

DATED

6 December

2023

**(1) FRIENDS PROVIDENT
INTERNATIONAL LIMITED**

AND

**(2) VARIOUS EATERIES TRADING
LIMITED**

AND

(3) VARIOUS EATERIES PLC

CONVERSION AGREEMENT

**relating to
a Deep Discounted Bond issued by
Various Eateries Trading Limited to
Friends Provident International Limited**

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THIS AGREEMENT is made on

6 December

2023

BETWEEN:

- (1) **FRIENDS PROVIDENT INTERNATIONAL LIMITED** (company number 11494C) whose registered office is at Royal Court, Castleton, Isle of Man, British Isles IM9 1RA (“**FP**”);
- (2) **VARIOUS EATERIES TRADING LIMITED** (company number 09185571) whose registered office is at 20 St. Thomas Street, London, England SE1 9RS (“**VETL**”); and
- (3) **VARIOUS EATERIES PLC** (company number 12698869) whose registered office is at 20 St. Thomas Street, London, England SE1 9RS (“**Company**”).

BACKGROUND

- A On 15 February 2023 a deep discounted Bond instrument was entered into between VETL and FP (“**Instrument**”) and, pursuant to the Instrument, the Bond (as defined below) was issued to FP by VETL on 15 April 2023. On the date hereof the Instrument was amended to permit the early repayment of the Bond and the repayment of the Bond other than in cash.
- B FP and VETL have agreed that the Bond shall be redeemed at the Effective Time (as defined below) and repaid in full by the issue of the Conversion Shares (as defined below) on the terms set out in this agreement.

IT IS AGREED that:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

“**Act**” means the Companies Act 2006;

“**agreed form**” means a form that has been agreed by the parties to this agreement at the date of this agreement, with any alterations that may be agreed between the parties in writing;

“**Articles**” means VETL’s articles of association in force at the date of this agreement;

“**Bond**” means the bond issued to FP by VETL pursuant to the terms of the Instrument with nominal value of £10,801,509;

“**Condition**” has the meaning given in clause 3;

“**Conversion Shares**” means 43,206,036 ordinary shares of £0.01 each in the capital of the Company;

“**Deed of Priority**” means the deed of priority dated 27 February 2020 as subsequently amended from time to time and made between and made between (1) FP, (2) VETL, (3) Xercise2 Limited, (4) Zeta Shares Limited, (5) TOR Capital Nominees Limited, (6) Anella Limited, (7) SCP Sugar Limited and (8) Coppa Club Limited;

“**Deed of Release**” means the agreement for the release of the Security in the agreed form;

“**Deed of Termination**” means the deed of termination of the Deed of Priority in the agreed form;

“Effective Time” means the admission of the Placing Shares and the Conversion Shares to the London Stock Exchange’s AIM Market;

“Longstop Date” means 31 January 2024;

“Placing” has the meaning given in clause 3.1;

“Placing Shares” has the meaning given in the announcement released by the Company on the date of this agreement relating to, amongst other things, the Placing;

“Redemption” means the redemption of the Bond in the manner contemplated by clause 2;

“Redemption Amount” means the amount due from VETL to FP on Redemption;

“Security” means the security agreement in favour of FP (charge code 0918 5571 0005) made between, amongst others, VETL and FP dated 27 February 2020; and

“Subscription Amount” means £10,801,509.

1.2 Capitalised terms not defined in clause 1.1 shall have the meaning given to them in the Instrument.

1.3 In this agreement, unless the context otherwise requires:

1.3.1 words in the singular include the plural and vice versa and words in one gender include any other gender;

1.3.2 a person includes any individual, firm, corporation, body corporate, association or partnership, trust, unincorporated organisation, employee representative body, government or state or agency or department thereof, executors, administrators or successors in title (whether or not having a separate legal personality);

1.3.3 clauses and Schedules are to clauses of and schedules to this Instrument;

1.3.4 any provision of this Instrument is to that provision as amended in accordance with the terms of this Instrument;

1.3.5 sterling and the sign £ means pounds sterling in the currency of the United Kingdom; and

1.3.6 the table of contents and headings are for convenience only and shall not affect the interpretation of this Instrument.

2 REDEMPTION OF BOND AND ISSUE OF THE CONVERSION SHARES

2.1 As at the Effective Time and subject to the satisfaction of the Condition and the terms of this agreement, FP and VETL agree that, in accordance with clause 2.3 of the Instrument, the Bond shall be redeemed in full.

2.2 Simultaneously with Redemption, the Conversion Shares shall be issued, allotted and settled as follows:

2.2.1 FP will subscribe for the Conversion Shares at an aggregate subscription price equal to the Subscription Amount;

2.2.2 the Company will issue the Conversion Shares to FP; and

- 2.2.3 FP assigns its right to the Redemption Amount to the Company in settlement of its obligation to pay the Subscription Amount to the Company and the Company accepts that assignment.
- 2.3 FP agrees and acknowledges that, from the Effective Time and subject to completion of the events specified in clause 3:
 - 2.3.1 it shall have no claim against VETL in respect of the Bond; and
 - 2.3.2 any sums owing to FP in connection with the Bond shall instead be owed to the Company and as regards FP be fully and unconditionally discharged.

3 COMPLETION

- 3.1 Completion of the Redemption is conditional only on the Company's placing announced on the date of this agreement ("**Placing**") being unconditional in accordance with its terms and the passing of the shareholder resolutions to be proposed at the general meeting of the Company to be held on or about 22 December 2023 ("**Condition**"), and shall take place at the Effective Time, whereupon:
 - 3.1.1 the Company shall issue and allot the Conversion Shares credited as fully paid with full title guarantee and free from encumbrances and third party rights. The Conversion Shares shall be allotted and issued fully paid and rank pari passu in all respects with the Company's other ordinary shares;
 - 3.1.2 the Company shall execute and deliver to FP a definitive share certificate in respect of the Conversion Shares;
 - 3.1.3 the Company shall register FP, without registration fee, in its register of members as holder of the Conversion Shares;
 - 3.1.4 FP shall execute the Deed of Release and do or procure the doing of all such other Acts as may be required to procure the immediate, unconditional release of the Security; and
 - 3.1.5 FP shall deliver to the Company and VETL a duly executed Deed of Termination.
- 3.2 In the event that the Condition is not satisfied by the Longstop Date, all obligations of the parties shall cease and determine and no party shall otherwise have any claim against any of the others pursuant to the terms of this Agreement.

4 CERTAIN UNDERTAKINGS

FP confirms and agrees that:

- 4.1 it is entering into this Agreement on the basis only of the terms and conditions set out or referred to in this Agreement and not on the basis of any other document or representation made to it;
- 4.2 the Conversion Shares are subject to the Articles;
- 4.3 it understands the Conversion Shares have not been and will not be registered under the US Securities Act 1933 (as amended) or any other US securities laws and may not be offered or sold within the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

- 4.4 it is not a “**US person**” (as defined in Regulation S) and are not acquiring the Conversion Shares on behalf of a third party who is a national resident of the United States or with a view to distributing such shares in or into the United States; and
- 4.5 in agreeing to acquire the Conversion Shares, it is not relying on any information or representation in relation to the Company or the Conversion Shares other than information contained or referred to in this Agreement and information published by the Company which is in the public domain and it is not relying on any representation or warranties or agreements by the Company or any director, employee or agent of the Company or any other person except as expressly set out or referred to in this Agreement.

5 ANTI-MONEY LAUNDERING

- 5.1 FP’s execution of this agreement constitutes its agreement that, to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Company may, in its absolute discretion, require verification of its identity.
- 5.2 Notwithstanding any other provision of this agreement, pending the provision of satisfactory evidence of identity, definitive certificates in respect of the Conversion Shares may be retained at the absolute discretion of the Company.

6 GENERAL

- 6.1 Each party will do or procure the doing of all Acts and things and execute or procure the execution of all such documents as any other party reasonably considers necessary to give full effect to the terms of this agreement.
- 6.2 No exercise, or failure or delay in exercising any right, power or remedy by any party shall constitute a waiver by that party of, or preclude any further exercise of, that or any rights, power or remedy arising under this agreement or otherwise.
- 6.3 No variation of this agreement shall be permitted without the consent in writing of each of the parties.

7 INVALIDITY

To the extent that any provision of this agreement is found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, that provision shall:

- 7.1 be deemed not to be a part of this agreement;
- 7.2 not affect the enforceability of the remainder of this agreement; and
- 7.3 not affect the validity, lawfulness or enforceability of that provision in any other jurisdiction.

8 COUNTERPARTS

If the parties execute this agreement in separate counterparts, it shall take effect as if they had all executed a single copy.

9 GOVERNING LAW AND JURISDICTION

- 9.1 This agreement, and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

- 9.2 The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this agreement, its subject matter or formation.

This document is executed as a deed and delivered on the date stated at the beginning of this agreement.



