

Shareholder questions for 2020 AGM

Q1: How many of the properties does the Group operate from Freehold?

A: We own approximately 50 freehold properties.

(a) Are freeholds preferred to leasehold?

A: The answer is that this depends on the type of business. In our Pubs business, freehold properties are preferable. In our Wagamama and Leisure divisions, properties are almost always leasehold.

(b) What length of leasehold is best?

A: There is no absolute right answer to this, but we typically look for a 15-year term with tenant-only breaks at years 5 and 10.

(c) How many of the 84 Brunning & Price pubs are freehold?

A: Approximately 40 of our Pubs are freehold.

Q2: On page 64 of the Annual Report, the Auditor indicates an improvement on the onerous lease provisions. Can you explain how quickly these can be dealt with and has the ongoing emergency worsened these provisions?

A: It will depend on site by site improvements in trading or where we are able to dispose of assets earlier than expected.

Q3. I note the recent successful share issue to raise cash, I have 2 questions on that

(a) How was the price set (at a small discount to the previous day's share price)?

A: The Placing price of 58.00 pence per share represented a discount of 3.2 per cent to the closing share price of 59.90 pence on 8 April 2020.

(b) I note the purpose of issuing shares was to fund the group for the balance of the year in light of covid-19. The placing diluted existing shareholders significantly. Why did the directors not make this a placing and open offer to existing shareholders, as that would have allowed smaller shareholders to take part? Given that this would not have significantly delayed the cash raising it is a pity directors did not allow retail shareholders to participate (although with the benefit of hindsight, not a disaster).

A: The Placing was undertaken against the backdrop of COVID 19 providing an unprecedented challenge to participants in the hospitality sector. There was then, and remains now, no certainty as to when TRG will next be able to trade its sites, how consumers will interact with these sites when they are reopened, or how Governmental support measures will evolve in the coming weeks and months. The Placing structure was able to be completed in a much shorter timeframe than a full pre-emptive rights issue and the TRG Board firmly believes that raising equity as rapidly as possible through the Placing

structure to secure the future of the business was absolutely in the best interests of TRG's shareholders, the Company's employees and other stakeholders.

Q4. I read the helpful announcement of 8th April with interest. This was very encouraging, although it included the comment "costs have been reduced to a minimum and (excluding payroll costs supported by the Government), ongoing cash expenditure is now only c. £3m per four week period". I would be interested to know how much of the £3m relates to restaurant rents, and how these have been reduced so significantly? Alternatively, to what extent are rental payments fixed, and to what extent are they a function of revenue?

A: The £3m figure does not include rent. The Group continues to try to work with landlords across all business areas to take into account the effects of the Covid-19 crisis.

Q5. Again from 8th April announcement included the comment "the Food and Fuel and Chiquito statutory entities have been placed into administration". To what extent is this an administrative change, and to what extent does it represent permanent cessation of trading?

A: Both companies have permanently ceased trading.
