will be retained once immunisation if widespread in the UK

The growth in revenue experienced by the Group during 2020 was due, in part, to the COVID lockdown restrictions in place in the United Kingdom, and the resulting shift to purchasing food online (in particular by the Group's core customer base, comprising the Baby Boomers+). It is unclear to what extent new customers secured by the Group during the period of the pandemic will remain (or continue) once immunisation is widespread in the UK. A failure to retain a significant proportion of those new customers (or a significant increase in the costs of customer acquisition) may have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Parsley Box has a limited operating history (of losses) and its success will be dependent on its ability to sustain further revenue growth to achieve profitability

The Group has a limited operating history and has experienced operating losses in each year since its inception. There can be no assurance that the Group will be able to achieve or sustain further revenue growth and achieve or sustain profitability in the future. Failure to achieve profitability could impair the Group's ability to sustain operations or obtain any required additional funds and could result in investors losing all or a part of their investment in the Ordinary Shares. In addition, the Company has not paid dividends in the past and the Directors do not anticipate that dividends will be paid in the foreseeable future. Indeed, there is no assurance that the Company will ever be in a position to pay dividends.

Given its limited operating history, the Group is subject to the risks inherent in any new venture which is seeking to grow its business. Whilst the investments already made by the Group (including in marketing, product development, infrastructure, technology and personnel) have enabled the Group to grow business to date, the Group will face future challenges as it seeks to continue to implement its growth strategy. In particular, the Group's growth strategy may place significant demands on its management team, contact centre personnel, IT systems and infrastructure, internal controls and systems and on its supply chain. Continued expansion of the Group's business may necessitate further investment in IT systems and infrastructure and in the recruitment and training of additional personnel. The Group may also have to expand its supply chain in order to seek to meet increased customer demand.

In order to maintain quality standards with respect to product characteristics, the Group may have to slow down growth or might be unable to successfully enter a market, if it is unable to source the right products, find suitable suppliers or build an adequate delivery infrastructure. As the Group scales the business, there is a risk that suppliers may not be able to grow at the same pace. Accordingly, the Group may have to select and onboard new suppliers to meet growing demand, which may be more difficult than initially expected. The expansion into new markets may place the Group in unfamiliar competitive environments or may require the investment of significant resources, and there is no assurance that returns on such investments will be achieved at all. The Group may be unsuccessful in retaining current customers and the costs of customer retention may increase for various reasons, which could negatively affect revenue. The Group may also grow more slowly than expected, if it fails to accurately assess the tastes and preferences of customers or if the recipe assortment does not contain enough variety, which may make offerings less appealing to new customers.

Further, any expansion of the Group's business into new product categories or overseas may subject the Group or the marketing and sale of its products to different laws and regulations or other applicable standards and codes of conduct, which may limit the Group's ability to establish its operations in those new product categories or overseas markets or which may create additional compliance burdens or costs which the Group may not anticipate. In addition to



different regulatory requirements, expansion into new product categories or markets outside the United Kingdom will expose the Group to a variety of risks, including complications with staffing and managing overseas operations (if the Group sets up operations in any other jurisdictions), managing new or overseas supply chains, variations in consumer behaviour, fluctuations in currency exchange rates, potential political and economic instability, and adverse tax consequences.

There can be no assurance that the Group will be successful in addressing these or any other challenges that arise in connection with the implementation of its growth strategy and a failure by the Group to implement its growth strategy successfully could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group may not be able to achieve a sustainable CAC or increase AOV in line with its forecasts, which will impact the Group's cash generation and future profitability

The growth of the business and revenue is dependent on the Group's ability to continue growing the by retaining existing customers and adding new customers, which may not be possible at historic rates and acquisition costs. The Group's investments in marketing may not attract new customers, the cost of customer acquisition may increase over time, and the average customer spend may decrease, any of which may have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.

A key driver of the Group's cash generation and future profitability is customer retention rates

Repeat revenue is critical for the success of the business. Repeat revenues comprised the majority of FY20 revenues, achieved a consistently higher gross profit margin and do not include introductory discounts which are used to entice new customer orders. Gross margins net of marketing expense are significantly higher for repeat customer orders, as historically there has been a much lower cost of marketing to attract repeat custom. If, for whatever reason, the Company is unable to retain repeat customers going forward, this could have a material adverse effect on the business, financial condition, cash flows and results of operations and inhibit the successful implementation of its business plan.

The Group's efforts to retain existing customers and to secure new customers may not be as effective as they have been to date

Parsley Box's revenue is a function of its ability to attract and retain customers as well as the frequency and size of orders placed by the customers. If the Group does not promote and sustain its brand through marketing and other tools, it may fail to retain existing customers or secure the new customers required to maintain or grow the Group's business. In order to retain existing and secure new customers, the Group has incurred and will continue to incur substantial expenses relating to advertising and other marketing efforts.

An important element of the Group's customer acquisition and retention strategy is providing an excellent customer experience and establishing a relationship of trust with its customers. If the Group's customers are dissatisfied with the quality of the Group's products or the customer service they receive and their overall customer experience, they may reduce or stop purchasing products from the Group.

The Group's success depends on the popularity of its existing products and its ability to provide its customers with new, attractive products tailored to their needs. These new products may not achieve the level of consumer acceptance that the Company anticipates. Success depends in part on the Group's ability to anticipate the tastes, eating habits and lifestyle preferences of our customers and to offer products that appeal to these preferences. Customer' tastes and preferences may change from time to time and can be affected by a number of different factors beyond the Group's control, such as an increase in prices of produce, dietary trends, dietary concerns regarding certain items like calories or gluten as well as food safety concerns.



The materialisation of any of the risks described above could have a material adverse effect on the business, financial condition, cash flows and results of operations and inhibit the successful implementation of its business plan.

The Group is reliant upon third parties for the supply, storage and delivery of its products

The Group currently outsources the majority of its operations, including manufacturing, warehousing and fulfilment. The Group relies on a small number of third parties for the supply, storage and ultimate delivery to customers of its products. The majority of the Group's products are supplied to it by two UK-based food manufacturers, and the Group does not have its own production facilities. Further, the Group outsources (on arm's length terms) its warehousing and fulfilment functions to a company connected with Kevin Dorren (the Chief Executive Officer). If the Group were to lose access to products or services from a particular supplier, or to experience a significant disruption in the supply of products from a supplier, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.

Interruptions to or failures in the Group's delivery services (which are outsourced to a third party) may be due to events that are beyond the Group's control or that of the delivery companies (for example, natural disasters, transportation disruptions or labour unrest). Sourcing alternative logistics and delivery companies may not be possible or may result in delays and / or an unreliable service. The Group's products are also at risk of damage during transit. Such logistical delays or failures in the delivery process may have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.

The Group may be liable if its products fail to meet the required standards

The Group supplies ready meals, beverages and other consumable products to its customers. Whilst those products are supplied to the Group by its supply chain, the Group will be responsible (in the first instance) to its customers for any failure of those products to meet required standards, in particular if those products cause illness or allergen-related death. Although the Group maintains product liability insurance designed to provide compensation for any product liability claims which may arise, in the event of any significant product liability claim (or series of claims) the Group's business, prospects, financial condition and results of operations could be materially adversely affected.

Further, in case of any contamination or suspected contamination of any of the Group's products, the Group may have to perform a product recall. The occurrence of such an incident, or the negative publicity or public speculation about such an incident, could negatively impact demand for the Group's products, could result in significant costs being incurred, the destruction of product inventory, the loss of existing customers and a potential negative impact on the Group's brand and reputation.

The Group's brand could become subject to reputational damage

The Group has invested significantly in the development and marketing of its brand, which the Group regards as a significant asset. In the event that the Group were to fail to properly address any product liability claim (irrespective of its merits) or any actual or perceived issues with its products (including product availability, quality, variety and value for money), its customer services or the effectiveness of its outsourced logistics operations, then its brand could become subject to reputational damage (such as adverse publicity, negative ratings and reviews or adverse social media commentary). An inability to manage risks relating to its brand for any reason could have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.



The Group's failure to protect its customers' confidential or personal information could damage its reputation and brand and could expose the Group to litigation or regulatory action

The Group collects, maintains, transmits and stores data about its customers, including credit card and personally identifiable information. The Group operates a number of industry-standard security measures and protocols to seek to protect such information and to seek to ensure that such information is not misused or inappropriately accessed. However, the Group's security measures, and those of its payment service providers, may not detect or prevent all attempts to breach such security measures and protocols. A breach of such security measures and protocols could result in third parties gaining unauthorised access to the customer data stored by the Group (or its payment service providers), which could expose the Group to litigation, regulatory action and other potential liabilities. Further, if any such breach of security were to occur, then the reputation of the Parsley Box brand could be damaged, customers could develop the group could be required to expend significant capital and other resources to alleviate problems caused by such breach, any of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.

The Group may be unable to protect its brand

The Group has invested significantly in the development and marketing of its brand, which the Group regards as a significant asset. The Group's ability to compete effectively will depend, in part, on its ability to obtain and maintain intellectual property right protection in respect of its brand. Whilst the Group has registered trademark protection in the United Kingdom and the European Union in respect of the Parsley Box brand, the validity and enforceability of trademarks may involve complex legal and factual issues resulting in a high degree of uncertainty as to the extent of the protection provided. If the Group is required to raise legal proceedings to seek to protect its brand, substantial costs and significant management time and effort could be incurred regardless of whether the Group is successful.

If the Group is unable to retain its key personnel (or to attract suitable replacements), its ability to execute its business strategy successfully could be materially and adversely affected

The Group's future success is substantially dependent on its ability to retain and incentivise its executive management team. There is no guarantee that the Group will be successful in retaining such key personnel. The loss of any of these key personnel may have a material adverse effect on the future of the Group's business. Further, the replacement of any key personnel who were to leave the Group could be difficult and time consuming. The loss of the services of key personnel or the inability to recruit suitable replacements could have a material adverse effect on the Group's business, prospects, financial condition and results of operations and inhibit the successful implementation of its business plan.

There may be a decrease in demand for Parsley Box's products if the Company fail to adequately address the environmental and social concerns of customers

Environmental and social concerns and green initiatives may adversely affect the demand for our products. Parsley Box strives to conduct business in an ethical, socially responsible and environmentally sustainable manner. However, if the public perceives packaging materials to be wasteful or less environmentally friendly than that of our competitors, the Company may lose market share to competitors or potential new entrants.

Additionally, there is growing focus among some customers to buy local food products in an attempt to reduce the carbon footprint associates with transporting food products long distances. If the public perceives Parsley Box's products to be imported from other counties or transported from remote processing locations, the demand for our products may be negatively affected.



Key system failure, disruption or interruption

The Group's dependency upon technology exposes the Group to significant risk in the event that such technology or the Group's systems experience any form of damage, interruption or failure. Any malfunctioning of the Group's technology and systems, or those of key third parties, even for a short period of time, could result in a lack of confidence in the Company's services, with a consequential material adverse effect on the Group's operations and results.

The Group's systems are vulnerable to damage or interruption from events including but not limited to:

- natural disasters;
- power loss;
- telecommunication failures;
- software failures;
- computer hacking activities; and
- acts of war or terrorism.

The Group's systems are also vulnerable to break-ins, sabotage and international acts of vandalism by internal employees and contractors as well as third parties. Any interruption in the availability of the Group's website or telephone systems could create a business interruption and customer complaints, ultimately leading to a reduction in the Group's revenues.

The Company relies on third parties for the provision of its payment services

Parsley Box uses third-party payment service providers on all its platform. If Parsley Box's thirdparty payment services were disrupted, Parsley Box could incur substantial delays and expenses in finding and integrating alternative third-party payment service providers, and the quality and reliability of such alternative payment service providers may not be comparable. Any long-term disruption that impedes the ability of Parsley Box customers to pay easily and securely on Parsley Box's platform could undermine Parsley Box's model of and aim to provide frictionless retail, and could have an adverse effect on Parsley Box's business, results of operations and financial condition.

The Company may be subject to regulatory change

The Group's products are subject to various laws, regulations and standards in each of the jurisdiction in which products are sold. There can be no assurance that future laws, regulations and/or standards will not have a material adverse effect on the Group. In particular, changes (a) to health and food safety regulations could increase costs and may also have a material adverse effect on sales if, as a result, the public attitude towards the Group's products, or ready meals generally, is affected; and (b) in laws and regulations relating to manufacturing, packaging and labelling requirements, ingredients or advertising restrictions and standards could adversely affect the business of the Group.

Contractual terms

The Group's supplier contracts may lack uniformity or be based upon the terms and conditions set by its suppliers. In some instances, written contracts with suppliers are not in place although as a general rule the Group has been trading with such suppliers on a long-term basis. Without written contracts in place, the suppliers may also be able to terminate the arrangements on short notice which would mean that the Group's business and revenues could be adversely affected if it was unable to put in place a contract with a replacement supplier quickly.

Growth management

The Directors anticipate that further expansion will be required to address the anticipated growth in the markets in which the Group's clients operate, and into new geographic markets. The Group's future success will depend, in part, on its ability to manage this anticipated

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expansion. Such expansion is expected to place significant demands on management, support functions, accounting, sales and marketing and other resources. Furthermore, the expansion into new markets may place the Group into unfamiliar competitive environments and involve various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years or at all.

If the Group seeks to expand into additional countries, it may be faced with regulations that restrict or limit the ability of foreign companies to conduct business in the relevant country. It may be more difficult to acquire the licenses and other approvals needed to operate in these markets. The Group may also not be accustomed to how business is conducted in these markets, and will need to interpret and understand local rules, regulations and customs. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

General

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Company or in tax legislation or practise may have an adverse effect on the returns available on an investment in the Company.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Economic, political, judicial, administrative, taxation, environmental or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Company may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. The Company may not have been and may not be at all times in complete compliance with environmental laws, regulations and permits, and the nature of the Group's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Company violates or fails to comply with environmental laws, regulations and permits, it could be subject to penalties, fines, restrictions on operations or other sanctions, and the Group's operations could be interrupted or suspended.

No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.



Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include the performance of the Company, purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in the Company's shares. The share price for publicly traded companies, particularly those at an early stage of development, such as the Company, can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

Future sales of Ordinary Shares could depress the market for Ordinary Shares

Sales of substantial numbers of Ordinary Shares in the market, or the perception that such sales may occur, could depress the market price of the Ordinary Shares, may make it more difficult for investors to sell their Ordinary Shares at a time and price that they deem appropriate for them and could impair the Company's ability to raise capital through the issue of further equity securities.

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 16.1.3 of Part IV of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Investment in AIM traded securities

The Ordinary Shares will be traded on AIM rather than admitted to the Official List. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than the rules for companies admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity (as stated above), therefore making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and they could lose their entire investment in the Company.

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Issue of additional Ordinary Shares

Although the Company's business plan does not involve the issue of Ordinary Shares other than in connection with the Placing, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Offer Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

Certain Shareholders may be unable to participate in future pre-emptive equity offerings

In the case of certain increases in the Company's issued share capital, existing Shareholders are generally entitled under the Companies Act to pre-emption rights to subscribe for such shares. Those pre-emption rights may be waived by a resolution of the Shareholders at a Shareholders' meeting.

US Shareholders are customarily excluded from exercising any such pre-emption rights that they may have, unless a registration statement under the Securities Act is effective with respect to such rights, or an exemption from the registration requirements thereunder is available. The Company is unlikely to file such a registration statement, and the Company cannot assure prospective investors that any exemption from the registration requirements would be available to enable US or other overseas Shareholders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption. Accordingly, no assurance can be given that US or other overseas Shareholders will receive the full benefit of these statutory pre-emption rights.

Dividends

Dividend growth in the Ordinary Shares will rely on underlying growth in the Company's business and, in particular, the dividend policy mentioned in Part I of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends by the Company may reduce the level of yield received by Shareholders.

Force majeure

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Influence of the principal Shareholders

Following Admission, 30.7 per cent. of the Enlarged Share Capital will be held by the Founding Shareholders. Although they have entered into the Relationship Agreement, the Founding Shareholders may be able to exercise significant influence over the Group's corporate actions and activities and the outcome in general of matters pertaining to the Group, including the appointment of the boards of directors of the various companies in the Group and the approval of significant change of control transactions. This control may in the future have the effect of making certain transactions more difficult without the support of the Founding Shareholders and may have the effect of delaying or preventing an acquisition or other change in control of the Group.

PART III

SECTION A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PARSLEY BOX

The Directors Parsley Box Group plc Level 6 Quartermile 1 15 Lauriston Place Edinburgh United Kingdom EH3 9EN

26 March 2021

Dear Sirs,

Parsley Box Limited ("Parsley Box")

We report on the historical financial information of Parsley Box set out in Section B of Part III of the admission document dated 26 March 2021 ("Admission Document") of Parsley Box Group plc. This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information. This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume 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 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

Responsibilities

The directors (the "Directors") of Parsley Box Group plc are responsible for preparing the historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis for qualified opinion

The audit evidence available to us with respect to inventory balances at 31 March 2018, 31 March 2019 and 31 December 2019 was limited due to the circumstances described below:

As at and for the period ended 31 March 2018

With respect to inventory having a carrying value of $\pounds45,404$ as at 31 March 2018, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories at 31 March 2018. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to inventory as at 31 March 2018 or to cost of sales of $\pounds237,980$ for the period ended 31 March 2018, were necessary.

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As at and for the year ended 31 March 2019

With respect to inventory having a carrying value of \pounds 324,186 as at 31 March 2019, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories at 31 March 2019 or at the date of the opening statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to inventory as at 31 March 2019 or to cost of sales of \pounds 2,271,707 for the year ended 31 March 2019, were necessary.

For the period ended 31 December 2019

With respect to cost of sales for the period ended 31 December 2019 of $\pounds4,574,214$, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories at the date of the opening statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to cost of sales for the period ended 31 December 2019, were necessary.

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the historical 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical 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 any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Parsley Box as at 31 March 2018 and 31 March 2019 and of its results, cash flows and changes in equity for the periods ended 31 March 2018, 31 March 2019 and 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the European Union.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Parsley Box as at 31 December 2019 and 31 December 2020 and of its results, cash flows and changes in equity for the year ended 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.



Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare, 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 Admission Document in compliance with Item 1.2 of Annex 1 and Item 1.2 of Annex 11 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully

RSM Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales



SECTION B: HISTORICAL FINANCIAL INFORMATION ON PARSLEY BOX

Statement of Comprehensive Income

For the periods ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020

	Note	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Revenue	4	251,800	3,081,793	6,111,041	24,376,263
Cost of sales		(237,980)	(2,271,707)	(4,574,214)	(17,585,279)
Gross profit		13,820	810,086	1,536,827	6,790,984
Administrative expenses	6	(218,593)	(1,335,716)	(3,502,049)	(9,971,161)
Operating loss		(204,773)	(525,630)	(1,965,222)	(3,180,177)
Finance income	7	-	145	4,170	2,929
Finance costs	7	-	(31)	(12,159)	(26,377)
Loss before taxation		(204,773)	(525,516)	(1,973,211)	(3,203,625)
Taxation	8	-	-	-	-
Loss for the period		(204,773)	(525,516)	(1,973,211)	(3,203,625)
Total other comprehensive income	2	-	-	-	-
Loss and total comprehensive expense for the period attributab to the owners of the company	le	(204,773)	(525,516)	(1,973,211)	(3,203,625)



Statement of Financial Position As at 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020

		31 March	31 March	31 December	31 December
	Note	2018 £	2019 £	2019 £	2020 £
	Note	L	-	-	-
Non-current assets					
Intangible assets	9	17,781	11,357	6,544	5,904
Property, plant and equipment	10	2,374	13,113	377,202	765,245
Total non-current assets		20,155	24,470	383,746	771,149
Current assets					
Inventories	11	45,404	324,186	931,019	1,483,536
Trade and other receivables	12	41,555	137,117	390,232	529,737
Cash and cash equivalents	13	142,229	85,312	2,479,723	914,029
Total current assets		229,188	546,615	3,800,974	2,927,302
Total assets		249,343	571,085	4,184,720	3,698,451
Equity and liabilities					
Share capital	16	150,000	218,333	342,292	342,292
Share premium	16/17	-	136,667	4,311,497	4,311,497
Share option reserves		-	22,925	22,925	611,422
Retained losses	17	(204,773)	(730,289)	(2,703,500)	(5,907,125)
Total equity attributable to owners of the company		(54,773)	(352,364)	1,973,214	(641,914)
Non-current liabilities					
Lease liability	15	-	-	152,764	224,945
Total non-current liabilities		-	-	152,764	224,945
Current liabilities					
Trade and other payables	14	304,116	923,449	1,859,650	3,685,278
Lease liability	15	-	-	199,092	430,142
Total current liabilities		304,116	923,449	2,058,742	4,115,420
Total liabilities		304,116	923,449	2,211,506	4,340,365

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Statement of Changes in Equity

	Attributable to the owners of the company Share				
	Share capital £	Share premium £	option reserves £	Retained losses £	Total £
On incorporation	2	-	-	-	2
Issue of share capital	149,998	-	-	-	149,998
Loss for the period	-	-	-	(204,773)	(204,773)
Balance at 31 March 2018	150,000	-	-	(204,773)	(54,773)
Issue of share capital	68,333	-	-	-	68,333
Share premium	-	136,667	-	-	136,667
Share based payments (note 18)	-	-	22,925	-	22,925
Loss for the year	-	-	-	(525,516)	(525,516)
Balance at 31 March 2019	218,333	136,667	22,925	(730,289)	(352,364)
Issue of share capital	123,959	_	-	-	123,959
Share premium	-	4,506,053	-	-	4,506,053
Cost incurred in issue of share capital		(331,223)			(331,223)
Loss for the year	-	-	-	(1,973,211)	(1,973,211)
Balance at 31 December 2019	342,292	4,311,497	22,925	(2,703,500)	1,973,214
Share based payments (note 18)	-	_	588,497	-	588,497
Loss for the year	-	-	-	(3,203,625)	(3,203,625)
Balance at 31 December 2020	342,292	4,311,497	611,422	(5,907,125)	(641,914)



Cash Flow Statement

For the periods ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020

2020					
	Note	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Cash flows from operating activiti	es				
Loss before taxation		(204,773)	(525,516)	(1,973,211)	(3,203,625)
Adjustments for:					
Depreciation of property, plant and equipment	10	252	4,422	60,841	258,432
Amortisation of intangible assets	9	6,919	6,424	4,813	8,776
Interest paid/(received)	7	-	(114)	(4,170)	(2,929)
Lease interest payments	15	-	-	12,159	26,377
Loss on disposal of property, plant and equipment		-	-	1,318	-
Credit to equity for equity settled share-based payments	18	-	22,925	-	588,497
		(197,602)	(491,859)	(1,898,250)	(2,324,472)
Changes in working capital:					
Increase in inventories	11	(45,404)	(278,782)	(606,833)	(552,517)
Increase in trade and other receivables	12	(41,555)	(95,562)	(253,115)	(139,505)
Increase in trade and other payables	14	304,116	619,333	936,201	1,825,628
Cash generated from operations		19,555	(246,870)	(1,821,997)	(1,190,866)
Tax paid	8	-	-	-	-
Net cash inflow from operating activities		19,555	(246,870)	(1,821,997)	(1,190,866)
Cash flows from investing activitie	s				
Purchase of property, plant and equipment	10	(2,626)	(15,161)	(34,051)	(147,416)
Purchase of intangible assets	9	(24,700)	-	-	(8,136)
Net cash outflow from investing activities		(27,326)	(15,161)	(34,051)	(155,552)
Cash flows from financing activitie	s				
Proceeds from issues of shares	16	150,000	205,000	4,298,789	-
Interest paid/(received)	7	-	114	4,170	2,929
Payment of lease liabilities	15	-	-	(52,500)	(222,205)
Net cash inflow/(outflow) from financing activities		150,000	205,114	4,250,459	(219,276)
Net increase/(decrease) in cash and cash equivalents		142,229	(56,917)	2,394,411	(1,565,694)
Cash and cash equivalents at beginning of period		-	142,229	85,312	2,479,723
Cash and cash equivalents at end of period	13	142,229	85,312	2,479,723	914,029



Notes to the Historical Financial Information

1. GENERAL INFORMATION

Parsley Box Limited (the "Parsley Box") is a private company limited by shares incorporated in Scotland. The registered office is Level 6 Quartermile 1 Lauriston Place, Edinburgh, Scotland, EH3 9EN. The registered company number is SC561983.

Pursuant to a share for share exchange agreement dated 22 March 2021 among the Company, Parsley Box and the shareholders of Parsley Box, the Company agreed (conditional upon and with effect immediately prior to Admission) to acquire the entire issued share capital of Parsley Box.

Parsley Box is engaged in providing ready meals.

2. ACCOUNTING POLICIES

(a) **Basis of preparation**

The Historical Financial Information ("HFI") presents the financial track record of Parsley Box for the period from incorporation on 29 March 2017 to the 31 March 2018, the year ended 31 March 2019, the 9-month period ended 31 December 2019 and the year ended 31 December 2020, and is prepared for the purposes of Parsley Box Group plc's admission to the AIM market of London Stock Exchange plc.

This HFI has been prepared on a going concern basis under the historical cost convention except for certain financial instruments that are measured at fair value. The HFI is presented in Sterling and all values are rounded to the nearest Pound Sterling (\pounds) , except where otherwise indicated.

This HFI of Parsley Box as of and for the periods ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020 has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the EU.

The principal accounting policies that have been applied to the HFI are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(b) Going concern

Parsley Box has reported a loss for the period as a result of a significant spend on marketing in the period. Parsley Box is still in early stages of its development and with increasing sales and taking account of the proceeds from the Placing, the Directors are of the opinion that Parsley Box has adequate resources to continue in operational existence for the foreseeable future, that is for at least 12 months from the date of this document. Thus the Directors continue to adopt the going concern basis of accounting in preparing the HFI.

The Directors are aware of the COVID-19 pandemic and the difficulties in predicting the impact that this will have on the UK economy but due to the nature of Parsley Box's operations, they consider that Parsley Box's operations have not been significantly adversely impacted to date. Directors believe that 2020 COVID Restrictions were a catalyst for an already shifting trend to online ordering and therefore are of the opinion that the business will continue to grow from its current base regardless of the impact of COVID.

Although it is not possible to reliably estimate the length or severity of the outbreak, at the date of signing the HFI, Parsley Box has cash reserves and is continuing to trade. The Directors are actively managing the business on a day to day basis taking account of all changes in market conditions and any relevant government support and interventions.

The Directors consider that the current financial position of Parsley Box will ensure that Parsley Box will continue in operational existence for the foreseeable future as a minimum for at least 12



months from the date of this document, and they therefore continue to adopt the going concern basis of accounting in preparing the HFI.

(c) New standards, amendments and interpretations or Adoption of new and revised standards

With effect from the 29 March 2017, Parsley Box has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

- IFRS 9 Financial instruments (effective 1 January 2018 and early adopted);
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018 and early adopted);
- IFRS 16 Leases (effective 1 January 2019 and early adopted); and
- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019 and early adopted).

IFRS 9 Financial instruments

IFRS 9 'Financial Instruments' replaced IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. Given there have been no changes in the classification or measurement of financial assets and liabilities a detailed table has not been provided.

(i) **Recognition, classification, and measurement of financial instruments**

Parsley Box has assessed which business models apply to the financial instruments at the date of initial application and has designated the financial assets and financial liabilities into the appropriate IFRS 9 measurement categories based on the facts and circumstances at that date. As at 29 March 2017, there were no significant classification and measurement adjustments. Parsley Box's financial assets comprise of trade and other receivables and cash and short-term deposits. These financial assets are to be classified and measured at amortised cost. Parsley Box's principal financial liabilities include trade and other payables. These financial liabilities continue to be classified and measured at amortised cost.

(ii) Impairment of financial assets

The impact of the new accounting methodology for determining the impairment provision for trade receivables resulted in no material change in the provision for impairment of trade receivables. Under the new policy a loss allowance for expected credit losses is recognised based upon the lifetime expected credit losses in cases where the credit risk on trade and other receivables has increased significant since initial recognition. In cases where the credit risk has not increased significantly, Parsley Box measures the loss allowance at an amount equal to the 12-month expected credit loss. This assessment is performed on a collective basis considering forward-looking information. Trade receivables longer than one year overdue and specific risk trade receivables with no reasonable expectation of recovery are impaired and hence provided for in full unless reliable supporting information to determine otherwise is available. Parsley Box does not present its impairment losses separately in the statement of comprehensive income, but in the notes thereto.

No recognition, measurement, or classification changes have been recorded on adoption of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 became effective on 1 January 2018 and superseded the revenue recognition included in IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations.

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Under IFRS 15, revenue is now recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which Parsley Box expects to be entitled in exchange for those goods and services. The underlying principle is a five-step approach to determine performance obligations, the consideration and the allocation thereof, and timing of revenue recognition. IFRS 15 also includes guidance on the presentation of assets and liabilities arising from contracts with customers, which depends on the relationship between the company's performance and the customers' payment.

Parsley Box is in the business of providing ready meals. Income is recognised when the meals have been dispatched.

No recognition, measurement, or classification changes have been recorded on adoption of IFRS 15.

IFRS 16 Leases

IFRS 16 'Leases' replaced IAS 17 'Leases' and sets out the principles for the recognition, measurement, presentation and disclosure of leases and has been applied from 29 March 2017 using the fully retrospective approach. Under IFRS 16 the main difference for Parsley Box is that certain leases that the company holds as a lessee are recognised on the balance sheet, as both a right-of-use ("ROU") asset and a largely offsetting lease liability. Low value and short term leases were excluded from these calculations under the practical expedients allowed in the standard. The ROU asset is depreciated in accordance with IAS 16 '*Property, Plant and Equipment*' and the liability is increased for the accumulation of interest and reduced by cash lease payments. There is no impact on cashflow.

On the income statement Parsley Box recognises a depreciation charge and an interest charge instead of a straight-line operating cost. This changes the timing of cost recognition on the lease, resulting in extra cost in early years of the lease, and reduced cost towards the end of the lease.

During the period ended 31 March 2018 and 31 March 2019, Parsley Box elected to exclude all short-term leases and all leases for which the underlying asset is of low value.

The adoption of IFRS 16 has resulted in the recognition of a ROU asset with a cost of £392,197 together with a corresponding financial liability of £392,197 during the year ended 31 December 2019 and a ROU asset with a cost of £499,059 together with a corresponding financial liability of £499,059 during the year ended 31 December 2020.

There was a £222,205 credit during 2020 (2019: £52,500) to administrative expenses, a debit of £207,441 in 2020 (2019: £49,025) to depreciation costs and a £26,377 debit in 2020 (2019: £12,159) to finance costs in the Statement of Comprehensive Income. The financial liability at 31 December 2020 was £655,087 (2019: £351,856).

Judgements made by the Directors in the application of these accounting policies that have a significant effect on this HFI together with estimates with a significant risk of material adjustment in the next year are discussed in note 3 to the HFI.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments. The standard is effective for financial years commencing on or after 1 January 2019. IFRIC 23 will not have any impact as there is no uncertainty over income tax treatments for Parsley Box.

(d) New standards, amendments and interpretations not yet adopted

The amendments to IAS 28 Investments in Associates and Joint Ventures and IFRS 1 First-time Adoption of International Financial Reporting Standards are not considered to be relevant to Parsley Box's operations.



The following standards, amendments and interpretations are not yet effective and have not been early adopted by Parsley Box:

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies which exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. There is not considered to be an impact of this standard.

(e) **Revenue**

Parsley Box generates revenue primarily from the sale of cupboard stored ready-made meals and other food and drink products and offering a home delivery service to customers. IFRS 15 establishes a comprehensive model for determining whether, how much, and when revenue is recognised. Parsley Box follows the five-step model according to IFRS 15. The process separates the following steps: Identification of the customer contract, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the individual contractual obligations and the determination of the timing of revenue recognition. Revenue from contracts with customers is recognised when performance obligations are satisfied and control of the goods and services is transferred to the customer for an amount that reflects the consideration appropriate to those goods and services. Parsley Box is the principal in these arrangements as it controls the goods or services prior to sale, has pricing flexibility and is also exposed to inventory and credit risks. Parsley Box acts as an agent in the sale of meat and certain products and consequently the revenue recognised is the net amount of commission received. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, rebates, and value added taxes.

Sale ready-made meals

Revenue from the sale of ready-made meals is recognised at the point in time when control of the asset is transferred to the customer, usually on dispatch. Customers pay on order and next day delivery is arranged. Parsley Box

Loyalty Scheme

Loyalty points issued by Parsley Box when a customer purchases a ready-made meal are a separate performance obligation providing a material right to a future discount. The total transaction price (sale price of the ready-made meal) is allocated to the points and the ready-made meals sold based on their relative standalone selling prices, with the points standalone price based on the value of the points to the customer, adjusted for expected redemption rates. The amount allocated to loyalty scheme points is deferred as a contract liability within trade and other payables. Revenue is recognised as the points are redeemed by the customer. Unused points are released to profit when it is clear that those points will not be used by the customer.

Financing arrangements

Occasionally Parsley Box receives short-term advances or deposits from its customers against contracts. No adjustment is made for the effect of this financing arrangement as delivery of the goods or services is expected to be completed within one year.

(f) Classification of instruments issued by Parsley Box

Instruments issued by Parsley Box are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

• they include no contractual obligations upon Parsley Box to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to Parsley Box; and

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• where the instrument will or may be settled in Parsley Box's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of Parsley Box's own equity instruments or is a derivative that will be settled by exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability. Where the instrument so classified takes the legal form of Parsley Box's own shares, the amounts presented in the HFI for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

(g) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when Parsley Box becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

A. Financial Assets

Classification and initial measurement of financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ('FVTPL')
- fair value through other comprehensive income ('FVOCI').

In the periods presented Parsley Box does not have any financial assets categorised as FVTPL or FVOCI.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Parsley Box's cash



and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Parsley Box considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the company will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Parsley Box manages short-term liquidity through the holding of cash and highly liquid interestbearing deposits. Only deposits that are readily convertible into cash with maturities of three months or less from inception, with no penalty of lost interest, are shown as cash and cash equivalents.

B. Financial Liabilities

Classification and measurement of financial liabilities

Parsley Box's financial liabilities include trade payables and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.



Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Trade payables and other payables

Financial liabilities are obligations to pay cash or other financial assets and are recognised when Parsley Box becomes a party to the contractual provision of the instruments. All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

(h) Intangible assets

Intangible assets are recognised at cost less any accumulated amortisation and impairment.

Parsley Box's intangible assets comprise costs in respect of developing the brand, website design and computer software.

Amortisation

Amortisation is charged to the administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

Brand & Web design	33 per cent. straight line
Computer Software	50 per cent. straight line

(i) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on the following basis:

Office equipment	33 per cent. straight line
Computer equipment	50 per cent. straight line
Right-of-use assets	Life of lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

(j) Leases

Parsley Box leases a number of properties from which it operates.

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 twelve months or less.



Parsley Box recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities. Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate or, if neither rate exist a commercial rate has been used.

Parsley Box has used a commercial borrowing rate of 3.1 per cent. for the 2019 and 2020 ROU assets (see note 3).

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 company if it is reasonably certain to exercise that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

ROU 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 company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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. ROU assets are amortised on a straight-line basis over the remaining term of the lease.

The lease liability is measured at amortised cost using the effective interest method.

Short term leases and low value assets

Parsley Box has elected not to recognise ROU assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. Parsley Box recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The total remaining commitment for these leases as at 31 December 2020 is £nil, (31 December 2019 was £nil, 31 March 2019 was £3,508, 31 March 2018 was £nil).

(k) Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the



asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Comprehensive Income.

Non-financial assets

The carrying amounts of Parsley Box's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(I) Impairment excluding inventories and deferred tax assets

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

(m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate company and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

(n) **Provisions**

A provision is recognised in the balance sheet when Parsley Box has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

(o) **Net financing costs**

Financing expenses comprise interest payable and finance leases recognised in the Statement of Comprehensive Income using the effective interest method, unwinding of the discount on provisions. Financing income comprise interest receivable on bank deposits.

Interest income and interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.



(p) Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(q) Inventories

Inventory comprises of ready meals and food and drink products, all packaged and ready to be delivered. Inventory is valued at the lower of cost and estimated selling price less costs to complete the sale.

(r) Segmental reporting

The accounting policy for identifying segments is based on internal management reporting information which is reviewed by the chief operating decision maker. The company is considered to have a single business segment, being the sale of ready-made meals.

(s) Share capital

Share capital represents the nominal value of shares that have been issued.

(t) Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

(u) **Retained earnings**

Retained earnings includes all current and prior period retained profits and losses.

(v) Share based payment

Parsley Box has applied the requirements of IFRS 2 in relation to share option schemes allowing certain employees within the company to acquire shares of the company. For all grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting. The expense is recognised over the expected life of the option.



3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the HFI in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Parsley Box management to exercise judgement and use assumptions in applying Parsley Box's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the HFI are reasonable and prudent.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the HFI are discussed below.

(a) Useful economic lives of property, plant and equipment and intangible assets

Property, plant and equipment are depreciated, and intangible assets are amortised over their useful lives. Useful lives are based on management's estimates, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying values and amounts charged to the statement of comprehensive income in specific periods.

(b) Right-of-use assets

The discount rate used to calculate the lease liability is the rate in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As no such interest rates were available in 2019 management considered the rate of 3.1 per cent. appropriate. Management considered an acceptable indicative interest rate margin of 3 per cent. to be appropriate on the basis that there is no tangible security provided. If tangible security were provided to secure the borrowing this may have reduced by 0.75-1.00 per cent.. Therefore, the interest rate applied was 3.1 per cent. based on the current Bank of England rate of 0.1 per cent..

Refer to note 15 for additional disclosures relating to the lease.

(c) Loyalty points

Loyalty points are treated as a separate component of sales, measured at fair value to the customer, and then deferred and recognised in revenue when the points are redeemed. The contract liability represents the value of total points expected to be redeemed in the future. At the 31 December 2020 management considered 35 per cent. (2019: 14 per cent.) of the points collected to date will be redeemed by customers in the future, based on current trends. If there were to be an absolute 20 per cent. increase or decrease applied to the 35 per cent. redemption rate, there would be an increase/decrease of \pounds 93,768 to the customer loyalty provision and a corresponding decrease/increase in revenue.

(d) Impairment of inventories

Parsley Box makes an estimate of the inventory obsolescence. When assessing the impairment of inventories, management considers factors such as expiry dates of products and slow-moving products.

(e) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The following assumptions have been made in determining the fair value:

Volatility - A 5-year volatility of 50 per cent. was used for the purpose of the valuations based on there being no exit plan and other companies operating within the same industry.

Share Price - For the issue at March 2019 the share price represents the Actual Market Value (AMV) agreed by HMRC. For the February 2020, October 2020 and December 2020 grants,



the share price reflects a 20 per cent. discount to the price paid for ordinary shares during the latest equity round at the date closest to the option grant date. If no share price discount has been applied, the share-based payment charge would have increased by $\pounds184,000$ in the year ended 31 December 2020.

Risk-free Rate - Based on the 5-year UK government bond yield as at the valuation dates. Considering that for October/December 2020 grants, 5-year UK government bond yields were negative/zero based using the Bank of England's base rate.

4. REVENUE & OPERATING SEGMENTS

Throughout the periods, the company operated in one business segment, being the sale of readymade meals. Parsley Box's assets are held in the UK and all its expenditure arises in the UK. The company's operations and marketers are located in the UK.

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Revenue	251,800	3,081,793	6,111,041	24,376,263

4.1 Contract liability balances

Significant changes in the contract liability balances during the periods are as follows:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Opening contract liability	-	-	-	17,591
Contract liability utilised	-	-	(20,556)	(230,878)
Contract liability accrued	-	-	38,147	376,843
Closing contract liabilities	_	-	17,591	163,556

5. EMPLOYEES AND DIRECTORS

The average number of persons employed by Parsley Box (including directors) during the periods, was as follows:

	Period ended 31 March 2018	Year ended 31 March 2019	9-month period ended 31 December 2019	
Average staff numbers	3	16	42	87


Staff costs were as follows:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Wages and salaries (including executive directors)	42,739	286,871	740,372	2,199,024
Social security costs	4,230	6,345	42,968	129,704
Pension costs	_	2,418	7,105	24,247
Other employee costs	23	3,684	48,175	62,027
Share based payment expenses	-	22,925	-	588,497
	46,992	322,243	838,620	3,003,499

Key management is made up of the directors and their remuneration is outlined below:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Remuneration	38,334	112,500	195,167	321,991
Pension contributions	-	1,210	2,128	2,512
Share based payment expenses	-	22,925	-	432,276
	38,334	136,635	197,295	756,779
Highest paid director:				
Remuneration	19,167	56,250	72,917	103,462
Pension contributions	-	605	987	1,314
	19,167	56,855	73,904	104,776



6. EXPENSES BY NATURE

6. EXPENSES BY NATURE				
	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Employee benefit expense (note 5)	46,992	322,243	838,620	3,003,499
Depreciation (note 10)	252	4,422	60,841	258,432
Amortisation (note 9)	6,919	6,424	4,813	8,776
Travel and entertainment	2,121	22,098	28,813	15,680
Legal and Professional	8,796	24,108	140,905	212,440
Marketing expense	134,977	859,028	2,193,191	5,842,878
Loss on disposal of property, plant and equipment	-	-	1,318	-
Other expenses	18,536	97,393	233,548	629,456
Total administrative expenses	218,593	1,335,716	3,502,049	9,971,161

7. NET FINANCE (INCOME)/COSTS

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Finance income	-	(145)	(4,170)	(2,929)
Other finance cost	-	31	-	-
IFRS 16 lease interest (note 15)	-	-	12,159	26,377
	-	(114)	7,989	23,448



8. TAXATION

Analysis of (credit)/charge in year	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Current period tax				
Current taxation charge for the year	-	-	-	-
Foreign entity taxation	-	-	-	-
Total current tax	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Total deferred tax	-	-	-	-
Tax on loss on ordinary activities	-	-	-	-
Reconciliation of total tax (credit)/charge:				
Loss on ordinary activities before tax	(204,773)	(525,516)	(1,973,211)	(3,203,625)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19.00 per cent. Effects of:	(38,907)	(99,848)	(374,910)	(608,689)
Expenses not deductible for tax purposes	382	4,766	(2,043)	94,070
Non trading profits	-	28	792	557
Reliefs – Trading losses – current period	_	(28)	(792)	(557)
Tax losses not recognised	38,525	95,082	376,953	535,812
Total taxation (credit)/charge	-	-	-	-

No account has been taken of the potential deferred tax asset of \pounds 1,025,179 at 31 December 2020 (31 December 2019: \pounds 510,560 at 19 per cent., 31 March 2019: \pounds 133,607 at 19 per cent., 31 March 2018: \pounds 38,528 at 19 per cent.) calculated at 19 per cent. representing losses carried forward and short term timing differences, owing to the uncertainty over the utilisation of the losses available.

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9. INTANGIBLE ASSETS

	Brand & Web design £	Computer software £	Total £
COST			
Additions	24,700	-	24,700
As at 31 March 2018/31 March 2019/ 31 December 2019	24,700	-	24,700
Additions	-	8,136	8,136
As at 31 December 2020	24,700	8,136	32,836
AMORTISATION			
Charge for the year	6,919	-	6,919
As at 31 March 2018	6,919	-	6,919
Charge for the year	6,424	-	6,424
As at 31 March 2019	13,343	-	13,343
Charge for the year	4,813	-	4,813
As at 31 December 2019	18,156	-	18,156
Charge for the period	5,725	3,051	8,776
As at 31 December 2020	23,881	3,051	26,932
NET BOOK VALUE			
As at 31 March 2018	17,781	-	17,781
As at 31 March 2019	11,357	-	11,357
As at 31 December 2019	6,544	-	6,544
As at 31 December 2020	819	5,085	5,904

Amortisation of intangible assets is provided to write off the cost, less residual value, in equal instalments over the Directors' estimate of their useful economic lives which are:

- Brand & Web design is amortised over 3 years; and
- Computer software is amortised over 2 years.

Intangibles are reviewed and tested on an annual basis or more frequently if there is indication that they might be impaired. Intangibles have been tested for impairment by comparing the carrying amount of the total investments (including intangibles) which create the overall cashgenerating units. The recoverable amount of the CGUs is determined from value-in-use calculations. The value-in-use is the present value of the cash flows expected to be generated over a projection period together with a terminal value. The projection period is the time period over which future cash flows are predicted. Parsley Box's methodology is to use a projection period of one year being the period over which reliable cash flows can be estimated.

The methodology applies a long term growth rate. Cash flow expectations exclude any future cash flows that may arise from restructuring or other enhancements to the cash generating activities and reflect management's expectations of the range of economic conditions that may exist over the projection period.

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The key assumptions for the value-in-use calculations are as follows:

Profit - Based on the latest forecast for revenue and costs as approved by the Directors and takes into consideration past experience and the current economic environment.

Growth rates - 2%, calculated based principally on current inflation rates and does not exceed the long-term average potential growth rate of the respective operations.

Discount rates - The post-tax rate used to discount the forecast cash flows is 3.5 per cent. based on Parsley Box's estimated weighted average cost of capital and the risks associated.

The Directors have determined that there has been no impairment and a sensitivity analysis has been performed in assessing recoverable amounts of intangibles. This has been based on changes in key assumptions considered to be possible by the Directors. This included a change in the discount rate of up to 1 per cent. and changes in the long-term growth rate between 0% and 2 per cent. in absolute terms. The sensitivity analysis shows no impairment would arise under each scenario. The Directors have concluded that it is reasonable to assume that there will be no material deterioration in the customer base over the projection period which will significantly impact future cash flows and that no reasonably possible change in key assumptions would result in impairment.



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10. PROPERTY, PLANT AND EQUIPMENT

	£	equipment £	Asset £	Total £
COST				
Additions	2,626	-	-	2,626
As at 31 March 2018	2,626	-	-	2,626
Additions	833	14,328	-	15,161
As at 31 March 2019	3,459	14,328	-	17,787
Additions	3,222	30,829	392,197	426,248
Disposals	(1,902)	-	-	(1,902)
As at 31 December 2019	4,779	45,157	392,197	442,133
Additions	16,417	130,999	499,059	646,475
As at 31 December 2020	21,196	176,156	891,256	1,088,608
DEPRECIATION				
Charge for the period	252	-	-	252
As at 31 March 2018	252	-	-	252
Charge for the year	704	3,718	-	4,422
As at 31 March 2019	956	3,718	-	4,674
Charge for the period	755	11,061	49,025	60,841
Eliminated on disposals	(584)	-	-	(584)
As at 31 December 2019	1,127	14,779	49,025	64,931
Charge for the period	3,642	47,349	207,441	258,432
As at 31 December 2020	4,769	62,128	256,466	323,363
NET BOOK VALUE				
As at 31 March 2018	2,374	-	-	2,374
As at 31 March 2019	2,503	10,610	-	13,113
As at 31 December 2019	3,652	30,378	343,172	377,202
As at 31 December 2020	16,427	114,028	634,790	765,245



11. INVENTORIES

		9-month		
	Period ended	Year ended	period ended	Year ended
	31 March	31 March	31 December	31 December
	2018	2019	2019	2020
	£	£	£	£
Finished goods	45,404	324,186	931,019	1,483,536

Cost of inventories recognised as an expense for the for the period ended 31 March 2018 was £137,980, 31 March 2019 was £1,598,505, 31 December 2019 was £3,280,331 and 31 December 2020 was £12,597,304. Inventory losses and provisions recognised as an expense for the period ended 31 March 2018 was £nil, 31 March 2019 was £12,774, 31 December 2019 was £34,024 and 31 December 2020 was £93,813.

12. TRADE AND OTHER RECEIVABLES

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Amounts falling due within one year:				
Trade receivables	19,150	29,099	19,918	85,756
Other receivables	-	-	38,490	99,250
Prepayments and accrued income	5,436	41,299	3,623	103,222
Other tax and social security	16,969	66,719	328,201	241,509
	41,555	137,117	390,232	529,737

All of the trade receivables were non-interesting bearing, receivable under normal commercial terms, and the Directors expect the value of credit losses on the trade receivables to be nil as sales are made from the business direct to the customer with payment made in advance and prior to delivery. The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

13. CASH AND CASH EQUIVALENTS

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Cash and cash equivalents				
Cash at bank	142,229	85,312	120,543	12,927
Cash on deposit	-	-	2,359,180	901,102
	142,229	85,312	2,479,723	914,029

In November 2020 an overdraft facility of £500,000 was arranged with RBS which remained unused during the period ended 31 December 2020.

14. TRADE AND OTHER PAYABLES

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Current				
Trade payables	164,735	857,741	1,705,874	3,219,318
Accruals	-	12,774	99,610	199,625
Other tax and social security	3,565	12,154	31,419	69,278
Other payables	135,816	40,780	5,156	33,501
Contract liabilities	-	-	17,591	163,556
	304,116	923,449	1,859,650	3,685,278

As at the period ended 31 December 2020, and included within other payables, Parsley Box had outstanding Defined contribution plan obligations of \pounds 6,732 (31 December 2019: \pounds 5,013, 31 March 2019 \pounds 5,375, 31 March 2018: \pounds nil).

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. There is a floating charge covering all property or undertakings of Parsley Box to secure the unused bank overdraft facility.

Contract liabilities represent consideration received for performance obligations not yet satisfied in relation to loyalty point scheme. (see note 5)

15. LEASES

Parsley Box leases consist of offices only. Information about leases for which Parsley Box is a lessee is presented below:

There were no right-of-use assets in place, only short-term leases of 12 months or less at 31 March 2018 and 2019.

The following right-of-use assets were in place at 31 December 2019

	Length of lease (years)	Interest Rate
Property – 1	2	3.1%
Property – 2	2	3.1%

The following right-of-use assets are in place at 31 December 2020.

	Length of lease (years)	Interest Rate
Property – 1	2	3.1%
Property – 2	2	3.1%
Property – 3	1.83	3.1%

On initial application:

	Period ended 31 March 2018	Year ended 31 March 2019	9-month period ended 31 December 2019	Year ended 31 December 2020
Date of initial application	-	-	1/10/2019	16/12/2020
	£	£	£	£
Right-of-use asset recognised	-	-	392,197	499,059
Lease liability recognised	-	-	(392,197)	(499,059)
	-	-	-	-

Movements during the year:

	£
Balance at 31 March 2018	-
Balance at 31 March 2019	-
New leases recognised in the year	392,197
Depreciation charge for the year	(49,025)
Balance at 31 December 2019	343,172
New lease recognised in the year	499,059
Depreciation charge for the period	(207,441)
Balance at 31 December 2020	634,790



Lease liabilities

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Maturity analysis – contractual undiscounted cash flows				
Less than one year	-	-	209,999	450,450
One to five years	-	-	157,500	231,919
Total undiscounted lease liabilities at period/year end	_	-	367,499	682,369
Lease liabilities included in the Statement of Financial Position				
Current	-	-	199,092	430,142
Non-current	-	-	152,764	224,945
Amounts recognised in Statement of Income				
Interest on lease liability	-	-	12,159	26,377
Depreciation of lease	-	-	49,025	207,441
Expenses relating to short-term leases	6,728	17,540	50,238	-
Total cash outflow for leases		-	52,500	222,205

The future minimum rentals payable under the short-term leases were as follows:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	
Due within one year	-	3,508	-	-



16. SHARE CAPITAL

Year ending 31 March 2018	Ordinary Shares
Authorised, issued and fully paid as at 31 March 2018	150,000,000

Class	No.	Price per share	Share capital (£)	Share premium (£)
Ordinary Shares	150,000,000	£0.001	150,000	-
Total			150,000	-

On incorporation 2 ordinary shares of 1p each were issued fully paid for cash of 1p.

During the year 14,999,998 ordinary shares of 1p each were issued fully paid for cash of 1p.

Year ending 31 March 2019	Ordinary Shares
Authorised, issued and fully paid as at 31 March 2019	21,833,330

Class	No.	Price per share	Share capital (£)	Share premium (£)
Ordinary Shares	21,833,330	£0.001	218,333	136,667
Total			218,333	136,667

During the year 6,833,332 ordinary shares of 1p each were issued fully paid for cash of 3p.

Year ending 31 December 2019	Ordinary Shares	A Ordinary Shares
Authorised, issued and fully paid as at 31 December 2019	21,833,330	12,395,838

Class	No.	Price per share	Share capital (£)	Share premium (£)
Ordinary Shares	21,833,330	£0.001	218,333	136,667
A Ordinary Shares	12,395,838	£0.001	123,959	4,506,053
Total			342,292	4,642,720
Transaction costs allocated to share premium				(331,223)
Total				4,311,497

During the period 12,395,838 ordinary A shares of 1p each were issued fully paid for cash at 37.5p.



Transaction costs of £331,223 were allocated against the share premium amount of £4,506,053 resulting in net equity of £4,174,830 being recognised in the Statement of Financial Position.

Year ending 31 December 2020	Ordinary Shares	A Ordinary Shares
Authorised, issued and fully paid as at 31 December 2020	21,833,330	12,395,838

Class	No.	Price per share	Share capital (£)	Share premium (£)
Ordinary Shares	21,833,330	£0.001	218,333	136,667
A Ordinary Shares	12,395,838	£0.001	123,959	4,506,053
Total			342,292	4,642,720
Transaction costs allocated to share premium				(331,223)
Total				4,311,497

Ordinary Shares

Voting rights: Each ordinary share holder is entitled to one vote.

Dividends: Ordinary shares and A ordinary shares rank equally for dividends, save that the A ordinary shares are entitled to 99.99 per cent. of an permitted dividend which may become payable in accordance with the articles.

Capital: On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption, or purchase of shares) the priority of distribution of the surplus assets shall be as prioritised follows:

- 1. Amount equal to £4,630,011.17 (together with any arrears of any dividend declared on the ordinary share) in following proportions: (I) 99.99 per cent. to the holders of A Ordinary shares; and (II) 0.01 per cent. to the holders of ordinary shares.
- 2. Any balance of the surplus assets up to $\pounds4,630,011.17$, in the following proportions: (I) 0.01 per cent. to the holders of A ordinary shares; and (II) 99.99% to the holders of ordinary shares.
- 3. Any balance of surplus assets above the ordinary threshold to distributed between A Ordinary shares and Ordinary shares on a pro rata basis. Where the rights attributable to the shares held by any company would result in the holder being in prohibited control of the company, rights to repayment of capital and unpaid arrears shall be waived. Such amounts shall not be waived in the case of a sale or listing.

Redemption: These shares do not carry redemption rights.

A Ordinary Shares

Voting rights: Each share carries one vote

Dividends: Ordinary shares and A ordinary shares rank equally for dividends, save that the A ordinary shares are entitled to 99.99 per cent. of any permitted dividend which may become payable in accordance with the articles.



Capital: On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption, or purchase of shares) the priority of distribution of the surplus assets shall be as prioritised follows:

- 1. Amount equal to £4,630,011.17 (together with any arrears of any dividend declared on the ordinary share) in following proportions: (I) 99.99 per cent. to the holders of A Ordinary shares; and (II) 0.01 per cent. to the holders of ordinary shares.
- 2. Any balance of the surplus assets up to $\pounds4,630,011.17$, in the following proportions: (I) 0.01 per cent. to the holders of A ordinary shares; and (II) 99.99% to the holders of ordinary shares.
- 3. Any balance of surplus assets above the ordinary threshold to distributed between A Ordinary shares and Ordinary shares on a pro rata basis. Where the rights attributable to the shares held by any company would result in the holder being in prohibited control of the company, rights to repayment of capital and unpaid arrears shall be waived. Such amounts shall not be waived in the case of a sale or listing.

Redemption: Redeemable if a permitted dividend becomes payable under the articles.

17. RESERVES

Share Premium account - includes any premiums received on issue of share capital less transactions costs associated with the issue of shares.

Share Option reserve - includes the value of equity-settled share based payments.

Retained Earnings - includes all retained profits and losses.

18. SHARE BASED PAYMENT

Details of the equity-settled share options outstanding during the year are as follows:

Year ending 31 March 2018 - N/A

Year ending 31 March 2019

Grant date	Outstanding at 1 April 2018	Granted	Exercised	Forfeited	Outstanding at 31 March 2019	Expiry date	Exercise price
05/03/2019	-	655,000	-	-	655,000	05/03/2029	0.1512

Year ending 31 December 2019

Grant date	Outstanding at 1 April 2019	Granted	Exercised	Forfeited	Outstanding at 31 December 2019	Expiry date	Exercise price
05/03/2019	655,000	-	-	-	655,000	05/03/2029	0.1512



Year ending 31 December 2020

Grant date	Outstanding at 1 April 2020	Granted	Exercised	Forfeited	Outstanding at 31 December 2020	Expiry date	Exercise price
05/03/2019	655,000	-	-	-	655,000	05/03/2029	0.1512
12/02/2020	-	813,030	-	(111,557)	701,473	12/02/2030	0.2241
09/10/2020	-	854,386	-	-	854,386	09/10/2030	0.2241
15/10/2020	-	46,854	-	-	46,854	15/10/2030	0.2241
17/12/2020	-	100,000	-	-	100,000	17/12/2020	0.2241
	655,000	1,814,270	-	(111,557)	2,357,713		

Certain employees have been granted options over the shares in Parsley Box. The options are granted with a fixed exercise price and are exercisable on sale or listing. The options vest immediately on the grant date and can only be exercised on the occurrence of an Exit Event. If an option holder ceases employment or to hold office, whether before or after the occurrence of the exit event in question, the option lapses shortly following cessation of employment or holding office, unless the board determines otherwise. The Exit Event is deemed to be a non-market performance condition, with an exit event is expected to occur on 31 March 2021.

Details of the share options and the weighted average exercise price ('WAEP') outstanding during the year are as follows:

	31 Marc	31 March 2018		h 2019
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the yea	r –	-	-	_
Granted during the year	-	-	655,000	0.1512
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
	-	-	655,000	0.1512

	31 December 2019		31 December 2020	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	655,000	0.1512	655,000	0.1512
Granted during the year	-	-	1,814,270	0.2241
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	(111,557)	0.2241
	655,000	0.1512	2,357,713	0.2038

The weighted average remaining contractual life of share options outstanding as at 31 December 2020 was 9 years and 1 month (31 December 2019: 9 years and 2 months, 31 March 2019: 9 years and 9 months).

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Parsley Box recognises an equity-settled share-based payment expense based on the fair value determined by the Black-Scholes model. The model is internationally recognised as being appropriate to value employees share options schemes.

Inputs were as follows:

	31 March 2018	31 March 2019
Weighted average share price	-	£0.15
Weighted average exercise price	-	£0.15
Expected volatility	-	50%
Expected life	-	5 years
Risk free rate	-	0.96%

	31 December 2019	31 December 2020
Weighted average share price	-	£0.86
Weighted average exercise price	-	£0.22
Expected volatility	-	50%
Expected life	-	5 years
Risk-free rate	-	0.26%

Risk-free rate

Based on the 5-year UK government bond yield as at the valuation dates. Considering that for October/December 2020 grants, 5-year UK government bond yields were negative/zero based using the Bank of England's base rate.

Share price

For the issue at March 2019 the share price represents the Actual Market Value (AMV) agreed by HMRC. For the February 2020, October 2020 and December 2020 grants, the share price reflects a 20 per cent. discount to the price paid for ordinary shares during the equity round at the date closest to the option grant date.

Volatility

The measure of volatility is based on the historical volatility of guideline companies operating within the same industry as Parsley Box, over a 5-year time period.

Liabilities and expenses

Parsley Box recognised total share-based payment expenses of £588,497 during the year ended 31 December 2020 (£nil during 31 December 2019, £22,925 during 31 March 2019 and £nil during 31 March 2018) which related to equity settled share-based payment transactions.



19. FINANCIAL RISK MANAGEMENT

Parsley Box's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, and bank.

The main purpose of these financial instruments is to finance Parsley Box's operations.

Risk management is carried out by the finance department under policies approved by the Board of directors. The company finance department identifies, evaluates and manages financial risks. The Board provides guidance on overall risk management including foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

The impact of the risks required to be discussed under IFRS 7 are detailed below:

(a) Market risk

Foreign exchange risk - Parsley Box is not exposed to foreign exchange risk with GBP being the only currency used.

Cash flow and fair value Interest rate risk - Parsley Box is not exposed to fixed interest rates as there is no debt instruments.

(b) Credit risk

Parsley Box's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the statement of financial position date, as summarised below. Management considers that Parsley Box is exposed to little credit risk arising on its receivables due to the value of those receivables. The credit risk on cash balances is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

Financial assets carried at amortised cost – carrying amounts	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Cash and cash equivalents	142,229	85,312	2,479,723	914,029
Trade receivables	19,150	29,099	19,918	85,756
Other receivables	-	-	38,490	99,250
Other tax and social security	16,969	66,719	328,201	241,509
	178,348	181,130	2,866,332	1,340,544

The ageing profile of trade receivables that were not impaired were:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
0-30 days overdue	19,150	29,099	19,918	85,756
Total	19,150	29,099	19,918	85,756

Parsley Box's trade and other receivables are actively monitored. Parsley Box does not believe it is exposed to any material concentrations of credit risk.

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(c) Liquidity risk

Liquidity risk is the risk that Parsley Box may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. Parsley Box's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Parsley Box's reputation.

Parsley Box closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet obligations of the company as they fall due.

Parsley Box's financial liabilities have contractual maturities (including interest payments where applicable) which are summarised below:

As at 31 March 2018	Carrying amount £	Contractual cashflows £	1 year or less £	1 < 2 years £	2 < 5 years £	> 5 years £
Non-derivative financia	al liabilities					
Trade payables	164,735	164,735	164,735	-	-	-
Other payables	135,816	135,816	135,816	-	-	-
Other tax and social security	3,565	3,565	3,565	-	-	-
Total	304,116	304,116	304,116	-	-	-

As at 31 March 2019	Carrying amount £	Contractual cashflows £	1 year or less £	1<2 years £	2 < 5 years £	> 5 years £
Non-derivative financia	al liabilities					
Trade payables	857,741	857,741	857,741	-	-	-
Other payables	40,780	40,780	40,780	-	-	-
Other tax and social security	12,154	12,154	12,154	-	-	-
Total	910,675	910,675	910,675	-	-	-



As at 31 December 2019	Carrying amount £	Contractual cashflows £	1 year or less £	1 < 2 years £	2 < 5 years £	> 5 years £	
Non-derivative financial liabilities							
Leasing liabilities	351,856	367,499	199,092	152,764	-	-	
Trade payables	1,705,874	1,705,874	1,705,874	-	-	-	
Other payables	5,156	5,156	5,156	-	-	-	
Other tax and social security	31,419	31,419	31,419	-	-	-	
Total	2,094,305	2,109,948	1,941,541	152,764	-	-	

As at 31 December 2020	Carrying amount £	Contractual cashflows £	1 year or less £	1 < 2 years £	2 < 5 years £	> 5 years £
Non-derivative financi	al liabilities					
Leasing liabilities	655,087	682,369	430,142	224,945	-	-
Trade payables	3,219,318	3,219,318	3,219,318	-	-	-
Other payables	33,501	33,501	33,501	-	-	-
Other tax and social security	69,278	69,278	69,278	-	-	-
Total	3,977,184	4,004,466	3,752,239	224,945	-	-

(d) Capital risk management

Parsley Box's objectives when managing capital are to safeguard Parsley Box's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may, subject to shareholders' approval as appropriate, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. Parsley Box deducts redeemable preference shares when looking at these calculations as they are legal equity documents, and also deducts lease liabilities as they are not deemed relevant for this calculation.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £			
Financial assets							
Financial assets measured at amo	rtised cost						
Cash and cash equivalents	142,229	85,312	2,479,723	914,029			
Trade receivables	19,150	29,099	19,918	85,756			
Other receivables	-	-	38,490	99,250			
Other tax and social security	16,969	66,719	328,201	241,509			
	178,348	181,130	2,866,332	1,340,544			
Financial liabilities							
Financial liabilities measured at an	nortised cost						
Non-Current							
Leasing liabilities	-	-	(152,764)	(224,945)			
Current							
Leasing liabilities	-	-	(199,092)	(430,142)			
Trade payables	(164,735)	(857,741)	(1,705,874)	(3,219,318)			
Other payables	(135,816)	(40,780)	(5,156)	(33,501)			
Other taxation and social security	(3,565)	(12,154)	(31,419)	(69,278)			
	(304,116)	(910,675)	(2,094,305)	3,977,184			
Net financial assets and liabilities	(125,768)	(729,545)	772,027	(2,636,640)			
Non-financial assets and liabilities	5						
Plant, property and equipment	2,374	13,113	377,202	765,245			
Intangible assets	17,781	11,357	6,544	5,904			
Inventories	45,404	324,186	931,019	1,483,536			
Prepayments and accrued income	5,436	41,299	3,623	103,222			
Accruals and deferred income	-	(12,774)	(99,610)	(199,625)			
Contract liabilities	-	-	(17,591)	(163,556)			
	70,995	377,181	1,201,187	1,994,726			
	(54,773)	(352,364)	1,973,214	(641,914)			



20. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Parsley Box's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and bank accounts. The carrying value of these are all recorded at amortised cost. The fair values of these financial instruments are approximate to their carrying values due to either their short-term nature or being priced at market-based variable interest rates.

21. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

Key management personnel are considered to be the Directors of the Parsley Box. The total remuneration of key management personnel is disclosed in note 5 of the HFI.

Details of the equity-settled share options in relation to key management during the periods is as follows:

Year ending 31 March 2018 - N/A

Year ending 31 March 2019

Grant date	Outstanding at 1 April 2018	Granted	Exercised	Forfeited	Outstanding at 31 March 2019	Expiry date	Exercise price
05/03/2019	-	655,000	-	-	655,000	05/03/2029	0.1512

Year ending 31 December 2019

Grant date	Outstanding at 1 April 2019	Granted	Exercised	Forfeited	Outstanding at 31 December 2019	Expiry date	Exercise price
05/03/2019	655,000	-	-	-	655,000	05/03/2029	0.1512

Year ending 31 December 2020

Grant date	Outstanding at 1 January 2020	Granted	Exercised	Forfeited	Outstanding at 31 December 2020	Expiry date	Exercise price
05/03/2019	655,000	-	-	-	655,000	05/03/2029	0.1512
12/02/2020	-	223,114	-	(111,557)	111,557	12/02/2030	0.2241
09/10/2020	-	730,000	-	-	730,000	09/10/2030	0.2241
	655,000	953,114	-	(111,557)	1,496,557		



Trading transactions

During the periods, Parsley Box entered into the following trading transactions with related parties:

Purchases of Goods/Services

	Period ended 31 March 2018 £	Year ended 31 March 2019 £	9-month period ended 31 December 2019 £	Year ended 31 December 2020 £
Diet Chef Limited	197,283	2,827,353	1,551,963	5,192,454
Mobeus Equity Partners	-	-	20,439	30,213
Machine Labs	-	-	-	9,000
Liquid Ecommerce Limited	_	-	-	7,247

Third party logistics services were provided by Diet Chef Limited ("Diet Chef") throughout the period.

During the period ended 31 March 2018 Diet Chef was a related party of Parsley Box because it had significant influence in Parsley Box due to owning over 25 per cent. of the shareholding.

During the period ended 31 March 2019, the period ended 31 December 2019 and the year ended 31 December 2020, Diet Chef no longer had significant influence in Parsley Box but remained a related party as Diet Chef was controlled by Kevin Dorren and Andrew Veitch who represent key management personnel of Parsley Box.

During the period ended 31 December 2019 and the year ended 31 December 2020 Parsley Box paid monitoring fees and expenses to Mobeus Equity Partners LLP, the manager of the Mobeus VCTs, shareholders of Parsley Box who together have significant influence.

During the year ended 31 December 2020 temporary additional office space was rented from Machine Labs Limited, a company controlled by Parsley Box key management personnel, Kevin Dorren (resigned February 2021) and Andrew Veitch.

During the year ended 31 December 2020 shipments were made through liquid Ecommerce Limited, a company controlled by Parsley Box key management personnel, Kevin Dorren and Andrew Veitch.

All related party transactions were performed on an arm's length basis.

Amounts owed to related parties

	31 March 2018 £	31 March 2019 £	31 December 2019 £	31 December 2020 £
Diet Chef Limited	153,865	476,473	184,771	392,771
Mobeus Equity Partners	-	-	6,851	3,032
Machine Labs	-	-	-	-
Liquid Ecommerce Limited	-	-	-	1,521



The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

22. EVENTS AFTER THE REPORTING DATE

As noted in the accounting policies the company is aware of the COVID-19 pandemic but has noted no significant adverse impact on its business.

The Directors are satisfied that the above subsequent events do not affect Parsley Box's ability to continue as a going concern and this basis is appropriate for the preparation of the financial statements.

Subsequent to the 31 December 2020, 1,325,136 ordinary A shares of 1p each and 1,863,079 ordinary shares of 1p each were issued fully paid for cash of \pounds 1.64 in January 2021. In February 2021 a further 213,415 ordinary shares of 1p each were issued fully paid for cash of \pounds 1.64.

Pursuant to a share for share exchange agreement dated 22 March 2021 among the Company, Parsley Box and the shareholders of Parsley Box, the Company agreed (conditional upon and with effect immediately prior to Admission) to acquire the entire issued share capital of Parsley Box.

At the time of the share for share exchange, certain directors and employees of Parsley Box will hold options over ordinary shares in Parsley Box that had been granted under the Parsley Box Limited Share Scheme. As part of this acquisition process, these individuals were invited by the Company to surrender those entitlements in exchange for the grant of Replacement Options that are on equivalent terms.



PART IV ADDITIONAL INFORMATION

1. Persons responsible

The Company and the Directors, whose names appear at paragraph 9 of this Part IV ("Additional information") of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation, domicile and registered office

- 2.1 The Company was incorporated in Scotland on 12 January 2021 with registered number SC685656. The Company was re-registered as a public company on 3 March 2021. The Company's legal entity identifier is 21380011BEY3JSQ3AU68.
- 2.2 The Company is domiciled in the UK. Its registered office and head office is at Level 6 Quartermile 1, 15 Lauriston Place, Edinburgh, United Kingdom, EH3 9EN. The Company's telephone number is 0800 612 7225 (or +44 (0) 800 612 7225, if dialling from outside the UK) and its website is www.parsleybox.com.
- 2.3 The principal laws and legislation under which the Company operates and under which the Ordinary Shares will be created are the Companies Act and regulations made under the Companies Act.

3. Group structure

Pursuant to the Share for Share Exchange Agreement summarised in paragraph 16.1.8 of this Part IV ("Additional information") of this document, the Company will become the holding company of the Group and Parsley Box (a company incorporated in Scotland with registered number SC561983) will become the Company's wholly-owned subsidiary. Parsley Box's principal activity is to operate the Parsley Box business.

4. Property, plant and equipment

4.1 The material properties, plant and equipment of the Group are set out below:

Address/location	Size	Use	Tenure and expiry	Rent (per annum)
Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh	9,565 sq ft (approx.)	Offices	Leasehold, 11 October 2022	£292,950 (plus service charge and VAT)
80 George Street, Edinburgh - Office Number 01W101	N/A	Offices	Right to use services and non-exclusive occupancy, 30 September 2021	£456,000 (plus VAT and additional fees)

4.2 The Company is not aware of any environmental issues affecting the utilisation by the Group of the material properties, plant and equipment set out above.



5. Share capital

5.1 The issued and fully paid share capital of the Company as at 25 March 2021 (being the latest practicable date prior to the publication of this document) was as follows:

Class of shares	Number	Nominal value
Ordinary Shares	1	1 penny
A Ordinary Shares	1	1 penny
Redeemable preference share	1	£50,000

5.2 The issued and fully paid share capital of the Company immediately following Admission is expected to be as follows:

Class of shares	Number	Nominal value
Ordinary Shares	41,914,368	£419,143.68

5.3 On incorporation, the issued and fully paid share capital of the Company was as follows:

Class of shares	Number	Nominal value
Ordinary Shares	1	1 penny
A Ordinary Shares	1	1 penny

- 5.4 Since 12 January 2021 (being the date of incorporation of the Company) and 25 March 2021 (being the latest practicable date prior to the publication of this document) the only change to the issued share capital of the Company has been the allotment and issue fully paid on 1 March 2021 of one redeemable preference share of £50,000. This redeemable preference share will be redeemed at par from the proceeds of the Offers.
- 5.5 The following changes to the share capital of the Company will take effect immediately prior to and conditional upon Admission:
 - 5.5.1 the redeemable preference share of \pm 50,000 will be redeemed at par from the proceeds of the Offers;
 - 5.5.2 then 24,237,326 Ordinary Shares and 13,720,974 A Ordinary Shares will be allotted and issued fully paid pursuant to the Share for Share Exchange Agreement summarised in paragraph 16.1.8 below;
 - 5.5.3 then 1,456,066 Ordinary Shares will be allotted and issued fully paid in connection with the exercise of certain Replacement Options, further details of which are set out in paragraph 15.1 below; and
 - 5.5.4 each of the A Ordinary Shares in the capital of the Company will convert into an Ordinary Share.



5.6 Accordingly, immediately prior to Admission, the issued share capital of the Company will be as follows:

Class of shares	Number	Nominal value
Ordinary Shares	39,414,368	£394,143.68
A Ordinary Shares	-	_
Redeemable preference share	-	_

5.7 Immediately following Admission (and assuming that all the New Shares are allotted and issued pursuant to the Offers), the issued and fully paid share capital of the Company is expected to be as follows:

Class of shares	Number	Nominal value
Ordinary Shares	41,914,368	£419,143.68

- 5.8 Save as set out in paragraphs 5.4 to 5.7 above, there were no changes to the issued share capital of the Company between 12 January 2021 (being the date of its incorporation) and 25 March 2021 (being the latest practicable date prior to the publication of this document) and no changes are proposed. Save for the Replacement Options referred to in paragraphs 15.1 below and the NED Options referred to in paragraph 15.2 below, no share capital of the Company (or of any other member of the Group) is under option or agreed conditionally or unconditionally to be put under option. It is currently anticipated that the initial tranche of awards under the MIP will be granted on, or shortly after, Admission. Further details of those awards are set out in paragraph 15.3 below. As at 25 March 2021 (being the latest practicable date prior to the publication of this document), the Company did not hold any shares in treasury.
- 5.9 By virtue of a resolution of the Company passed on 22 March 2021, conditional upon Admission becoming effective on or before 30 April 2021 (or such later date as the Directors may determine):
 - 5.9.1 the Articles were adopted as the new articles of association of the Company;
 - 5.9.2 with effect immediately prior to Admission, the Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act to allot shares in the capital of the Company or to grant rights to subscribe for or to convert any security into shares in the capital of the Company up to a maximum nominal amount of £54,000, such authority to expire on 30 June 2021, or, if earlier, immediately following Admission (and any allotment and issue of shares in the capital of the Company may, before such expiry, make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry;
 - 5.9.3 the Directors were given power pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560(1) of the Companies Act) for cash, pursuant to the authority referred to in paragraph 5.9.2, as if section 561(1) of the Act did not apply to such allotment. This power was in substitution for all pre-existing powers under section 570 of the Companies Act and shall expire at the same time as the authority referred to in paragraph 5.9.2, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry;

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- 5.9.4 with effect from the expiry of the authority referred to in paragraph 5.9.2:
 - the Directors were generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £143,400 (or, if less, an amount equal to one third of the aggregate nominal amount of the issued equity share capital in the Company immediately following Admission (and any allotment and issue of shares in the capital of the Company on Admission)); and
 - (ii) the Directors were also authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act up to a maximum nominal amount of £143,400 (or, if less, an amount equal to one third of the aggregate nominal amount of the issued equity share capital in the Company immediately following Admission (and any allotment and issue of shares in the capital of the Company on Admission)) in connection with a pre-emptive offer undertaken by means of a rights issue, subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

These authorities were given pursuant to section 551 of the Companies Act and unless renewed, revoked or varied in accordance with the Companies Act, shall expire on 30 June 2022, or, if earlier, at the end of the next annual general meeting of the Company to be held in 2022, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and

5.9.5 with effect from the expiry of the power referred to in paragraph 5.9.3, the Directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560(1) of the Companies Act) for cash, pursuant to the authority referred to in paragraph 5.9.3 and to sell treasury shares wholly for cash, as if section 561(1) of the Companies Act did not apply to any such allotment or sale. This power shall, in the case of the authority referred to in paragraph 5.9.4(i), be limited to the allotment of equity securities or the sale of treasury shares in connection with a pre-emptive offer or, otherwise than in connection with a pre-emptive offer, up to a maximum nominal amount of \pounds 43,000 (or, if less, an amount equal to 10 per cent. of the aggregate nominal amount of the issued equity share capital in the Company immediately following Admission (and any allotment and issue of shares in the capital of the Company on Admission)). This power shall, in the case of the authority referred to in paragraph 5.9.4(ii), be limited to the allotment of equity securities or the sale of treasury shares in connection with a pre-emptive offer undertaken by means of a rights issue. This power shall be in substitution for all preexisting powers under section 570 of the Act which are then in effect and, unless renewed in accordance with the Companies Act, shall expire at the same time as the authority referred to in paragraph 5.9.4, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry.

6. Dividends

- 6.1 Since its incorporation, the Company has not paid any dividends.
- 6.2 The Group's dividend policy in respect of dividends following Admission is summarised in paragraph 17 of Part I ("Information on Parsley Box") of this document.

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7. Memorandum and articles of association

- 7.1 The memorandum of association of the Company and the Articles are available for inspection at the addresses set out in paragraph 25 of this Part IV.
- 7.2 The Articles contain no restriction on the Company's objects and accordingly the Company's objects are unrestricted pursuant to section 31(1) of the Companies Act.
- 7.3 The Articles contain, amongst others, provisions to the following effect:

7.3.1 Voting rights

Subject to all statutes (and any regulations subordinate thereto) for the time being in force concerning companies and affecting the Company (the "**Statutes**") and any rights or restrictions attached to the shares (including as a result of unpaid calls as mentioned below), the Shareholders of the Company have the right to receive notice of and to vote at general meetings or a meeting of any class of members (provided the Shareholder holds a minimum of one share of that class), of the Company. Each Shareholder who is present in person (or, being a corporation, by duly authorised representative) or by proxy and is entitled to have a vote shall upon a show of hands have one vote and, on a poll, every such holder who is present in person (or, being a corporation, by duly authorised representative) or by proxy has one vote in respect of every share held by him or her.

If any call or other sum payable in respect of a share has become due and has not been paid, the holder of the share shall lose his entitlement to vote in respect of that share (either in person or by proxy) at any general meeting or class meeting until the outstanding sum is settled.

7.3.2 Dividend rights

The Company may by ordinary resolution from time to time declare dividends to be paid in cash or specific assets to the members not exceeding the amount recommended by the directors. Subject to the directors determining that the profits of the Company justify such payments, the directors may pay fixed or interim dividends.

Unless and to the extent that the rights attached to any shares or the terms of issue of any shares provides otherwise, dividends shall be apportioned and paid *pro rata* according to amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, and may be paid or declared in any currency as agreed between the directors and the member.

Dividends do not carry a right to interest.

Where the Company has a lien on any share and a sum in respect of which the lien exists is presently payable, the directors may retain any dividend payable in respect of that share.

Any unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. Any such dividend which remains unclaimed after a period of 12 years from the date the dividend was due for payment shall be forfeited and shall revert to the Company.

Where a person becomes entitled to a share as a result of a transmission event, but fails to comply with a notice from the directors requiring that they become registered as a member or transfer the share within 60 days of service of such notice, the directors may withhold payment of any dividend until the notice has been complied with.

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7.3.3 Rights on a return of capital

Subject to the special rights of any class or classes of shares that are, or may be, issued by the Company, the capital and assets of the Company on a winding-up or other return of capital shall be distributed to the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on such shares of the Company then in issue.

7.3.4 **Rights of pre-emption on issues of securities**

The Articles do not prescribe rights of pre-emption in relation to the offers for subscription of equity securities.

In certain circumstances, the Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders 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 Shareholders.

7.3.5 Transfers of shares

Transfers of shares in certificated form may be effected by an instrument of transfer in any usual form or in any other form approved by the directors. The instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

The directors may refuse to register a transfer of any such share if the transfer is in favour of more than four persons jointly, where the share(s) transferred are not fully paid, or in any other circumstances permitted by the Statutes (as defined below).

The directors may refuse to recognise any instrument of transfer relating to certificated shares unless it is:

- (i) in respect of only one class of share;
- (ii) duly stamped (if required); and
- (iii) delivered for registration to the registrar's office, or such other place as the directors have specified and is accompanied by the certificate(s) for the shares to which it relates (or an indemnity in a form satisfactory to the directors) and such other evidence as the directors may require to prove title.

Shares held in uncertificated form may be transferred otherwise than by a written instrument in accordance with CREST Regulations. The directors may only register or refuse to register the transfer of such a share in accordance with the CREST Regulations.

A transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that share.

No fee will be charged by the Company in respect of registration of any document transferring or otherwise affecting the title to any shares including for making any corresponding changes to the Company's registers.

7.3.6 Lien and forfeiture

The Company has a first ranking lien on all partly paid shares in respect of the money owed to the Company in respect of the shares. If all or a portion of the money owed by the member in respect of the share is due immediately, provided a

demand notice has been given to the relevant member in writing and the outstanding amount has not been settled within 14 days of service of the notice, the directors may sell any share on which the Company has a lien. The proceeds of such sale will be used to replenish any costs incurred by the Company in the course of the sale and to balance the amount outstanding in respect of the share. If any proceeds remain following this distribution, the remainder will be returned to the member or a person entitled by a transmission event provided that the certificate for the shares has been surrendered to the Company for cancellation.

Should any call or instalment of a call in respect of a share fail to be paid on or before the due date, the directors may serve a demand notice for the amount (including any accrued interest and expenses) and if payment is not received within 14 days service of the notice, the directors may resolve to forfeit any share in respect of which the notice was given. If the directors elect to do so, they shall serve a notice regarding the same and the shares shall become the property of the Company.

In the event shares are forfeited, the person whose shares have been forfeited shall remain liable to the Company for all unpaid amounts and interest accrued thereon in respect of such shares at the time of forfeiture.

7.3.7 Sale of shares held by untraced members

The Company shall be entitled to sell, at the best price reasonably obtainable at the time of sale, the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years at least three dividends (whether interim or final) in respect of those shares have become payable and no dividend in respect of those shares during that period has been claimed and within a further period of three months following the date of advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years, the Company, so far as the directors are aware, has not received any communication from such member or person (in his capacity as member or person entitled by transmission). The net proceeds of any such sale shall belong to the Company, however it must pay an equal amount to the member or person entitled by transmission if either of them request.

7.3.8 Variation of rights attaching to shares

Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class may, subject to the Statutes, be varied or abrogated either in such manner (if any) as may be provided by those rights or (in the absence of any such provision) either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any such shares 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, but not otherwise.

7.3.9 Changes in share capital

The Company may by ordinary resolution alter its share capital in accordance with the Statutes.

Any resolution authorising the Company to sub-divide its shares may determine that, as between the holders of the shares resulting from the sub-division and subject to any rights attached to the shares of any special class, any of them may have preference or advantage, be deferred or subject to any restriction as compared with the others.



7.3.10 Disclosure of interests in shares

Subject to the provisions of the Statutes, a director is entitled to vote and be counted in the quorum at a directors' meeting in respect of a resolution where he or she has an interest by virtue of interests in shares, debentures or other securities of the Company.

7.3.11 General meetings: multiple locations and / or electronic facilities

Directors may determine that persons entitled to attend a general meeting may do so from different locations around the world via means of electronic facilities such as conference calls, allowing those in separate locations to hear and speak to each other.

The members present in person or proxy shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. Failure or inadequacy of those electronic facilities shall not affect the validity of the proceedings of the general meeting. The chairman shall be present at the location specified in the notice and this shall be where the meeting is deemed to have taken place.

If it appears to the chairman that any such electronic facilities have failed or become inadequate for the required purpose, the chairman may, without the consent of the meeting, adjourn the general meeting. All business conducted at the general meeting before such adjournment shall be valid.

7.3.12 Shareholder meetings

Annual general meetings of the Company shall be convened in accordance with the Statutes. The directors may convene other general meetings whenever they think fit, and are required to do so if requisitioned by members in accordance with the Statutes.

An annual general meeting shall be called by at least 21 clear days' notice in writing and all other general meetings shall be called by at least 14 clear days' notice to the Company. A general meeting may be called by shorter notice if the conditions set out in the Statutes are met.

A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as such. Every notice must include a reasonably prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him or her and that a proxy need not be a member of the Company.

The Company shall determine the time, being no more than 48 hours (excluding non¬-working days) before the time fixed for the meeting, by which a person must be entered on the register of members in order to be entitled to attend or vote at a general meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

7.3.13 Communications with Shareholders

Subject to the Statutes, the Company can send all types of notices, documents or information to members by electronic means or by making such communications

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available on a website. Otherwise, such notice, documentation or information must be sent by prepaid first class post.

7.3.14 Ownership of shares by overseas persons

Members who have not supplied the Company with a UK address (or in the case of corporations, those who do not have a UK registered office) are not entitled to receive notices, documents or information from the Company.

7.3.15 Appointment of directors

The Company may by ordinary resolution appoint any person who is willing to act and is permitted by law to do so to be a director. Without prejudice thereto, the directors have power at any time to do so, but so that the total number of directors shall not thereby exceed any maximum number fixed by or in accordance with the Articles (being 9). Any person so appointed by the directors shall hold office only until the conclusion of business at the next annual general meeting.

No person, other than a director retiring at the meeting, shall be eligible for appointment or re-appointment as a director at any general meeting unless: (i) he or she is recommended by the directors; or (ii) the resolution to propose him or her is accompanied by notice in writing signed by a Shareholder other than the nominee, containing specified information about the nominee and notifying the Shareholder's intention to propose him or her for appointment, together with a notice signed by the nominee of his willingness to be appointed.

If the Company has fewer than two directors and the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so, two or more members may call a general meeting for the purpose of appointing one or more directors.

7.3.16 Retirement of directors

Each director shall retire from his or her position as director at the annual general meeting of the Company held in the third calendar year following the year in which he or she was elected (or last re-elected) and, unless the directors determine otherwise, shall be eligible for immediate re-appointment.

7.3.17 **Proceedings of the board of directors**

The quorum necessary for the transaction of the business of the directors may be fixed from time to time by the directors and unless so fixed at any other number shall be two.

Questions arising at any meeting of the directors shall be determined by a majority of votes and each director present has one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

The continuing directors or a sole continuing director may act notwithstanding any vacancies but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with the Articles, the continuing directors or director may act only for the purpose of appointing directors or of calling a general meeting to do so. Any additional director so appointed by the directors or director shall hold office until the conclusion of business at the following annual general meeting.

A resolution in writing signed by such number of the directors as are for the time being entitled to receive notice of a meeting of the directors and comprise together in number not less than a quorum for a meeting of the directors shall be as effective as a resolution duly passed at a meeting of the directors.



7.3.18 Fees, pensions and gratuities for directors

Fees paid to the directors for their services as officers of the Company shall not exceed £500,000 per annum, or such higher amount as approved by ordinary resolution, to be divided between the directors in such proportions as they agree.

Any director who performs services which, in the opinion of the directors, are outside of the scope of the ordinary duties of a director, may be paid such additional remuneration and may receive such other benefits as the directors or any committee of the directors may determine.

The Company may also pay or repay to any director all travelling, hotel and other expenses reasonably and properly incurred in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise incurred in connection with the business of the Company.

The directors may establish and/or contribute to any pension, retirement or superannuation scheme or fund and may pay or agree to pay pension, retirement, superannuation benefits, annuities and other emoluments to (or to any person in respect of) any person who is or was a director of the Company, for his benefit or for the benefit of any member of his family. The directors may also establish and/or contribute to any death and/or disability scheme for the benefit of any person who is or was a director of the benefit of any person who

7.3.19 **Permitted interests of directors**

A director who has, directly or indirectly, an interest in a transaction entered into or proposed to be entered into by the Company which conflicts or may conflict with the interests of the Company and of which the director is aware, must disclose the nature and extent of the director's interest to the Company in line with the Articles and the provisions of the Statutes. Provided a director has made such a disclosure:

- (i) a director is not disqualified by his or her office from entering into any contract, arrangements or transaction with the Company in any manner;
- (ii) no contract, arrangement or transaction in which a director or a person connected with a director is directly or indirectly interested is liable to be avoided; and
- (iii) any director who enters into any such contract, arrangement, transaction or proposal or is so interested is not liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of the director holding that office or of the fiduciary relationship thereby established.

A director may hold any other office or employment with the Company (except that of auditor) in conjunction with his office of director and may act by himself or herself or through his firm in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him or her, or a person connected with him or her, from that Company.

7.3.20 Conflicts of interest of directors

The board may, in accordance with the requirements in the Articles, authorise any matter proposed to it by any director which would, if not authorised, involve a director breaching his duty to act to avoid conflicts of interests (such as exploitation of property or information).



A director seeking authorisation in respect of such conflict shall declare to the board the nature and extent of his or her interest in a conflict as soon as is reasonably practicable. The director shall provide the board with such details of the matter as are necessary for the board to decide how to address the conflict together with such additional information as may be requested by the board.

Any authorisation by the board will be effective only if:

- the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted director(s); and
- (iii) the matter is agreed to without the conflicted director voting or would be agreed to if the conflicted director's and any other interested director's vote is not counted.

7.3.21 Indemnification and insurance of directors

Subject to the Statutes, but without prejudice to any indemnity to which he or she may otherwise be entitled, every director and officer (or former director) of the Company or of any associated company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities which he or she may sustain or incur in the execution or discharge of his or her duties as director or officer of the Company or otherwise in relation to or in connection with his duties, powers or office, including against any liability attaching to a director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company.

The indemnity provisions do not operate to provide an indemnity against any liability attaching to a director in relation to fines imposed in criminal proceedings or for regulatory non-compliance, for any liability incurred in defence of civil proceedings brought by the Company or criminal proceedings, in either case where the court rules against the director, or on application for relief where the court refuses to grant relief to him or her and such refusal is final.

The directors have power to purchase and/or maintain insurance at the expense of the Company for, or for the benefit of, anyone who is or was at any time a director or alternate director of the Company or any associated company.

8. Mandatory takeover offers and squeeze-out / sell-out rules

- 8.1 Save as provided by the Companies Act and the City Code, there are no rules or provisions which:
 - 8.1.1 require a mandatory takeover offer to be made in respect of the Company;
 - 8.1.2 entitle a party making a takeover offer in respect of the Company to squeeze-out Shareholders who do not accept the offer; or
 - 8.1.3 entitle a Shareholder to sell-out to a party who has made a takeover offer in respect of the Company.
- 8.2 No takeover offers have been made in respect of the Company since its incorporation.
- 8.3 The City Code applies to the Company for so long as its Ordinary Shares remain admitted to trading on AIM and for a period of 10 years following the cancellation of such admission. Rule 9 of the City Code provides that, except with the consent of the Takeover Panel, when:



- 8.3.1 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) carry 30 per cent. or more of the voting rights of a company; or
- 8.3.2 any person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. 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 a 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 Founding Shareholder Concert Party are considered to be acting in concert with each other in relation to the Company for the purpose of the City Code (which creates a presumption that shareholders in a private company who, following the reregistration of that company as a public company, become shareholders in a company to which the City Code applies, are acting in concert). Immediately following Admission, the Founding Shareholder Concert Party are expected to control approximately 30.7 per cent. of the voting rights in the Company.

- 8.4 Under the Companies Act, if a takeover offer (as defined in section 974 of the Companies Act) is made for the shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the takeover offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. 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 per cent. 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 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 Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.
- 8.5 The Companies 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 per cent. 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.



9. Directors

9.1 The Directors and their principal functions are as follows:

Director	Principal function	Date of appointment
Kevin Dorren	Chief Executive Officer	12 January 2021
John Swan	Chief Financial Officer	22 January 2021
Adrienne MacAulay	Chief Product Officer	22 January 2021
Chris van der Kuyl	Non-Executive Chairman	22 January 2021
Hazel Cameron	Independent Non-Executive Director	5 March 2021
Chris Britton	Senior Independent Non-Executive Director	5 March 2021
Ana Stewart	Independent Non-Executive Director	5 March 2021

- 9.2 The business address of each of the Directors is the Company's registered office.
- 9.3 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings are set out below:

Name	Current directorships and partnerships	Previous directorships and partnerships
Kevin Dorren	Bells Brae Management Limited	Siix Limited
	Move Fresh Limited	Brewhive Limited
	Parsley Box Limited	Diet Chef Limited
	Bella & Duke Limited	Diet Now Ltd
	TV Squared Limited	Fine Coffee Club Ltd
		Machine Labs Limited
		Liquid Ecommerce Limited
John Swan	Parsley Box Limited	-
Adrienne	Ness (Holdings) Limited	Ness (Leith) Limited
MacAulay	Ness (Clothing) Limited	Ness (York) Limited
,	Parsley Box Limited	Noanoanorth Limited
	, –	Welma Limited
		Welma Purity Limited
		WWF Edinburgh Limited
Chris van der	4J Studios Limited	CQ16A Limited
Kuyl	4J Studios VGDC Limited	CQ16B Limited
	ACE Aquatec Limited	CQ16C Limited
	ADV Holdings Ltd	Digital Catapult Services Limited
	Betahus Limited	Dundee Science Centre
	Broker Insights Limited	Entrepreneurial Scotland Limited
	Parsley Box Limited	Entrepreneurial Scotland Group Limited
	Puny Astronaut Limited	Royal Scottish National Orchestra
	Tayforth Properties Ltd	Society Limited
	TV Squared Limited	Scottish Institute For Enterprise Limited
	Blippar Limited	Team 17 Holdings Limited
	••	The Entrepreneurial Exchange Limited

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	Current directorships	Previous directorships	
Name	and partnerships	and partnerships	
Hazel Cameron	-	-	
Chris Britton	Amplify Limited	Aromatherapy Investments Limited	
	Dr Gerard Sp. z o.o	Aromatherapy Investments Holding	
	Epicurean Dairy Limited	Limited	
	Epicurean Dairy Holdings Limited (New	B&B Investment Partners LLP	
	Zealand)	Bounce Foods Limited	
	Epicurean Dairy (UK) Limited	DS Smith PLC	
	Green Park Brands Limited	ND1T Limited	
	Green Park Brands LP	PHD Acquisition Bidco Limited	
	Green Park Holdings LP	PHD Acquisition Midco Limited	
	Green Park Snacks Limited	Sportsplatform Holdco Limited	
	Green Park Snacks, Inc	Sportsplatform Midco Limited	
	Park Grange Associates Ltd	TPW Acquisition Bidco Limited	
	Maverick Makers Snacks Limited	TPW Acquisition Midco Limited	
	Maverick Snacks, Inc	Ugly Brands Limited	
	Maverick Makers Snacks, Inc (US)	Ugly Brands UK Limited	
	Natal Angels Limited		
	Oceansaver Limited		
Ana Stewart	AdinMo Ltd	ATM-AD Limited	
	Bella & Duke Limited	i-Design Group Limited	
	Eos Advisory LLP	i-Design Multimedia Limited	
	MycoNourish Limited	-	
	Scottish Football Association Limited		

- 9.4 Adrienne MacAulay was appointed as a director of Ness (Clothing) Limited on 27 March 2003. Ness (Clothing) Limited entered administration on 23 December 2016. The administration remains ongoing.
- 9.5 Adrienne MacAulay was appointed as a director of Ness (Holdings) Limited on 27 March 2015. Ness (Holdings) Limited entered administration on 5 April 2017. The administration remains ongoing.
- 9.6 Chris van der Kuyl was appointed as a director of Vis Entertainment Limited on 27 September 1995. Vis Entertainment Limited entered administration on 7 April 2005 and was dissolved following liquidation on 29 July 2014.
- 9.7 Chris van der Kuyl was appointed as a director of CQ16A Limited on 28 April 2005. A special resolution to wind up CQ16A Limited was passed on 30 March 2016 and CQ16A Limited was dissolved following liquidation pursuant to a members' voluntary liquidation on 14 August 2020.
- 9.8 Hazel Cameron was a director of each of Tao Group Limited and its parent company Tao Media Limited when they entered administration on 31 May 2007 and 19 March 2007 respectively. Tao Group Limited was dissolved on 3 September 2008 and Tao Media Limited was dissolved in March 2009.
- 9.9 Save as otherwise disclosed in this paragraph 9, none of the Directors has:
 - 9.9.1 any unspent convictions in relation to indictable offences;
 - 9.9.2 at any time been adjudged bankrupt or been the subject of any form of individual voluntary arrangement;

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- 9.9.3 been a director of a company at the time of, or at any time during the period of 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or composition or arrangement with its creditors generally or with any class of them;
- 9.9.4 been a partner in a partnership at the time of, or at any time during the period of 12 months preceding the date of, its compulsory liquidation, administration or partnership voluntary arrangement;
- 9.9.5 owned any asset which has been placed in receivership or been a partner of any partnership at the time at which, or at any time during the period of 12 months preceding the date on which, any asset of that partnership was placed in receivership;
- 9.9.6 been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body); or
- 9.9.7 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.
- 9.10 Save as set out above and save in their capacities as persons legally and/or beneficially interested in Ordinary Shares, none of the Directors has any potential conflicts of interest between his or her duties to the Company and his or her private interests or other duties.

10. Directors' service contracts and letters of appointment

10.1 The Executive Directors have entered into new service agreements with the Company in each case conditional and to take effect upon Admission. The service agreements govern the performance of the Executive Directors' duties for the Company and other members of the Group. The principal terms of the service agreements are summarised below.

Executive Director	Salary*	Benefits in kind	Notice period	Date of service agreement
Kevin Dorren	£250,000	-	6 months	19 March 2021
John Swan	£150,000	3% employer pension contributions	6 months	19 March 2021
Adrienne MacAulay	£150,000	3% employer pension contributions	6 months	19 March 2021

* Basic salaries are subject to annual review by the Company.

- 10.2 The service agreements also provide for 33 days' paid holiday per annum (inclusive of public and bank holidays in Scotland), and up to 30 days' sick pay. Other paid leave (i.e. family and parental leave) is statutory only.
- 10.3 An Executive Director's employment may be terminated by either party giving to the other not less than six months' written notice. Under the terms of each service agreement, the Company may elect to terminate an Executive Director's employment by making a payment in lieu of notice equal to basic salary only for any unexpired portion of the notice period.
- 10.4 The Company also has the discretion to place an Executive Director on garden leave during the notice period. It is entitled to dismiss an Executive Director without notice or compensation in specified circumstances, for example if the Executive Director commits a serious or persistent breach of any term of the service agreement.
- 10.5 The Executive Directors' service agreements also contain 12 month post-termination noncompete, non-solicitation and non-deal restrictions.



- 10.6 Kevin Dorren's service agreement refers to permitted existing interests in Move Fresh Limited and TV Squared Limited, which he is permitted to continue provided they take up on average no more than two days per calendar month and do not impair his ability to carry out his duties for the Company.
- 10.7 The following letters of appointment have been entered into between the Company and each of the non-executive Directors, which set out their respective responsibilities.

Non-executive Director	Annual fee	Date of letter of appointment
Chris van der Kuyl	£90,000	11 March 2021
Hazel Cameron	£50,000	10 March 2021
Chris Britton	£50,000	10 March 2021
Ana Stewart	£50,000	10 March 2021

- 10.8 Those letters of appointment provide for a one month notice period. No compensation is payable to any non-executive Director who retires by rotation and is not re-elected or whose appointment is otherwise terminated by the Company.
- 10.9 Under the Articles, all Directors must retire by rotation at least every three years. Further, any person appointed as a Director by the Board shall only hold office until the conclusion of business at the next annual general meeting of the Company. Accordingly, each of Ana Stewart, Hazel Cameron and Chris Britton shall retire at the annual general meeting of the Company to be held in 2022 and it is presently expected that each of the Directors will offer himself or herself for re-election at that meeting.

11. Directors' interests

- 11.1 Save as set out below, none of the Directors has any interest in the share capital of the Company. In addition, none of the Directors (nor any member of their respective immediate families) has any interest in any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.
- 11.2 The interests (all of which are beneficial) of the Directors, of their respective immediate families and (so far as is known or could with reasonable diligence be ascertained by the relevant Director) of any person connected with a Director in the issued share capital of Parsley Box and the Company as at 25 March 2021 (being the latest practicable date prior to the publication of this document) and as they are expected to be on Admission are as follows:



		As at 25	March 2021			On Adm	ission (4)	
	Parsl	ey Box	Com	pany	Parsl	ley Box	Con	npany
Director	Number and class of shares	Percentage of issued voting share capital	Number	Percentage of issued voting share capital	Number and class of shares	Percentage of issued voting share capital	Number and class of shares	Percentage of issued voting share capital
Kevin Dorren ⁽¹⁾	4,785,948 ordinary shares 479,422 A ordinary shares	13.99%	1 Ordinary Share 1 A Ordinary Share	100%	Nil	Nil	5,523,381	13.18%
			1 Redeemable Preference Share	e				
John Swan	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Adrienne MacAulay ⁽²⁾	4,064,853 ordinary shares	10.80%	Nil	Nil	Nil	Nil	3,734,570	8.91%
Chris van der Kuyl ⁽³⁾	2,137,231 ordinary shares 1,784,819 A ordinary shares	10.42%	Nil	Nil	Nil	Nil	3,922,050	9.36%
Hazel Cameron	60,976	0.16%	Nil	Nil	Nil	Nil	60,976	0.15%
Chris Britton	152,439	0.41%	Nil	Nil	Nil	Nil	152,439	0.36%
Ana Stewart	60,976	0.16%	Nil	Nil	Nil	Nil	60,976	0.15%

Notes:

(1) Kevin Dorren is a director of and majority shareholder in, and exercises significant control over Move Fresh Limited (the parent company of Diet Chef Limited) which held 571,364 ordinary shares and 91,463 A ordinary shares in Parsley Box as at 25 March 2021 and will hold 662,827 Ordinary Shares immediately following Admission. Those Ordinary Shares are included within Kevin Dorren's interests on Admission in the table above.

(2) Adrienne MacAulay's interests on Admission include the 359,570 Ordinary Shares to be held by her husband James Gordon MacAulay immediately following Admission.

(3) Chris van der Kuyl is a director of and shareholder in, and exercises significant control over 4J Studios Limited which held 1,602,033 ordinary shares in Parsley Box as at 25 March 2021 and will hold the same number of Ordinary Shares immediately following Admission. Those Ordinary Shares are included within Chris van der Kuyl's interests on Admission in the table above.

(4) The figures stated in these columns reflect the position after taking into account (i) the completion of the Share for Share Exchange Agreement; (ii) the Replacement Option exercises that are noted in paragraph 11.3 below; and (iii) the sale of Ordinary Shares by Directors, their respective immediate families and any person connected with a Director pursuant to the Offers.

11.3 As at 25 March 2021 (being the latest practicable date prior to the publication of this document), the following Directors had agreed, conditional upon and with effect from completion of the Company's acquisition of the entire issued share capital of Parsley Box pursuant to the Share for Share Exchange Agreement, to surrender their existing rights under the Parsley Box Limited Share Scheme in exchange for the grant of the following Replacement Options:

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Director	Number of Ordinary Shares to be under Option	Normal Exercise Period	Exercise price per Ordinary Share
Kevin Dorren	730,000	Admission to 9 October 2030	£0.2241
John Swan	160,643	Admission to 12 February 2030	£0.2241
Adrienne MacAulay	327,500	Admission to 5 March 2029	£0.1512
Adrienne MacAulay	111,557	Admission to 12 February 2030	£0.2241

On Admission:

- the Replacement Option described in the above table that is held by Kevin Dorren will be exercised in full;
- the Replacement Option described in the above table that is held by John Swan will be exercised in respect of 80,321 of the Ordinary Shares over which it subsists; and
- the first Replacement Option described in the above table that is held by Adrienne MacAulay will be exercised in full; the second Replacement Option described in the above table that is held by Adrienne MacAulay will be exercised in respect of 57,205 of the Ordinary Shares over which it subsists.
- 11.4 As at 25 March (being the latest practicable date prior to the publication of this document), the following NED Options had been granted, conditional on Admission, to the following Directors:

Director	Number of Ordinary Shares under option	Normal Exercise Period	Exercise price per Ordinary Share
Hazel Cameron	60,976	Second anniversary of Admission to tenth anniversary of Admission	£1.64
Chris Britton	152,439	Second anniversary of Admission to tenth anniversary of Admission	£1.64
Ana Stewart	60,976	Second anniversary of Admission to tenth anniversary of Admission	£1.64



11.5 In addition to the interests set out above, and as noted in paragraph 15.3.3 below, it is currently envisaged that the following awards, structured as nominal value options over Ordinary Shares, will be granted to the Directors identified in the table below on, or shortly after, Admission pursuant to the MIP:

Director	Number of Ordinary Shares to be placed under award	Earliest vesting date
Kevin Dorren	1,125,000	First anniversary of the date of grant
John Swan	337,500	First anniversary of the date of grant
Adrienne MacAulay	337,500	First anniversary of the date of grant

11.6 Pursuant to certain lock-in and orderly market deeds, each of the Directors has agreed, subject to certain limited exceptions, not to dispose of any Ordinary Shares held by them following Admission (or certain other securities) during the period of 12 months following Admission. Following that initial period of 12 months, they have each agreed for a further period of 6 months to only dispose of the Ordinary Shares (and certain other securities) then held by them in such manner as finnCap or any replacement broker may reasonably require so as to ensure an orderly market in the Shares. Further details of these arrangements are set out in paragraph 16.1.3 below.

12. Employees

12.1 The following table sets out the average number of employees of the Group for each of the financial years in question and the geographic locations of those employees:

Location	Financial	Financial	Financial
	year ended	year ended	year ended
	31 December 2018	31 December 2019	31 December 2020
Edinburgh	9	31	87

12.2 The following table sets out the average number of employees of the Group for each of the financial years in question and the main category of activity of those employees:

Main category of activity	Financial year ended 31 December 2018	Financial year ended 31 December 2019	Financial year ended 31 December 2020
Board/Senior Management	2	3	5
IT/E-commerce	-	-	1
Marketing	-	2	4
New Product Development	-	-	1
Finance	-	1	3
Operations	1	-	-
Customer Services	6	25	74
Average Monthly Totals	9	31	87



13. Major Shareholders

13.1 Insofar as is known to the Company as at 25 March 2021 (being the latest practicable date prior to the date of this document), the following persons will (at the 25 March 2021 and immediately following Admission and completion of the Offers) hold an interest in three per cent. or more of the issued share capital of the Company:

	As at 25 March 2021 ⁽⁷⁾		Immediately fo	llowing Admission
Shareholder	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital
Kevin Dorren ⁽¹⁾	5,332,545	13.53%	4,860,554	11.60%
Andrew Veitch (2)	3,940,262	10.00%	3,616,980	8.63%
Adrienne MacAulay (3)	3,759,705	9.54%	3,375,000	8.05%
Chris van der Kuyl (4)	2,320,017	5.89%	2,320,017	5.54%
Patrick Burns ⁽⁵⁾	2,320,017	5.89%	2,320,017	5.54%
Schroders Plc	-	-	2,001,158	4.77%
Canaccord Genuity Group Inc	-	-	1,936,800	4.62%
The Income and Growth VCT plc	2,699,344	6.85%	1,799,564	4.29%
Mobeus Income and Growth VCT plc	2,491,164	6.32%	1,660,776	3.96%
4J Studios Limited	1,602,033	4.06%	1,602,033	3.82%
William Dobbie (Snr) (6)	1,611,139	4.09%	1,449,498	3.46%
Octopus Investments	-	-	1,377,600	3.29%
William Dobbie (Jnr)	1,331,334	3.38%	1,331,334	3.18%
Mobeus Income & Growth 4 VCT plc	1,948,846	4.94%	1,299,230	3.10%
Leonie Dobbie	1,197,466	3.04%	1,022,893	2.44%
Mobeus Income and Growth 2 VCT plc	1,607,711	4.08%	1,071,807	2.56%
Emma Dobbie	1,197,466	3.04%	1,068,153	2.55%

Notes:

- (1) Kevin Dorren is a director of and majority shareholder (60.65%) in, and exercises significant control over Move Fresh Limited (the parent company of Diet Chef Limited, a supplier of certain services to Parsley Box) which will hold 662,827 Ordinary Shares immediately following Admission. Those shares are not included within Kevin Dorren's shareholding in the table above.
- (2) Andrew Veitch is a director of and a significant shareholder (36.07%) in Move Fresh Limited (the parent company of Diet Chef Limited) which will hold 662,827 Ordinary Shares immediately following Admission. Those shares are not included within Andrew Veitch's interests in the table above.
- (3) Adrienne MacAulay is married to James Gordon MacAulay who will hold 359,570 Ordinary Shares immediately following Admission. Those shares are not included within Adrienne MacAulay's shareholding in the table above.
- (4) Chris van der Kuyl is a director of and shareholder (alongside his connected persons) in (50%), and exercises significant control over 4J Studios Limited which will hold 1,602,033 Ordinary Shares immediately following Admission. Those shares are not included within Chris van der Kuyl's shareholding in the table above.
- (5) Patrick Burns is a director of and shareholder in, and exercises significant control over 4J Studios Limited which will hold 1,602,033 Ordinary Shares immediately following Admission. Those shares are not included within Patrick Burns' interests in the table above.
- (6) William Dobbie (Snr) is a director of and the sole shareholder in Chanrossa Group Limited which will hold 413,673 Ordinary Shares immediately following Admission. Those shares are included within William Dobbie (Snr)'s interests in the table above.
- (7) The interests in Ordinary Shares as at 25 March 2021 have been stated as if the changes to the share capital of the Company summarised in paragraph 5.5 of this Part IV had taken place on such date.
- 13.2 None of the persons noted in the table above has different voting rights from other Shareholders in respect of the shares held by them.
- 13.3 Insofar as is known to the Company and save as disclosed in paragraph 13.1 above, as at 25 March 2021 (being the latest practicable date prior to the publication of this document), the Company was not, directly or indirectly, owned or controlled by any persons.



13.4 Insofar as is known to the Company, as at 25 March 2021 (being the latest practicable date prior to the publication of this document) there were no arrangements, the operation of which might at a subsequent date result in a change in control of the Company.

14. Related party transactions

- 14.1 Save as set out below or in the financial information set out in Part III ("Historical Financial Information on Parsley Box") of this document, no related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) have been entered into by members of the Group between 29 March 2017 and 25 March 2021 (being the latest practicable date prior to the publication of this document).
- 14.2 Move Fresh Limited is a shareholder in the Company, and Kevin Dorren is a director of both companies. Parsley Box has purchased goods and services to the value of £1,571,342.85 from Diet Chef Limited (a wholly owned subsidiary of Move Fresh Limited) since 1 January 2021, consisting of third party warehousing and logistics services.
- 14.3 On 28 February 2021, Parsley Box paid an arrangement fee of £3,749.98 to Move Fresh Limited in respect of Move Fresh Limited's investment in Parsley Box made in January 2021.
- 14.4 Since 1 January 2021 Parsley Box has paid monitoring fees and expenses to Mobeus Equity Partners LLP totalling £38,426.88. Mobeus Equity Partners LLP manages the Mobeus VCTs' investments in the Company.
- 14.5 Since 1 January 2021, shipments to the value of £3,493.53 have been made by Parsley Box through Liquid Ecommerce Limited, a company controlled by Parsley Box key management personnel, Kevin Dorren and Andrew Veitch.

15. Share option and share scheme arrangements

15.1 **Replacement Options**

15.1.1 Introduction

The Parsley Box Limited Share Scheme was established on 5 March 2019 and was subsequently used to grant rights to acquire shares in that company to selected employees of the Group.

As part of the process surrounding the Company's acquisition of Parsley Box (further details of which are provided at paragraph 16.1.8 below), the holders of all options that will be outstanding under the Parsley Box Limited Share Scheme have agreed, conditional upon and with effect from completion of the transaction, to surrender those entitlements in exchange for the grant, by the Company, of Replacement Options that are on equivalent terms. Details of the Replacement Options that will be granted pursuant to these arrangements, together with a summary of their principal terms, are set out below.

No further awards will be granted under the rules of the Parsley Box Limited Share Scheme in the future.

15.1.2 Principal terms of Replacement Options

All Replacement Options will be structured as "exit only" awards and will, therefore, vest and become exercisable on Admission becoming effective. Thereafter, Replacement Options will remain capable of being exercised at any time during the applicable period specified in paragraph 15.1.3 below. However, in specified circumstances (including the cessation of the participant's employment and the occurrence of certain major corporate events), the lapse date may be varied or accelerated.



It is anticipated that any exercise of Replacement Options will be satisfied by the issue of new Ordinary Shares. Such issues will normally take place within twenty eight days of the date of exercise. Any Ordinary Shares that are issued to participants will rank *pari passu* with other Ordinary Shares at the date of allotment.

15.1.3 Details of Ordinary Shares that will be subject to Replacement Options

As at 25 March 2021 (being the latest practicable date prior to the publication of this document), it is anticipated that Replacement Options will be granted over a total of 1,973,359 Ordinary Shares.

It is also anticipated that, immediately on Admission, Replacement Options will be exercised in respect of an aggregate of 1,456,066 Ordinary Shares. Details of the Replacement Options that will remain outstanding after such exercises have occurred are as follows:

Deemed date of grant ⁽¹⁾	Aggregate no. of Ordinary Shares to be subject to Replacement Options	Exercise period ⁽²⁾	Exercise price per Ordinary Share
12 February 2020	373,743	Admission to 12 February 2030	£0.2241
9 October 2020	100,123	Admission to 9 October 2030	£0.2241
15 October 2020	23,427	Admission to 15 October 2030	£0.2241
17 December 2020	17,500	Admission to 17 December 2030	£0.2241
18 December 2020	2,500	Admission to 18 December 2030	£0.2241

Notes:

(1) For the purposes of the terms governing the Replacement Options, the date of grant will be deemed to be the date on which the corresponding option under the Parsley Box Limited Share Scheme was originally granted.

(2) As highlighted in paragraph 15.1.2 above of this Part IV, there are a variety of circumstances in which Replacement Options will lapse earlier that the expiry of this period.

15.2 NED Options

15.2.1 Introduction

On 25 March 2021, the Company granted options over its Ordinary Shares, conditional on Admission, to Hazel Cameron, Christopher Britton and Ana Stewart, each of whom is a non-executive Director. These NED Options are intended to be one-off awards and it is not anticipated that further grants will be made to the Non-Executive Directors in the future.



15.2.2 Details of the NED Options

As at 25 March 2021 (being the latest practicable date prior to the publication of this document), the following NED Options were outstanding:

Director	Number of Ordinary Shares under option	Normal Exercise Period	Exercise price per Ordinary Share
Hazel Cameron	60,976	Second anniversary of Admission to tenth anniversary of Admission	£1.64
Chris Britton	152,439	Second anniversary of Admission to tenth anniversary of Admission	£1.64
Ana Stewart	60,976	Second anniversary of Admission to tenth anniversary of Admission	£1.64

15.2.3 Principal terms of NED Options

The terms of each of the NED Options are set out in an agreement entered into between the Company and the relevant individual. Each NED Option is personal to the non-executive Director to whom it is granted and may not be transferred, assigned or charged in any way, except on death.

A NED Option will normally vest and become exercisable on the second anniversary of the date of Admission. Once vested, a NED Option will remain exercisable up until the tenth anniversary of grant, unless it lapses earlier.

There are no performance conditions attached to the NED Options.

It is anticipated that any exercise of a NED Option will be satisfied by the issue of new Ordinary Shares. Such issues will normally take place within twenty eight days of the date of exercise. Any Ordinary Shares that are issued to participants will rank *pari passu* with other Ordinary Shares at the date of allotment.

As a general rule, a NED Option will lapse upon the relevant non-executive Director ceasing to be an office holder of the Company prior to its vesting date. However, if such cessation occurs because of his/her death, injury, permanent disability or in other circumstances at the discretion of the Board (i.e. a "**NED Good Leaver**"), then the NED Option will not lapse and will continue to vest on the date that it would have vested had he/she not ceased to be an office holder. The extent to which the NED Option will vest in these circumstances will, unless the Board determines otherwise, be pro-rated to reflect the period of time between its grant and the date of cessation. Alternatively, if an individual ceases to be an office holder as a NED Good Leaver, the Board can decide that his/her NED Option will vest at or around the time when he/she leaves, subject to time pro-rating (unless the Board determines otherwise).

In the event of a takeover or winding up of the Company all NED Options will normally vest early, but only in respect of such time-apportioned proportion of the Ordinary Shares over which they subsist as the Board shall determine. The Board can, however, decide not to time-apportion a NED Option if it regards it as inappropriate to do so in the particular circumstances.

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In the event of any capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of capital, demerger, special dividend or any other event affecting the share capital of the Company, the number and/or nominal value of Ordinary Shares comprised in a NED Option, and/or the applicable exercise price, may be adjusted by the Board.

15.3 **The MIP**

15.3.1 Introduction

The Company adopted the MIP (the principal features of which are summarised below) on 5 March 2021, conditional on Admission.

15.3.2 Overview and form of awards

The MIP is a discretionary arrangement that will be administered by the Remuneration and Nomination Committee. It will allow selected individuals to be granted awards ("**Awards**") over Ordinary Shares in the form of:

- (i) "Nil Cost/Nominal Value Options", being rights to acquire Ordinary Shares that have an exercise price that is set at either zero or an amount equal to the nominal value of an Ordinary Share; or
- (ii) "Market Value Options" being rights to acquire Ordinary Shares that have an exercise price not less that the prevailing market value of an Ordinary Share at the date of grant.

Awards granted under the MIP (whether as Nil Cost / Nominal Value Options or Market Value Options) will be capable of being structured as either EMI Options (which qualify for favourable tax status) or unapproved options. Where possible, Awards will be granted as EMI Options to increase tax efficiency for both the participating employees and the Parsley Box Group.

The Remuneration and Nomination Committee may also decide to grant cashbased Awards of an equivalent value to share-based Awards or to satisfy share-based Awards in cash, although there is no current intention to do so.

15.3.3 Eligibility and details of Admission Awards

Any employee (including an executive director) of the Group will generally be eligible to be granted Awards under the MIP at the discretion of the Remuneration and Nomination Committee.

On, or shortly after, Admission, the Remuneration and Nomination Committee intends to grant the following Awards (the "**Admission Awards**"):

- (i) an Award over 1,125,000 Ordinary Shares to Kevin Dorren, Chief Executive Officer;
- (ii) an Award over 337,500 Ordinary Shares to John Swan, Chief Financial Officer;
- (iii) an Award over 337,500 Ordinary Shares to Adrienne MacAulay, Chief Product Officer; and
- (iv) Awards over up to an aggregate of 22,375 Ordinary Shares to two other selected employees.

The Admission Awards granted to the Chief Executive Officer, the Chief Financial Officer and the Chief Product Officer will be in the form of Nominal Value Options; the remaining Admission Awards will be granted as Market Value Options with an exercise price per Ordinary Share equal to the Offer Price.



An overview of the terms that will apply to the Admission Award to be granted to each of Kevin Dorren, John Swan and Adrienne MacAulay is as follows:

- (i) The Award will be separated into three equal tranches.
- (ii) The first tranche ("Tranche 1") will vest on or around the first anniversary of grant, but only if and to the extent that specified conditions are satisfied relating to (a) the Company's revenue and earnings before interest, taxes, depreciation and amortization and share based payments ("Adjusted EBITDA") performance for the financial year to 31 December 2021; and (b) the achievement of certain annual key performance indicators ("KPIs").
- (iii) It is anticipated that the vesting of 70 per cent. of Tranche 1 will be determined by reference to the revenue and Adjusted EBITDA targets, with the balance of 30 per cent. being subject to KPI satisfaction.
- (iv) One third of the Ordinary Shares in respect of which Tranche 1 vests will become exercisable immediately; a one year holding period will be applied to a further third of the vested Ordinary Shares and a two year holding period will apply to the balance of the vested shares.
- (v) The above vesting/holding period mechanism will also be applied to the remaining tranches of the Award (i.e. "Tranche 2" and "Tranche 3") save that:
 - Tranche 2 will vest on the second anniversary of grant and by reference to similarly weighted revenue/Adjusted EBITDA/KPI performance conditions measured over the Company's financial year to 31 December 2022; and
 - Tranche 3 will vest on the third anniversary of grant and by reference to similarly weighted revenue/Adjusted EBITDA/KPI performance conditions measured over the Company's financial year to 31 December 2023.
- (vi) For the avoidance of doubt, the performance conditions applicable to each of the Tranches will be set by the Remuneration and Nomination Committee at the date of grant of the Admission Award.

It is currently anticipated that, following the grant of the Admission Awards, no further Awards will be made to Kevin Dorren, John Swan or Adrienne MacAulay under the MIP until after the commencement of the Company's financial year to 31 December 2024.

15.3.4 Grant of Awards

Awards may normally be granted under the MIP within the period of forty-two days commencing on:

- (i) the date of Admission; or
- (ii) the day following a results announcement by the Company in any year.

Additionally, Awards may also be granted on any day on which the Remuneration and Nomination Committee resolves that exceptional circumstances exist which justify the making of such Awards. No Awards will be granted more than ten years after the date of adoption of the MIP. No payment is required for the grant of an Award. Awards are not pensionable.

15.3.5 Awards personal to the participants

An Award granted under the MIP will be personal to the participant and may not be transferred, assigned or charged in any way, except on death.

15.3.6 Exercise price

The price payable per Ordinary Share on the exercise of an Award will be specified by the Remuneration and Nomination Committee at the date of grant. However, and as highlighted at paragraph 15.3.2 above of this Part IV:

- (i) an Award granted as a Nil Cost / Nominal Value Option will have an exercise price that is either zero or an amount equal to the nominal value of an Ordinary Share; and
- (ii) an Award in the form of a Market Value Option will have an exercise price that is not less than the quoted closing price of an Ordinary Share for the dealing day immediately preceding the date of grant (or, in the case of an Admission Award granted as a Market Value Option, not less than the Offer Price).

15.3.7 Individual limits

The maximum total market value of Ordinary Shares over which Awards (other than the Admission Awards) may be granted to a participant in the MIP in respect of any financial year of the Company is 150 per cent. of his/her basic salary (i.e. excluding bonuses and benefits in kind). However, this limit can be exceeded in circumstances (including, but not limited to, those in connection with the recruitment of an employee) which the Remuneration and Nomination Committee considers to be exceptional.

Within the above limit, the value of Ordinary Shares over which an Award is granted will be determined at the sole discretion of the Remuneration and Nomination Committee.

For the purposes of applying the above limit:

- (i) the Admission Awards will be ignored; and
- (ii) the market value of an Ordinary Share comprised in an Award will be determined by reference to its quoted closing price for the dealing day immediately preceding the date of grant.

15.3.8 Performance conditions

The vesting of Awards granted under the MIP to the Company's executive directors will be subject to performance conditions set by the Remuneration and Nomination Committee. The measurement period(s) for such conditions will be set by the Remuneration and Nomination Committee at the date of grant. The Remuneration and Nomination Committee can set different performance conditions for Awards granted in different years (in terms of the type of condition, the weighting given to that condition and the targets applicable to each condition) to ensure that they remain appropriate, challenging and in line with the Company's strategy and relevant best practice guidelines.

Details of the performance conditions to be applied to the Admission Awards to be granted to executive directors are set out in paragraph 15.3.3 above.

The Remuneration and Nomination Committee will have the power to vary the terms of the performance conditions attaching to an outstanding Award in exceptional circumstances, provided that the amended conditions are, in their opinion, neither materially easier nor more difficult to achieve than the original performance conditions as envisaged by the Remuneration and Nomination Committee at the date of grant of that Award.

The Remuneration and Nomination Committee may set different or no performance conditions for participants who are not executive directors.



15.3.9 Vesting and holding period

Awards granted under the MIP will vest at such time (or times) as set by the Remuneration and Nomination Committee.

Awards will vest to the extent that any applicable performance conditions have been satisfied and provided the participant is still employed by the Group (although see "good leaver" provisions below). Once vested, Awards will normally remain exercisable up until the tenth anniversary of grant, unless they lapse earlier.

An Award may be subject to a post-vesting holding period determined by the Remuneration and Nomination Committee and notified to the participant at the date of grant. If such a holding period is imposed, it may involve a restriction on the participant's ability to exercise that Award and/or a restriction on the ability to dispose of Ordinary Shares that have been acquired (other than to satisfy any tax liabilities arising on exercise). Details of the post-vesting holding periods to be applied to the Admission Awards to be granted to the Executive Directors are set out in paragraph 15.3.3 above.

15.3.10 Dividend equivalents

The Remuneration and Nomination Committee may decide that a participant who has been granted a Nil Cost / Nominal Value Option will receive a payment (in cash and/or Ordinary Shares), on or shortly following the settlement of that Award, of an amount equivalent to the dividends that would have been payable on the Ordinary Shares acquired between the date of grant and the vesting date (or, if applicable, the expiry of any holding period to which the Award is subject).

15.3.11 Source of Ordinary Shares and dilution limits

Awards granted under the MIP may be satisfied either by the issue of new Ordinary Shares, the transfer of Ordinary Shares from treasury or the transfer of existing Ordinary Shares purchased in the market. Any Ordinary Shares that are allotted when an Award vests or is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment). Until a participant acquires any Ordinary Shares subject to an Award, he/she has no rights to those Ordinary Shares, including voting or dividend rights.

The number of new Ordinary Shares issued or remaining capable of being issued pursuant to awards granted under the MIP and all the Company's other employee share schemes in any period of 10 years will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

For the purpose of the above limit:

- (i) any Ordinary Shares which are acquired by market purchase for the purposes of satisfying share scheme awards will not be counted;
- (ii) no account will be taken of any Ordinary Shares where the right to acquire them was granted prior to Admission;
- (iii) treasury shares will count as new issue Ordinary Shares unless institutional investors decide that they need not count; and
- (iv) no account will be taken of any Ordinary Shares where the right to acquire them was released or lapsed prior to vesting/exercise.

15.3.12 Malus and clawback

Awards can be granted on the basis that they will be subject to "malus" and/or "clawback" provisions.



Where an Award is subject to malus then, at any time before it vests, the number of Ordinary Shares over which it subsists may be reduced (including to zero) if the Remuneration and Nomination Committee determines that:

- (i) there has been a material misstatement in the Company's financial statements and/or an error or inaccurate or misleading information which has resulted in the Awards being granted over a higher number of Ordinary Shares than would otherwise have been the case; or
- (ii) there has been a material failure of risk management or other circumstances have arisen which represent a serious reputational risk to the Company.

An Award may also be subject to clawback if, in the period of two years from its vesting date, the Remuneration and Nomination Committee becomes aware that:

- (i) there has been a material misstatement of the Company's financial results and/or an error in assessing any applicable performance conditions;
- (ii) the participant in question committed serious misconduct; or
- (iii) there has been a material failure of risk management or other circumstances have arisen which represent a serious reputational risk to the Company.

The Remuneration and Nomination Committee may satisfy the clawback by recovering and withholding future incentive compensation, including but not limited to the amount of any unpaid bonus, the number of Ordinary Shares under a vested but unexercised or unreleased award and/or a requirement to make a cash payment.

15.3.13 Cessation of employment

Cessation before vesting

As a general rule, an Award (or any part thereof) will lapse upon a participant ceasing to hold employment or be a director within the Group prior to its vesting date.

However, if a participant ceases to be an employee or a director because of his/her death, injury, permanent disability, redundancy, his employing company or the business for which he/she works being sold out of the Group or in other circumstances at the discretion of the Remuneration and Nomination Committee (i.e. a "**MIP Good Leaver**"), then his/her Award will not lapse and will continue to vest on the date that it would have vested had he/she not ceased such employment or office. Also, any previously imposed holding period will continue to apply in these circumstances unless the Remuneration and Nomination Committee determines otherwise.

The extent to which an Award will vest in these circumstances will depend upon two factors:

- the extent to which any performance conditions have, in the opinion of the Remuneration and Nomination Committee, been satisfied over the original performance measurement period; and
- (ii) the pro-rating of the Award to reflect the period of time between its grant and the date of cessation, although the Remuneration and Nomination Committee can decide not to pro-rate an Award if it regards it as inappropriate to do so in the particular circumstances.

Alternatively, if a participant ceases employment as a MIP Good Leaver, the Remuneration and Nomination Committee can decide that his/her Award will vest at or around the time when he/she leaves, subject to performance condition satisfaction (measured at that time) and time pro-rating (unless the Remuneration and Nomination Committee determines otherwise).



Cessation during holding period

Where cessation of employment occurs during any post-vesting holding period applicable to an Award then, unless the Remuneration and Nomination Committee decides that an earlier release date is justified by the circumstances, it will continue to be subject to that holding period. If, however, such cessation occurs due to the individual's gross misconduct or his/her resignation to join a competitor business in an executive capacity, then the Award will normally immediately lapse.

15.3.14 Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all Awards will vest early, but normally only in respect of such time-apportioned proportion of the Ordinary Shares over which they subsist as the Remuneration and Nomination Committee shall determine having regard to such factors as:

- (i) the level of achievement against any outstanding performance conditions;
- (ii) the underlying performance of the Company;
- (iii) the particular circumstances of the transaction; and
- (iv) the overall interests of Shareholders.

The Remuneration and Nomination Committee can, however, decide not to timeapportion an Award if it regards it as inappropriate to do so in the particular circumstances.

As an alternative to the above provisions, the Remuneration and Nomination Committee may, in connection with a takeover, require a participant to surrender their existing rights under the Plan in consideration for the grant to him/her of equivalent rights over shares in the acquiring company (or a member of its group).

In the event of an internal corporate reorganisation, Awards will normally be replaced by equivalent rights over shares in a new holding company unless the Remuneration and Nomination Committee decides that Awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration and Nomination Committee, would affect the market price of Ordinary Shares to a material extent, then the Remuneration and Nomination Committee may decide that Awards will vest on the basis which would apply in the case of a takeover as described above.

15.3.15 Variation of capital

In the event of any capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of capital, demerger, special dividend or any other event affecting the share capital of the Company, the number and/or nominal value of Ordinary Shares comprised in Awards, and/or the applicable exercise price, may be adjusted by the Remuneration and Nomination Committee.

15.3.16 Amendments to the MIP

The Remuneration and Nomination Committee may, at any time, amend the provisions of the MIP in any respect, provided that no alteration which would materially and adversely affect the subsisting rights of a participant may normally be made without his/her prior consent.

15.3.17 Overseas jurisdictions

The Remuneration and Nomination Committee may develop and approve overseas jurisdiction variants to the MIP under the terms of which Awards may be made in such a way as to satisfy or take advantage of securities and tax legislation or



exchange controls in such jurisdictions. Any plan variants will otherwise be of similar structure and economic intent as the main MIP Awards and will count towards the individual and overall Plan limits described above.

15.4 **The SIP**

15.4.1 Introduction

The SIP, which was adopted by the Company on 5 March 2021 conditional on Admission, is an all-employee share ownership plan which has been designed to meet the requirements of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 so that Ordinary Shares can be provided to UK employees under its terms in a tax-efficient manner.

Under the SIP, eligible employees may be: (i) awarded up to £3,600 worth of free Ordinary Shares ("**Free Shares**") each year; (ii) offered the opportunity to buy Ordinary Shares with a value of up to the lower of £1,800 and 10% of the employee's pre-tax salary each year ("**Partnership Shares**"); (iii) given up to two free Ordinary Shares ("**Matching Shares**") for each Partnership Share purchased; and/or (iv) allowed or required to purchase Ordinary Shares using any dividends received on Ordinary Shares held in the SIP ("**Dividend Shares**"). The Remuneration and Nomination Committee may determine that different limits shall apply in the future should the relevant legislation be amended.

15.4.2 SIP Trust

The SIP operates through a UK-resident trust (the "**SIP Trust**"). The trustee of the SIP Trust purchases or subscribes for Ordinary Shares that are awarded to or purchased on behalf of participants in the SIP. A participant will be the beneficial owner of any Ordinary Shares held on his/her behalf by the trustee of the SIP Trust.

Any Ordinary Shares held in the SIP Trust will rank equally with Ordinary Shares then in issue.

If a participant ceases employment, he/she will be required to withdraw his/her Free Shares, Partnership Shares, Matching Shares and Dividend Shares from the SIP Trust (or the Free Shares and Matching Shares may be forfeited as described below).

15.4.3 Eligibility

Each time that the Remuneration and Nomination Committee decides to operate the SIP, all UK resident tax-paying employees of the Company (and those of its subsidiaries that participate in the arrangement) must be offered the opportunity to participate. Other employees may be invited to participate at the discretion of the Remuneration and Nomination Committee. Employees invited to participate may be required to have completed a minimum qualifying period of employment (of up to eighteen months) before they can participate in the SIP on any occasion.

15.4.4 Free Shares

Up to £3,600 worth of Free Shares may be awarded to each employee in a tax year. Free Shares must be awarded on the same terms to each employee, but the number of Free Shares awarded can be varied by reference to the employee's remuneration, length of service, number of hours worked and, if the Company so chooses, the satisfaction of performance targets based on business results or other objective criteria. There is a holding period of between three and five years (with the precise duration being determined by the Remuneration and Nomination Committee) during which the participant cannot withdraw the Free Shares from the SIP Trust (or otherwise dispose of the Free Shares) unless the participant leaves employment.

The Remuneration and Nomination Committee may provide that Free Shares will be forfeited if the participant ceases employment other than in the circumstances



of injury, disability, redundancy, retirement or his employing company or the business for which he/she works being sold out of the Group (i.e. "**SIP Good Leaver**") or on death.

Forfeiture can only take place within three years of the Free Shares being awarded.

15.4.5 Partnership Shares

The Remuneration and Nomination Committee may allow an employee to use pretax salary to buy Partnership Shares. The maximum limit is the lower of £1,800 or 10% of pre-tax salary in any tax year. The minimum salary deduction permitted, as determined by the Remuneration and Nomination Committee, must be no greater than £10 on any occasion. The salary allocated to Partnership Shares can be accumulated for a period of up to 12 months or Partnership Shares can be purchased out of deductions from the participant's pre-tax salary when those deductions are made. A participant and the Company may agree to vary the amount of salary deductions and the intervals of those deductions.

Once acquired, Partnership Shares may be withdrawn from the SIP by the participant at any time.

15.4.6 Matching Shares

The Remuneration and Nomination Committee may, at its discretion, offer Matching Shares free to an employee who has purchased Partnership Shares. If awarded, Matching Shares must be awarded on the same basis to all participants up to a maximum of two Matching Shares for every Partnership Share purchased. There is a holding period of between three and five years (with the precise duration being determined by the Remuneration and Nomination Committee) during which the participant cannot withdraw the Matching Shares from the SIP Trust unless the participant ceases employment.

The Remuneration and Nomination Committee may, at its discretion, provide that Matching Shares will be forfeited if the participant ceases employment other than as a SIP Good Leaver or on death. Forfeiture can only take place within three years of the Matching Shares being awarded.

15.4.7 Re-investment of dividends

The Remuneration and Nomination Committee may allow or require a participant to re-invest the whole or part of any dividends paid on Ordinary Shares held in the SIP. Dividend Shares must be held in the SIP Trust for no less than three years.

15.4.8 Source of Ordinary Shares and dilution limit

The SIP may operate over new issue Ordinary Shares, treasury Ordinary Shares or Ordinary Shares purchased in the market.

The number of new Ordinary Shares issued or remaining capable of being issued pursuant to the SIP and all the Company's other employee share schemes in any period of 10 years will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

For the purpose of the above limit:

- (i) any Ordinary Shares which are acquired by market purchase for the purposes of satisfying share scheme awards will not be counted;
- (ii) no account will be taken of any Ordinary Shares where the right to acquire them was granted prior to Admission;
- (iii) treasury shares will count as new issue Ordinary Shares unless institutional investors decide that they need not count; and



- (iv) no account will be taken of any Ordinary Shares where the right to acquire them was released or lapsed prior to vesting/exercise.
- 15.4.9 Corporate events

In the event of a takeover or winding up of the Company, participants will be able to direct the trustee of the SIP Trust as to how to act in relation to their Ordinary Shares held in the arrangement.

If there is a corporate event resulting in a new person or company acquiring control of the Company, any Ordinary Shares held by participants may, in certain circumstances, be replaced by equivalent rights over shares in the acquiring company.

15.4.10 Amendments to the SIP

The Remuneration and Nomination Committee may, at any time, amend the provisions of the SIP in any respect, provided that:

- (i) no alteration which would materially and adversely affect the subsisting rights of a participant may normally be made without his/her prior consent; and
- (ii) no amendment may be made to a key feature of the SIP if it would result in the relevant statutory requirements for arrangements of that type no longer being met.

16. Material contracts

- 16.1 The following is a summary of all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by any member of the Group either: (i) within the two years immediately preceding the publication of this document which are, or may be, material to the Group; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Groupet.
 - 16.1.1 Placing Agreement

On 25 March 2021, the Company and the Directors entered into a placing agreement with finnCap, pursuant to which finnCap was appointed as the agent of the Company for the purposes of Admission and the agent of the Company (for itself and for the Selling Shareholders) in connection with the Placing (the "**Placing Agreement**").

Pursuant to the Placing Agreement: (i) finnCap has agreed to use its reasonable endeavours to procure placees to subscribe for the Placing Shares at the Offer Price; (ii) the Company and the Directors have given certain warranties (in relation to, amongst other things, the accuracy of the information in this document and certain other matters relating to the Group and its business); and (iii) the Company has given certain indemnities to finnCap. The liability of the Directors are subject to certain conventional limitations.

The Placing Agreement is conditional upon, amongst other things, Admission occurring on or before 8.00am on 31 March 2021 (or such later date as the Company and finnCap may agree, being not later than 5.00 p.m. on 30 April 2021). finnCap may terminate the Placing Agreement in certain circumstances prior to Admission, including in the event of a breach of the warranties or a force majeure event.

Pursuant to the Placing Agreement, the Company has agreed to pay to finnCap a corporate finance fee and a commission on the Company's proceeds from the Placing. The Company has also agreed (as agent for the Selling Shareholders) to pay to finnCap a commission on the Selling Shareholders' proceeds from the Placing.



16.1.2 Nominated adviser and broker agreement

Pursuant to a letter of engagement dated 31 March 2021, the Company appointed finnCap as its nominated adviser and nominated broker until the agreement is terminated on 3 months' notice by either party. The Company has agreed to pay finnCap an annual fee for its services.

16.1.3 Lock-in and orderly market deeds

On 25 March 2021, each of the Directors entered into lock-in and orderly market agreements with the Company and finnCap (together the "Lock-in Agreements"), pursuant to which the Directors have each undertaken to finnCap and the Company that: (a) they shall not, except in certain specified circumstances (including at the discretion of finnCap or the Company's broker at that time and the Independent Directors if it is considered to be in the interests of maintaining an orderly market at that time), sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares ("Interest") held by them and their related parties following Admission (or shares arising or deriving from those Ordinary Shares or rights arising from any such Ordinary Shares or other securities or attached to any such Ordinary Shares) for 12 months following Admission (the "**Restricted Period**"); and (b) in order to maintain an orderly market in the Ordinary Shares, the Directors have also undertaken to finnCap and the Company that they shall, except in certain specified circumstances, for a period of 6 months following the Restricted Period, only dispose of any Interest in Ordinary Shares which they either held at Admission, or acquired during the Restricted Period, through finnCap or any broker which may replace finnCap.

In addition, on 25 March 2021, each of 4J Studios Limited, Move Fresh Limited, Andrew Veitch, James Gordon MacAulay and the Mobeus VCTs entered into lockin and orderly market agreements with the Company and finnCap (together the "Lock-in Agreements"), pursuant to which those Shareholders have each undertaken to finnCap and the Company that: (a) they shall not, except in certain specified circumstances (including at the discretion of finnCap or the Company's broker at that time and the Independent Directors if it is considered to be in the interests of maintaining an orderly market at that time), sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares ("Interest") held by them and their related parties following Admission (or shares arising or deriving from those Ordinary Shares or rights arising from any such Ordinary Shares or other securities or attached to any such Ordinary Shares) for 12 months following Admission (the "Restricted Period"); and (b) in order to maintain an orderly market in the Ordinary Shares, those Shareholders (other than the Mobeus VCTs) have also undertaken to finnCap and the Company that they shall, except in certain specified circumstances, for a period of 6 months, and in the case of each of the Mobeus VCTs, 3 months, following the Restricted Period, only dispose of any Interest in Ordinary Shares which they either held at Admission, or acquired during the Restricted Period, through finnCap or any broker which may replace finnCap.

Finally, on 25 March 2021, each of Emma Dobbie, Leonie Dobbie, William Dobbie (snr), Colin Gillespie and Richard Freedman entered into orderly market agreements with the Company and finnCap (together the "**Orderly Market Agreements**"), pursuant to which those Shareholders have each undertaken to finnCap and the Company that: (a) in order to maintain an orderly market in the Ordinary Shares, those Shareholders have undertaken to finnCap and the Company that they shall, except in certain specified circumstances, for a period of 12 months following Admission ("**Restricted Period**"), only dispose of any Interest in Ordinary Shares which they either held at Admission, or acquired during the Restricted Period, through finnCap or any broker which may replace finnCap.



16.1.4 PrimaryBid engagement

Pursuant to a letter of engagement dated 1 March 2021, the Company (for itself and on behalf of the Selling Shareholders) appointed PrimaryBid to be the arranger of the Customer Offer. Pursuant to this letter of appointment, the Company has agreed to pay to PrimaryBid a commission on the Company's proceeds from the Customer Offer. The Company has also agreed (as agent for the Selling Shareholders) to pay to PrimaryBid a commission on the Selling Shareholders' proceeds from the Customer Offer.

16.1.5 Relationship agreement

On 25 March 2021, Kevin Dorren, Adrienne MacAulay, James Gordon MacAulay, Andrew Veitch and Move Fresh (together the "Founding Shareholders") entered into a relationship agreement with the Company and finnCap pursuant to which the Founding Shareholders agreed, amongst other things: (a) not to take any action intended to prevent the Board from operating independently of the Founding Shareholders (and their connected persons); (b) not to take any action that would have the effect of preventing or might reasonably be expected to prevent any member of the Group from complying with its obligations under any of applicable laws and the AIM Rules for Companies; (c) that any transactions between the Group and the Founding Shareholders (and their connected persons) would be on arm's length terms and on a normal commercial basis; (d) to exercise their voting rights as Shareholders to seek to ensure that the Board includes at least two independent non-executive directors; and (e) not to exercise their voting rights as Shareholders in relation to any transactions or other matters concerning them (or their connected persons). The relationship gareement will terminate in the event that: (a) the Company ceases to be admitted to trading on AIM; or (b) the Founding Shareholders (and their connected persons) cease to hold in aggregate at least 20 per cent. of the voting rights in the Company for a continuous period of 90 days.

16.1.6 Support and supply agreement with Diet Chef

Diet Chef provides warehousing, packing, shipping and certain IT support services to the Group related to the fulfilment and delivery of customer orders pursuant to an agreement entered into between Parsley Box and Diet Chef on 18 April 2019 on arm's length terms (the "**Supply Agreement**"). Unless terminated sooner, the Supply Agreement expires on 17 April 2024 (or such other date as may be agreed). During the term, either party can terminate for insolvency or material breach. In addition, Parsley Box can terminate the Supply Agreement at any time on 4 weeks' notice. On termination or expiry of the Supply Agreement, Diet Chef is obliged to assist Parsley Box in ensuring a full and orderly transfer of the services thereunder to a replacement supplier.

16.1.7 Software licence agreement with Diet Chef

The Group in-licences certain parts of its e-commerce platform from Diet Chef pursuant to an arms' length agreement entered into by Diet Chef and Parsley Box on 19 April 2019, as amended on by an amendment agreement dated 9 February 2021 (the "**Software Licence**"). No fee or royalty is payable by Parsley Box under the Software Licence and the licence is not terminable or revocable by Diet Chef. The Software Licence permits Parsley Box to use and amend the software to facilitate the processing of customer orders placed through www.parsleybox.com. No title or ownership in the software passes to Parsley Box under the Software Licence and Parsley Box cannot sub-licence the software.

16.1.8 Acquisition of Parsley Box

Pursuant to a share for share exchange agreement dated 22 March 2021 among the Company, Parsley Box and the shareholders of Parsley Box, the Company agreed (conditional upon and with effect immediately prior to Admission) to acquire the entire issued share capital of Parsley Box (the "**Share for Share Exchange Agreement**"). Pursuant to the Share for Share Exchange Agreement, each



shareholder in Parsley Box will (immediately prior to Admission) exchange their A ordinary shares of 1 penny or ordinary shares of 1 penny (as the case may be) in the capital of that company for a corresponding number of A Ordinary Shares and / or Ordinary Shares. Pursuant to the Share for Share Exchange Agreement, the parties thereto also agreed that any existing shareholders' agreements in respect of Parsley Box would terminate with effect immediately prior to Admission.

16.1.9 Direct Subscription Agreement

On 24 March 2021, the Company and two existing beneficial shareholders in Parsley Box (being Luxury Holdings, LLC and PV DE Holdings (Barbados) Inc. entered into a direct subscription agreement pursuant to which the Company agreed, conditional upon Admission occurring on or before 8.00 a.m. on 31 March 2021 (or such later date as the Company and finnCap may agree, being not later than 5.00 p.m. on 30 April 2021), to allot and issue (at the Offer Price) 250,000 New Ordinary Shares to Luxury Holdings, LLC and 250,000 New Ordinary Shares to PV DE Holdings (Barbados) Inc. The New Ordinary Shares to be issued pursuant to the Direct Subscription Agreement will, when issued (on Admission), rank *pari passu* with the Existing Ordinary Shares. Under the Direct Subscription Agreement, the Company has given certain warranties which are usual for an agreement of this type (including in relation to the Company's capacity and as to the content of this document), which will be deemed to be repeated immediately prior to Admission.

17. Litigation

Neither the Company nor any member of the Group is or has been engaged in nor, so far as any Director is aware, has pending or threatened against it any governmental, legal or arbitration proceedings which may have, or have had in the recent past (being the 12 months immediately preceding the date of this document), a significant effect on the Group's financial position or profitability.

18. Working capital

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account the net proceeds of the Offers, the working capital available to the Company and the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

19. No significant change

- 19.1 Save as set out in this document, there has been no significant change in the financial position of Parsley Box since 31 December 2020 (being the date to which the historical financial information as set out in Part III of this document has been published).
- 19.2 There has been no significant change in the financial position or financial performance of the Company since the date of incorporation.

20. UK Taxation

20.1 The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individual Shareholders, domiciled) for UK tax purposes in (and only in) the UK, who hold their Ordinary Shares as an investment (other than under tax exempt arrangements such as individual savings accounts), and who are the absolute beneficial owners of both their Ordinary Shares and any dividends paid on them.



- 20.2 The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.
- 20.3 Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

Taxation of Chargeable Gains

- 20.4 For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Ordinary Shares allotted to them, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.
- 20.5 The amount paid for the Ordinary Shares will constitute the tax base cost of a Shareholder's holding.
- 20.6 A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

UK tax resident individual Shareholders

- 20.7 Where an individual Shareholder disposes of Ordinary Shares at a gain, Capital Gains Tax ("CGT") will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.
- 20.8 For such individuals, CGT will be charged at 10 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, CGT will be charged at 20 per cent.
- 20.9 For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.
- 20.10 Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK resident corporate Shareholders

- 20.11 Where a Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.
- 20.12 Subject to certain exemptions, the corporation tax rate applicable to a UK resident corporate Shareholder on taxable profits is currently 19 per cent.

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Taxation of Dividends

Withholding tax on dividends

20.13 Under current UK tax legislation no tax is required to be withheld from dividend payments made by the Company.

Dividends paid to UK tax resident individuals

- 20.14 UK resident individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent., but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.
- 20.15 Dividend income in excess of the annual dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2020/2021: 7.5 per cent. to the extent it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK discretionary trustees

20.16 The annual dividend allowance is not available to UK resident trustees of a discretionary trust. UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate.

Dividends paid to UK tax resident companies

- 20.17 A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but shareholders should seek independent advice to confirm their positions (subject to anti-avoidance rules and provided all conditions are met).
- 20.18 If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

- 20.19 An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a recognised stock exchange. The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.
- 20.20Absent an exemption from stamp duty and SDRT, any dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to a de minimis limit and relevant anti-avoidance provisions.



- 20.21 The above statements are intended to be a general guide to the current stamp duty and SDRT position. 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 the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.
- 20.22 THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS AT THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

21. Consents

- 21.1 finnCap has given and not withdrawn its consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- 21.2 RSM Corporate Finance LLP has given and not withdrawn its consent to the inclusion of its report in Section A of Part III ("Historical Financial Information on Parsley Box") of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules.

22. Expenses and fees

- 22.1 The total fees, costs, charges and expenses payable by the Company in connection with the Offers and Admission are estimated to be £1.1 million (exclusive of VAT).
- 22.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from any member of the Group within the twelve months preceding the date of application for Admission or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from it on or after Admission:
 - 22.2.1 fees totalling £10,000 or more;
 - 22.2.2 securities in the Company with a value of £10,000 or more calculated by reference to the Offer Price; or
 - 22.2.3 any benefit with a value of \pounds 10,000 or more at the date of Admission.

23. General

- 23.1 Azets Audit Services Limited were the auditors of Parsley Box in respect of the financial year ended 31 December 2020. Azets Audit Services Limited is a member of the Institute of Chartered Accountants in England and Wales.
- 23.2 The financial information contained in Part III ("Historical Financial Information on Parsley Box") of this document does not constitute statutory accounts within the meaning of section 434(4) of the Companies Act. The financial statements of Parsley Box in respect of the financial periods ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020 have been delivered to the Registrar of Companies in Scotland. The statutory accounts of Parsley Box for the financial year ended 31 December 2020 contained an unqualified report from the auditors and did not contain any statement under section 498 of the Companies Act. In respect of each of the financial periods ended 31 March 2018, 31 March 2019, Parsley Box was entitled to exemption from audit under section 477 of the Companies Act.



- 23.3 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Group's activities.
- 23.4 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 23.5 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.
- 23.6 Save as disclosed in this document, the Directors believe that the Group is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.
- 23.7 The Ordinary Shares are in registered form and are eligible for settlement in CREST. The ISIN for the Ordinary Shares is GBOOBNK9TZ56 and the SEDOL for the Ordinary Shares is BNK9TZ5. The Offer Price represents a premium of 199 pence over the nominal value of 1 penny per Ordinary Share.

24. Selling Shareholders

The following table sets out the name, business address and maximum number of Sale Shares to be sold by each Selling Shareholder in the Offers and the expected shareholding of each Selling Shareholder immediately following Admission:

Name and business address	Number of Ordinary Shares held immediately following the completion of the Share for Share Exchange Agreement	Maximum number of Sale Shares to be sold in the Offers	Number of Ordinary Shares held immediately following Admission and the Offers ⁽¹⁾
Kevin Dorren, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,332,545	471,991	4,860,554
Andrew Veitch ⁽²⁾ , c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	3,940,262	323,282	3,616,980
Gordon MacAulay ⁽³⁾ , c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	1,017,353	657,783	359,570
Adrienne MacAulay, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	3,759,705	384,705	3,375,000
William Dobbie (snr), c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	1,197,466	161,641	1,035,825
Leonie Dobbie, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	1,197,466	174,573	1,022,893
Emma Dobbie, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	1,197,466	129,313	1,068,153



Name and business address	Number of Ordinary Shares held immediately following the completion of the Share for Share Exchange Agreement	Maximum number of Sale Shares to be sold in the Offers	Number of Ordinary Shares held immediately following Admission and the Offers ⁽¹⁾
Colin Gillespie, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	1,000,000	387,938	612,062
Richard Freedman, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	444,393	51,725	392,668
The Income & Growth VCT plc, 30 Haymarket, London SW1Y 4EX	2,699,344	899,780	1,799,564
Mobeus Income & Growth VCT plc, 30 Haymarket, London SW1Y 4EX	2,491,164	830,388	1,660,776
Mobeus Income & Growth 2 VCT plc, 30 Haymarket, London SW1Y 4EX	1,607,711	535,904	1,071,807
Mobeus Income & Growth 4 VCT plc, 30 Haymarket, London SW1Y 4EX	1,948,846	649,616	1,299,230
Employees			
John Swan, c/o Level 6, Quartermile 1, 5 Lauriston Place, Edinburgh EH3 9EN	80,321	80,321	Nil
Alana Thomson, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Andrew Gray, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Bryan Valentine, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Catherine Oxenham, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Daniel Cowan, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Deborah Bell, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	13,387	13,387	Nil
Eilidh Sayers, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Fiona Boyd, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	24,263	24,263	Nil
Geoff Howard, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil



Name and business address	Number of Ordinary Shares held immediately following the completion of the Share for Share Exchange Agreement	Maximum number of Sale Shares to be sold in the Offers	Number of Ordinary Shares held immediately following Admission and the Offers ⁽¹⁾
Hayley Forsyth, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Jenna Anderson, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Jennifer Wood, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	23,427	23,427	Nil
John Donlan, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Justin Oxenham, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Kieran Doonan, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	50,201	50,201	Nil
Kirsty Young, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	18,964	18,964	Nil
Kristine Kalnina, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	35,698	35,698	Nil
Liz Walker, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Mikolaj Mochylski, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Natasha Cooper, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Nikki Forrest, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	25,100	25,100	Nil
Olivia Mclaughlan, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil
Rachel Miller, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	5,000	5,000	Nil
Stina Paulsen, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil



Name and business address	Number of Ordinary Shares held immediately following the completion of the Share for Share Exchange Agreement	Maximum number of Sale Shares to be sold in the Offers	Number of Ordinary Shares held immediately following Admission and the Offers ⁽¹⁾
Werner Englebrecht, c/o Level 6, Quartermile 1, 15 Lauriston Place, Edinburgh EH3 9EN	2,500	2,500	Nil

Note:

- (1) Assuming that the maximum number of Sale Shares subject to the Offers is sold.
- (2) Andrew Veitch is a former director of Parsley Box.
- (3) Gordon MacAulay is a former director and employee of Parsley Box.

25. Availability of documents

- 25.1 Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the head office of the Company and the offices of Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL for one month from the date of this document. This document is also available on the Company's website, www.parsleybox.com.
- 25.2 Copies of the following documents will be available for inspection during normal business hours on any day (except Saturdays, Sundays and public holidays) at the head office of the Company and the offices of Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL for a period of not less than one year following Admission:
 - 25.2.1 the memorandum of association of the Company and the Articles;
 - 25.2.2 the letters of consent referred to in paragraph 21 of this Part IV ("Additional information") of this document;
 - 25.2.3 the annual reports and financial statements of Parsley Box in respect of each of the periods ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020;
 - 25.2.4 the report by RSM Corporate Finance LLP, a copy of which is set out in Part III ("Historical Financial Information on Parsley Box") of this document; and
 - 25.2.5 this document.

The date of this document is 26 March 2021.

PART V TERMS AND CONDITIONS OF THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS IN THE UNITED KINGDOM WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2 OF THE UK PROSPECTUS REGULATION: (I) WHO 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 "FPO"); AND/OR (II) WHO ARE HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FPO; AND (III) OTHER PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (EACH A "RELEVANT PERSON"). THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

1. Introduction

These terms and conditions ("**Terms and Conditions**") apply to persons making an offer to acquire Placing Shares under the Placing. These Terms and Conditions do not apply to the Customer Offer.

Each person to whom these Terms and Conditions apply, as described above, who confirms its agreement to finnCap and the Company to acquire Placing Shares (which may include finnCap or its nominee(s)) (each an "**Investor**") hereby agrees with finnCap and the Company to be bound by these Terms and Conditions as being the terms and conditions upon which the Placing Shares will be issued and/or sold under the Placing. An Investor shall, without limitation, become so bound if finnCap confirms to the Investor (i) the Offer Price and (ii) its allocation of Placing Shares.

The Company and/or finnCap may require any Investor to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) considers necessary and/or may require any such Investor to execute a separate investor letter (an "**Investor Letter**").

2. Agreement to acquire Placing Shares

Conditional upon: (i) Admission occurring and becoming effective by no later than 8.00 a.m. on 31 March 2021 (or such other date and/or time as the Company and FinnCap may agree but, in any event, no later than 5.00 p.m. on 30 April 2021); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms; and (iii) finnCap confirming to the Investors their allocation of Placing Shares, each Investor agrees to become a member of the Company and agrees to acquire at the Offer Price those Placing Shares allocated to it by finnCap. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Investor may have.

3. Payment for Placing Shares

Each Investor undertakes to pay the Offer Price for the Placing Shares acquired by such Investor in the manner and by the time directed by finnCap.

Each Investor is deemed to agree that, if it fails to pay the Offer Price for the Placing Shares acquired by such Investor, finnCap may sell any or all of the Placing Shares allocated to that Investor and which have not been paid for on such Investor's behalf and retain from the proceeds, for finnCap's account and benefit (as agent for the Company and the Selling Shareholders (as the case may be)), an amount equal to the aggregate amount owed by the Investor plus any interest due. Any excess proceeds will be paid to the relevant Investor at its risk. The relevant



Investor will, however, remain liable and shall indemnify finnCap, the Company and the Selling Shareholders on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or SDRT or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Investor's behalf. By agreeing to acquire Placing Shares, each Investor confers on finnCap all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which finnCap lawfully takes in pursuance of such sale.

4. Representations and warranties

By agreeing to acquire Placing Shares under the Placing, each Investor which enters into a commitment to acquire Placing Shares will (for itself and any person(s) procured by it to acquire Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Selling Shareholders, the Registrar and finnCap that:

- it has read this document in its entirety and it is relying solely on this document (and any 4.1 supplementary admission document published by the Company subsequent to the date of this document) and not on any other information given, or representation or statement made at any time, by any person concerning the Group or the Placing. It acknowledges that its participation in the Placing shall be made solely on the terms and conditions set out in these Terms and Conditions, the Placing Agreement and the Articles. It agrees that these Terms and Conditions and the contract note issued by finnCap to such Investor represent the whole and only agreement between the Investor, finnCap, the Selling Shareholders and the Company in relation to the Investor's participation in the Placing and supersedes any previous agreement between any such parties in relation to such participation. It agrees that none of the Company, the Selling Shareholders, finnCap or the Registrar, nor any of their respective directors, officers, partners, agents, consultants, advisers, affiliates, representatives or employees (each an "affiliate"), will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation. This paragraph 1.4.1 shall not exclude any liability for fraudulent misrepresentation;
- 4.2 it has the funds available to pay the Offer Price in respect of the Placing Shares for which it has given a commitment under the Placing;
- the contents of this document (and any supplementary admission document published by 4.3 the Company subsequent to the date of this document) are exclusively the responsibility of the Company and its Directors and apart from the responsibilities and liabilities, if any, which may be imposed on finnCap by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of finnCap nor any person acting on its behalf nor any of their respective affiliates accept any responsibility whatsoever for and makes no representation or warranty, express or implied, as to the contents of this document (or any supplementary admission document published by the Company subsequent to the date of this document) or for any other statement made or purported to be made by it, or on its behalf, in connection with the Group, the Placing Shares or the Placing, finnCap accordingly disclaims 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 supplementary admission document published by the Company subsequent to the date of this document) or any such statement:
- 4.4 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to acquire Placing Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its offer commitment in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Selling Shareholders, finnCap, the Registrar or any of their respective affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;



- 4.5 it does not have a registered address in and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 4.6 it agrees that, having had the opportunity to read this document, it shall be deemed to have had notice of all information and representations contained in this document, that it is acquiring Placing Shares solely on the basis of this document (and any supplementary admission document published by the Company subsequent to the date of this document) and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to acquire Placing Shares;
- 4.7 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document (and any supplementary admission document published by the Company subsequent to the date of this document) and, if given or made, any information or representation must not be relied upon as having been authorised by finnCap, the Company or the Selling Shareholders;
- 4.8 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (*depository receipts and clearance services*) of the Finance Act 1986 and no instrument under which it acquires Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or SDRT at the increased rates referred to in those sections and that it, or the person specified by it for registration as a holder of Placing Shares, are not participating in the Placing as nominee or agent for any person or persons to whom the allocation, transfer or delivery of Placing Shares would give rise to such a liability;
- 4.9 it, or the person specified by it for registration as a holder of the Placing Shares, will be liable for any stamp duty or SDRT liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services), registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the Placing Shares and acknowledge and agree that, save for the Selling Shareholders who have agreed to pay any stamp duty or SDRT under section 87 of the Finance Act 1986 (if any), none of finnCap, the Selling Shareholders nor the Company nor any of their respective affiliates nor any person acting on behalf of them will be responsible for any other liability to stamp duty or SDRT resulting from a failure to observe this requirement;
- 4.10 it accepts that none of the Placing Shares have been or will be registered under the laws of any Restricted Jurisdiction. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.11 if it is receiving the details of the Placing in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.12 it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- 4.13 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to acquire Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and acquired by and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.14 it acknowledges that neither finnCap nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any



transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and that participation in the Placing is on the basis that it is not and will not be a client of finnCap or any of its affiliates, that finnCap is acting for the Company and no-one else and that none of finnCap nor any of its affiliates have any duties or responsibilities to it for providing protections afforded to its or their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities contained in these Terms and Conditions or in any Investor Letter, where relevant;

- 4.15 it acknowledges that it is not located within the United States, it is acquiring Placing Shares in an "offshore transaction" as defined in Regulation S promulgated under the US Securities Act ("**Regulation S**") and where it is acquiring Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to acquire the Placing Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document or in any Investor Letter, where relevant; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or finnCap. It agrees that the provisions of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 4.16 it is acting as principal only in respect of the Placing, or, if it is acting for any other person (i) it is and will remain liable to the Company and/or finnCap and/or the Selling Shareholders for the performance of all its obligations as an Investor in respect of the Placing (regardless of the fact that it is acting for another person) (ii) it is both an "authorised person" for the purposes of the FSMA and a Qualified Investor acting as agent for such person and (iii) such person is either (1) a Qualified Investor or (2) its "client" (as defined in section 86(2) of the FSMA) that has engaged it to act as his agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- 4.17 it confirms that any of its clients, whether or not identified to finnCap or any of its affiliates, will remain its sole responsibility and will not become clients of finnCap or any of its affiliates for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.18 where it or any person acting on its behalf is dealing with finnCap, any money held in an account with finnCap on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require finnCap to segregate such money as that money will be held by finnCap under a banking relationship and not as trustee;
- 4.19 it has not and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA;
- 4.20 it is an "eligible counterparty" or a "professional investor" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is subscribing for or purchasing the Placing Shares for investment only and not for resale or distribution;
- 4.21 it irrevocably appoints any Director and any director of finnCap to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its acquisition of all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 4.22 it accepts that if the Placing does not proceed or the conditions to finnCap's obligations in respect of such Placing under the Placing Agreement are not satisfied or the Placing Agreement is terminated prior to Admission for any reason whatsoever or such Placing Shares are not admitted to trading on AIM for any reason whatsoever, then neither finnCap nor the Company nor the Selling Shareholders nor any of their respective affiliates, nor persons controlling, controlled by or under common control with any of them nor any of



their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- 4.23 it has not taken any action or omitted to take any action which will or may result in finnCap, the Company, the Selling Shareholders or any of their respective affiliates being in breach of the legal or regulatory requirements of any territory in connection with the Placing or its acquisition of Placing Shares pursuant to the Placing;
- 4.24 in connection with its participation in the Placing, it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing including under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(as amended) and that its offer commitment is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the "Money Laundering Directive"); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.25 due to anti-money laundering and the countering of terrorist financing requirements, finnCap, and/or the Company and/or the Selling Shareholders may require proof of identity of the Investor and related parties and verification of the source of the payment before the placing commitment can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes finnCap, and/or the Company and/or the Selling Shareholders may refuse to accept the placing commitment and the subscription and/or purchase moneys relating thereto. It holds harmless and will indemnify finnCap, and/or the Company and/or the Selling Shareholders may refuse to process the placing commitment, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.26 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the MAR and the Proceeds of Crime Act 2002 and confirms that it has complied and will continue to comply with those obligations;
- 4.27 it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Placing Shares pursuant to the Placing or to whom it allocates such Placing Shares have the capacity and authority to enter into and to perform their obligations as an Investor of the Placing Shares and will honour those obligations;
- 4.28 as far as it is aware it is not acting in concert (within the meaning given in the City Code) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the AIM Rules;
- 4.29 finnCap is entitled to exercise any of its rights under the Placing Agreement or any other right in its absolute discretion, including the right to terminate the Placing Agreement, without any liability whatsoever to it (or any agent acting on their behalf) and finnCap shall not have any obligation to consult or notify Investors in relation to any right or discretion given to it or which it is entitled to exercise;
- 4.30 finnCap expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Placing. If such right is exercised, the Placing (and the arrangements associated with it) will lapse and any monies received in respect of the Placing will be returned to Investors without interest;



- 4.31 the representations, undertakings and warranties given by an Investor as contained in this document or in any Investor Letter, where relevant, are irrevocable. It acknowledges that finnCap, the Selling Shareholders and the Company and their respective affiliates will rely upon the truth and accuracy of such representations, undertakings and warranties and it agrees that if any of the representations, undertakings or warranties made or deemed to have been made by its application for Placing Shares are no longer accurate, it shall promptly notify finnCap and the Company;
- 4.32 it confirms that it is not and at Admission will not be, an affiliate of the Company or a person acting on behalf of such affiliate and it is not acquiring Placing Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;
- 4.33 nothing has been done or will be done by it in relation to the Placing that has resulted or could result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with the FSMA or the Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- 4.34 it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Ordinary Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules as they apply to the Company;
- 4.35 it accepts that the allocation of Placing Shares shall be determined by finnCap following consultation with the Company and that finnCap may scale down any placing commitments on such basis as it may determine; and
- 4.36 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing.

5. Indemnity

Each Investor irrevocably agrees, on its own behalf and on behalf of any person on whose behalf it is acting, to indemnify and hold the Company, the Selling Shareholders and finnCap and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach by it or any person on whose behalf it is acting of the representations, warranties, undertakings, agreements and acknowledgements in these Terms and Conditions.

6. Supply and disclosure of information

If finnCap, the Selling Shareholders, the Registrar or the Company or any of their agents reasonably request any information in connection with an Investor's agreement to acquire Placing Shares under the Placing or to comply with any relevant legislation, such Investor must promptly disclose it to them.

7. Miscellaneous

- 7.1 The rights and remedies of the Company, the Selling Shareholders, finnCap and the Registrar under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On the acceptance of its placing commitment, if an Investor is a discretionary fund manager, that Investor may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Investor's risk. They may be returned by post to such Investor at the address notified by such Investor.
- 7.3 Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Investor has agreed to acquire pursuant to the Placing, have

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been acquired by the Investor. The contract to acquire Placing Shares under the Placing and the appointments and authorities mentioned in this document will be governed by and construed in accordance with, the laws of England. For the exclusive benefit of the Company, the Selling Shareholders, finnCap and the Registrar, each Investor irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against an Investor in any other jurisdiction.

- 7.4 In the case of a joint agreement to acquire Placing Shares under the Placing, references to an "**Investor**" in these terms and conditions are to each of the Investors who are a party to that joint agreement and their liability is joint and several.
- 7.5 finnCap, the Selling Shareholders, the Company and its Directors expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined including the right of finnCap to notify to the Company the extension for the dates and times for satisfaction of any or all of the conditions in the Placing Agreement in accordance with the terms of the Placing Agreement (provided that such conditions are not extended beyond 5.00 p.m. on 30 April 2021).
- 7.6 The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated in accordance with its terms. For further details of the terms of the Placing Agreement please refer to paragraph 16.1.1 of Part IV of this document.
- 7.7 finnCap may, and its affiliates acting as an investor for its or their own account(s) may, acquire Placing Shares and, in that capacity may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in these Terms and Conditions to the Placing Shares being offered, subscribed, sold, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, finnCap and/or any of their respective affiliates acting as an investor for its or their own account(s). Neither finnCap nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.
- 7.8 Each Investor which acquires Placing Shares will be deemed to undertake that it agrees that it is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by such Investor or any other person on the acquisition by such Investor of any Placing Shares or the agreement by such Investor to acquire any Placing Shares.

8. Sales outside the United States

Each acquirer of the Placing Shares offered in reliance on Regulation S will be deemed to represent, warrant and agree as follows:

- 8.1 it and any person, if any, for whose account it is acquiring the Placing Shares, is acquiring the Placing Shares outside the United States in an offshore transaction meeting the requirements of Regulation S and the transaction was not pre-arranged with a buyer in the United States;
- 8.2 it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares;
- 8.3 it is aware that the Placing Shares have not been and will not be registered under the US Securities Act and are being offered and sold only in "offshore transactions" outside the United States in reliance on Regulation S;



- 8.4 it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any jurisdiction referred to above;
- 8.5 if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- 8.6 it has received, carefully read and understands this document and has not distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing Shares to any persons within the United States, nor will it do any of the foregoing; and
- 8.7 that the Company, finnCap and the Selling Shareholders, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it, if it becomes aware that the foregoing acknowledgements, representations or agreements are no longer accurate or have not been complied with, it will immediately notify the Company and finnCap and, if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

9. Selling restrictions

- 9.1 The distribution of this document and the offer of Ordinary Shares pursuant to the Placing 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.
- 9.2 The Ordinary 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 Ordinary 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. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of the Ordinary Shares pursuant to the Placing contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or acquire any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

9.3 United Kingdom

In relation to the United Kingdom, no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in the United Kingdom, except that an offer to the public in the United Kingdom of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a Qualified Investor;
- (b) to fewer than 150, natural or legal persons (other than Qualified Investors); or
- (c) in any other circumstances falling within section 86 of FSMA,

provided that no such offer of Ordinary Shares shall result in a requirement for the Company or finnCap to publish a prospectus pursuant to section 85 of FSMA.

For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Ordinary Shares in the United Kingdom means a communication in any form and



by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares.

In the case of any Ordinary Shares being offered to a "financial intermediary" as that term is used in Article 5(1) of the UK Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing 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 Ordinary Shares to the public other than their offer or resale in the United Kingdom to Qualified Investors or in circumstances in which the prior consent of the Company and finnCap has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, finnCap and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a Qualified Investor and who has notified finnCap of such fact in writing may, with the consent of finnCap, be permitted to acquire Ordinary Shares in the Placing.

9.4 European Economic Area

In relation to each member state of the EEA (each a "Member State"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Member State:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) in such relevant Member State; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Offers will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law of the Member state implementing Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression the "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

In the case of any Ordinary Shares being offered to a "financial intermediary" as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing 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 Ordinary Shares to the public other than their offer or resale in the United Kingdom to Qualified Investors or in circumstances in which the prior consent of the Company and finnCap has been obtained to each such proposed offer or resale.



The Company, the Selling Shareholders, finnCap and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor as so defined above and who has notified finnCap of such fact in writing may, with the consent of finnCap, be permitted to acquire Ordinary Shares in the Placing.

9.5 United States of America

The Ordinary Shares have not been and will not be registered under the US Securities Act or under the securities laws or regulations of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Ordinary Shares are being offered and sold only (i) outside the United States in "offshore transactions" in reliance on Regulation S or (ii) in certain limited cases, within the United States in private placements to persons who are institutional persons who are Accredited Investors (within the meaning of Regulation D under the Securities Act) in transactions complying with Rule 506 of Regulation D.

Each purchaser purchasing the Placing Shares in a Regulation D Placing will be required to execute and deliver a signed letter/subscription agreement to the Company containing representations and warranties such as the representation and warranty that such purchaser is an institutional person who is an Accredited Investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

In addition, until 40 days after the commencement of the Placing, an offer or sale of Ordinary Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

9.6 Australia

This document has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange and is not a disclosure document for purposes of Australian law. This document (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of any Ordinary Shares in Australia (including an offer or invitation received by a person in Australia) and no shares may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D.2 of the Corporations Act 2001.

Each acquirer of Ordinary Shares will be deemed to have acknowledged the above and, by applying for Ordinary Shares under this document, gives an undertaking to the Company not to offer, sell, transfer, assign or otherwise alienate those securities to persons in Australia (except in the circumstances referred to above) for 12 months after their issue.

9.7 **Canada**

The relevant clearances have not been and will not be, obtained from the Securities Commission of any province of territory of Canada. Accordingly, subject to certain exceptions the Ordinary Shares may not, directly or indirectly, be offered or sold within Canada, or offered or sold to a resident of Canada.

9.8 **Republic of South Africa**

The relevant clearances have not been and will not be, obtained from the South African Reserve Bank nor any other applicable body in the Republic of South Africa. Accordingly,

the Placing Shares will not, directly or indirectly, be offered or sold within the Republic of South Africa.

9.9 **Japan**

The Placing Shares have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold directly or indirectly in Japan except under circumstances that result in compliance of all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorised in effect at the relevant time.

10. Allocation

- 10.1 finnCap has solicited indications of interest from prospective Investors to acquire Ordinary Shares in the Placing. On this basis, prospective Investors have been asked to specify the number of Ordinary Shares that they are prepared to acquire at different prices. Multiple applications under the Placing are permitted.
- 10.2 A number of factors have been considered in deciding the Offer Price and the bases of allocation, including prevailing market conditions, the level and the nature of the demand for Ordinary Shares and the objective of encouraging long-term ownership of the Ordinary Shares. The Offer Price has been established at a level determined in accordance with these arrangements, taking into account indications of interest received from persons (including market-makers and fund managers) connected with finnCap. Accordingly, the Offer Price may be lower than the highest price at which all of the Ordinary Shares, in respect of which indications of interest have been received or which are available for subscription or sale in the Placing, could have been accepted.
- 10.3 Investors will be advised verbally or by electronic mail of their allocation as soon as practicable following allocation.
- 10.4 Investors will be contractually committed to acquire the number of Placing 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. Dealing with the Placing Shares may not begin before notification is made.
- 10.5 All Ordinary Shares to be issued or sold pursuant to the Placing will be issued or sold, payable in full, at the Offer Price.
- 10.6 The rights attaching to the Ordinary Shares are uniform in all respects and they form a single class for all purposes.
- 10.7 Each Ordinary Share ranks equally in all respects with each other Ordinary Share and has the same rights (including voting and dividend rights and rights to a return of capital) and restrictions as each other Ordinary Share, as set out in the Articles.
- 10.8 Further details of the rights attached to the Ordinary Shares are set out in paragraph 7 of Part IV of this document.

11. Dealing arrangements

11.1 The Placing is subject to the satisfaction of certain conditions contained in the Placing Agreement, which are typical for an agreement of this nature, including Admission occurring and becoming effective by 8.00 a.m. on 31 March 2021 or such later date as may be determined in accordance with such agreement and the Placing Agreement not having been terminated in accordance with its terms. Certain conditions are related to events which are outside the control of the Company, the Directors, the Selling Shareholders and



finnCap. Further details of the Placing Agreement are described in paragraph 16.1.1 of Part IV of this document.

- 11.2 Application will be made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. Admission of the Ordinary Shares is not being sought on any market other than AIM.
- 11.3 It is expected that Admission will take place and dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 31 March 2021.
- 11.4 Each Investor will be required to undertake to pay the Offer Price for the Ordinary Shares acquired by such Investor in such manner as shall be directed by finnCap.
- 11.5 The Ordinary Shares are in registered form and can be held in certificated or uncertificated form. Title to certificated Ordinary Shares (if any) will be evidenced in the register of members of the Company and title to uncertificated Ordinary Shares will be evidenced by entry into the operator register maintained by the Registrar (which will form part of the register of members of the Company).
- 11.6 It is intended that allocations of Placing Shares to Investors who wish to hold Placing Shares in uncertificated form will take place through CREST on Admission. It is intended that, where applicable, definitive share certificates in respect of the Placing Shares will be posted by first class post as soon as is practicable following Admission. Dealings in advance of the crediting of the relevant CREST stock account shall be at the risk of the person concerned. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are not settled in CREST, transfers of those Placing Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

12. CREST

With effect from Admission, the Articles will permit the holding of Ordinary Shares under 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. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

13. Placing arrangements

- 13.1 The Company (for itself and on behalf of the Selling Shareholders), the Directors and finnCap have entered into the Placing Agreement, pursuant to which finnCap has conditionally agreed, subject to certain conditions, as agent for the Company and the Selling Shareholders to use its reasonable endeavours to procure subscribers for the New Ordinary Shares and purchasers for the Sale Shares to be sold by the Selling Shareholders at the Offer Price.
- 13.2 The Placing Agreement contains provisions entitling finnCap to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to Investors without interest. The Placing Agreement provides for finnCap to be paid a commission in respect of the Placing Shares acquired by Investors. Any commission received by finnCap may be retained and any Placing Shares acquired by them may be retained or dealt in, by it, for its own benefit.



13.3 Further details of the terms of the Placing Agreement are set out in paragraph 16.1.1 of Part IV of this document.

14. MiFID II Product Governance Requirements

- 14.1 Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU 2014/65/EU on markets in financial instruments, as amended and as applied in the United Kingdom ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as applied in the United Kingdom; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").
- 14.2 Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing 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 Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.
- 14.3 For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; 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 Placing Shares.
- 14.4 Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.





