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You must read the following disclaimer before continuing. This electronic transmission applies to the attached prospectus (the "Prospectus"), which has been prepared solely in connection with the offer (the "Offer") for sale of existing ordinary shares in the capital of Applied Nutrition plc (the "Company") and admission ("Admission") of the ordinary shares in the Company (the "Shares") to trading on the London Stock Exchange's Main Market for listed securities and to listing on the equity shares (commercial companies) category of the Official List of the Financial Conduct Authority (the "FCA") (the Offer and Admission together, the "Transaction"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. The Prospectus has been approved by the FCA as a prospectus prepared in accordance with the Prospectus Regulation Rules made under section 73A of the Financial Services and Markets Act 2000 ("FSMA").

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In particular, the Shares have not been, and will not be, registered under the Securities Act and may not be offered or sold, directly or indirectly, within the United States, except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of the securities in the United States.

The attached document does not provide any legal, investment and tax advice and you should seek your own independent legal, investment and tax advice with regard to the Transaction as well as the securities of the Company or any other entity. An investment in securities of the Company or any other entity bears the risk of losing the entire investment including the risks associated with insolvency of the issuer of the securities. Pricing information and other related disclosures are expected to be published in due course. Prospective investors are advised to access such information prior to making an investment decision.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached document, electronically or otherwise, to any other person. The attached document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Deutsche Numis or any of their directors, officers, partners, employees, advisers, agents, affiliates, representatives or any other persons accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. A hard copy of the document will be made available to you only upon request to the Company. By accessing the attached document, you consent to receiving it in electronic form.

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



PROSPECTUS

October 2024



This document comprises a prospectus relating to Applied Nutrition plc (**Company**) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (**FCA**) made under section 73A of the Financial Services and Markets Act 2000 (**FSMA**). A copy of this document has been filed with, and approved by, the FCA and has been made available to the public in accordance with the Prospectus Regulation Rules. This document has been approved as a prospectus by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation in respect of a prospectus. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities. This document will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

Application will be made to (i) the FCA for all of the Shares to be admitted to the equity shares (commercial companies) category of the Official List and (ii) the London Stock Exchange for all of the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 24 October 2024. It is expected that Admission to listing on the Official List and trading on the London Stock Exchange will become effective and that unconditional dealings in the Shares will commence at 8.00 a.m. on 29 October 2024. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.

The Company and its directors, whose names appear on page 30 of this document (**Directors**), accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

This document should be read in its entirety, and in particular, the section of this document headed "**Risk Factors**", for a discussion of certain risks relating to the Company's business and industry.



Applied Nutrition plc

*(Incorporated under the Companies Act 2006 and registered in England and Wales
with registered number 09131749)*

**Offer of up to 137,408,477 Shares at an Offer Price expected to be between 136 and 160
pence per Share**

**Admission to listing in the equity shares (commercial companies) category of the Official
List and to trading on the Main Market of the London Stock Exchange**

Sole sponsor and bookrunner

Numis Securities Limited (trading as Deutsche Numis)

Share capital immediately following Admission

**Number
250,000,000**

**Nominal Value
£0.0002**

The Selling Shareholders intend to sell in aggregate up to 137,408,477 existing Shares at the bottom of the Indicative Price Range and up to 137,408,477 existing Shares at the top of the Indicative Price Range. The Company will not receive any of the proceeds of any sale of existing Shares, all of which will be received by the Selling Shareholders.

All Shares sold pursuant to the Offer will be sold, payable in full, at the Offer Price. It is currently expected that the Offer Price will be set within the Indicative Price Range. However, the Indicative Price Range is indicative only, it may change during the course of the Offer and the Offer Price may be set within, above or below the Indicative Price Range. The amount to be sold by the Selling Shareholders may be increased or decreased during the course of the Offer. A number of factors will be considered in determining the Offer Price, the amount to be received by the Selling Shareholders pursuant to the Offer and the basis of allocation to prospective investors, including the level and nature of demand for the Offer Shares during the bookbuilding process, the level of demand in the Intermediaries Offer, the prevailing market conditions and the objective of establishing an orderly and liquid market in the Shares following Admission. Unless required to do so by law or regulation, the Company does not envisage publishing any supplementary prospectus or a Pricing Statement, as the case may be, until announcement of the Offer Price. A Pricing Statement containing the Offer Price, confirming the number of Shares which are the subject of the Offer and containing any other outstanding information is expected to be published on or around 24 October 2024.

The Pricing Statement will not automatically be sent to persons who receive this document, but it will (subject to certain restrictions) be available in electronic form on the Company's corporate website at www.appliednutritionplc.com. If the Offer Price is set above or below the Indicative Price Range or the Indicative Price Range is revised, the Company will make an announcement via a Regulatory Information Service and prospective investors may have a right to withdraw their application for Offer Shares. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Offer Shares would be contained in the announcement.

The Company consents to the use of this document by the Intermediaries in connection with the RetailBook Intermediaries Offer to persons located in the United Kingdom (i) in respect of Intermediaries who have been appointed prior to the date of this document, from the date of this document and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are approved to participate in the RetailBook Intermediaries Offer and agree to adhere to and be bound by Intermediaries Terms and Conditions, in each case, until the closing of the RetailBook Intermediaries Offer. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the RetailBook Intermediaries Offer to any prospective investor who has expressed an interest in participating in the RetailBook Intermediaries Offer to such Intermediary at the time the offer by such Intermediary is made. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.** The Company accepts responsibility for the content of this document with respect to the subsequent resale or final placement of Offer Shares in connection with the RetailBook Intermediaries Offer by any Intermediary given consent to use this document by the Company. The offer period within which any subsequent resale or final placement of Offer Shares by Intermediaries can be made shall commence immediately following the publication of this document and close at 10.00 a.m. on 23 October 2024, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Prospective investors interested in participating in the RetailBook Intermediaries Offer should apply for Offer Shares through the Intermediaries by following their relevant application procedures by no later than 10.00 a.m. on 23 October 2024 or such other date and time notified to you by the respective Intermediary.

Neither the US Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offence. The securities have not been and will not be registered under the US Securities Act of 1933, as amended (the **US Securities Act**). The securities are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the US Securities Act pursuant to registration or an exemption therefrom.

Numis Securities Limited (trading as Deutsche Numis) (**Deutsche Numis**) has been appointed as sole sponsor and bookrunner in connection with Admission and the Offer. Deutsche Numis, which is

authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in this document. Deutsche Numis and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company for which they would have received customary fees. Apart from the responsibilities and liabilities, if any, that may be imposed on Deutsche Numis by 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, Deutsche Numis accepts no responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of, this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Deutsche Numis accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Deutsche Numis 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 to which they are included.

Retail Book Limited (**RetailBook**) has been appointed as the RetailBook Intermediaries Offer Co-ordinator. RetailBook, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the RetailBook Intermediaries Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the RetailBook Intermediaries Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the RetailBook Intermediaries Offer or any transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, that may be imposed on RetailBook by 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, RetailBook accepts no responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of, this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the RetailBook Intermediaries Offer and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. RetailBook accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. RetailBook 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 to which they are included.

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

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this document in its entirety. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company, the Shares and the terms of the Offer, including the merits and risks involved. Prospective investors also acknowledge that:

- (i) they have not relied on Deutsche Numis or any person affiliated with Deutsche Numis in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and

(ii) they have relied only on the information contained in this document.

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

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

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

Notice to certain investors

The Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective investors should read the selling and transfer restrictions described under paragraphs 8 and 9 of Part 8 of this document. Each investor in Shares will be deemed to have made the relevant representations described in paragraph 1.4 of the terms and conditions in Part 8 and paragraph 8.1, 8.2, 8.5 or 9 of Part 8 of this document as relevant.

The distribution of this document and the offer of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken by the Company, the Selling Shareholders or Deutsche Numis to permit a public offering of the Shares or to permit the possession or distribution of this document (or any other offering or publicity materials in connection therewith). In particular, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of Australia, Canada, Japan, the Republic of South Africa or the United States. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Notice to Canadian investors

This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offering of the Offer Shares. In addition, no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon the merits of this document or the merits of the Offer Shares and any representation to the contrary is an offence. In Canada, this document may be directed and the Offer Shares may be sold only to purchasers in certain provinces purchasing, or deemed to be purchasing, as principal that are (i) accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), as applicable, and (ii) permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Notice to Australian investors

This document does not constitute a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (**Corporations Act**). It has not been, and will not be, lodged with the Australian Securities and Investments Commission (**ASIC**) as a disclosure document for the purposes of the Corporations Act. ASIC has not reviewed this document or commented on the merits of investing in the Offer Shares nor has any other Australian regulator. No offer of securities is being made in Australia, and the distribution or receipt of this document in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. This document may only be provided in Australia to select investors who are able to demonstrate that they are “wholesale clients” for the purposes of Chapter 7 of the Corporations Act and fall within one or more of the following categories (**Exempt Investors**): “sophisticated investor” or “professional investors” who meet the criteria set out in, respectively, section 708(8) and section 708(11) and as defined in section 9 of the Corporations Act, experienced investors who receive the offer through an Australian financial services licensee, where all of the criteria set out in section 708(10) of the Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Corporations Act. The provisions of the Corporations Act that define these categories of Exempt Investors are complex, and if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding these provisions. Persons who are not Exempt Investors should not rely on or act upon this document or any of its contents. Any person in Australia who acquires the securities in any offer or to whom any offer of the securities is made will be deemed to have represented and agreed that it is an Exempt Investor.

Information to distributors

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

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

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

Interpretation

Certain terms used in this document are defined in Parts 11 and 12 of this document.

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

The date of this document is 15 October 2024.

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SUMMARY

1 Introduction and warnings

1.1 Name and ISIN of the securities

Ordinary shares in the capital of the Company with a nominal value of £0.0002 each with International Securities Identification Number GB00BPVDXX64.

1.2 Identity and contact details of the issuer

The issuer's name is Applied Nutrition plc (incorporated in England and Wales with registered number 09131749). Its registered office is at 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG, United Kingdom. The Company's telephone number is +44 (0)300 303 5344 and its Legal Entity Identifier (LEI) is 213800KCP1IDX51ZHE47.

1.3 Identity and contact details of the competent authority

This document has been approved by the Financial Conduct Authority, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number +44 (0)20 7066 1000. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation in respect of a prospectus. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

1.4 Date of approval of the prospectus

15 October 2024

1.5 Warnings

This summary should be read as an introduction to this document. Any decision to invest in the Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the Shares.

1.6 Consent for intermediaries

The Company consents to the use of this document by the Intermediaries in connection with the RetailBook Intermediaries Offer to persons located in the United Kingdom (i) in respect of Intermediaries who have been appointed prior to the date of this document, from the date of this document and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are approved to participate in the RetailBook Intermediaries Offer and agree to adhere to and be bound by Intermediaries Terms and Conditions, in each case, until the closing of the RetailBook Intermediaries Offer. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the RetailBook Intermediaries Offer to any prospective investor who has expressed an interest in participating in the RetailBook Intermediaries Offer to such Intermediary at the time the offer by such Intermediary is made. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.** The Company accepts responsibility for the content of this document with respect to the subsequent resale or final placement of Offer Shares in connection with the RetailBook Intermediaries Offer by any Intermediary given consent to use this document by the Company. The offer period within which any subsequent resale or final placement of Offer Shares by Intermediaries can be made shall commence immediately following the publication of this document and close at 10.00 a.m. on 23 October 2024, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Prospective investors interested in participating in the RetailBook Intermediaries Offer should apply for Offer Shares through the Intermediaries by following their relevant application procedures by no later than 10.00 a.m. on 23 October 2024 or such other date and time notified to you by the respective Intermediary.

2 Key information on the issuer

2.1 Who is the issuer of the securities?

Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is incorporated under the laws of England and Wales with its registered office in England, and its LEI is 213800KCP1IDX51ZHE47. The Company was incorporated on 15 July 2014 under the Companies Act 2006 (Companies Act) as a private company limited by shares with the name Applied Nutrition Limited with registered number 09131749. The Company re-registered as a public limited company on 1 October 2024 with

the name Applied Nutrition plc. The principal law and legislation under which the Company operates is the Companies Act.

Principal activities

Applied Nutrition is a leading sports nutrition, health and wellness brand, which formulates and creates nutrition products targeted at a wide range of consumers. Headed by a founder-led management team with deep industry knowledge and supported by an experienced non-executive team, the Group's products are designed, formulated and largely manufactured at its state-of-the-art facility in Knowsley, Liverpool. Whilst the UK is the Group's largest market in terms of revenue in any single geography, international expansion has been a key growth driver, with the Group's products now available in more than 80 countries worldwide.

The Group largely operates a global business-to-business (**B2B**) model. A smaller proportion of sales are made directly to the consumer (**D2C**). In recent years, Applied Nutrition's D2C offering has expanded in the UK and internationally, with the channel delivering strong growth year on year.

Major shareholders

Insofar as it is known to the Company as at the date of this document, the following persons will, immediately prior to Admission and immediately following Admission, be directly or indirectly interested (within the meaning of the Companies Act) in 3% or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as at Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules). The amounts in the table below have been calculated assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range.

Shareholder	Immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued Shares	Minimum number of Shares	Minimum percentage of issued Shares
Thomas Ryder	133,791,953 ordinary shares of £0.0002 each	53.52%	75,000,000 ordinary shares of £0.0002 each	30.00%
Steven Granite	23,575,000 ordinary shares of £0.0002 each	9.43%	12,500,000 ordinary shares of £0.0002 each	5.00%
JD Sports Fashion Plc	78,400,000 ordinary shares of £0.0002 each	31.36%	12,500,000 ordinary shares of £0.0002 each	5.00%

Key managing directors

Thomas Ryder is the Chief Executive Officer, Steven Granite is the Chief Operating Officer and Joe Pollard is the Chief Financial Officer.

Auditors

BDO LLP, whose registered address is at 55 Baker Street, London, W1U 7EU, United Kingdom, has been appointed as the statutory auditor of the Company.

The annual accounts of the Group have been audited for the financial periods ended 31 July 2022 and 31 July 2023 by Haines Watts, of Northern Assurance Buildings, 9-12 Princess Street, Manchester, M2 4DN and for the financial period ended 31 July 2024 by BDO LLP. Auditors' reports in respect of each statutory accounts for the financial periods ended 31 July 2022, 31 July 2023 and 31 July 2024 have been made and each such report was an unqualified report. The statutory accounts for the financial period ended 31 July 2024 were signed on 11 October 2024.

2.2 What is the key financial information regarding the issuer?

Selected key historical financial information for Applied Nutrition as at and for each of the financial years ended 31 July 2022, 31 July 2023 and 31 July 2024 is set out below. The information has been extracted without material adjustment from the Historical Financial Information in Part 6 of this document. Investors are advised to read the whole of this document and not rely on the summarised information below.

Consolidated statements of profit or loss and other comprehensive income

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Revenue	35,028	60,781	86,152
Cost of sales	(20,950)	(33,635)	(44,858)
Gross profit	14,078	27,146	41,294
Administrative expenses	(4,133)	(9,238)	(17,555)
Adjusted operating profit¹	9,945	17,908	25,091
Costs relating to proposed Initial Public Offering	—	—	(1,187)
Share-based payment expense	—	—	(165)
Operating profit	9,945	17,908	23,739
Finance income	—	69	734
Finance expense	(65)	(51)	(89)
Profit before taxation	9,880	17,926	24,384
Taxation	(1,674)	(4,107)	(5,732)
Profit for the year	8,206	13,819	18,652

1 Adjusted operating profit is a non-IFRS financial measure and is defined as statutory operating profit of £23,739,000 (2023: £17,908,000, 2022: £9,945,000) before £1,187,000 (2023: £Nil, 2022: £Nil) of costs related to the proposed Initial Public Offering, and £165,000 (2023: £Nil, 2022: £Nil) of share-based payment expense.

Consolidated statements of financial position

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Assets			
Total current assets	20,161	37,214	55,536
Total non-current assets	1,947	3,403	4,117
Total assets	22,108	40,617	59,653
Liabilities			
Total current liabilities	5,849	9,536	9,897
Total non-current liabilities	1,387	2,330	1,732
Total liabilities	7,236	11,866	11,629
Net assets	14,872	28,751	48,024

Consolidated statements of cash flows

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Net cash flows from operating activities	6,493	8,517	6,702
Net cash used in investing activities	(267)	(920)	(407)
Net cash used in financing activities	(8,979)	(217)	(339)
Cash and cash equivalents at beginning of year	8,152	5,399	12,735
Effect of foreign exchange differences	—	(44)	29
Cash and cash equivalents at end of year	5,399	12,735	18,720

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

Any investment in the Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Group and the Shares.

The following is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. In making the selection, the Group has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group's business, results of operations, financial condition or prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialise:

1. Adverse developments with respect to the safety or the quality of the Group's products may damage the Group's reputation, increase its costs of operation or decrease demand for its products.
2. The Group's new product development may not be as successful as anticipated.
3. The Group is vulnerable to fluctuations in the price and availability of raw materials and packaging materials.
4. Damage or disruption at the Group's or its third-party manufacturers' manufacturing or warehousing facilities could adversely impact the Group's financial results and operations.
5. The loss of key members of the Group's management could have a material adverse impact on its business
6. The Group may find its intellectual property rights difficult to enforce and its reputation and business may be damaged by the production and sale of counterfeit versions of the Group's products.
7. Any breakdown or failure in the Group's information technology systems could result in a disruption in the Group's business and could have a material adverse effect on its results of operations.
8. Any failure, or perceived failure, by the Group to comply with product liability/safety regulations could result in damage to the Group's reputation, a loss of revenue and substantially increased legal expenses and/or penalties.

3 Key information on the securities

3.1 What are the main features of the securities?

Type, class and ISIN of the securities

When admitted to trading, the Shares (which are ordinary shares) will be registered with ISIN GB00BPVDXX64.

Currency, denomination, par value, number of securities issued and term of the securities

The Shares are denominated in pounds sterling and, upon Admission, will have a par value of £0.0002 each and an indefinite term. On Admission, the Company will have an issued share capital of £50,000, divided into 250,000,000 Shares with a nominal value of £0.0002 each.

Rights attaching to the securities

The Shares rank and, upon Admission, will rank equally in all respects with each other and have the following rights attaching to them:

- on a show of hands at a general meeting every member present in person has one vote and every proxy or representative present who has been duly appointed by a member entitled to vote has one vote; and on a poll every member (whether present in person or by proxy or representative) has one vote per Share;
- the right to receive dividends on a *pari passu* basis (excluding the Pre-Admission Dividend); and
- if the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided amongst the members in proportion to the capital which at the start of the winding-up is paid up on the Shares held by them, respectively.

Relative seniority of the securities in the event of insolvency

Not applicable. Upon Admission, the Shares will be the only class of shares in the Company in issue and there will be no difference in seniority between the Shares in the event of insolvency or otherwise.

Restrictions on free transferability of the securities

Upon Admission, the Shares will be free from any restriction on transfer, subject to compliance with applicable securities laws.

Capital allocation and dividend policy

Applied Nutrition is a fast-growing, profitable and cash generative business with a strong balance sheet, which remains focused on investing to drive growth.

The Group will continue to invest in capital assets to deliver organic, growth-orientated plans to support the business, driving sales with new and existing customers, and optimise the Group's operations. The Group

expects capital investment of approximately £1 million per annum whilst continuing to deliver free cash flow conversion over the near term of approximately 60% as the business continues to expand into the US and with B2B customers in the grocery channel. Applied Nutrition expects this level of free cash flow conversion to increase over the medium term. The Group expects to maintain a strong, debt-free balance sheet, providing strategic flexibility and continually supporting supplier and customer relationships, facilitating further growth for the business. In addition, management will take a disciplined approach in assessing investment in complementary, earnings accretive, inorganic growth opportunities where it makes sense to do so, e.g. to gain access to new markets.

The Group will review its dividend policy on an ongoing basis and, in the event that the Directors believe the Group has generated excess cash which cannot be utilised in the short or medium term, will consider a return of value to Shareholders through dividends and/or share buybacks. However, following Admission, the Company does not expect to declare or pay any dividends at this time (except for the Pre-Admission Dividend).

3.2 *Where will the securities be traded?*

Application will be made to the FCA for the Shares to be admitted to the equity shares (commercial companies) category of the Official List, and to the London Stock Exchange for the Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange (together, Admission).

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

1. There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.
2. Immediately following Admission, the Concert Party will collectively hold between 35% and 63% of the Shares and there could be instances where all or a substantial number of the Concert Party members' interests diverge from those of the other Shareholders.
3. Substantial future sales of Shares could impact the trading price of the Shares.
4. The Shares will be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Group's operating performance.
5. Overseas Shareholders may be subject to exchange rate risk.
6. Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings.
7. Overseas shareholders may have only limited ability to bring actions or enforce judgments against the Company or its Directors.

4 *Key information on the offer*

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

Terms and conditions of the Offer

The Offer comprises the Institutional Offer and the RetailBook Intermediaries Offer.

The Institutional Offer comprises an offer to certain institutional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S and in the United States to QIBs, as defined in Rule 144A under the US Securities Act.

The RetailBook Intermediaries Offer comprises an offer to the Intermediaries for onward distribution to retail investors in the United Kingdom.

The Offer Price per Offer Share is expected to be between 136 and 160 pence and the Offer comprises an offer of up to 137,408,477 Offer Shares from Selling Shareholders. All Shares sold pursuant to the Offer will be sold, payable in full, at the Offer Price.

The Offer is subject to satisfaction of the conditions set out in the Underwriting and Sponsor's Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. on 29 October 2024 or such later time and/or date as the Company and Deutsche Numis may agree, and the Underwriting and Sponsor's Agreement not having been terminated in accordance with its terms.

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer. If such right is exercised, the Offer (and the arrangements associated with it) will lapse and any money received in respect of the Offer will be returned to investors without interest.

The Company further reserves the right to extend or shorten the timetable, or any aspect of the timetable, for the Offer.

Expected timetable

Latest time and date for receipt of Intermediary orders under the RetailBook Intermediaries Offer	10.00 a.m. on 23 October 2024
Latest time and date for receipt of indications of interest from institutional investors under the Institutional Offer	12.00 p.m. on 23 October 2024
Announcement of the Offer Price through a Regulatory Information Service, publication of the Pricing Statement and notification of allocations of Shares ⁽¹⁾	7.00 a.m. on 24 October 2024
Commencement of conditional dealings in Shares on the London Stock Exchange ⁽²⁾⁽³⁾	8.00 a.m. on 24 October 2024
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 29 October 2024
CREST accounts credited in respect of Shares acquired in the Offer in uncertificated form	As soon as is reasonably practical on 29 October 2024
Despatch of definitive share certificates (where applicable)	within 10 Business Days of Admission

Each of the times and dates in the above timetable is subject to change. Any such change will be publicly announced by the Company through a Regulatory Information Service. References to times are to London time.

Notes:

- (1) The Pricing Statement will not automatically be sent to persons who receive this document, but it will (subject to certain restrictions) be available in electronic format on the Company's corporate website at www.appliednutritionplc.com. If the Offer Price is set above or below the Indicative Price Range or the Indicative Price Range is revised, the Company will make an announcement via a Regulatory Information Service and prospective investors may have a right to withdraw their application for Offer Shares. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Offer Shares would be made clear in the announcement.
- (2) It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.
- (3) Prospective investors who apply for Offer Shares in the RetailBook Intermediaries Offer should consult their Intermediary as to when they will be sent documents in respect of any Offer Shares they have been allocated and when they may commence dealing in any such Offer Shares.

Admission

Application will be made to the FCA for the Shares to be admitted to the equity shares (commercial companies) category of the Official List and to the London Stock Exchange for the Shares to be admitted to trading on the Main Market.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 29 October 2024. Settlement of dealings from that date will be on a two-day rolling basis.

Plan for distribution

The aggregate allocation of Offer Shares as between the Institutional Offer and the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. The allocation policy for the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares. Allocations under the Offer will be finally determined by the Company in consultation with Deutsche Numis in accordance with an allocation policy to be determined by the Company in consultation with Deutsche Numis (including full allocation to the Cornerstone Investors and, if it applies for Offer Shares, CWR before any other allocations).

Dilution

There will be no dilution of existing holdings of Shares, as the Company will not be issuing any new Shares in the Offer.

Estimate of the total expenses of the Offer

The total fees and expenses of, and incidental to, Admission and the Offer to be borne by the Company are estimated to amount to approximately £3.0 million, and include, amongst other items, the FCA's fees, the London Stock Exchange's fees, professional fees and expenses and the costs of printing and distribution of documents. The total fees and expenses of, and incidental to, Admission and the Offer to be borne by the Selling Shareholders are estimated to amount to approximately £4.0 million, which consist of the placing commissions, assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range. No expenses will be charged by the Company or the Selling Shareholders to any purchasers of Offer Shares pursuant to the Offer.

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

4.2 Why is this prospectus being produced?

Reasons for the Offer

The Directors believe that the Offer and Admission will position the Group for the next stage of its development, including further enhancing the Group's profile and brand awareness, assisting in retaining and incentivising senior management and key employees and providing it with a platform for continued growth.

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

Use and estimated net amount of the proceeds

The Company will not receive any proceeds from the sale of the Offer Shares. The sale of the Offer Shares will raise net proceeds for the Selling Shareholders of approximately £198 million (assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range).

Underwriting

The Company, the Directors, the Selling Shareholders and Deutsche Numis have entered into the Underwriting and Sponsor's Agreement, pursuant to which Deutsche Numis has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for, or, failing which, to itself purchase the Offer Shares made available pursuant to the Institutional Offer.

Material conflicts of interest

As at the date of this document, there are no interests that are material to the Offer and no conflicting interests.

RISK FACTORS

The risk factors described below are not an exhaustive list or explanation of all risks relating to the Group and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Directors, or that the Directors currently deem immaterial, may individually or cumulatively also have a material adverse impact on the Group's business, results of operations, financial condition or prospects.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

Adverse developments with respect to the safety or the quality of the Group's products may damage the Group's reputation, increase its costs of operation or decrease demand for its products

The Group's business and financial performance is largely dependent on the image, perception and recognition of the Applied Nutrition brand, which, in part, depends on the quality and safety of its products. As such, the perception by the Group's customers and the general public that the Group's products are of a good quality and are safe is essential to the Group's image and business. The Group's manufacturing operation holds a number of accreditations, for example the BRC-GS Global Food Safety certification (AA+ grade), the HACCP Food Safety certification, the GMP certification, FDA accreditation and ISO 22000:2018 – Food Safety Management. Further, certain of the Group's products are sold with Informed Sport accreditation, a global testing and supplement certification programme which provides assurance to athletes that products have been tested for prohibited substances and are therefore trusted and used by professional athletes. Any product quality issues or product non-compliance with accreditation standards or requirements could lead to such accreditations being removed, could be damaging to the Group's reputation, and could impact its ability to provide certain products to athletes. In turn, this could adversely impact the Group's business and financial condition.

The Group is also subject to product quality and safety risks, and in particular, unidentified quality issues with raw materials received from third-party suppliers, product contamination, and the potential costs and disruption of a product recall or withdrawal. The Group has in place a product liability insurance policy, and maintains systems designed to control these risks. In addition, because the Group could be implicated by the failure of any of its suppliers with regard to quality and safety, it requires each of its suppliers to provide product test results alongside the products and/or materials supplied. While the Group endeavours to control the risks related to product quality, safety and sourcing through the implementation of, and strict adherence to, the Group's quality standards, and by sourcing raw materials from long standing and similarly accredited suppliers, the Group cannot guarantee that such risks will not materialise. Any such risks could lead to the Group being subject to claims or lawsuits relating to an actual or alleged illness or injury stemming from product contamination, a loss in customer confidence in the safety and quality of its products, the Group having to implement additional quality control measures, and/or reputational damage to the Group. In turn, this could lead to a loss of sales or increased costs and could adversely impact the Group's business and financial condition.

The Group's new product development may not be as successful as anticipated

A driver of the Group's continued success is its ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences and trends. The Group addresses this through its new product development and continual adaptation of its existing product ranges. If consumer sentiment or preference changes materially in a way which is adverse to Applied Nutrition, the Group's sales, and consequently its revenues, could decrease. While the Group attempts to manage this risk by closely monitoring and forecasting these trends, obtaining regular feedback from a wide range of customers, developing a wide range of products which are sold into multiple trends and product categories, and applying a flexible manufacturing strategy which allows it to anticipate and respond to changes in consumer preferences and trends, such preferences can change for reasons that are outside the Group's control, and there can be no guarantee that the Group's response to any changes in consumer trends will be sufficient to prevent a decline in revenue. Any changes in consumer preferences which results in a sustained decline in the Group's sales and revenue could have a material adverse impact on the Group's business and financial condition.

The Group is vulnerable to fluctuations in the price and availability of raw materials and packaging materials

The Group is reliant on the supply of raw materials and packaging materials from its suppliers in order to manufacture its products and meet customer demand. The Group predominantly sources raw materials for production from the UK, Europe and China. Whilst the Group's top 5 suppliers accounted for 36% of total supplies in FY24, where possible the Group has established relationships with multiple suppliers to reduce reliance on a single source for specific goods. The Group also has alternative suppliers in most product categories and the Directors consider that, should any supplier be unable to supply the Group for an extended period, the Group would be able to source replacement supplies without significant disruption to operations. Nevertheless, any unavailability of materials or any significant disruption to the Group's suppliers or supply chain as a result of external factors (such as natural disasters, global conflicts or political instability in countries where its suppliers are located) could impact the Group's production schedules and could result in products being unavailable for sale.

Certain raw materials which are used by the Group in the manufacturing of its products, and in particular whey protein and creatine, are also vulnerable to fluctuations in price. Such fluctuations may be caused by, among other things, inflation, changes in the supply and demand of commodities, fuel prices and freight costs. Whilst the Group monitors these price changes and has established procedures to allow for flexibility in purchase amounts depending on increasing or decreasing prices, such fluctuations could result in increasing input costs which reduce product margins where the increased price cannot be wholly passed on to the consumer. Any significant and sustained increase in the price of raw materials may therefore adversely impact the Group's financial condition and prospects.

Damage or disruption at the Group's or its third-party manufacturers' manufacturing or warehousing facilities could adversely impact the Group's financial results and operations

All of the Group's manufacturing operations, and the majority of its warehousing, are currently housed over two buildings on a single site. The production at the Group's manufacturing facility could be adversely affected by extraordinary events, including fire, structural collapse, machinery failure, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flooding, windstorms or other severe weather conditions. Whilst the Group is insured against business interruption and there are third-party manufacturers who could be contracted to manufacture the Group's products if required, any prolonged and/or significant disruption to the Group's production facilities could adversely affect the Group's operations and be costly to rectify. The Group's warehousing facilities, and stock of both raw materials and finished products which are kept on site, could also be adversely affected by such extraordinary events. The Group carries a significant volume and value of stock on the balance sheet (£19.5 million as at 31 July 2024). Any damage at the Group's warehouses to such stock or otherwise could therefore lead to losses for the Group and could impact the Group's ability to fulfil customer orders in the short term. In turn, this could adversely impact the Group's business, results of operations, financial condition or prospects.

A small percentage (amounting to 18% of revenue in FY24) of the Group's products are not manufactured in-house. Whilst there are alternative third-party manufacturers who could be contracted to manufacture the Group's products if required, any significant disruption to any of the Group's third-party manufacturers' operations, or to their manufacturing facilities, could impact the Group's ability to fulfil customer orders in the short term, and could adversely impact the Group's business, results of operations, financial condition or prospects.

The loss of key members of the Group's management could have a material adverse impact on its business

The Group's performance relies heavily on the efforts and abilities of the Directors and other members of the senior management team. Their knowledge, expertise and experience are vital contributors to the continued success of the business. In addition, as the Group operates with a relatively small senior management team, a substantial amount of the business knowledge, experience and key customer relationships are concentrated within a limited number of the Group's personnel.

While the Group intends to continue to build its senior management team, the loss of one or more of the Group's current senior management team, or and the inability of the Group to find a suitable replacement or replacements for an extended period, could have a material adverse impact on the Group's business and operations.

The Group's continuing success and growth prospects depend on the continuation of key customer relationships

The Group's main route to market is through B2B sales to distributors and retailers, with D2C sales accounting for less than 10% of the Group's revenue in FY24. A significant proportion of the Group's sales have been to its largest B2B customers, with approximately 50% of the Group's revenue being generated by the top 10 customers in FY24. The Group's growth strategy includes increasing sales of its products to existing customers, which may further increase reliance on certain key customers.

As is typical in the industry, the Group's business with customers is based primarily upon discrete sales orders, and, for the majority of customers, the Group does not have formal contracts requiring customers to make specific number of purchases over a fixed period. Accordingly, customers could reduce their purchasing levels or cease buying products from the Group at any time and for any reason. If the Group loses a significant customer or if sales of the Group's products to a significant customer materially decrease, it could have a material adverse effect on the Group's business and financial condition.

The Group is exposed to an elevated risk of health and safety incidents

The nature of the Group's operations across manufacturing and warehousing results in an elevated risk of health and safety incidents. For example, there is a risk of injury through inappropriate use by employees of machinery as part of the manufacturing process or through inappropriate operation of forklifts or other equipment by employees within the warehouse. Whilst the Group employs a full time Health and Safety Officer, maintains appropriate health and safety policies and procedures, and ensures that employees undertake appropriate training, any failure to implement, and adhere to, appropriate health and safety policies and procedures could result in accident or serious injury. In addition, any major health and safety incident may need to be reported to the HSE (Health and Safety Executive) under the RIDDOR Regulations 2013. Any enforcement action by HSE following a major incident could result in financial penalties and reputational damage to the Group. In turn, this could have an adverse impact on the Group's business and financial condition.

The Group may have difficulties implementing elements of its growth strategy, which could have a material adverse effect on the Group's business and results of operations

The Group's growth strategy focuses on multiple different pillars for increasing revenue, including, but not limited to:

- entry into new geographies where the Group's products are currently either not sold at all, or only sold in limited amounts;
- increased sales to existing customers; and
- sales to new customers in geographies where the Group's products are already sold.

There is a risk that factors beyond the Group's control will limit the Group's ability to implement such elements of its growth strategy.

- For entry into new geographies, these factors could include a lack of appropriate distribution partners in the target territory, onerous local legal/regulatory requirements, competitors of the Group already having a significant presence and market power in the territory, and/or an undesirable local political or socio-economic climate.
- For increased sales to existing customers, these factors could include a lack of demand, the inability of the Group to offer increased credit to current customers after evaluating their credit worthiness, and/or onerous local legal/regulatory requirements on additional product lines.
- For increased sales to new customers in existing geographies, these factors could include lack of demand, the inability of the Group to offer required credit terms to new customers after evaluating their credit worthiness, and/or sale cannibalisation, where new products launched by the Group displace sales of existing products.

On 14 October 2024, the Company entered into the RCF. As at the date of this document, the Company did not have any drawings under the RCF. Although the Company does not intend to make any drawdowns on the RCF for at least the next 12 months nor to seek additional debt funding, it may, in the longer term, elect to draw down on the RCF and/or to seek to raise financing to fund inventory/stock, future acquisitions, strategic growth opportunities and other investments in its business. The RCF contains covenants that restrict the Group's operations and its ability to incur additional debt or engage in other capital-raising activities and the incurrence of indebtedness results in increased interest expense and, subject to the terms of any further indebtedness, could require the Company to agree to further such covenants. The Company can terminate the RCF at any time without penalty and therefore, if other forms of debt finance are more commercially beneficial, the Company can do so and utilise those other forms without charge.

Any or all of these factors may limit the Group's ability to enact and deliver on its growth strategy. Such challenges may result in the Group being unable to grow as quickly or as profitably as expected or at all, which could have a material adverse effect on the Group's business.

The Group operates in a competitive industry

The markets in which the Group operates are highly competitive and barriers to entry are relatively low. Consumers are increasingly focused on health, wellness and fitness and the demand for products in this sector is increasing. This may lead to new competitors seeking to enter the markets in which the Group's products are currently sold (both in the UK and internationally) and may also lead to competitors in similar markets diversifying into products which are similar to the Group's. While the Group has certain competitive advantages through its in-house manufacturing and its extensive and growing new product development capability, historically high margins and no financial leverage which provide the Group with resources to keep prices low for extended periods, some of the Group's current competitors have, and future competitors of the Group may have, significant financial, marketing and other resources and established brand names which could give them an advantage over the Group in terms of entry into new territories, growth in existing territories and with existing customers, and the Group's ability to sell its products at prices that generate the same margins it has historically earned and/or which are commercially viable. Existing and/or increased competition, or the inability of the Group to maintain its competitiveness, could adversely affect the Group's market share and/or force it to consider price reductions, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group could be negatively impacted by adverse macroeconomic conditions or events outside the Group's control

The Group's products are sold in over 80 countries. As a result, The Group may be affected in particular by economic conditions in certain markets, as well as by broader macroeconomic conditions. Adverse changes in global, regional or local economic conditions, including inflation, recessions or slowing growth, political changes or uncertainty in fiscal, monetary or trade policy and lower consumer confidence and reduced spending, have historically and may in the future occur. In particular, the upcoming US election, as well as instability in the geopolitical environment in many parts of the world, for example relating to the Russia/Ukraine conflict and the ongoing conflict in the Middle East, could lead to adverse changes in global economic conditions. Such adverse changes could have a wide range of effects on the Group, including a decrease in demand for its products due to reduced consumer spending, the inability of the Group's suppliers to deliver raw materials and other supplies, and the possible insolvency of key suppliers or customers. In turn, the effects could have an adverse impact on the Group's business, financial condition, results of operations or prospects.

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

The Group supports strong corporate social responsibility and works with its suppliers to ensure they comply with the Group's values and standards covering production methods, employee working conditions, packaging materials, quality control and inspection processes. There is increased risk in this respect arising out of the Group's use of suppliers in other jurisdictions (including in particular East Asia), which have different laws and standards to those which apply in the United Kingdom and the other jurisdictions in which the Group operates or in which its products are sold. Those differences, and the distances involved, make it more difficult and expensive for the Group to

monitor compliance by suppliers. Failure to meet the Group's ethical sourcing standards may adversely affect its brand reputation and customer demand for its products, which could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group controls the risks related to supplier corporate social responsibility through the implementation of, and strict adherence to, the Group's value standards (including new supplier take-on procedures designed to identify non-compliant suppliers), and by utilising long standing and accredited suppliers. However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of those individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

RISKS RELATING TO THE GROUP'S INFORMATION TECHNOLOGY AND INTELLECTUAL PROPERTY

The Group may find its intellectual property rights difficult to enforce and its reputation and business may be damaged by the production and sale of counterfeit versions of the Group's products

The Group owns various intellectual property rights, including trademarks, with the success of its business being, in part, dependant on its ability to protect and enforce these intellectual property rights. Despite the Group's best efforts to protect its intellectual property rights, unauthorised parties may not be deterred from misuse, theft or misappropriation of intellectual property belonging by the Group.

The Group seeks to protect its intellectual property through a combination of intellectual property registrations, enforcement action, confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection and there can be no assurance that the Group has entered into such agreements with all relevant parties or that the agreements entered into will not be breached.

Trademark applications may be challenged by third parties and registered trademarks may, following registration, be declared invalid or revoked. The process of obtaining patent, trademark or other registered intellectual property protection is time-consuming and costly, and the Group may not be able to pursue all necessary or desirable applications, or renew registrations, within the required timeframe or at a reasonable cost. In addition, it is difficult, time-consuming and costly to monitor unauthorised use of the Group's intellectual property, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the UK and the US, and where mechanisms for enforcement of intellectual property rights may be weak. Attempts to enforce rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against the Group, or take unilateral steps to invalidate the Group's intellectual property rights, which could result in an action that invalidates or narrows the scope of the Group's rights, in whole or in part. Any of these events could materially adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's products are subject to efforts by third parties to produce counterfeit versions. While the Group has worked with lawyers and customers to block the manufacture of counterfeit goods and to prohibit any sale of such goods, and to detect counterfeit products in customer networks, there can be no guarantee that future efforts in this regard will succeed. While counterfeiters often aim their sales at customers who might not have otherwise purchased the Group's products due to lack of verifiability of origin, counterfeit sales, to the extent they replace otherwise legitimate sales, could adversely affect the Group's operating results. Furthermore, poor quality counterfeit products could harm the reputation of the Group's products in the market and a reduction in sales or reputational damage caused by counterfeit products could therefore have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Any breakdown or failure in the Group's information technology systems could result in a disruption in the Group's business and could have a material adverse effect on its results of operations

The Group is reliant to a significant degree on third-party and "cloud-based" IT systems for the purposes of, among other things, financial management and accounting, inventory management, warehouse management, supply chain management, HR management, payroll and marketing. The Group generally contracts with such third-party IT system providers on the third-party's terms and conditions. The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages, computer, network and telecommunications failures, computer viruses, security breaches and usage errors by its employees. In the event that the Group's IT systems are damaged or cease to function properly, the Group's operations may be significantly disrupted while replacement IT systems and services are put in place, and may suffer loss of critical data. Where such damage or interruption is caused by a provider of third-party technology, given that the Group generally contracts with those third parties on the third-party's terms and conditions, the remedies available to the Group under those terms and conditions may be limited. Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to cyber security risks and security breaches

The Group relies on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its customers, suppliers, employees and others. The Group's systems, websites, data, software or networks, and those of third parties (including data centres), may be vulnerable to security breaches, including unauthorised access from within the Group's organisation or by third-parties, computer viruses or other malicious code and other cyber threats that could have a security impact. Whilst the Group maintains, and contracts with established and reputable third-party providers who maintain, appropriate security policies, the Group and third parties may not be able to anticipate evolving techniques used to effect security or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

REGULATORY AND LEGAL RISKS

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

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

The Group is subject to legal and regulatory risks arising through the sale of its products internationally through its customers

The Group's products are sold by its B2B customers in over 80 countries worldwide. The Group sells products to customers (typically contracting on the Group's standard terms), and such customers then distribute and/or sell such products within their respective territories. With respect to the regulations or requirements for the sale of its products within each of these territories, the Group relies on the market expertise and local knowledge of the relevant customer in each territory. Whilst the Group generally contracts with established customers within these territories, such customers may fail to interpret or comply with required local regulations or requirements, or fail to

adapt to changing laws and regulations, when distributing and/or selling the Group's branded products. Whilst the Group's standard terms make clear that it is the customer's sole responsibility to ensure that the importation, storage, marketing, advertising, consumption and sale of the Group's products in the relevant jurisdiction complies with local regulations and requirements in full, there may still be a risk that the application of local laws means that the Group is unable to contract out of all responsibility in certain jurisdictions. There is also a reputational risk to the Group in the event that the Group's branded products are found to be non-compliant in a particular territory. Any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

A failure to comply with data protection legislation could have an adverse effect on the Group's business, financial condition and prospects

The Group is subject to a number of laws relating to data protection, including the GDPR, the UK GDPR, the UK Data Protection Act 2018, the PECR and other applicable data protection, privacy and cyber security laws. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to customers and suppliers, as well as any data relating to employees and others. Applicable data protection laws also require businesses to identify, and safeguard against, risks that arise in relation to certain processing, which means that the Group has to continually assess whether its practices and policies, including in relation to data security, data subject rights, and data retention, are appropriate in light of the personal data it collects and processes. Any failure to carry out appropriate assessments or to establish appropriate technical and organisational measures to guard against security incidents, could lead to potential liability through regulatory fines. The Group routinely transmits and receives personal, confidential and proprietary information by electronic means and therefore relies on the secure processing, storage and transmission of such information in line with regulatory requirements. The Group is therefore exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection or privacy laws. Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with data protection or other consumer protection laws or regulations may harm the Group's reputation, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

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

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

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

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

There is growing public concern and pressure on environmental and sustainability issues and in particular, the use of single use plastic, plastic waste and the impact of packaging in general on the environment. The packaging of the Group's products, and especially single-use plastic packaging, is therefore under increasing scrutiny from a regulatory, consumer and customer perspective. At present, the Group is required to comply with the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (the Packaging Waste Regulations) as well as the Plastic Packaging Tax requirements. However, increased public concern and pressure, along with the continued growth of the Group's business, may expose the Group to the risk of increased regulation or taxation. In addition, the Group's continued use of single-use plastic in its packaging may have an adverse impact on the Group's reputation with certain consumer groups, which may lead to a loss of sales and impact its financial condition and/or performance. In response to regulatory and legislative initiatives or growing consumer concern in the future, the Group may need to adapt its packaging strategy, which could result in unanticipated and/or increasing input costs which reduce product margins and could, in turn, impact the Group's business, results of operations, financial condition or prospects.

The Company will incur additional costs as a newly listed company and its management will be required to devote substantial time to new compliance matters

As a newly listed public company, the Company will incur significant legal, accounting and other expenses, including those resulting from public company reporting obligations and compliance with corporate governance-related rules, including the admission requirements of the FCA and the London Stock Exchange. There can be no assurance that, under changed ownership, and in an environment where the Group is subject to greater scrutiny and disclosure requirements, it will be able to manage its operations in the same manner as it has done before Admission as a private business under the ownership of the existing Shareholders and not in a public company environment. In particular, the Group will be subject to increased regulatory obligations as a result of being listed, and management, as well as other employees, will need to devote a substantial amount of time to ensure that the Group's business complies with all of these requirements. In addition, the reporting requirements, rules and regulations will increase the Group's legal and financial compliance costs and make some activities more time-consuming and costly, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

RISKS RELATING TO THE OFFER

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

Prior to the Offer and Admission, there has been no public trading market for the Shares. There can be no assurance that an active trading market will develop or, if it does develop, that it will be maintained. The trading price of the Shares may be subject to wide fluctuations in response to many factors, including short-term selling pressures, equity market fluctuations, general economic conditions and regulatory changes, which may adversely affect the market price of the Shares, regardless of the Group's actual performance or conditions in its key markets.

The market price of the Shares may fall below the Offer Price. The market price of the Shares may also fluctuate substantially due to various factors, some of which may be specific to the Group, and some of which may be related to the sports nutrition, health and wellness market and equity markets in general. The Company cannot guarantee that investors will be able to (re)sell their Shares at or above the Offer Price, or at all. An inactive market may also impair the Company's ability to raise equity capital by further issues of Shares.

Furthermore, the concentration of ownership by individuals affiliated with the Group may affect the liquidity of the market for Shares on the London Stock Exchange and contribute to a perception that the ownership structure is not conducive to an investment decision involving the Group in the short-to medium-term. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Shares could be materially and adversely affected and investors may have difficulty selling their Shares.

Immediately following Admission, the Concert Party will collectively hold between 35% and 63% of the Shares and there could be instances where all or a substantial number of the Concert Party members' interests diverge from those of the other Shareholders

Immediately following Admission, the Concert Party will collectively hold between 35% and 63% of the Shares. As a result, the Concert Party have the ability to exercise influence over the business of the Group and determine the outcome of certain and, if the Concert Party holds more than 50% of the Shares, any matters submitted to the vote of shareholders. In particular, certain shareholder resolutions requiring approval by more than a simple majority to pass (such as special resolutions) and, if the Concert Party holds more than 50% of the Shares, any shareholder resolutions, could be blocked by a smaller number of the Concert Party members. For example, the Concert Party's influence over the Group may have the effect of delaying or deterring a change in control of the Group, could deprive investors of an opportunity to receive a premium for their Shares as part of a sale of the Group and might affect the value of the Shares and, if the Concert Party holds more than 50% of the Shares, the Concert Party could affect or influence the election of, and any changes in, the Company's directors and the Group's management and approving other changes to its operations.

Substantial future sales of Shares could impact the trading price of the Shares

The Company is subject to restrictions on the issue of new Shares under the Placing Agreement during the period of approximately 12 months following Admission. However, the issue of a substantial number of Shares in the public market after the lock-up restrictions in the Placing Agreement expire (or are waived by Deutsche Numis), or the perception that such an issue may occur, may depress the market price of the Shares and could impair the Group's ability to raise capital through the issuance and sale of additional equity securities.

The Shares will be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Group's operating performance

The Shares in the Company will be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Group's operating performance. The market price of the Shares may be volatile and subject to wide fluctuations as a result of a variety of factors, including, but not limited to, those referred to in this Risk Factors section, as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Company, industry participants or financial analysts. The market price of the Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, including acquisitions or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Company derives significant revenue therefrom. Investors may not be able to sell their Shares at or above the Offer Price. In addition, potential investors should be aware that no stabilisation will be carried out in connection with the Offer and therefore there may be a greater risk of price volatility following the Offer than would otherwise be the case. Further, Shareholders may earn a negative or no return on their investment in the Company.

Overseas Shareholders may be subject to exchange rate risk

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

Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings

The Company's Articles provide for pre-emptive rights to be granted to Shareholders, unless such rights are disapplied by a special resolution of shareholders. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and the Shares are registered under the US Securities Act, or the rights and the Shares are offered pursuant to an exemption from the registration requirements of the

US Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

Overseas shareholders may have only limited ability to bring actions or enforce judgments against the Company or its Directors

The ability of an overseas Shareholder to bring an action against the Group may be limited under law. The rights of Shareholders are governed by English law and by the Articles. These rights differ in certain respects from the rights of shareholders in comparable non-UK corporations. All of the Directors are residents of the United Kingdom and most of their assets are located in the United Kingdom. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Group or its Directors and executive officers within the overseas shareholder's country of residence or to enforce against the Company or its Directors or executive officers judgments of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. An overseas shareholder may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the United Kingdom against the Directors or executive officers of the Company who are residents of the United Kingdom or countries other than those in which such judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or its Directors or executive officers in a court of competent jurisdiction in England or other countries.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

1 General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company and the Directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this document may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this document or that the information contained herein is correct as of any time subsequent to its date.

The contents of this document are not to be construed as legal, business or tax advice.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, any of the Company's advisers or any of their affiliates or representatives regarding the securities of the Company.

2 Presentation of Financial Information

Unless otherwise stated, the financial information in this document has been prepared in accordance with the requirements of the Prospectus Regulation Rules and International Accounting Standards as adopted by the United Kingdom (**IFRS**). The significant accounting policies applied in the financial information of the Group are applied consistently in the financial information in this document, except where otherwise stated. The basis of preparation is further explained in Part 6 of this document.

The Company's financial year ends on 31 July. The financial information for the three financial years ended 31 July 2022, 31 July 2023 and 31 July 2024 included in Section B of Part 6 of this document is covered by the accountants' report in Section A of Part 6 of this document which was prepared in accordance with Standards for Investment Reporting issued by the Financial Reporting Council (**Standards for Investment Reporting**).

Unless otherwise stated in this document, financial information in relation to the Group referred to in this document has been extracted without material adjustment from the historical financial information set out in Section B of Part 6 of this document (**Historical Financial Information**) or has been extracted from those of the Group's accounting records and its financial reporting and management systems that have been used to prepare that financial information. Investors should ensure that they read the whole of this document and not only rely on the key information or information summarised within it.

3 Non-IFRS Financial Measures

The financial information included in this document includes key performance indicators (**KPIs**) that are not recognised under IFRS and are unaudited, namely adjusted EBITDA and free cash flow (as further explained below). The Directors believe that these non-IFRS measures provide useful information with respect to the performance of the Group's business and operations. Prospective investors should not consider such non-IFRS measures as an alternative to the IFRS measures included in the Historical Financial Information.

4 Key performance indicators

To assist recipients of this document in comparing the Group's historical financial performance from period to period, certain KPIs and other operating measures have been presented in this document. Set out below is a description of the KPIs used by the Group:

Revenue	Revenue represents amounts chargeable in respect of the manufacture, wholesale, and retail of sports nutrition products. The Group operates through a range of B2B and D2C channels, with all revenue recognised at a point of time, being the transfer of risk and reward to the customer under Incoterms®.
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Revenue is an IFRS-measure and is presented in the Historical Financial Information in Section B of Part 6 of this document.

Gross profit

Gross profit represents revenue less direct costs associated with the production and warehousing of the Group's products. The principal elements of direct costs are:

- product costs, which include materials, packaging, and sub-contractors (being costs related to purchases of externally produced products);
- import duty;
- staff costs relating to production and warehouse employees;
- carriage in costs (relating to arranging for the delivery of raw materials and finished goods to the Group's premises);
- consumable costs of running the production and warehouse facilities (e.g. lab consumables).

Gross profit is an IFRS-measure presented in the Historical Financial Information in Section B of Part 6 of this document.

Adjusted EBITDA

Adjusted EBITDA is calculated as operating profit before interest, taxes, depreciation, and amortisation and excluding the impact of share-based payment charges and significant non-recurring items.

Adjusted EBITDA is a non-IFRS financial measure. The following table sets out the reconciliation from operating profit (an IFRS measure) to adjusted EBITDA:

	Year ended 31 July		
	2022	2023	2024
	(£000)		
Operating profit	9,945	17,908	23,739
Depreciation of property, plant and equipment	260	403	575
Amortisation of lease liabilities	213	224	324
Amortisation of intangible assets	—	6	12
(Profit)/loss on disposal of property, plant and equipment	(8)	7	(9)
EBITDA	10,410	18,548	24,641
Costs related to the proposed Initial Public Offering	—	—	1,187
Share-based payment expense	—	—	165
Adjusted EBITDA	10,410	18,548	25,993

Free cash flow Free cash flow represents the Group's cash flows from operations, adjusted for non-cash/non-operating items less capital expenditure.

Free cash flow is a non-IFRS financial measure. The following table sets out the reconciliation from adjusted EBITDA (which has been reconciled to operating profit in the definition of adjusted EBITDA above) to free cash flow:

	Year ended 31 July		
	2022	2023	2024
	(£000)		
Adjusted EBITDA	10,410	18,548	25,993
Movement in working capital	(2,521)	(8,081)	(8,357)
Net interest (paid)/received inclusive of interest on lease liabilities	(58)	26	533
Adjusted cash flow from operations	7,831	10,493	18,169
Capital expenditure including principal paid on lease liabilities less proceeds from sale of fixed assets	(372)	(1,156)	(1,278)
Free cash flow	7,459	9,337	16,891

Net cash/(debt) Net cash/(debt) represents the Group's net position of items considered as Cash and cash equivalents, and Borrowings under IFRS. This excludes IFRS 16 lease liabilities.

5 Currency Presentation

Unless otherwise indicated, all references in this document to **British pounds sterling, sterling, pounds sterling, GBP, £ or pence** are to the lawful currency of the United Kingdom. The Company prepares its financial information in pounds sterling.

6 Roundings

Certain data in this document, including financial, statistical and operating information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

7 Market, economic and industry data

Certain information regarding market size, market data, market share, market position, growth rates and other industry data pertaining to the Group and its business contained in this document consists of Directors' estimates based on data compiled by professional organisations and on data from other external sources, including industry data published by Euromonitor International Ltd (**Euromonitor**).

Industry publications and market research generally state that the information they contain has been obtained from sources the Directors believe to be reliable but that the accuracy and completeness of such information is not guaranteed and any estimates or projections they contain are based on a number of significant assumptions.

In some cases, there is no readily available external information (whether from trade and business organisations and associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Group to rely on internally developed estimates. The Group does not intend, and does not assume any obligation, to update industry or market data set forth in this document. Because market behaviour, preferences and trends are subject to change, it should be noted that market and industry information in this document and estimates based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations.

8 Third-party information

The Company confirms that all third-party information contained in this document has been accurately reproduced and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this document, the source of such information has been identified.

9 No incorporation of website information

The contents of the Group's websites do not form part of this document.

10 Definitions and glossary

Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in Parts 11 and 12 of this document.

11 Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder 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 this document is correct as at any time subsequent to the date hereof.

12 Forward-looking statements

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "targets", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors or the Company concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and policies of the Company and the industry in which it operates. In particular, the statements under the section of this document headed "Risk Factors" and in Part 2 and Part 5 of this document regarding the Company's strategy, targets and expectations in respect of Applied Nutrition's expected revenue, revenue mix, profit, efficiencies and leverage afforded by greater implementation of managed services, growth, accounting tax rates, capital expenditure, realisation rates, and in the event of Admission, upon the operating results of the Group as well as other expressions of Applied Nutrition's targets and expectations and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts, involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

Forward-looking statements contained in this document speak only as at the date of this document. The Company, the Directors and the Company's advisers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Regulation Rules, the UK Listing Rules, the Disclosure Guidance and Transparency Rules or the UK Market Abuse Regulation.

The statements above related to forward-looking statements should not be construed as a qualification of the working capital statement contained in paragraph 17 of Part 10 of this document.

13 Enforceability of civil liabilities

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

14 Available information

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

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Current Directors	<p>Andrew “Andy” James Bell – Independent Non-Executive Chair</p> <p>Thomas Michael Ryder – Chief Executive Officer</p> <p>Steven Granite – Chief Operating Officer</p> <p>Joseph “Joe” Pollard – Chief Financial Officer</p> <p>Anthony “Tony” David Buffin – Independent Non-Executive Director</p> <p>Marnie-Jane “Marnie” Millard – Independent Non-Executive Director</p>
Company Secretary	ONE Advisory Limited
Registered Office of the Company	<p>2 Acornfield Road</p> <p>Knowsley Industrial Park</p> <p>Liverpool L33 7UG</p> <p>United Kingdom</p>
Sole Sponsor and Bookrunner	<p>Numis Securities Limited (trading as Deutsche Numis)</p> <p>45 Gresham Street</p> <p>London EC2V 7BF</p> <p>United Kingdom</p>
RetailBook Intermediaries Offer Co-ordinator	<p>Retail Book Limited</p> <p>10 Queen Street Place</p> <p>London EC4R 1AG</p> <p>United Kingdom</p>
English Legal Advisers to the Company	<p>Addleshaw Goddard LLP</p> <p>One St Peter’s Square</p> <p>Manchester M2 3DE</p> <p>United Kingdom</p>
US Legal Advisers to the Company	<p>Proskauer Rose (UK) LLP</p> <p>8 Bishopsgate</p> <p>London EC2N 4BQ</p> <p>United Kingdom</p>
English and US Legal Advisers to the Sole Sponsor and Bookrunner	<p>Pinsent Masons LLP</p> <p>30 Crown Place</p> <p>London EC2A 4ES</p> <p>United Kingdom</p>
Reporting Accountants and Auditors	<p>BDO LLP</p> <p>55 Baker Street</p> <p>London W1U 7EU</p> <p>United Kingdom</p>
Registrar	<p>Link Group</p> <p>Central Square</p> <p>29 Wellington Street</p> <p>Leeds LS1 4DL</p> <p>United Kingdom</p>

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Latest time and date for receipt of Intermediary orders under the RetailBook Intermediaries Offer	10.00 a.m. on 23 October 2024
Latest time and date for receipt of indications of interest from institutional investors under the Institutional Offer	12.00 p.m. on 23 October 2024
Announcement of the Offer Price through a Regulatory Information Service, publication of the Pricing Statement and notification of allocations of Shares ⁽¹⁾	7.00 a.m. on 24 October 2024
Commencement of conditional dealings in Shares on the London Stock Exchange ⁽²⁾⁽³⁾	8.00 a.m. on 24 October 2024
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 29 October 2024
CREST accounts credited in respect of Shares acquired in the Offer in uncertificated form	As soon as is reasonably practical on 29 October 2024
Despatch of definitive share certificates (where applicable)	within 10 Business Days of Admission

Each of the times and dates in the above timetable is subject to change. Any such change will be publicly announced by the Company through a Regulatory Information Service. References to times are to London time.

Notes:

- (1) The Pricing Statement will not automatically be sent to persons who receive this document, but it will (subject to certain restrictions) be available in electronic format on the Company's corporate website at www.appliednutritionplc.com. If the Offer Price is set above or below the Indicative Price Range or the Indicative Price Range is revised, the Company will make an announcement via a Regulatory Information Service and prospective investors may have a right to withdraw their application for Offer Shares. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Offer Shares would be made clear in the announcement.
- (2) It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.
- (3) Prospective investors who apply for Offer Shares in the RetailBook Intermediaries Offer should consult their Intermediary as to when they will be sent documents in respect of any Offer Shares they have been allocated and when they may commence dealing in any such Offer Shares.

Offer statistics

	Bottom of the Indicative Price Range	Top of the Indicative Price Range
Offer Price (per Share) ⁽¹⁾	136 pence	160 pence
Number of Shares to be sold in the Offer by the Selling Shareholders	137,408,477	137,408,477
Percentage of the Company's Share capital to be sold pursuant to the Offer	54.96%	54.96%
Number of Shares in issue immediately following Admission	250,000,000	250,000,000
Estimated net proceeds of the Offer receivable by the Selling Shareholders ⁽²⁾	up to £182 million	up to £214 million
Estimated market capitalisation of the Company at the Offer Price at Admission ⁽³⁾	£340 million	£400 million

Notes:

- (1) It is currently expected that the Offer Price will be set within the Indicative Price Range. The Company expects to publish the Pricing Statement containing the Offer Price on or around 24 October 2024. The Pricing Statement will not automatically be sent to persons who receive this document, but it will (subject to certain restrictions) be available in electronic form on the Company's corporate website at www.appliednutritionplc.com. If the Offer Price is set above or below the Indicative Price Range or the Indicative Price Range is revised, the Company will make an announcement via a Regulatory Information Service and prospective investors may have a right to withdraw their application for Offer Shares. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Offer Shares would be contained in the announcement.
- (2) Net proceeds receivable by the Selling Shareholders are stated after deduction of placing commissions of approximately £4.0 million at the bottom of the Indicative Price Range and approximately £5.0 million at the top of the Indicative Price Range and stamp duty in each case.
- (3) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will equal or exceed the Offer Price.

PART 1

MARKET OVERVIEW

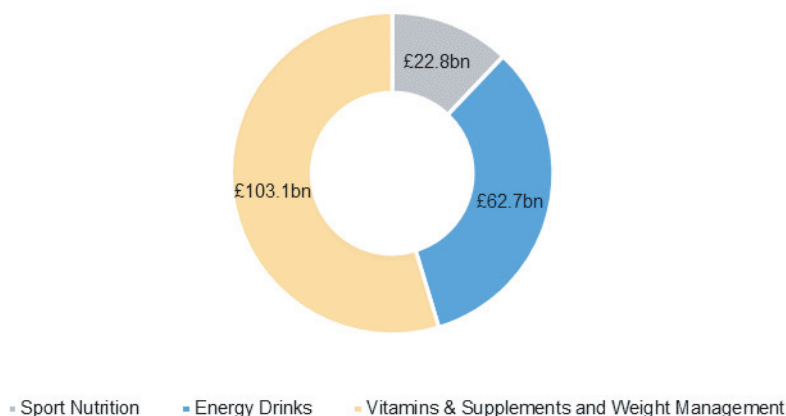
*The information in this Part 1 has been provided for background purposes. Estimates and prospects set out in this Part 1 have been prepared on the basis of a market study report which was prepared by Euromonitor at the request of the Company for the purposes of this document (the **Euromonitor Report**). The Euromonitor Report includes estimates based on published sources and interviews conducted by Euromonitor with a sample of leading industry players in relevant markets, and, where applicable, such sources have been noted next to the relevant information below. Best research practices and market study techniques and methodologies developed by Euromonitor have been used and accordingly, Euromonitor believes that it has used sources of information and methodologies that are appropriate to this study and is not aware of any deficiency or lack of information in the market information that could materially affect the accuracy of the information included herein. However, due to the nature of market research techniques and methodologies, Euromonitor does not guarantee or make any representation as to the accuracy or completeness of the information included herein which should not be relied upon in making, or refraining from making, any investment decision, and accordingly assumes no liability for losses incurred by investors as a result of their reliance on this section. Euromonitor has no material interest in the Company.*

The projections and forward-looking statements in this Part 1 are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences.

Global market overview

Applied Nutrition operates in the global sports nutrition, health and wellness market, which is valued at £189 billion, having grown at a CAGR of 8.0% between 2019 and 2023, and is expected to grow at a CAGR of 8.1% from 2023 through to the end of 2028, according to Euromonitor¹. This trend reflects a rising global health consciousness and increased awareness among consumers of preventive healthcare, self-medication, and fitness and lifestyle trends.

Chart 1: Applied Nutrition's global total addressable market reached £189 billion in 2023



Source: Euromonitor International Consumer Health Passport 2024 Edition.

Brands operating in the sports nutrition, health and wellness market have been growing both through expansion geographically into fast-growing emerging economies, and through integrating health benefits that consumers increasingly demand into their products, such as bone and joint health, healthy aging, digestive health, and immunity, all whilst continuing to build out their product ranges dealing with the core considerations of muscle-building, strength, endurance, and recovery. This dual approach involves maintaining the interest of core consumers while also adeptly marketing to lifestyle consumers and formulating products that fit their active-nutrition needs. This includes

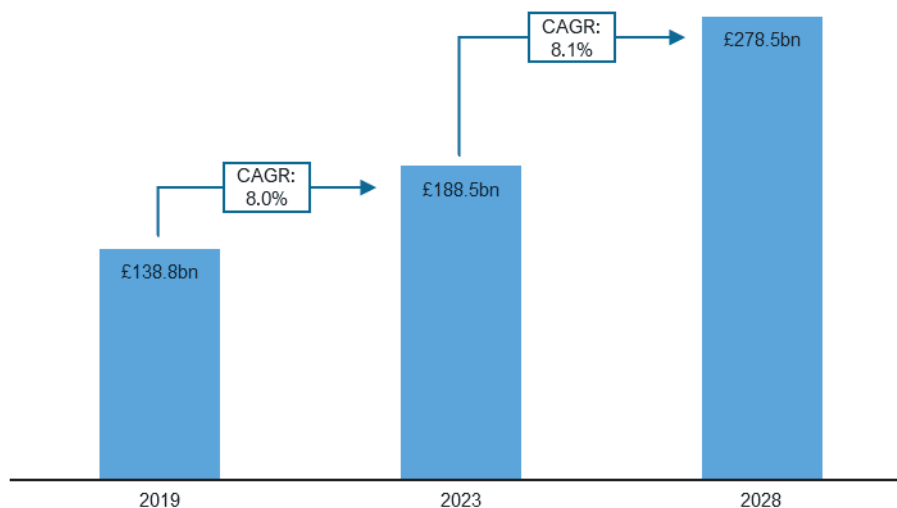
¹ Euromonitor International Consumer Health Passport 2024 Edition.

offering on-the-go and snacking options, innovating existing products with new formats and flavours, and softening marketing and design to attract a broader consumer base.

Improving general health is the top reason for consumers to either begin or increase their use of sports nutrition in their diets; the number of consumers who are taking protein supplements for their general health almost doubled in 2024 when compared to 2021². The growing demand for consumer health related product categories is evidenced by the growth reported across the four categories within Applied Nutrition's total addressable market, namely: sports nutrition, with a CAGR between 2019 and 2023 of 9.9%; vitamins and dietary supplements, at a CAGR of 6.4%; weight management, at a CAGR of 5.5%, and energy drinks, at a CAGR of 10.2%³.

Euromonitor estimates the total addressable market for Applied Nutrition will reach £279 billion by 2028, with a CAGR of 8.1% from 2023, slightly higher than its 2019 to 2023 growth. This growth is driven by the continuing rebound of global economies, reflected in increasing disposable incomes and rising health consciousness among consumers. Energy drinks and sports nutrition categories are expected to lead in terms of growth between 2023 and 2028, with CAGRs of 11.9% and 8.9%, respectively⁴, due to their broader appeal and effective strategies to expand their target customer bases.

Chart 2: Applied Nutrition's global total addressable market is forecasted to grow at a CAGR of 8.1% between 2023 and 2028, outpacing its growth of 8.0% between 2019 and 2023



Source: Euromonitor International Consumer Health Passport 2024 Edition.

Sports nutrition

The majority of Applied Nutrition's product offering falls into the sports nutrition category, which has been the fastest growing category within the sports nutrition, health and wellness industry in recent years, growing from £16 billion in 2019 to £23 billion in 2023, a CAGR of 9.9%. The total sports nutrition market is expected to reach £35 billion by 2028, representing a CAGR of 8.9% over this period⁵.

The sports nutrition category can be broken down into four sub-categories: protein powder, non-protein products, protein/energy bars and protein ready-to-drink (**RTD**). Protein powder and non-protein products are expected by Euromonitor to be the fastest growing sub-categories between 2023 and 2028, growing at a CAGR of 10% and 11%, respectively⁶. Applied Nutrition's core offering, and the majority of its sales, are focused on these two sub-categories.

² Euromonitor International's Voice of the Consumer: Lifestyles Survey, fielded January – February 2024 (n=1,011).

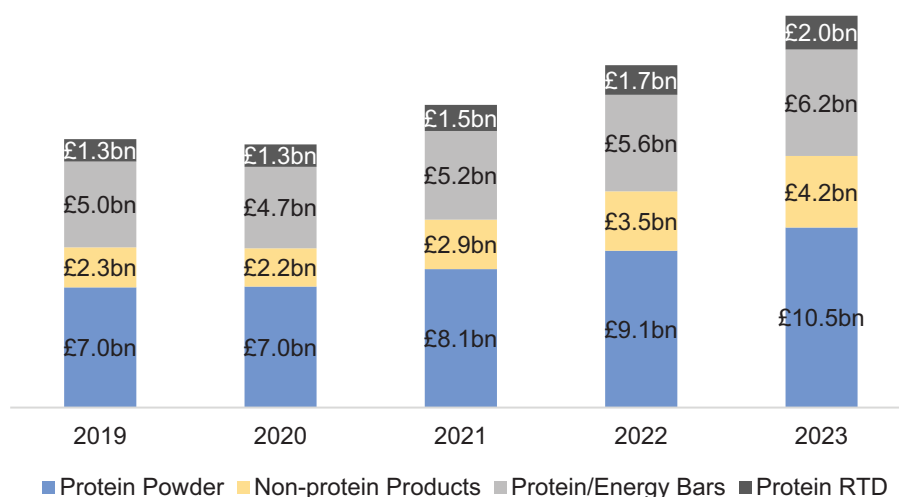
³ Euromonitor International Consumer Health Passport 2024 Edition.

⁴ Euromonitor International Consumer Health Passport 2024 Edition.

⁵ Euromonitor International Consumer Health Passport 2024 Edition.

⁶ Euromonitor International Consumer Health Passport 2024 Edition.

Chart 3: Sports nutrition market size historically (2019 to 2023)



Source: Euromonitor International Consumer Health Passport 2024 Edition.

Most consumers are buying sports nutrition products in the retail offline channels, which accounted for 63% of global consumption in 2023. Retail offline channels include grocery retail (37%), speciality retail (17%), other offline retail (9%)⁷, which are each supported by Applied Nutrition's B2B business model. The remainder of consumer purchases are through the e-commerce retail channel, which has continued to grow strongly, building on consumer behaviours developed in the last few years.

UK market overview

In 2023, the total addressable market in the UK (being the sports nutrition, health and wellness market) reached £5 billion with an historical CAGR of 9.8% between 2019 and 2023⁸. The sports nutrition category experienced high single-digit growth of 8.2% CAGR between 2019 and 2023, reaching a value of £1 billion in 2023. In general, consumers continue to incorporate these products into their daily diets and adopt healthier lifestyles since the COVID-19 pandemic, and it is therefore forecast to continue growing at a 12.6% CAGR over 2023 to 2028⁹. Innovations in sports nutrition are driven by key value propositions, convenience needs, and government regulations. Beyond muscle building and stamina, consumers seek overall health benefits, including brain health, cognitive function, memory, and mental performance.

Offline retail remains relevant in the UK for categories such as vitamins and dietary supplements and energy drinks. However, consumers continue to rely on online channels for their sports nutrition, such as protein. E-commerce is the principal distribution channel for sports nutrition in the UK, accounting for 69.6% of total retail sales value, with marketplaces contributing 46.7% and D2C channels 33.8%¹⁰. However, a number of the retailers and distributors that sell these products online also sell in store. There is a major shift in consumer behaviour in the UK which sports nutrition companies, such as Applied Nutrition, are addressing by changing the format of their products (for example, smaller protein product sizes for grocers). Such changes in format make products more accessible to the offline consumer (Applied Nutrition already offers different product formats and sizes) as consumer trends support the shift to a healthier lifestyle. New product formats also allow sports nutrition products to continue to take shelf space within grocers and other retailers from products which might be perceived as less healthy, or which fall outside of the sports nutrition category.

⁷ Euromonitor International Consumer Health Passport 2024 Edition.

⁸ Euromonitor International Consumer Health Passport 2024 Edition.

⁹ Euromonitor International Consumer Health Passport 2024 Edition.

¹⁰ Euromonitor International from Desk Research and Primary Research.

Western European market overview

Western Europe (excluding the UK) ranks as the third largest sports nutrition, health and wellness market worldwide, trailing only North America and Asia Pacific. In 2023, the total addressable market in Western Europe (excluding the UK) reached £31 billion, growing at a CAGR of 9.8% from 2019 to 2023¹¹. Despite being a relatively mature market, Western Europe has seen rapid growth due to consumers' good understanding of the benefits of such products for general health and their potential use as preventive measures against obesity, aging and diseases, for example.

To further educate consumers on the benefits of healthy nutrition, the EU has taken important steps to enhance food safety, regulation, and ingredient transparency. The total addressable market is forecast to achieve double-digit growth with a CAGR of 10.3% over the forecast period. The sports nutrition category continues to show strong growth prospects for the forecast period, with 8.2% CAGR from 2023 to 2028¹².

E-commerce retail channels in Western Europe continue to play a central role the sports nutrition category, which represented 66% of value sales across the region in 2023, outpacing offline retail channels¹³. Online marketplaces such as Amazon and Douglas, along with drugstore chains' online platforms and branded websites such as Myprotein and foodspring, are important in the distribution of sports nutrition products.

North America market overview

North America is the most mature market globally in terms of consumer awareness and understanding, and also the largest single market by a significant margin. In 2023, it was valued at £65 billion, accounting for 34% of the total global market, having grown at a CAGR of 6.3% over 2019 to 2023¹⁴. This underscores a growing consumer focus on healthy living and general health support aimed at achieving holistic wellness and well-being.

The sports nutrition category in North America reached approximately £14 billion in 2023, with a CAGR of 10.2% from 2019 to 2023. This category, representing 21% of the market, is the fastest growing among the key segments analysed and is expected to reach £20 billion by 2028, a projected CAGR of 7.5% from 2023 to 2028, outpacing the broader addressable market growth of 4.2% in North America¹⁵. The growth of sports nutrition in North America is driven by rising consumer awareness and understanding of the benefits these products offer for performance, post-workout recovery, and general health. Therefore, sports nutrition is set to be the best-performing category, driven by a fitness culture in the US that encourages consumers to enhance their diet rather than restrict it.

Consumers in North America typically purchase sports nutrition products through offline retailers, such as Walmart and Costco. Offline retail distribution channels accounts for 67% in retail value terms in 2023. Within offline retail, grocery (supermarket and hypermarkets) and specialist channels led the way in terms of value sales in 2023. Online (e-commerce channels) sales of sports nutrition products continues to grow, but remains lower than other parts of the world, accounting for 33% of total retail value sales in 2023¹⁶.

The COVID-19 pandemic has underscored the importance of an omnichannel approach to cater to consumers' hybrid shopping habits, with a growing preference for e-commerce and digital health services. Retailers are increasingly investing in health-focused categories like sports nutrition, health and wellness, indicating significant growth potential in store-based sales.

Middle East market overview

In 2023, the total addressable market for sports nutrition, health and wellness products in the Middle East reached £4 billion. Although this represents only 2.1% of the global total of £189 billion, the region recorded a faster growth rate with a CAGR of 8.9%, compared to the global average of 8.0% between 2019 and 2023¹⁷.

¹¹ Euromonitor International Consumer Health Passport 2024 Edition.

¹² Euromonitor International Consumer Health Passport 2024 Edition.

¹³ Euromonitor International from Desk Research and Primary Research.

¹⁴ Euromonitor International Consumer Health Passport 2024 Edition.

¹⁵ Euromonitor International Consumer Health Passport 2024 Edition.

¹⁶ Euromonitor International from Desk Research and Primary Research.

¹⁷ Euromonitor International Consumer Health Passport 2024 Edition.

In the Middle East, consumers are becoming more health-conscious, seeking specific nutrients to address their needs. Increased competition among sports nutrition, health and wellness players in the region has increased product innovation, competitive pricing, and potentially higher product quality, attracting customers and adapting to consumers' evolving demands and expectations.

Online channels are increasingly pivotal in the sports nutrition market across the Middle East region, not only for sales but notably for marketing and customer engagement and building brand awareness. Health and beauty specialist stores such as Life Pharmacy and Aster Pharmacy in the UAE, Nahdi in Saudi Arabia, and Care Pharmacies in Egypt, along with grocery retailers such as Carrefour in multiple countries across the region, have adapted by establishing their own online channels and/or partnering with online delivery services like Talabat, available in the UAE, Saudi Arabia, and Qatar, to broaden their customer reach.

The Middle East market is projected to reach £8 billion by 2028, implying a CAGR of 13.5% from 2023, accelerating at a faster pace compared to the historical period. This positive outlook is driven by expected improvements in economic activities across various markets, buoyed by rising oil revenues and significant government efforts in economic diversification, particularly focusing on tourism.

Competitive landscape

The sports nutrition category within the total addressable market is highly fragmented, with a handful of large players and a significant number of smaller brands looking to break into the market. The top 10 companies globally account for just approximately 36% of the total market. This presents a potential opportunity to increase global market share for a business such as Applied Nutrition, which has built the scale and capability to compete globally, but maintains the nimbleness to develop and innovate new products rapidly as a result of having a significant level of control of its supply chain. Applied Nutrition is particularly well placed to benefit here due to being vertically integrated with in-house manufacturing.

Globally, Glanbia plc (via *Optimum Nutrition* and *SlimFast*) currently ranks number one by market share within the sports nutrition category, followed by Mondelez International (via *Grenade*, *Perfect Snacks* and *Clif*) and Nutrabolt (via *C4 Energy*, *Cellucor* and *Xtend*)¹⁸. The remaining balance of the market is shared between other global conglomerates of food, beverage and snack companies, including the likes of PepsiCo, Kellanova and Meiji Holdings, and other sports nutrition companies, such as THG (via *Myprotein*), Bellring Brands (via *Dymatize*)¹⁹ and Simply Good Foods (via *Quest*).

Unlike many of its peers, Applied Nutrition competes with a broad range of the market participants due to its very wide and diverse product offering, removing the reliance on individual products to generate revenue for the Group. The diversification benefits allow Applied Nutrition to target each segment of the market and benefit from the favourable tailwinds currently being experienced across the sports nutrition category and more broadly across the global total addressable market.

¹⁸ Euromonitor International Consumer Health Passport 2024 Edition.

¹⁹ Euromonitor International categorise *Premier Protein* (a Bellring Brands company) within meal replacement sub-segment and therefore not captured within Sports Nutrition.

PART 2

BUSINESS DESCRIPTION

The following should be read in conjunction with the other information regarding the Group in this document, including the section headed “Risk Factors”, Part 5 and the Company’s consolidated Historical Financial Information and the related notes included in Part 6. Unless otherwise stated, the financial information relating to the Group set out in this Part 2 has been extracted without material adjustment from the Historical Financial Information in Part 6 of this document.

This Part 2 includes forward-looking statements that reflect the current view of the Directors and involve risks and uncertainties. The actual results of the Group could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this document.

Overview and background

Applied Nutrition is a leading sports nutrition, health and wellness brand, which formulates and creates nutrition products targeted at a wide range of consumers and sold in over 80 countries worldwide. Headed by a founder-led management team with deep industry knowledge and supported by an experienced non-executive team, the Group’s products are designed, formulated and largely manufactured at its state-of-the-art facility in Knowsley, Liverpool. The Group’s senior management team’s vision is to create the world’s most trusted and innovative sports nutrition, health & wellness brand.

Founded in 2014 by Thomas Ryder, Applied Nutrition initially launched with its Critical Mass product, a premium all-in-one nutritional supplement designed for athletes and fitness enthusiasts seeking to maximise muscle growth and recovery and gain lean mass, which continues to be one of Applied Nutrition’s best-selling products today. In the following year, a number of Applied Nutrition’s products first received Informed Sport accreditation, and the Group established its own in-house new product development (**NPD**) and manufacturing capabilities. In 2016, the Group launched its “All Black Everything” (**ABE**) range, a highly formulated, premium range targeted at experienced gym goers, and by 2018 Applied Nutrition’s product range had grown to more than 30 different products, including Applied Nutrition’s first “Grab-and-Go” products. The Group has since launched its “Endurance” range, which is focused on the endurance sport community, and its “BodyFuel” range of products aimed at the price conscious consumer.

Since its founding, the Group has grown through a combination of increasing shelf space and distribution end points with existing customers, accessing new geographies and channels with new customers, expanding its product ranges through variations in flavours and formats, and the launch of new products through NPD. In 2021, JD Sports Fashion Plc (**JD Sports**) acquired 32% of the share capital of Applied Nutrition from Thomas Ryder, as a strategic initiative alongside its JD Gyms business.

Whilst the UK is the Group’s largest market in terms of revenue in any single geography, international expansion has been a key growth driver, with the Group’s products now available in more than 80 countries worldwide. In 2015, Applied Nutrition expanded sales into Europe through its relationship with a leading European distributor, and by 2017 Applied Nutrition’s products were being sold in 15 countries, including countries in the Middle East. International sales further expanded into Asia Pacific in 2019. More recently, in 2022, the Group expanded into the US, opening an office in Dallas, Texas, as part of its wider international expansion strategy.

The Group largely operates a global business-to-business (**B2B**) model, which has facilitated a low risk, highly cost-effective go-to-market strategy and has enabled strong, profitable growth in the UK, Europe and other international geographies. The Directors believe that this model differentiates Applied Nutrition from its competitors, by allowing it to access new geographies and consumers quickly. A smaller proportion of sales (approximately 9% of revenue in FY24) are made directly to the consumer (**D2C**) via the Group’s UK website, its US website, and through Amazon and eBay. In recent years, Applied Nutrition’s D2C offering has expanded in the UK and internationally, with the channel delivering strong growth year on year.

Since 2020, the Group has operated its in-house manufacturing from a custom-built facility in the UK, based in Knowsley, Liverpool. In 2022, in response to significant growth in revenue and

demand for products, the Group added a dedicated 47,000 square foot warehouse located immediately next door to its manufacturing site. Together, these contain all the Group's UK operations, including in-house production and manufacturing facilities, warehouse space and office space. In 2023, the Group began to introduce automation within its manufacturing facility and in 2024, has completed an expansion of its production lines, thereby increasing production capacity to a level that represents approximately double the amount of revenue historically generated.

Applied Nutrition is led by an experienced senior management team with deep industry knowledge and long-term ambitions, comprising its founder and CEO, Thomas Ryder, its COO, Steven Granite and its CFO, Joe Pollard. The Group's US operation is led by Applied Nutrition's US CEO, Aaron Heidebreicht, who was recruited in March 2024. With the support of the Board and the Group's 200+ employees, the senior management team's vision is to create the world's most trusted and innovative sports nutrition, health & wellness brand.

Applied Nutrition's business model and strategy has enabled the Group to become a fast-growing, highly profitable and cash generative global supplier in the £189 billion addressable sports nutrition, health and wellness market. This is highlighted by the following table which sets out certain key performance indicators of the Group:

	Year ended 31 July		
	2022	2023	2024
	(£000)		
Revenue			
– UK	12,190	25,240	33,635
– Europe	4,880	7,736	10,665
– International	17,958	27,805	41,852
Total	35,028	60,781	86,152
Gross profit	14,078	27,146	41,294
Adjusted EBITDA	10,410	18,548	25,993
Free cash flow	7,459	9,337	16,891
Net cash/(debt)	5,399	12,735	18,720

Investment highlights

The Directors believe that Applied Nutrition has the key attributes required to succeed in the sports nutrition, health and wellness market, including numerous competitive strengths and characteristics that differentiate it from its peers. The Directors further believe that the markets in which the Group operates are large, growing, attractive and addressable, all of which will support its ability to continue delivering long-term sustainable growth.

1. Significant market opportunity

The Group has access to a global market opportunity valued at £189 billion in 2023, with structural market growth driven by an increased consumer focus on sports nutrition, health and wellness supplements. These consumer trends have been led by, amongst other things, consumers focusing on improving general health whilst having a greater awareness and understanding of the benefits of nutrition, as well as being exposed to a broader product offering and appeal that is more accessible and convenient. By way of example, the number of consumers who are taking protein supplements for their general health almost doubled in 2024 when compared with 2021.

2. Trusted brand with broad consumer appeal

Applied Nutrition has successfully built its reputation as a trusted sports nutrition, health and wellness brand. The Group's in-house manufacturing operation has received site accreditations from a number of professional bodies, including the BRC-GS Global Food Safety certification (AA+ grade), the HACCP Food Safety certification, the GMP certification, FDA accreditation and ISO 22000:2018 – Food Safety Management. These accreditations, as well as the Group's internal processes and state-of-the-art facilities, ensure that Applied Nutrition products are manufactured in a highly controlled environment, which allows for consistency and replication across batches and provides assurance of delivery. The Group's trusted brand status is also

maintained through its various collaborations and partnerships with professional athletes and sports clubs, and its Informed Sport accreditation, which provides assurance that the Applied Nutrition products which carry the Informed Sport mark have been tested for prohibited substances and manufactured to high-quality standards.

Applied Nutrition targets a wide range of consumers: professional athletes who use sports nutrition products daily, elite gym-goers, fitness enthusiasts, and every-day health-conscious consumers looking to improve their health or manage their weight. With this wide range of consumers in mind, the Group has developed and launched four key ranges under the umbrella of the Applied Nutrition brand: “Applied Nutrition”, its original range which comprises its broadest product offering; “ABE”, a highly formulated premium range targeted at experienced gym goers; “BodyFuel”, an entry level range aimed at the price conscious consumer; and “Endurance”, a specialist range aimed at endurance athletes. Each range targets a different consumer group and ensures that the Group continues to appeal to a broad and diversified customer base.

3. Successful B2B business model

Applied Nutrition benefits from the advantages of a predominantly B2B business model with a low risk, highly cost-effective go-to-market strategy which has allowed the Group to leverage local knowledge in international markets. Customers in new geographies will utilise their market expertise and local knowledge and collaborate with Applied Nutrition to ensure compliance with any regulations or requirements for the sale of certain Applied Nutrition products within their territory. Through these close customer relationships, the Group is also able to better understand and react to consumer feedback and market trends in international markets. In turn, this feedback is fed into management’s strategic decision making and the Group’s NPD processes.

The Group’s ability to enter new geographies cost-effectively is evidenced through its profitable track record of strong growth and profitability throughout Europe and other international geographies. In FY21, the Group generated revenue in Europe of £2.6 million, with such figure increasing to £10.7 million in FY24 through growing distribution end points, entering new geographies and increasing retail presence. Outside of the UK and Europe, the Group’s international revenue was £12.4 million in FY21, with such figure increasing to £41.9 million in FY24 through significant growth in the Middle East and new geographies. From FY21 to FY24, the number of geographies in which the Group’s products were sold increased by 58% from 52 to 82.

Applied Nutrition’s global B2B business model also provides the Group with access to a broad range of routes-to-market, ensuring that Applied Nutrition products are highly accessible by its diversified consumer base through a number of different channels. The Group contracts with B2B customers who are retailers (including speciality stores and grocers), gyms and sports clubs (including commercial gyms and specialist shops within gyms) and distributors, who in turn distribute Applied Nutrition products to retailers, gyms and consumers within their relevant territories. This distribution network is continually leveraged by the Group to allow it to access new geographies and expand in existing geographies.

4. Scaled in-house manufacturing capability and NPD engine

Innovation in the sports nutrition, health and wellness category is vital to reaching new audiences, maintaining relevance and increasing sales with existing customers. The Group benefits from a highly efficient in-house manufacturing operation and NPD team with a deep understanding of consumer needs. The Group’s control of its manufacturing process enables production flexibility, margin protection and is key to its successful NPD. Effective in-house manufacturing and NPD enables nimbleness and allows the Group to react and align itself with consumer trends at rapid pace. When compared with an outsourced manufacturing and NPD model, the Group is able to bring in-house manufactured product variations and certain new products to market quickly and efficiently, as it is not highly reliant on third-party processes or subject to the risk of third-party constraints or delays. Furthermore, this approach to manufacturing results in attractive EBITDA margins. The Group’s manufacturing site in Knowsley, Liverpool, has recently undergone a significant expansion, thereby increasing

production capacity to a level that represents approximately double the amount of revenue historically generated.

5. Impressive financial profile

Applied Nutrition has delivered impressive financial performance with strong revenue growth, a high operating margin, strong cash generation and a debt-free balance sheet. The Group has increased revenue from £35 million in FY22 to £86 million in FY24 at a CAGR of 57%. This growth has been delivered across the Group's diversified routes-to-market and product offerings, with all regions (UK, Europe and International) and each of the four Applied Nutrition ranges ("Applied Nutrition", "ABE", "BodyFuel" and "Endurance") contributing to strong revenue growth over the period.

Profitability is a focus for the management team and the Group has delivered a consistent adjusted EBITDA margin of approximately 30% across FY22, FY23 and FY24. Key to the Group's high margin is its in-house manufacturing and NPD capabilities, as well as its vertical integration within its B2B business model which, for example, requires less marketing spending than a D2C model.

The Group also maintains a cash focused philosophy and plans to maintain its strong balance sheet, with a net cash balance and no drawn debt at Admission.

6. Multiple pillars to deliver long-term sustainable growth

The Directors believe there is significant long-term opportunity for growth and have in place a multi-pillar growth strategy underpinned by global megatrends. In addition to consumer trends being driven by an increased focus on sports nutrition, health and wellness globally, there is opportunity for Applied Nutrition to achieve growth through a number of different pillars. These pillars comprise growing through the Group's existing customers, by increasing shelf space and distribution end points, as well as growth through attracting new customers, both in new geographies and through new channels in existing geographies. There is also significant room for the continued growth of the Group's D2C offering, whilst maintaining principal focus on its B2B-led business model. The Group will utilise its NPD capabilities to drive growth across these pillars by expanding its existing ranges, products, formats and flavours.

7. Founder-led, ambitious team

Applied Nutrition benefits from a founder-led management team with deep industry knowledge and long-term ambitions. The Group's founder, Thomas Ryder, has more than 15 years of experience in the sports nutrition, health and wellness industry across retailing, wholesaling and manufacturing, whilst the Group's COO, Steven Granite, benefits from his experience as the CEO of a private equity-backed food logistics business. In addition, the Group's CFO, Joe Pollard is a qualified Chartered Accountant with experience in audit, capital markets advisory, and corporate finance advisory, and the Group's US CEO, Aaron Heidebreicht, also brings more than 20 years' experience in the sports nutrition, health and wellness industry. The executive management team is further supported by an experienced non-executive team and board, as well as the Group's 200+ employees.

The Group's products

Ranges

The Group has developed and launched four ranges under the umbrella of the Applied Nutrition brand, each targeting a different consumer group with distinct products and stock keeping units (SKUs).



Applied Nutrition

Launched in 2014, "Applied Nutrition" is the Group's original and broadest range, which is aimed at serving consumers across their entire fitness journey, catering to all levels of fitness, as well as consumers with a broader focus on health and wellness, providing a premium trusted product at a competitive price point. The "Applied Nutrition" range has an established market position in protein powders, particularly with its Critical Whey and Critical Mass products. It also has the largest category and product breadth of the Group's four ranges, with 79 products and 358 SKUs as at the end of FY24²⁰.

Primary routes-to-market for the "Applied Nutrition" range are diverse, and include B2B via retail (grocery, convenience, discounter and speciality), distributors, and gyms and sports clubs alongside D2C via the Group's websites and Amazon. The range accounted for 58% of the Group's revenue in FY24.

All Black Everything (ABE)

Launched in 2016, "ABE" is a highly formulated, premium range which is primarily targeted at experienced consumers and professionals who want to optimise for higher sport performance. "ABE" was originally launched as a pre-workout range of products, but has since been extended by the Group to incorporate additional products. "ABE" is positioned in the market as a premium range and a leading pre-workout brand.

"ABE"'s primary routes-to-market include retail (speciality grocery and convenience), distributors, and gyms and sports clubs alongside sales direct to the customer via the Group's website. The "ABE" range accounted for 27% of the Group's revenue in FY24, and consists of 10 products and 131 SKUs as at the end of FY24²⁰.

BodyFuel

Launched in 2023 in response to a fast-growing consumer trend in hydration, "BodyFuel" has since grown into a range of entry-level products aimed at price-conscious consumers, often at the start of their sport nutrition journey. The Group has built out the range into adjacent categories, including pre-workout and intra-workout categories, as well as providing products in different formats, such as cans, shots and gels.

Given its target consumer, "BodyFuel" is primarily available in discount or convenience retail channels. However, its routes-to-market also include D2C sales via the Group's websites. The "BodyFuel" range accounted for 6% of the Group's revenue in FY24, with the majority of such revenue being generated in the UK through hydration. In FY24, hydration revenue trended to a more normalised base, which Applied Nutrition successfully replaced through the introduction of new Body Fuel products. The "BodyFuel" range consists of 8 products and 27 SKUs as at the end of FY24²⁰.

²⁰ Based on sales for FY24 of more than £1,000 per product or SKU.

Endurance

Launched in 2022, “Endurance” is a range of specialist products targeted at cyclists, runners and other endurance athletes who want a performance and strength boost during their endurance related physical activities. The Directors believe that the “Endurance” range presents an opportunity to disrupt incumbents through the innovation it brings to the category.

The primary routes-to-market for “Endurance” include retail (grocery, speciality and discounter), distributors, and gyms and sports clubs alongside sales direct to the customer via the Group’s website. The “Endurance” range accounted for 1% of the Group’s revenue in FY24, and consists of 7 products and 26 SKUs as at the end of FY24²⁰.

Product categories

Across the four ranges, the Group sells approximately 100 different products, with flavour and format combinations across those products resulting in over 500 SKUs. The number of flavour and format combinations across each of the Group’s products varies, with some products producing multiple SKUs, and others being sold as standalone product without any variation. The product offering is categorised as follows:

- **Protein** includes a wide variety of protein-based products including “Critical Whey”, “Diet Whey”, “Beef-XP” and “ISO-XP”. All protein products sold by Applied Nutrition are produced in-house at the Group’s manufacturing facility.
- **Pre-workout** comprises products designed to increase physical performance and reduce tiredness while training, such as “ABE Powder”. All pre-workout products are also manufactured in-house.
- **“Grab-and-Go”** includes convenience products such as “ABE” cans and “BodyFuel Hydration”. These products are typically produced externally. Where a product may be considered a “Grab-and-Go” product in addition to it falling into another category, such as “ABE” pre-workout cans, the Group categorises them as a “Grab-and-Go” product.
- **Health and wellness** comprises vitamin capsules and other supplements (such as Collagen) which helps muscle recovery, wellness and general health. The majority of the Group’s health and wellness products are manufactured in-house.
- **Weight management** consists of products which are designed to aid weight loss (for example “Carnitine”) or aid a user in increasing weight (such as “Critical Mass”). The manufacture of the Group’s weight management products is split between third-party manufacturers, and Applied Nutrition’s in-house manufacturing facility.
- **Intra-workout** consists of products designed to increase energy and aid recovery during and after training, including Creatine. The majority of the Group’s intra-workout products are manufactured by Applied Nutrition in-house.

APPLIED NUTRITION

FORMULATED BY EXPERTS, TRUSTED BY ATHLETES.





New product development

The Directors believe that NPD is a critical success factor for the Group. Effective NPD allows the Group to fill opportunity gaps and refresh its range of products. It also allows the Group to access new geographies more easily, introduces new users to the brand and allows the Group to target new distribution partners. The Group's NPD team has a deep understanding of the needs of consumers and the ability to act nimbly to expand product ranges through in-house NPD. This can be demonstrated through the Group's development of new flavour variations to existing products, as

well as the development of new product ranges, such as the “BodyFuel” range. In 2022 and 2023, the Group was able to develop and bring the “BodyFuel” range to market quickly in response to a developing consumer trend and led to the production and sale of 10 million bottles of product in a period of 18 months.

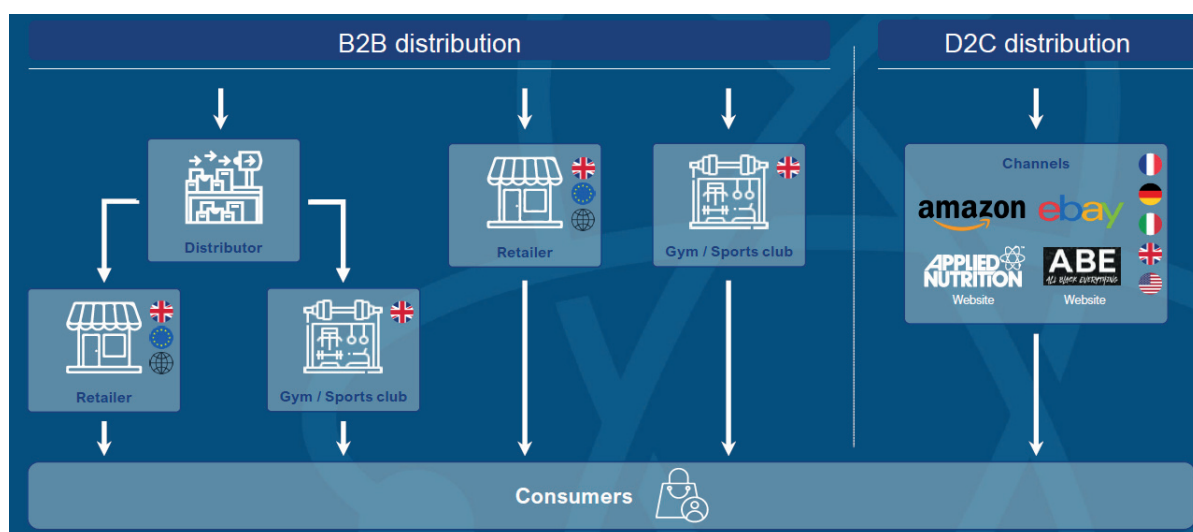
The Group has an established and proven NPD operation which allows new products to be discovered, designed, engineered and monitored through a multi-review process. The Group’s ability to complete this entire process in-house, including the initial design and creation of a product prototype, as well as multiple rounds of testing and modification, allows the Group to expedite what would be a significantly more protracted timeframe if any part of the NPD process were to be outsourced. The Group also actively monitors trends through customer and brand ambassador feedback and existing product popularity (tracked through Amazon searches and website purchases).

The Group has experienced recent NPD successes and has an exciting NPD pipeline, with products which have been brought to market or are expected to be brought to market in the next twelve months including:

- ***Creatine Liquid: “CreaFlow”.*** Management believe they may be the first to market with a shelf stable liquid creatine monohydrate product, delivering a highly bioavailable 3000mg of creatine monohydrate.
- ***Complete Protein.*** An all-in-one protein formula, aimed at the older demographic, to help build muscle, optimise hydration and improve performance & recovery time. The formula includes magnesium, zinc, vitamins, prebiotics, probiotics, and electrolytes in addition to protein.
- ***Sparkling Protein Water.*** Designed to provide 10g of protein with no added sugar as a healthy drink which can be offered as part of “meal deals”.
- ***Diet Protein bars.*** Management identified a gap in the “Grab-and-Go” category for a lighter snack bar at a competitive price point, and so recently launched a diet protein bar with two flavours. Management plan to add further flavours if successful.
- ***Protein+ Mushroom powder.*** Management identified an increase in consumers seeking mushroom supplements and so have developed a mushroom powder to provide a serving of 20g of protein in addition to 2000mg of 8 functional mushrooms to provide additional immunity with a wellness focus.

Customers and routes-to-market

The Group has developed established and diverse routes-to-market which allow it to cater to its wide consumer base both in the UK and internationally.



The Group’s products are sold via these routes-to-market in more than 80 countries globally. The Group classifies sales geographies into the following regions: (i) UK; (ii) Europe; and

(iii) International. In FY24, sales in the UK accounted for £33.6 million (39%) of revenue, sales in Europe accounted for £10.7 million (12%) of revenue, and international sales accounted for £41.9 million (49%) of revenue.

B2B customer relationships

The Group's main route to market is B2B sales to distributor customers (45% of revenue in FY24) and retailers (39% of revenue in FY24), together comprising 84% of total revenue. Distributor customers include sports nutrition specialist distributors, FMCG distributors and convenience distributors, whilst retailers include specialist fitness retailers and health and wellness retailers, discount retailers, convenience retailers, online retailers and grocers. Other routes-to-market include gyms and sports clubs (2% of revenue in FY24), including commercial gyms, sports clubs such as football clubs, specialist shops within gyms and gym vending machines, and white label products. The profit margin on a product basis varies within each channel, however the overall margin within each channel is similar due a combination of the mix of products sold, the ingredient inputs and average package size within each channel.

As further demonstrated by the customer examples in each of the regions outlined below, the Group benefits from a diversified customer base. In FY24, the Group had 20 customers which individually accounted for more than £1 million of revenue, 9 customers which individually accounted for between £500,000 and £1 million of revenue, with the balance of the remaining customers (who number over 375) accounting for 23% of the Group's total B2B revenue. The Group's customer base is also very stable, with 10 of the customers individually accounting for revenues over £1 million having been customers of Applied Nutrition for over five years. Many of the smaller customers are more recent customer wins and provide a good growth opportunity, with the Group looking to increase the number of customers that are delivering over £1 million of revenue on an annual basis.

Across Europe and internationally, the Group operates a distributor-led model. The Group contracts with customers who are established distributors and who have relevant expertise relating to the industry and market within their distribution territory. There are varying rules and regulations that need to be complied with in order for the Group's products to be sold by its distributor customers in their jurisdictions. This can include prohibitions or restrictions on specific ingredients in products to be sold (for example, in the UK there are restrictions around caffeine), and in some cases (particularly in countries where the sports nutrition market is less developed) this can include a requirement to register a product with a particular local regulator. In other jurisdictions, for example in the US, there are no product registration requirements and very few requirements or prohibitions regarding the ingredients in products sold.

Outside of the UK and the US, the sale of the Group's products to end consumers relies on the market expertise and local knowledge of each of its customers within the relevant countries. The distributor-led model allows the Group to enter new jurisdictions quickly and cost-effectively, and avoids the need for the Group to have a physical presence in multiple countries across the world. Whilst it is the customer who will interface with the relevant regulator and ensure that the Applied Nutrition products it sells are compliant with local law, where one of the Group's customers is going through the process of registering a product with a local regulator, the Group will assist the relevant customer in providing the relevant information requested by the regulator. In certain jurisdictions (for example Australia), the Group has also worked with the relevant customer to amend recipes and/or packaging for certain products to ensure they are compliant with local law.

Applied Nutrition maintains strong relationships with distributors and has regular communication channels (typically led by Applied Nutrition's sales team or management) around stock requirements and future demand pipeline. Management believe that choosing the correct distributor in each country is extremely important, and the Group therefore carries out extensive due diligence on potential international distributor customers before contracting with them. Where there are multiple distributors in the same geographic region, these tend to target different end consumers (via different sales channels).

United Kingdom

The Group has an established presence in the United Kingdom, with considerable potential for further expansion of its B2B offering. All four Applied Nutrition ranges are sold through B2B

channels in the UK. Sales in the UK are made through a number of channels and key customers. These include:

- **Retailers**, which accounted for approximately half of the Group's revenue generated in the UK in FY24. Key retail customers in the UK include grocers such as Asda and Tesco, discount retailers such as B&M and Home Bargains, and health and wellness retailers such as Holland & Barrett;
- **Distributors**, which accounted for the second largest proportion of the Group's revenue in the UK in FY24. The Group contracts with a range of distributors in the UK, thereby reaching a variety of different end consumers; and
- **Gyms and sports clubs**, which accounted for a smaller proportion of revenue generated in the UK in FY24. Key gyms and sports clubs in the UK include JD Gyms, PureGym, Everlast Gyms and Fulham Football Club.

Europe

The Group operates a predominantly distributor-led model in Europe, which has successfully driven growth in that region. B2B sales in Europe are across all four of the Applied Nutrition ranges and are predominantly made through:

- **Distributors**, which accounted for the majority of revenue in Europe in FY24. The Group contracts with a range of distributors in Europe, thereby reaching a variety of different end consumers; and
- **Retailers**, which accounted for a smaller proportion of revenue generated in Europe in FY24. Key retail customers in Europe include B&M in France, MyFit24 in Germany, Holland & Barrett in Ireland and Body & Fit in the Netherlands.

International

Outside of the UK and Europe, the Group has experienced distributor-led success in the Middle East and in a number of other international territories. The Group's international offering has also been bolstered by the Group's recent expansion in the US. B2B sales internationally are predominantly across the "Applied Nutrition" range and the "ABE" range through:

- **Distributors**, which accounted for approximately half of revenue generated internationally in FY24. Key distributors internationally include Dr Nutrition in the Middle East, as well as a range of distributors across North America, South America, Africa and the Asia Pacific Region, thereby reaching a variety of different end consumers; and
- **Retailers**, which accounted for the second largest proportion of the Group's revenue generated internationally in FY24. Key retail customers internationally include Dr Nutrition in the Middle East and Walmart in the US.

D2C

The Group has historically made a small proportion of sales on a D2C basis through the Group's website, and through online marketplaces such as Amazon and eBay. The Group has its own website in the UK and launched a US website in FY23. The Group has a D2C offering through Amazon in the UK, France, Germany and the US, and plans to launch further European countries during FY25. In recent years, the Group has seen this route to market expand and has delivered growth in this area year-on-year. In FY23, D2C sales generated £4.3 million of revenue. This figure rose to £7.8 million in FY24.

White label

In addition to the Group's four ranges, the Group manufactures white label products for sale to specific customers. The Group maintains a selective approach to white label sales, exclusively engaging with existing customers as a mechanism of deepening the Group's relationships with some of its key customers.

In FY24, white label products contributed 7% (£6 million) of total revenue. This aspect of the business remains a smaller, non-core activity compared to the Group's primary focus on revenue generated from its own branded products.

Brand awareness

Partnerships and collaborations

In addition to traditional marketing, Applied Nutrition's product ranges are promoted through professional sports partnerships and collaborations. Through partnerships with professional athletes such as Paddy "The Baddy" Pimblett and Molly "Meatball" McCann²¹ in the UFC and Sir Bradley Wiggins in cycling, the latter of which is aligned to the Group's specialist "Endurance" range, the Group is able to build brand awareness across a range of different consumers. Partnerships with professional football clubs, rugby league clubs and big names in boxing such as "Gallaghers Gym" and "Team Fury", the team behind the former heavyweight champion, Tyson Fury, also enhance Applied Nutrition's reputation as a brand trusted by professionals in the sporting industry.

Across the Applied Nutrition ranges, the Group has also entered into brand collaborations through influencer partnerships and flavour variations. These collaborations allow the Group to build brand awareness across a range of different product lines and consumers, which provides opportunity for cross selling of products with existing and new customers. Collaboration examples include the Group's recently commenced collaboration with Coleen Rooney, which focuses on female health and wellness products and collaborations with Swizzels and Millions to develop new flavours of products.

The Group is selective as to who it partners with, considering a range of factors to ensure the reputation of its brands and trademarks are protected, as well as ensuring such partnerships and collaborations derive appropriate value.

Exhibitions

A key element of Applied Nutrition's targeted brand awareness strategy is its attendance and promotional activities at exhibitions and sampling events. In FY24, the Group attended 17 events globally allowing it to actively engage with more than 750,000 gym-goers and fitness enthusiasts. In addition to building on brand awareness, exhibitions and events allow the Group to enhance customer relationships, through meeting with its international customer partners and therefore supporting its international growth strategy, and through social media and community engagement. Such engagement also provides for a data feedback loop with key customers and directly with consumers.

Promotional activity

The Group does not typically work 'on promotion' and 'off promotion' in the way in which its competitors may choose to. At any one time the Group will have monthly offers in place which are typically gifts with purchase, or an additional product with a purchase, for B2B customers, rather than discounts on products. For a small number of customers (principally in the UK), the Group has in place rebate agreements. These are usually for agreed periods of time and relate to supporting the relevant customer with promotion to its end consumers.

Supply chain, sourcing and manufacturing

Supply chain

The Group sources all key raw materials from a diversified supplier base predominantly across the UK, Europe, the US and China. The use of a range of alternative suppliers across a number of countries allows the Group to minimise the impact of supply chain risks and bottlenecks, such that there is no material concentration around any one supplier. The large majority of the Group's total raw material spend is on raw ingredients (68%), packaging (15%) and finished goods (15%). No more than approximately 10% of total spend is spent on any one supplier and the top 10 suppliers equate to approximately 50% of total raw material spend. Suppliers are generally selected based on either price or whether there is a longstanding relationship (so as not to require disrupting/changing supplier arrangements each year). The Group carries out desktop due diligence before any supplier is onboarded.

Management assesses raw material pricing as part of monthly reporting processes and typically manages any fluctuation in the price of raw materials by utilising the strength of the Group's balance sheet and buying in bulk in advance when it is advantageous to do so. The ability to purchase directly from manufacturers also reduces the impact of price fluctuations on the Group.

²¹ From 15 August 2022 until 14 August 2024.

The Group purchases the majority of its raw materials in GBP, with the remainder purchased in USD or EUR. The Group wherever possible has sought to match receipts in one currency with payments in the same currency creating a natural hedge (i.e. matching customer receipts with same denomination costs).

Raw materials are stored in the Group's warehouse in Knowsley (alongside finished goods once produced or purchased from external suppliers). Typically, raw materials purchased have a 24 month shelf-life which allows the Group to purchase and store raw material in bulk, with little risk of obsolescence.

Manufacturing

Applied Nutrition benefits from well-established production facilities at its headquarters in Knowsley, Liverpool. Products that are produced in-house accounted for 82% of sales in FY24 and include both Applied Nutrition branded products and white label manufacturing services. The Group currently operates four powder lines (one automated) facilitating consistent, high-quality production and large product volumes. It also has in place an additional semi-automated capsule line and gel machine, all of which are operated in a highly controlled environment to ensure consistency across batches. To cater for the fast rate of growth of the business, the Group's manufacturing site has recently undergone a significant expansion, thereby increasing production capacity to a level that represents approximately double the amount of revenue historically generated.

The Applied Nutrition management team has committed to uphold the highest quality management practices with respect to ingredient handling and food production. Quality in every aspect of the manufacturing process is evidenced through the Group's numerous site accreditations, including the HACCP Food Safety certification, the GMP certification, FDA accreditation, ISO 22000:2018 – Food Safety Management and the following:

- **BRC-GS.** BRC-GS was the first standard to meet the Global Food Safety Initiative. The standard has been developed to aid the food industry to comply with UK & EU food safety laws and is a benchmark for best practice in food safety, quality, and responsibility. BRC-GS provides a framework for managing safety, integrity, and quality under the following requirements: senior management commitment & continual improvement; food Safety Plan (**HACCP**); food safety & quality management systems; site standards; product control; process control; and personal wellness. Applied Nutrition has successfully achieved three consecutive years of AA grading, with the last audit being unannounced and the site achieving an AA+ grade.
- **Informed Sport.** Informed Sport is a global testing and supplement certification programme which provides assurance to athletes that products carrying the Informed Sport mark have been tested for prohibited substances and manufactured to high-quality standards. The manufacturing facility is audited once annually, and each member product is screened using pre- and post-metabolic methodologies to identify the presence of prohibited substances to a PPB (parts per billion) level.
- **Sedex.** Sedex is a globally recognised accreditation that indicates a company's commitment to ethical and responsible sourcing and manufacturing practices. It is a mark of trust that indicates a company's dedication to social and environmental responsibility. The accreditation is particularly focused on the company's supply chain in such a way as to address ethical and social responsibility to improve ethical performance levels.
- **Halal.** A Halal accreditation attests that a product is manufactured in full compliance with the precepts of Islamic Law. The manufacturing facility is audited once annually, and each product is reviewed prior to registration via a dossier of ingredient and packaging detail submitted to the accreditation authority. This rigorous level of material screening ensures that the Group works closely with key ingredient suppliers who meet Halal certification standards and certification from source, and that the Group carries the same level of product security throughout its production process and into the finished goods.
- **Tested for Athletes™.** This is an internal program which sets Applied Nutrition's rigorous material supply audits, qualification, and quantification standards. It provides consumers with confirmation that ingredients are monitored through the Group's quality management systems and are produced and packaged in an ISO 22000, BRC-GS, GMP and Halal accredited facility.

A small percentage (amounting to 18% of revenue in FY24) of the Group's products are not manufactured in-house. The Group utilises third-party manufacturers to produce bottled and/or canned drinks, cookies and snacks, apparel and other branded merchandise. Third-party manufacturers for goods produced externally are based in the UK, Europe and China. The Group chooses third-party suppliers that align with the Group's values and commitment to quality and all have the required accreditations.

The Company has received a notification from the UK Intellectual Property Office that it intends to grant the Company a patent in relation to part of its production process. The Company may receive a benefit under the UK "Patent Box" tax scheme as a result of the grant of the patent.

Growth strategy

The Group's growth to date has been driven by diversified execution across both existing and new customers, underpinned by a continuous focus on NPD and optimisation of the Group's capabilities that support growth. The Group's total revenue in FY24 was £86.2 million, increasing from £21.8 million in FY21. This increase in revenue is attributable to a broadly equal combination of revenue from existing customers purchasing existing products, existing customers purchasing new products and new customers.

Applied Nutrition's growth strategy going forward will continue to be focused on these multiple pillars of growth which are supported by several global consumer megatrends. These pillars include:

- **Existing customers.** Growth within the Group's existing customer base can be achieved through a focus on increased shelf space and appeal. In particular, this can be achieved through an increase in the Group's existing product range and breadth and increased SKUs within existing product offerings. Existing customer growth is also achieved through an expanded rollout of distribution end points and deeper penetration across all available channels.
- **New customers.** The Group can also achieve growth through access to new customers. This includes through entry into new geographies, where the Group can continue to leverage its proven internationally successful B2B model, and through establishing new customer relationships within both existing and new channels.
- **D2C.** The Group's D2C strategy will continue to complement its B2B strategy in certain geographies, whilst simultaneously building its brand awareness with consumers.

These pillars of growth will be supported by NPD and optimisation. NPD will allow the Group to expand its existing ranges, products and flavours, and therefore help support further growth across existing customers, new customers and D2C. Further optimisation of the Group's in-house manufacturing and production capabilities, where it is continuously improving operational excellence through automation, will also help to support the growth of the business.

Furthermore, the Group has in place specific growth strategies within each of its key regions, which include a combination of the pillars mentioned above:

- **UK.** The Group's key focus in the UK is on deepening channel penetration amongst grocers, specialist retailers, convenience retailers, discount retailers and gyms. The grocer strategy includes increasing shelf space with existing customers such as Asda and Tesco, and expanding across ranges, formats and categories, as well as targeting new customers and using grocers as a route into smaller express stores to support growth in the convenience channel. The Group's specialist retail strategy includes increasing shelf space with existing customers, keeping products fresh, expanding across ranges, and leveraging the "Endurance" range and health & wellness products to win new customers. Convenience channel growth will be delivered through targeting vending machine providers, petrol stations, express stores and wholesalers. The discounter strategy is based on increasing the number of products within the "BodyFuel" range and increasing penetration with existing, nascent and new customers. The gym channel is important for brand awareness and Applied Nutrition is continually signing up independent gyms and assessing national gym chains. Improving brand awareness is also expected to drive further D2C organic growth through Applied Nutrition's own website and Amazon.
- **Europe.** In Europe, growth will be targeted through developing country-specific relationships. In Germany, Applied Nutrition recently signed up a leading distributor, who has deep in-country

connectivity and will enable access to the grocer, gym and convenience channels within that region. In Italy, “Applied Nutrition” and “ABE” will be used as core ranges, with an opportunity to rollout “Endurance”, as management believe it is a range which should appeal to this market. In France, during FY24 Applied Nutrition rolled out to approximately 80 B&M stores with the “BodyFuel” range, following its success in the UK. The Group’s key European distributor relationship will continue to distribute products across the continent to drive growth across the region. In addition, D2C growth in Europe will be enabled through the launch of Amazon sales in additional countries in FY25. Applied Nutrition is also considering launching country specific websites in FY25 across Spain, Italy and Switzerland in partnership with its B2B customers in those geographies who have capability of fulfilling D2C orders.

- **International**

Middle East

A significant portion of the Group’s growth in the Middle East has been through its relationship with Dr Nutrition, one of Applied Nutrition’s key customers, and further opportunities exist in the Middle East working with this customer through increasing product registrations in certain territories and through targeting new channels, such as pharmacies, with Applied Nutrition’s health and wellness products. In addition, the Group will be targeting growth with other distribution customers in the region, especially in jurisdictions where the Group’s penetration is less well developed.

North America

Applied Nutrition launched in the US in 2022 with a regional headquarters based in Texas, and established its first major relationship, with Walmart, in 2023. As at the end of FY24, the only Applied Nutrition range being sold in North America was “ABE”. The Group’s new US CEO, Aaron Heidebrecht, joined the business in March 2024 and has been responsible for driving significant momentum in the US. The US team has been built up to a team of 10 members, including dedicated sales staff, e-commerce staff and marketing staff and had revenues of £5.30 million for FY24.

The US market has required a differentiated brand and content strategy due to its competitive nature, where formerly efficient D2C strategies have faced pressure from market saturation. As a result, Applied Nutrition has used macro and micro influencers for content creation, as well as brand collaborations with well-known brands, to grow brand awareness, which is supported by the Group’s B2B strategy. The Group has recently signed an agreement with a market leading consumer brand: *Tang* to grow brand awareness across the US. The Group is also in conversation with another three leading consumer businesses for collaborations expecting to launch in 2025. A key part of the Group’s brand differentiation in the US is the re-branding of the “Applied Nutrition” range, which has been launched as “AN Performance”, and re-tooling of the “ABE” and “BodyFuel” ranges to increase appeal to US consumers. Applied Nutrition has already onboarded a number of important B2B customers in the US, including Walmart, Meijer, Giant Eagle, GNC Live Well, and is constantly developing its pipeline and channel penetration. The US team is currently in conversation with 20 potential B2B customers in North America, with an additional 10 near-term targets to pursue.

The Group’s North American growth strategy is focused on increased distribution end points within grocery, speciality retail, convenience retail, military and gyms. The Group expects to reach an additional 30,000 total distribution points in FY25. Grocery and speciality growth is based on increasing shelf space with existing customers, whilst expansion within “Grab-and-Go” and health and wellness categories will enable new customer wins within speciality retail. The Group’s ambition is to become a top 10 sports nutrition brand in the US (i.e. greater than \$50 million revenue), which management believe to be achievable in the medium term as the Group continues to deliver to its growth strategy. The Group’s convenience channel is growing through a direct store delivery network, which will be supplemented by targeting direct warehouse partnerships. Military growth will be based on deepening penetration as Applied Nutrition expands to sales of products within all military branch types, including grocers and retailers within training bases. Applied Nutrition will also add independent gyms to its network and monitor the opportunity to onboard US national gym chains. Lastly, the Group intends to grow its US D2C channel through Applied Nutrition’s website, as well as growth through Amazon as a result of increased brand awareness in the region. Management believe that

total US D2C revenue has the capacity to triple in the medium term. The Group's North America strategy includes using social media, brand ambassadors and flavour collaborations to build brand awareness.

Other

The Group intends to continue its successful strategy in other current geographies. This will include working with customers in current geographies to:

- increase product penetration by registering and stocking more products and, where relevant, introducing Applied Nutrition ranges which are not currently offered;
- replicate the Group's success in the UK by improving sales channel distribution so that the Group's products are available through grocers, gyms and discount stores in more geographies; and
- develop new products which will be successful in these markets. This may range from products that the Group does not currently offer, to variations on current products which will make them more appealing to consumers based on local tastes.

In addition, the Group is constantly developing relationships with distributors in regions or jurisdictions where the Group's products are either not sold, or availability and sales are extremely limited. At any one time the Group is in discussion with potential distributors in a range of geographies, in each case with a view to commencing sales in that region, or commencing a product or other legal registration process before sales can commence. The Group is constantly reviewing market trends in geographies where it believes its products are well suited and is actively engaged in identifying potential distributor customers to work with in those geographies.

Alongside the above factors, the Group's growth will continue to benefit from an increased focus on sports nutrition, health and wellness globally, which is driving key consumer trends in the market in which the Group operates. These trends include an increased consumer focus on living a healthy lifestyle and consequently a greater awareness and knowledge of nutrition.

Information technology

Applied Nutrition utilises a platform of IT solutions that provide detailed, timely and accurate information, while also being highly scalable to support its growing operation. All systems are cloud-based, with no physical servers on site. The Directors believe that the Group utilises the best software for each business requirement rather than using one catch-all enterprise resource planning (ERP) management system. The Group leverages both employees and external agencies to manage its IT systems and the e-commerce platforms. The Group regularly reviews its current system and potential additional systems to see if they can provide the business with efficiencies, improve practices or improve capabilities.

Regulatory matters

The Group is subject to laws and regulations in the two jurisdictions in which it operates (namely the UK and the US) covering a wide variety of areas including general consumer protection and product safety, health and safety, environmental, food and product labelling, quality and safety, product liability, competition, intellectual property, distance selling, electronic contracts and other communications, online payment services, data protection and privacy, export and import controls, anti-corruption legislation, labour laws, unfair and deceptive practices, distribution, advertising, taxation and economic and other trade prohibitions and sanctions.

The Group's activities involving the use of personal data (including personal data relating to employees, candidates, customers, suppliers and other business contacts) are subject to data protection and e-privacy laws and regulations. The GDPR and the UK Data Protection Act 2018 (and, post Brexit, the UK GDPR) significantly changed the data protection landscape in the EU and the UK, strengthening the rights of individuals, imposing stricter controls over the processing of personal data, by both controllers and processors of personal data, and imposing stricter sanctions with substantial administrative fines and potential claims for damages from individuals for breach of data protection laws. In addition to the legislation, there is a significant amount of regulator guidance, some of which is statutory, and enforcement activity. GDPR/UK GDPR requires the Group to comply with seven key principles, namely: (1) processing must be lawful, fair and transparent;

(2) personal data must be collected for specific, explicit and legitimate purposes and not further processed in a manner incompatible with those purposes; (3) personal data must be adequate, relevant and limited to what is necessary in relation to the purpose of processing; (4) personal data must be accurate and up to date; (5) personal data must not be retained for longer than necessary to achieve the processing purpose; (6) personal data must be appropriately secured and protected against unauthorised or unlawful processing and against accidental loss, destruction or damage; and (7) the Group must be able to demonstrate its compliance with the foregoing principles. Data protection laws also mandate reporting of data breaches (security incidents) to regulators unless the data breach is unlikely to result in any risk (e.g. financial loss or distress or both) to affected individuals whose personal data has been compromised, and to the affected individuals themselves if there is a high risk to them. In addition, individuals have numerous rights under the GDPR/UK GDPR and they tend to be more aware of them, given updated guidance on the ICO's website (amongst others). There is also a stringent regime where undertaking marketing activities and additional obligations set out under the Privacy and Electronic Communications Regulations 2003 which require processing, in some cases, only where consent is given and in particular in relation to the operation of websites, apps and social media sites which involve the use of cookies, pixels or similar express consent requirements. This, together with personalisation and analytics, is a key focus of the Information Commissioner's Office and indeed the Competition and Markets Authority who have both issued a joint statement on online design, and the ICO has commenced a series of enforcement in relation to cookie notices and pop ups.

As a producer and distributor of products classified as food, the Group is subject to applicable laws and regulations governing food and product manufacture, ingredients, labelling, packaging and safety. This includes the UK Food Safety Act 1990 and applicable retained EU Regulation EC Reg.178/2002, as well as subsidiary regulations applicable to food hygiene, premises hygiene, packaging and labelling (including regulations governing permitted health claims). The Company is a registered food business operator in the UK. To the extent that any products manufactured by or for the Group, and/or distributed by the Group, are not classified as food, the general product safety regime under the EU General Product Safety Regulation and the UK General Product Regulations 2005 apply. The Group is not required to hold particular licences or product-specific registrations in the UK and in relation to other jurisdictions where it supplies its products, it works with local specialist retailers and distributors to ensure compliance.

The Group is also subject to wide-ranging environmental and health and safety (**EHS**) legislation in the two jurisdictions in which it operates. The obligations placed on the Group under EHS legislation address matters including safe working practices and conditions, producer responsibility and environmental protection. In practice, this means all aspects of the Group's activity are subject to EHS requirements. As an essential part of Applied Nutrition's activities, the Group must ensure (amongst other requirements) that its products are fit for consumption and do not contain any chemicals or substances prohibited by EHS law, employees involved in the creation and distribution of the products have received appropriate safety training and equipment to accord with their role, appropriate assessments have been undertaken to assess risks arising from work related activity, products have been appropriately labelled to comply with EHS requirements, and all waste produced in the production of products is disposed of correctly with necessary permits in place. The legislation aims to protect people and the environment and non-compliance can often result in large criminal fines for corporates failing to meet their EHS obligations. The Group maintains policies and procedures to monitor and manage EHS risks, and ensure compliance with applicable EHS requirements.

Employees

In addition to the three executive Directors, as at 31 July 2024, the Group employed over 200 part and full-time employees across its functions. Over half of the Group's employees work within the production and warehouse teams at the Group's manufacturing facility in Knowsley, Liverpool. The rest of the Group's employees in the UK are split across operations, sales, NPD, accounts, HR, compliance, customer service and marketing, and are all based at the Group's UK headquarters in Liverpool. In the US, in addition to the US CEO, the Group employs 9 employees, including dedicated sales staff, e-commerce staff and marketing staff.

The Directors expect headcount to continue to increase to support its ambitions for growth.

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

Responsible business practices

Social

Applied Nutrition seeks to be a force for good within its community. This has been achieved through its participation in a local council scheme which seeks to get the long-term unemployed back into the workforce and through its support for charities in its local communities.

The Group is also a socially responsible employer. Its lowest earning staff are paid more than 14% above the UK minimum wage, increasing to more than 20% above the UK minimum wage after 6 months of service. The Group does not operate zero hours contracts and pays all overtime work for hourly paid staff at a premium of at least 30%. With 77% of the Group's workforce being non-British nationals, Applied Nutrition seeks to give opportunities to migrants who might not have held a job in the UK before. The Group has historically offered English language classes to help improve the English language skills of those employees who may wish to join.

Environmental

Applied Nutrition is conscious of the impact its operations have on the environment and is keen, for example, to increase its use of recyclable and recycled materials within its products and packaging. The Group has in place sustainable practices designed to reduce energy usage within its facilities, including automatic sensors and LED lighting, and has received an ISO 14001:2015 – Environmental Management Systems accreditation.

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

Capital allocation and dividend policy

Applied Nutrition is a fast-growing, highly profitable and cash generative business with a strong balance sheet, which remains focused on investing to drive growth.

The Group will continue to invest in capital assets to deliver organic, growth-orientated plans to support the business, driving sales with new and existing customers, and optimise the Group's operations. The Group expects capital investment of approximately £1 million per annum whilst continuing to deliver free cash flow conversion over the near term of approximately 60% as the business continues to expand into the US and with B2B customers in the grocery channel. Applied Nutrition expects this level of free cash flow conversion to increase over the medium term. The Group expects to maintain a strong, debt-free balance sheet, providing strategic flexibility and continually supporting supplier and customer relationships, facilitating further growth for the business. In addition, management will take a disciplined approach in assessing investment in complementary, earnings accretive, inorganic growth opportunities where it makes sense to do so, e.g. to gain access to new markets.

The Group will review its dividend policy on an ongoing basis and, in the event that the Directors believe the Group has generated excess cash which cannot be utilised in the short or medium term, will consider a return of value to Shareholders through dividends and/or share buybacks. However, following Admission, the Company does not expect to declare or pay any dividends at this time (except for the Pre-Admission Dividend).

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

PART 3

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1 Directors

The business address for each of the Directors is 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG.

Name	Position	Age	Date appointed
Andy Bell	Independent Non-Executive Chair	58	20 February 2024
Thomas Ryder	Chief Executive Officer	40	15 July 2014
Steven Granite	Chief Operating Officer	45	6 April 2021
Joe Pollard	Chief Financial Officer	36	4 May 2021
Tony Buffin	Independent Non-Executive Director	53	20 February 2024
Marnie Millard	Independent Non-Executive Director	59	22 May 2024

The management experience and expertise of each of the Directors is set out below.

Andy Bell

After spending a number of years working within the financial services sector, Andy co-founded AJ Bell in 1995. Having graduated from Nottingham University in 1987 with a first-class degree in Mathematics, he qualified as a Fellow of the Institute of Actuaries in 1993 and built AJ Bell into one of the UK's largest online investment platforms. Andy stepped down as Chief Executive Officer of AJ Bell PLC on 30 September 2022 and has continued as a consultant. A defining feature of Andy's tenure as Chief Executive Officer was a focus on ensuring that AJ Bell's primary purpose, vision and culture were engrained in the business. Andy believes that a strong and effective governance framework is one of the most important foundations on which to successfully grow a business. This approach to governance has stood the test of time as AJ Bell has grown from being a small enterprise to a FTSE 250 listed company.

Andy was appointed Chair of Applied Nutrition in February 2024.

Andy wrote the widely acclaimed "DIY Investor", which is now in its third edition. Andy has a number of private equity interests across a variety of business sectors and devotes time to the charitable trust he founded in 2011, the AJ Bell Trust. Andy was awarded a CBE in the 2024 New Year Honours List.

Thomas Ryder

Thomas is the Founder and CEO of Applied Nutrition. Thomas has been involved in the sports nutrition, health and wellness market since his early twenties, as a keen gym goer with an interest in nutrition and supplements. He started his professional career in sports nutrition, health and wellness with a supplements retail store in Liverpool, which led him into the wholesaling market and ultimately to acquiring the Applied Nutrition brand. Thomas started to manufacture his own products for Applied Nutrition in 2016, providing him with valuable experience across retailing, wholesaling and manufacturing, as well as managing his own brand. This vertical experience has helped Thomas build one of the fastest growing sports nutrition, health and wellness brands in the UK and Europe, with products now being sold in over 80 countries worldwide.

Steven Granite

Steven is the Chief Operating Officer of Applied Nutrition and was appointed in April 2021. He is a qualified Chartered Management Accountant and a fellow of the Chartered Institute of Logistics & Transport.

Steven previously led a private equity backed food logistics company (Abbey Logistics Group Limited) in roles as Finance Director, Managing Director, CEO and Executive Chairman, until October 2023 when he led the sale of the business to a European competitor (Sitra NV). From 2012 to 2023, Steven founded and chaired a multi-award winning not-for-profit initiative called 'Think Logistics' which seeks to help young people from disadvantaged backgrounds gain opportunities within the logistics sector and assist in attracting more young people to the logistics sector. He was

also a director of 'Logistics UK' which is the UK's largest logistics trade body association from 2019 to 2022.

Joe Pollard

Joe joined the Group as Chief Financial Officer in May 2021 and was appointed to the Board of Directors at the same time. He is a Chartered Accountant, having qualified while working for Deloitte.

He previously worked at Grant Thornton in its Corporate Finance practice advising on M&A activity for entrepreneurs, corporate entities, and private equity investors. He has extensive experience leading complex transactions in multiple jurisdictions. In 2021, Joe led the team that advised on JD Sports taking a 32% ownership interest in the Group.

Prior to joining Grant Thornton, Joe worked at Deloitte where he spent time in both the Audit and Equity Capital Markets advisory teams. Joe holds a first-class honours degree in Artificial Intelligence from the University of Liverpool.

Tony Buffin

Tony is the Executive Chair of Tecsa, a software and consumer analytics provider, which he founded in 2019 and in which Wesfarmers, Australia and Dairy Farm International, part of the Jardine Matheson Group, are cornerstone investors. Prior to founding Tecsa, Tony was the Chief Executive Officer of Holland & Barrett, the UK's leading alternative health and beauty retailer, the former Chief Operating Officer and Chief Financial Officer of Travis Perkins PLC and prior to that was Chief Financial Officer of Coles Group, a top 25 ASX listed retailer.

Tony spent his earlier career at Boots and Loyalty Management Group where he led the successful sale of the business to Canadian listed Aimia Inc. He is a fellow of the ICAEW and graduated from Cambridge University with a first class degree in Geography. He is chair of Highbourne Group and Nobia AB.

Marnie Millard

Until December 2020, Marnie was Group Chief Executive for Nichols PLC, the home of Vimto. Marnie now has a NED portfolio career. She chairs the boards at UA92, Pura and Marks Electrical PLC, is the chair of the Remuneration Committee for Applied Nutrition and is a non-executive director for Belvoir Fruit Farms. Previously she was chair of the board at Kidly Ltd and a non-executive director for Finsbury Food Group PLC.

She is a fellow of the Society of Leadership at St Georges House and a Board Mentor at the Critical Eye organisation.

Marnie held the chair for the CBI in the North West of England for 3 years as well as being an Advisor to the Board of International Trade.

Marnie was awarded an OBE in the Queen's Birthday Honours in 2018 in recognition of her contributions to International Trade business in the North West of England.

2 Senior management

The following table sets out certain information with respect to the Group's US CEO as at the date of this document. The US CEO, together with the Executive Directors, are responsible for managing the Group's day to day operations.

The business address for the US CEO is 5601 Democracy Drive, Suite 135, Plano, Texas 75024, USA.

Name	Position	Age	Date appointed
Aaron Heidebreicht	CEO Applied Nutrition USA	39	1 March 2024

The management experience and expertise of the US CEO is set out below.

Aaron Heidebreicht

Aaron joined the Group as Chief Executive Officer of AN USA, overseeing the North American business, in March 2024. He is known as a leading commercial & marketing executive as qualified

from Brand Innovators and Fortune. He previously worked at Nutrabolt as Senior Vice President (makers of C4 energy), a global leader in health and wellness. He has extensive experience leading consumer packaged goods (CPG) brands across North America. In 2022, Aaron helped lead the commercial efforts that landed Keurig Dr Pepper (KDP) taking 33% ownership interest in Nutrabolt.

Prior to his CPG career, Aaron held multiple leadership positions at GNC, the US's leading health and wellness retailer. Aaron graduated from Austin Peay State University with a Bachelor of Applied Science and from The Wharton School (PENN) with a BBA, corporate finance. He currently sits on the board for several US CPG brands including Mizuno and O2 Beverage.

3 Corporate Governance

The Board is committed to the highest standards of corporate governance. Other than as noted below, at Admission, the Company will comply, and intends to continue to comply, with the relevant principles and provisions of the UK Corporate Governance Code.

The Company will report to its Shareholders on its compliance with the UK Corporate Governance Code in accordance with the UK Listing Rules.

As envisaged by the UK Corporate Governance Code, the Board has established three committees: an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee. The Board has also established a Disclosure Committee. If the need should arise, the Board may establish additional committees as appropriate.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding the chair, should comprise non-executive directors determined by the board of directors to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement (**Independent Non-Executive Directors**). As at the date of this document, the Board consists of three Independent Non-Executive Directors (including the Independent Non-Executive Chair) and three Executive Directors. Whilst the current Board composition is not in line with the UK Corporate Governance Code recommendation, the Directors believe that the Board represents an appropriate combination of skills, experience, and knowledge. The Directors also believe that the balance of executive and non-executive, and independent and non-independent Directors is such that no one individual or small group of individuals dominates the Board's decision making.

The Company regards all of the Non-Executive Directors as "independent", in each case within the meaning of the UK Corporate Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The UK Corporate Governance Code recommends that the Board should appoint one of its Independent Non-Executive Directors to be the senior independent director (**SID**) to provide a sounding board for the chair and to serve as an intermediary for the other Directors when necessary. The SID should be available to shareholders if they have concerns which contact through the normal channels of the chair or the executive directors has failed to resolve, or for which such channel of communication is inappropriate. The Company's SID is Marnie Millard.

The UK Corporate Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with this recommendation.

3.1 Audit and Risk Committee

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the Company's annual and half-yearly financial statements, making recommendations on the appointment, reappointment and removal of the external auditor, monitoring the independence of the external auditor, reviewing the objectivity and effectiveness of the audit process and reviewing the scope of the audit and non-audit work undertaken by the external auditor.

The terms of reference of the Audit and Risk Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Audit and Risk Committee to carry out its duties. In addition, the internal audit function has a direct reporting line to the Audit and Risk Committee. The terms of reference also set out the authority of the committee to carry out its responsibilities.

The UK Corporate Governance Code, as it would apply to the Company from any Admission, recommends that the Audit and Risk Committee comprises at least two members who are both Independent Non-Executive Directors and includes one member with recent and relevant financial experience. The chair of the Board should not be a member of the Audit and Risk Committee. The Board considers that the Company complies with the requirement of the UK Corporate Governance Code in that regard.

The Audit and Risk Committee is made up of a minimum of two members who are both Independent Non-Executive Directors and includes one member with recent and relevant financial experience. The Audit and Risk Committee is chaired by Tony Buffin.

The Audit and Risk Committee will meet at least three times a year and otherwise as the chair shall require and as requested by the internal or external auditor.

3.2 Remuneration Committee

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on remuneration, determining the individual remuneration packages, including pension rights and any compensation payments of each of the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, chair of the Board and senior management team. The Remuneration Committee is also responsible for considering and making recommendations to the Board with regard to the design and targets in relation to share plans and equity incentive plans and reviewing the ongoing appropriateness and relevance of the remuneration policies of the Group.

The terms of reference of the Remuneration Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Remuneration Committee to carry out its duties.

The UK Corporate Governance Code, as it would apply to the Company from any Admission, recommends that the Remuneration Committee should comprise at least two members, both of whom should be Independent Non-Executive Directors. The chair of the Board should not be a member of the Remuneration Committee if he was not "independent" on appointment and, in any case, should not chair the Remuneration Committee. The chair of the Remuneration Committee is required to have served on a remuneration committee for at least 12 months. The Board considers that the Company complies with the requirement of the UK Corporate Governance Code in that regard.

The Remuneration Committee is made up of a minimum of three members, all of whom are Independent Non-Executive Directors. The Remuneration Committee is chaired by Marnie Millard.

The Remuneration Committee will meet at least three times a year and otherwise as the chair shall require.

3.3 Nomination Committee

The Nomination Committee assists the Board in reviewing the structure, composition and make-up of the Board and any committees of the Board, succession planning, evaluating the balance of skills, experience, independence and knowledge on the Board and leading the process for board appointments and making recommendations to the Board on such matters. It is also responsible for assisting with any evaluation process to assess the overall and individual performance of the Board and its committees and reviewing the policies on diversity and progress on achieving objectives under the policy.

The terms of reference of the Nomination Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Nomination Committee to carry out its duties.

The UK Corporate Governance Code recommends that a majority of the members of the Nomination Committee should be Independent Non-Executive Directors. The Board considers that the Company complies with the requirement of the UK Corporate Governance Code in that regard.

The Nomination Committee is made up of a minimum of two members, both of whom are Independent Non-Executive Directors. The Nomination Committee is chaired by Andy Bell.

The Nomination Committee will meet at least once a year and otherwise as the chair shall require.

3.4 Disclosure Committee

The Board has established the Disclosure Committee to ensure timely and accurate disclosure of all information that is required to be disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the Disclosure Guidance and Transparency Rules, UK Listing Rules and the UK Market Abuse Regulation.

The Disclosure Committee will meet at such times as shall be necessary or appropriate, as determined by the chair of the Disclosure Committee or, in his or her absence, by any other member of the Disclosure Committee. The Disclosure Committee must have at least three members.

The initial members of the Disclosure Committee are the chair of the Audit and Risk Committee, the Chief Executive Officer and the Chief Financial Officer. The committee is chaired by Tony Buffin.

3.5 Share Dealing

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares and a policy with respect to entry into transactions with persons related to the Company which aids compliance with the UK Market Abuse Regulation and will apply to the Directors and other relevant employees of the Company.

PART 4

SELECTED FINANCIAL INFORMATION

The following review of Applied Nutrition's financial condition and operating results sets out selected historical financial information for Applied Nutrition as at and for each of the financial years ended 31 July 2022, 31 July 2023 and 31 July 2024, in each case, prepared in accordance with IFRS. The information has been extracted without material adjustment from the Historical Financial Information in Part 6 of this document.

The selected historical financial information should be read in conjunction with the information referred to above and in Parts 5 and 6 of this document. Investors are advised to read the whole of this document and not rely on the information summarised in this Part 4.

Consolidated statements of profit or loss and other comprehensive income

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Revenue	35,028	60,781	86,152
Cost of sales	(20,950)	(33,635)	(44,858)
Gross profit	14,078	27,146	41,294
Administrative expenses	(4,133)	(9,238)	(17,555)
Adjusted operating profit¹	9,945	17,908	25,091
Costs relating to proposed Initial Public Offering	—	—	(1,187)
Share-based payment expense	—	—	(165)
Operating profit	9,945	17,908	23,739
Finance income	—	69	734
Finance expense	(65)	(51)	(89)
Profit before taxation	9,880	17,926	24,384
Taxation	(1,674)	(4,107)	(5,732)
Profit for the year	8,206	13,819	18,652
Other comprehensive income:			
Gain on foreign currency translation	—	60	20
Deferred tax asset on share-based payment	—	—	436
Total comprehensive income	8,206	13,879	19,108
Earnings per share for profit attributable to the owners of the parent²			
Basic and diluted (£)	1.64	2.78	3.82

All activities relate to continuing operations.

¹ Adjusted operating profit is a non-IFRS financial measure and is defined as statutory operating profit of £23,739,000 (2023: £17,908,000, 2022: £9,945,000) before £1,187,000 (2023: £Nil, 2022: £Nil) of costs related to the proposed Initial Public Offering, and £165,000 (2023: £Nil, 2022: £Nil) of share-based payment expense.

² As a result of a bonus issue of ordinary shares on 24 September 2024, the basic and diluted earnings per share have been calculated based on a total of 5,000,000 ordinary shares, see note 11 and 30.

Consolidated statements of financial position

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Assets			
Current assets			
Inventories	8,700	12,975	19,482
Trade and other receivables	6,062	11,504	17,334
Cash and cash equivalents	5,399	12,735	18,720
Total current assets	20,161	37,214	55,536
Non-current assets			
Property, plant and equipment	713	1,250	1,688
Right-of-use assets	1,233	2,116	1,792
Intangible assets	1	37	42
Deferred tax assets	—	—	595
Total non-current assets	1,947	3,403	4,117
Total assets	22,108	40,617	59,653
Liabilities			
Current liabilities			
Lease liabilities	122	259	313
Trade and other payables	5,727	9,277	9,584
Total current liabilities	5,849	9,536	9,897
Non-current liabilities			
Deferred tax liabilities	162	294	—
Lease liabilities	998	1,802	1,490
Other provisions	227	234	242
Total non-current liabilities	1,387	2,330	1,732
Total liabilities	7,236	11,866	11,629
Net assets	14,872	28,751	48,024
Equity			
Share capital	—	—	—
Share based payment reserve	—	—	165
Foreign exchange reserve	—	60	80
Retained earnings	14,872	28,691	47,779
Total equity	14,872	28,751	48,024

Consolidated statements of changes in equity

	Share capital £'000	Share based payment £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 August 2021	—	—	—	12,668	12,668
Comprehensive income					
Profit for the year	—	—	—	8,206	8,206
Transactions with owners					
Dividends paid	—	—	—	(6,002)	(6,002)
As at 31 July 2022	—	—	—	14,872	14,872
As at 1 August 2022	—	—	—	14,872	14,872
Comprehensive income					
Profit for the year	—	—	—	13,819	13,819
Other comprehensive income	—	—	60	—	60
As at 31 July 2023	—	—	60	28,691	28,751
As at 1 August 2023	—	—	60	28,691	28,751
Comprehensive income					
Profit for the year	—	—	—	18,652	18,652
Other comprehensive income	—	—	20	—	20
Share based payment	—	—	—	436	436
Transactions with owners					
Share based payments	—	165	—	—	165
As at 31 July 2024	—	165	80	47,779	48,024

Consolidated statements of cash flows

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Cash flows from operating activities			
Profit before taxation	9,880	17,926	24,384
Adjustments for:			
Depreciation of property, plant and equipment	260	403	575
Amortisation of lease liabilities and intangible assets	213	230	336
(Profit)/loss on disposal of property, plant and equipment	(8)	7	(9)
Share based payment expense	—	—	165
Finance income	—	(69)	(734)
Finance expense	65	51	89
	10,410	18,548	24,806
Increase in inventories	(3,749)	(4,275)	(6,507)
Increase in trade and other receivables	(301)	(5,451)	(5,993)
Increase in trade and other payables	1,529	1,645	4,143
Cash generated from operating activities	7,889	10,467	16,449
Tax paid	(1,396)	(1,950)	(9,747)
Net cash flows from operating activities	6,493	8,517	6,702
Cash flows from investing activities			
Purchase of intangible fixed assets	(1)	(42)	(17)
Purchase of tangible fixed assets	(293)	(962)	(1,039)
Sale of tangible fixed assets	27	15	35
Interest received	—	69	614
Net cash used in investing activities	(267)	(920)	(407)
Cash flows from financing activities			
Repayment of borrowings	(983)	—	—
Interest paid	(19)	—	—
Directors' loans repaid	(1,831)	(7)	(1)
Dividends paid	(6,002)	—	—
Principal paid on lease liability	(105)	(167)	(257)
Interest paid on lease liability and dilapidations	(39)	(43)	(81)
Net cash used in financing activities	(8,979)	(217)	(339)
Net (decrease)/increase in cash and cash equivalents	(2,753)	7,380	5,956
Cash and cash equivalents at beginning of year	8,152	5,399	12,735
Effect of foreign exchange differences	—	(44)	29
Cash and cash equivalents at end of year	5,399	12,735	18,720

PART 5

OPERATING AND FINANCIAL REVIEW

This Part 5 should be read in conjunction with the section of this document headed “Presentation of Financial and Other Information” and with Part 1, Part 2, and Part 6 of this document. Unless stated otherwise, the financial information considered in this Part 5 is extracted from the Historical Financial Information in Part 6 of this document.

The following discussion of the Group’s results of operations and financial condition contains forward-looking statements. The Group’s actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly under the section of this document headed “Risk Factors” and in paragraph 12 of the section headed “Presentation of Financial and Other Information”. In addition, certain industry issues also affect the Group’s results of operations and are described in Part 1 of this document.

1 Overview

Applied Nutrition is a leading sports nutrition, health and wellness brand, which formulates and creates nutrition products targeted at a wide range of consumers and sold in over 80 countries worldwide. Headed by a founder-led management team with deep industry knowledge and supported by an experienced non-executive team, the Group’s products are designed, formulated and largely manufactured at its state-of-the-art facility in Knowsley, Liverpool. The Group’s senior management team’s vision is to create the world’s most trusted and innovative sports nutrition, health & wellness brand.

Founded in 2014 by Thomas Ryder, Applied Nutrition initially launched with its Critical Mass product, a premium all-in-one nutritional supplement designed for athletes and fitness enthusiasts seeking to maximise muscle growth and recovery and gain lean mass, which continues to be one of Applied Nutrition’s best-selling products today. In the following year, a number of Applied Nutrition’s products first received Informed Sport accreditation, and the Group established its own in-house NPD and manufacturing capabilities. In 2016, the Group launched its “ABE” range, a highly formulated, premium range targeted at experienced gym goers, and by 2018 Applied Nutrition’s product range had grown to more than 30 different products, including Applied Nutrition’s first “Grab-and-Go” products. The Group has since launched its “Endurance” range, which is focused on the endurance sport community, and its “BodyFuel” range of products aimed at the price conscious consumer.

Since its founding, the Group has grown through a combination of increasing shelf space and distribution end points with existing customers, accessing new geographies and channels with new customers, expanding its product ranges through variations in flavours and formats, and the launch of new products through NPD. In 2021, JD Sports acquired 32% of the share capital of Applied Nutrition from Thomas Ryder, as a strategic initiative alongside its JD Gyms business.

Whilst the UK is the Group’s largest market in terms of revenue in any single geography, international expansion has been a key growth driver, with the Group’s products now available in more than 80 countries worldwide. In 2015, Applied Nutrition expanded sales into Europe through its relationship with a leading European distributor, and by 2017 Applied Nutrition’s products were being sold in 15 countries, including countries in the Middle East. International sales further expanded into Asia Pacific in 2019. More recently, in 2022, the Group expanded into the US, opening an office in Dallas, Texas, as part of its wider international expansion strategy.

The Group largely operates a global B2B model, which has facilitated a low risk, highly cost-effective go-to-market strategy and has enabled strong, profitable growth in the UK, Europe and other international geographies. The Directors believe that this model differentiates Applied Nutrition from its competitors, by allowing it to access new geographies and consumers quickly. A smaller proportion of sales (approximately 9% of revenue in FY24) are made D2C via the Group’s UK website, its US website, and through Amazon and eBay. In recent years, Applied Nutrition’s D2C offering has expanded in the UK and internationally, with the channel delivering strong growth year on year.

Since 2020, the Group has operated its in-house manufacturing from a custom-built facility in the UK, based in Knowsley, Liverpool. In 2022, in response to significant growth in revenue and demand for products, the Group added a dedicated 47,000 square foot warehouse located immediately next door to its manufacturing site. Together, these contain all the Group's UK operations, including in-house production and manufacturing facilities, warehouse space and office space. In 2023, the Group began to introduce automation within its manufacturing facility and in 2024, has completed an expansion of its production lines, thereby increasing production capacity to a level that represents approximately double the amount of revenue historically generated.

Applied Nutrition is led by an experienced senior management team with deep industry knowledge and long-term ambitions, comprising its founder and CEO, Thomas Ryder, its COO, Steven Granite and its CFO, Joe Pollard. The Group's US operation is led by Applied Nutrition's US CEO, Aaron Heidebreicht, who was recruited in March 2024. With the support of the Board and the Group's 200+ employees, the senior management team's vision is to create the world's most trusted and innovative sports nutrition, health & wellness brand.

Applied Nutrition's business model and strategy has enabled the Group to become a fast-growing, highly profitable and cash generative global supplier in the £189 billion addressable sports nutrition, health and wellness market.

2 Current trading and outlook

Current trading

The Group has started its current financial year strongly, delivering £7.7 million of revenue in August and £7.9 million of revenue in September, a month-on-month growth rate of 3.0 per cent. This equates to £15.6 million of revenue for the first two months of FY25. The US business is seeing good momentum and delivered \$1.4 million of revenue for the two months to September 2024, with month-on-month revenue growth for September of 30%. For the first two months of FY25 the Group has delivered an adjusted EBITDA margin of >30% and free cash flow conversion of approximately 70%, tracking ahead of the IPO guidance.

Looking ahead, management are encouraged by the pipeline of opportunities for increasing listings and distribution points with existing customers. The Group continues to convert new and target customers with recent wins including Selecta and Ocado in the UK, and The Vitamin Shoppe (which has over 780 locations in the US), all of which are yet to commence trading and so will be additive to revenue for FY25. As at 30 September 2024, the Group had a record level of new orders recorded, including an exciting new purchase order of approximately \$1 million from one of the Group's target US customers, which is expected to be fulfilled by the end of this calendar year. The Group's D2C channel continues to grow organically and the Group is expecting to launch a UK Applied Nutrition "App" during H1 FY25.

The Group's NPD engine has delivered a number of recent new products to market including "Black Stak", "Complete Protein", "CreaFlow" and "Creatine Gummies" and management are pleased with the initial market reaction to these products. There is an exciting pipeline of further new products for FY25 with expected near-term launches including a "Sparkling Protein Water" and a premium whey protein in the "ABE" range.

Management continues to prioritise "Expo" events as a core marketing activity for the Group and are looking forward to the upcoming events which Applied Nutrition will be attending, including Dubai Muscle Show in October, Turf-Games Dubai in November, and Fitnessfestivalens Stockholm in December. Management have more "Expo" events planned for early 2025.

Outlook

Applied Nutrition builds up its Group revenue growth by region: UK, Europe and International. At a Group level, Applied Nutrition expects revenue growth of approximately mid-teens year on year for FY25 and low double-digit growth over the medium term. The revenue growth outlook split by region is approximately: low-teens year on year in FY25 and low double-digit over the medium term in UK; high single-digit year on year over the medium term in Europe; and high-teens year on year in FY25 and low double-digit over the medium term in International. The Group has historically experienced limited seasonality within its revenue profile, with typically a marginally higher weighting towards the second half of the year due to the strong growth the business has experienced. However, FY24 H1/H2 revenue mix was atypical due to approximately £5.5 million of orders which

were brought forward into H1 driven by elevated orders from the Middle East, primarily as a result of an increase in orders from existing customers during the Red Sea crisis. 'Normalising' this impact implies FY24 H1 and H2 revenue of approximately £40 million and approximately £47 million, respectively. For FY25 the Group expects to deliver H1 revenue of approximately £46 million and H2 revenue of approximately £54 million, consistent with the mid-teens revenue growth guidance when compared to a normalised FY24.

Applied Nutrition is targeting an EBITDA margin over the medium term that is broadly consistent with historic levels, however reflecting costs related to being a publicly listed company. The Group expects total annual depreciation and amortisation of marginally over £1 million in the medium term, interest income of approximately £0.5 million in FY25 and a tax rate of 25% in line with the UK corporate rate. Furthermore, the Group expects the interest income beyond FY25 to be dependent on the cash balance and prevailing interest rate environment at the time. Applied Nutrition is also targeting capital expenditure of approximately £1 million year on year over the medium term and free cash flow conversion (before cash tax payments) to be consistent with the average level across FY22, FY23 and FY24 of approximately 60% in the near term as the business continues to expand into the US and with B2B customers in the grocery channel. Applied Nutrition expects this level of free cash flow conversion to increase over the medium term.

The patent referred to in the last paragraph under the heading "Manufacturing" in Part 2 of this document could result in a partial refund of corporation tax paid from the date of the patent application as well as a reduced rate of tax going forwards on profits resulting from the patented part of the manufacturing process. This could result in the corporation tax payable by the Company being below the 25% expectation for FY25 and into the future. The Company is currently working with its tax advisors to calculate the relevant benefit and potential reclaim.

3 Key Factors Affecting Results of Operations

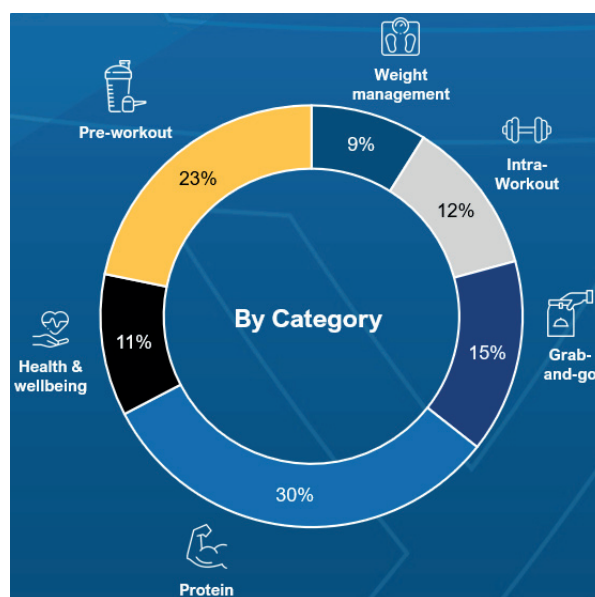
Sales volume, pricing and product mix

The most significant factor which impacts the Group's results of operations is the volume of products ordered by customers from which the Group invoices as revenue. During the period under review, the Group has significantly expanded its customer base, particularly in terms of geographies and sales channels.

In each of the financial years in the period under review, the Group had sales to the following number of countries:

	Year ended 31 July		
	2022	2023	2024
# of countries sold to	54	66	82

Applied Nutrition's product ranges are split across six categories: protein, pre-workout, "grab-and-go", weight management, health and wellness, and intra-workout. Each category comprises sub-categories and different product pricing. Changes in product mix could impact revenues generated by the Group. In FY24 the split of the revenue was as follows:



The Group has maintained a stable profit margin across its broad range of products, with each product deriving a different level of profitability and/or margin. Whilst this diversified range of products means that there is no particular reliance on any one single product, any significant change in the Group's product mix could have a significant effect on the level of profitability of the Group.

Whilst the Group operates a predominately B2B business model, in FY24 D2C revenues amounted to 9.1% of the Group's overall revenue. The average value of a product sale via D2C methods is higher than a B2B sale and therefore this affects revenue that the Group generates.

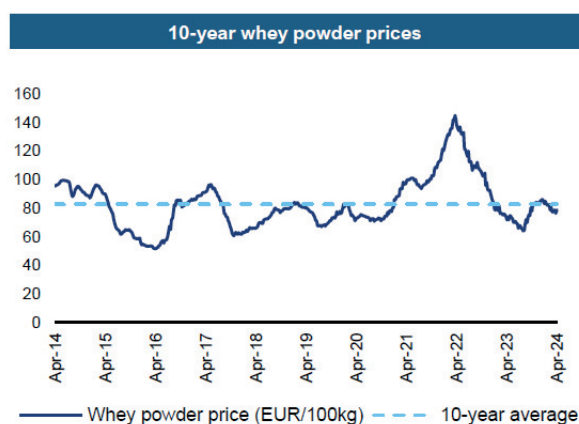
The Group has increased its total revenue by 57% CAGR over the three financial years ended 31 July 2024. This has resulted in significant growth in revenue (146%) which has contributed to growth in Gross Profit and adjusted EBITDA during the same period.

Input material prices and cost of freight

The Group purchases a wide range of input materials for manufacturing and finished goods from both the UK and overseas. The input materials utilise a range of raw materials, as well as labour to manufacture the products. These input costs are subject to price movements and as such the Group is exposed to significant movements in market rates which are often beyond the control of the Directors. The Group enjoys long-standing relationships with its supplier base, and coupled with its growth and scale-benefits, has historically managed significant cost pressures in this regard, but any unexpected or significant increase in input costs could have an adverse effect on the Group's profits.

The Group does not use significant levels of materials that are recognised as items where the price is traded on a recognised UK or EU commodities exchange. However, the Group uses significant amounts of whey protein and creatine which it recognises have a level of fluctuation, especially compared to other raw materials.

The 10 year price history can be seen below and the Group notes the spike in prices during late 2021 and early 2022. The effect of this on the Group's results is covered below.



Source: CLAL.it (EU average prices of Dairy Products, 3 May 2024 update)

As the Group sources a significant amount of its raw materials overseas, the Group uses marine and to a lesser extent, air freight to transport raw materials to the UK. During the period under review, there was a significant fluctuation of prices in respect of marine and air freight. Any prolonged or significant change in such freight costs could have a material effect on the Group's results of operations.

Foreign exchange rates

While the Group has global sales, the majority of sales are invoiced in GBP, and all sales are invoiced in GBP or USD. The Group's costs are primarily in GBP, USD, and EUR. The Company's subsidiary, AN USA Holdings Inc has a functional and presentational currency of USD and as a result the Group is exposed to changes in the GBP:USD foreign exchange rate and movements in this exchange rate therefore impact its results and cash flows. The Group's results are presented in GBP and are thus exposed to exchange rate risk on translation of the overseas assets and liabilities. The Group does not hedge translation risk.

In the period under review, the Group has incurred costs in GBR, EUR and USD, with the costs in EUR and USD significantly exceeding any income in these currencies. The Group wherever possible has sought to match receipts in USD with payments in USD creating a natural hedge (i.e. matching customer receipts with same denomination costs). Outside of this natural hedge currently the Company does not use further hedging in order to manage this exposure. While this policy will be kept under review, even with hedging strategies in place, if there is any unexpected or significant change to the GBP exchange rate with USD and EUR this could have an adverse or positive effect on the Group's profits.

New product development

One of the Group's core focus items is new product development, which incorporates bringing innovative new products to market, extending the Group's product ranges into new areas, and keeping existing products up to date with changes to formulations or flavours driven by research, new ingredients, and consumer preferences.

The Group formulates most new products in-house, the costs incurred in research and development historically have been expensed as incurred.

Further details regarding the Group's new product development are set out in Part 2 of this document.

Operational efficiency and capital expenditure

The Group operates its own manufacturing, warehousing and distribution capabilities in the UK and works with third-party providers in respect of transport services in the UK and EU. In the USA, the Group uses third-party warehousing and distribution facilities. Some products the Group sells are manufactured by third parties on behalf of the Group where the products are outside of the Group's

core manufacturing competence (in terms of knowledge and capital expenditure and the benefit of bringing this within the Group exceed the increased margin benefit).

Any loss of operational efficiency, for example manufacturing efficiency, or any loss in capacity which could cause delays in distribution, could have an adverse effect on the Group's results of operations. The Group manages its operational activities by monitoring performance across a range of KPIs, taking remedial action where needed and identifying strategies to improve efficiency over time.

In the period under review, the Group has invested in both increasing capacity and automation within its operations. The Group is now in a position that its current capacity will allow it to grow to approximately £160 million of revenue without the need for non-maintenance capital expenditure. The Group will continue to review the option of increasing automation within manufacturing where sensible to do so.

4 Key Performance Indicators

The Directors consider that the following items are the key indicators of the Group's financial and operational performance. These KPIs are used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies.

- Revenue (at a Group level and across certain geographic regions)
- Gross profit
- Adjusted EBITDA
- Free cash flow
- Net cash

	Year ended 31 July		
	2022	2023	2024
	(£000)		
Revenue			
– UK	12,190	25,240	33,635
– Europe	4,880	7,736	10,665
– International	17,958	27,805	41,852
Total	35,028	60,781	86,152
Gross profit	14,078	27,146	41,294
Adjusted EBITDA	10,410	18,548	25,993
Free cash flow	7,459	9,337	16,891
Net cash	5,399	12,735	18,720

These KPIs are explained in more detail on pages 25 to 27 of this document. Other than adjusted EBITDA and free cash flow, each of these KPIs is calculated under IFRS.

Adjusted EBITDA and free cash flow, as defined and presented in this document, may not be comparable to similarly titled measures presented by other companies as there are no generally accepted principles governing the calculation of this measure and criteria on which this measure is based can vary from company to company. Even though adjusted EBITDA and free cash flow are used by management to assess the Group's financial results and these types of measures are commonly used by investors, they have important limitations as analytical tools, and investors should not consider them in isolation or as substitutes for analysis of the Group's position or results as reported under IFRS.

5 Description of Key Income Statement Line Items

Revenue

Revenue represents amounts chargeable to customers in respect of the sale of the Group's products. The Group operates through a range of B2B and D2C channels, with all revenue recognised at a point of time, being the transfer of risk and reward to the customer under Incoterms®. Payment of the transaction price is due immediately when the customer purchases the product, or in the case of certain trade transactions, payable on set credit terms. Sales rebates are

established based on management's best estimate of the amounts necessary to meet claims by customers in respect of these rebates. A rebate liability is made at the time of sale and updated at the end of each reporting period for changes in circumstances. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Cost of sales

Cost of sales consists of the direct costs associated with the production and warehousing of the Group's products. The principal elements of cost of sales are:

- product costs, which include materials, packaging, and sub-contractors (being costs related to purchases of externally produced products);
- import duty;
- staff costs relating to production and warehouse employees;
- carriage in costs (relating to arranging for the delivery of raw materials and finished goods to the Group's premises); and
- consumable costs of running the production and warehouse facilities (e.g. lab consumables).

To the extent that the cost of sales relates to a specific product (e.g. raw materials), it is recognised when the product is sold. To the extent that it does not relate to a specific product (e.g. lab consumables), it is expensed as and when the product or service is used.

Administrative expenses

Administrative expenses consist of the costs not already captured within cost of sales and includes administrative, executive and sales staff costs; rent, rates, and utilities relating to the Group's sites; professional fees; online marketplace fees; advertising costs that are not required to be deducted from revenue; and insurance and travel costs.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss (within administrative expenses).

Finance income/expense

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs. Finance income comprises interest on bank deposits.

Taxation

Taxation expenses include current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK and US where the Group operates and generates taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Where applicable, the Group claims R&D tax reliefs in accordance with the Small and Medium Enterprise R&D Relief Scheme. Projects are assessed by management to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs.

Gain on foreign currency translation

The Group includes foreign entities whose functional currencies are not GBP. On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at the weighted average rates during the period. Translation differences are recognised as a gain on foreign currency translation in Other Comprehensive Income.

6 Results of Operations

The table below presents the Group's results of operations for the periods indicated, and has been extracted without material adjustment from the Historical Financial Information set out in Section B of Part 6 of this document.

	Year ended 31 July		
	2022	2023	2024
		(£000)	
Revenue	35,028	60,781	86,152
Cost of sales	(20,950)	(33,635)	(44,858)
Gross profit	14,078	27,146	41,294
Administrative expenses	(4,133)	(9,238)	(17,555)
Adjusted operating profit	9,945	17,908	25,091
Costs relating to proposed Initial Public Offering	—	—	(1,187)
Share-based payment expense	—	—	(165)
Operating profit	9,945	17,908	23,739
Finance income	—	69	734
Finance expense	(65)	(51)	(89)
Profit before taxation	9,880	17,926	24,384
Taxation	(1,674)	(4,107)	(5,732)
Profit for the year	8,206	13,819	18,652
Other comprehensive income for the year			
Gain on foreign currency translation	—	60	20
Deferred tax asset on share-based payment	—	—	436
Total comprehensive income for the year	8,206	13,879	19,108

Results of operations for FY24 compared to FY23

Revenue

Revenue increased by £25.37 million in the period, to £86.15 million in FY24 from £60.78 million in FY23. This was principally as a result of increased demand from current customers, entry into new geographies, new products launched, and new customers (effectively the same as the growth from FY22 to FY23 explained below).

The table below provides a breakdown of the Group's revenue by geographic segment for FY23 and FY24.

	Year ended 31 July	
	2023	2024
	(£000)	
Revenue		
– UK	25,240	33,635
– Europe	7,736	10,665
– International	27,805	41,852

Revenue growth in the UK was principally a result of continued growth in the grocery and gym channel, where the Group has been able to improve its offering and therefore penetration with these customers.

Revenue growth in Europe was principally a result of general continued growth continuing to benefit from offering a DDP service (as explained below in relation to the comparison of FY23 to FY22).

Revenue growth in the rest of the world was principally a result of continued growth of current and new customers.

Cost of sales

Cost of sales increased by £11.23 million in the period, from £33.63 million in FY23 to £44.86 million in FY24. This was principally a result of the continued growth in revenue. Also, the gross profit margin increased from 44.7% in FY23 to 47.9% in FY24. The principal reason for movement in the Group's gross margin is product profit which the Group defines to be revenue less costs of goods and packaging. Between FY23 and FY24, product profit margin improved from 52.3% to 56.4% due to (1) changes in product sales mix, (2) D2C sales increasing from approximately 7% to approximately 9% of the Group's revenue, and (3) stable whey protein prices compared to the spike affecting FY22 and to a lesser extent FY23.

Administrative expenses

During the period, administrative expenses increased by £8.32 million, from £9.24 million in FY23 to £17.56 million in FY24. This was principally a result of (1) an increase in headcount, as the Group required more non-production/warehouse staff to support the significant growth of the business, (2) growth in the business in the US, (3) rent and rates increasing, as the Group moved into a new warehouse during FY23 (and saw a full year impact of this in FY24) and continued to utilise temporary space to support significant revenue growth, (4) increased online marketplace fees, which grew in line with online marketplace sales, which grew faster than overall revenue, (5) other costs which tend to move relative with the size of the Group's revenue, such as utilities, which correlate to production volumes, and insurance costs, which are based in significant part on the size of the Group's activities and (6) carriage out costs, which track closely to UK (and EU to a lesser extent) revenue as they relate to the costs of delivering the products the Group generates revenue from.

Adjusted operating profit and operating profit

Adjusted operating profit increased from £17.91 million in FY23 to £25.09 million in FY24, an increase of £7.18 million. This was principally a result of the continued growth in revenue.

In FY24, the Group had exceptional expenses of £1.35 million, of which £1.19 million related to costs in relation to the proposed Initial Public Offering and £0.17 million related to a share-based payment charge required under IFRS 2 which related to an Enterprise Management Incentive Scheme created in FY21. There is not expected to be further costs in relation to this scheme.

In FY23, there was no exceptional costs and adjusted operating profit and operating profit are both £17.91 million.

Finance income

Finance income increased from £0.07 million in FY23 to £0.73 million in FY24. This additional finance income was derived from interest on cash deposits as FY24 had a higher average interest rate compared to FY23 and the Group had more cash earning interest.

Finance expense

Finance expenses in FY24, £0.09 million, were broadly the same as in FY23, £0.05 million.

Taxation

Taxation for the Group increased by £1.62 million in the period, from £4.11 million in FY23 to £5.73 million in FY24. This higher tax amount was principally a result of increased profit. The tax as a percentage of profit before tax increased due to (1) an increase in the headline UK corporation tax rate from April 2023 (from 19% to 25%) and therefore the Group had a full effect of this in FY24, (2) although the Group receives an R&D tax credit for R&D activities, R&D costs do not scale as quickly as revenue and, therefore, this will increase the overall tax rate as the Group becomes a larger business and (3) increases in expenses not deductible for tax purposes (mainly costs in relation to the proposed Initial Public Offering).

Profit for the year

The Group's profit for the year increased by £4.83 million, from £13.82 million in FY23 to £18.65 million in FY24. This was principally due to increased sales, which drove increased profit.

EBITDA/Adjusted EBITDA

The Group calculates EBITDA and adjusted EBITDA for FY23 and FY24 as follows:

	Year ended 31 July	
	2023	2024
	(£000)	
Operating profit	17,908	23,739
Depreciation of property, plant and equipment	403	575
Amortisation of lease liabilities	224	324
Amortisation of intangible assets	6	12
(Profit)/loss on disposal of property, plant and equipment	7	(9)
EBITDA	18,548	24,641
Costs related to the proposed Initial Public Offering	—	1,187
Share-based payment expense	—	165
Adjusted EBITDA	18,548	25,993

The Group's adjusted EBITDA for the year increased by £7.45 million, from £18.55 million in FY23 to £26.0 million in FY24. This was principally due to increased sales, which drove increased profit.

Results of operations for FY23 compared to FY22

Revenue

Revenue increased by £25.75 million in the period, to £60.78 million in FY23 from £35.03 million in FY22. This was principally as a result of increased demand from current customers, entry into new geographies, new products launched and new customers. New products included BodyFuel Hydration water, which had sales of £4.8 million for FY23 in the UK.

The table below provides a breakdown of the Group's revenue by geographic segment for FY22 and FY23.

	Year ended 31 July	
	2022	2023
	(£000)	
Revenue		
– UK	12,190	25,240
– Europe	4,880	7,736
– International	17,958	27,805

Revenue growth in the UK was principally a result of continued growth in the grocery and gym channel, where the Group has been able to improve its offering and therefore penetration with these customers. UK sales were also affected by the launch of BodyFuel Hydration water, which drove sales of £4.8 million for the UK FY23.

Revenue growth in Europe was principally a result of general continued growth. The Group also began to offer a delivered duty paid (DDP) service during FY23 to EU customers, which made customs clearance easier for small customers with no significant increase in costs to the Group.

Revenue growth in the rest of the world was principally a result of general continued growth.

Cost of sales

Cost of sales increased by £12.69 million in the period, from £20.95 million in FY22 to £33.64 million in FY23. This was principally a result of the continued growth in revenue. Also, the gross profit margin increased from 40.2% in FY22 to 44.7% in FY23 due to (1) product profit margin improved from 50.2% to 52.3% which itself was partly because of a decrease in the price of whey protein from the aforementioned FY22 spike and (2) shipping prices for materials coming into the Group falling. These factors can be seen in the key factors affecting results of operations above.

Administrative expenses

During the period, administrative expenses increased by £5.11 million, from £4.13 million in FY22 to £9.24 million in FY23. This was principally a result of (1) an increase in headcount, as the Group required more non-production/warehouse staff to support the significant growth of the business, (2) growth in the business in the US, which was incorporated just before the end of FY22, (3) rent and rates increasing, as the Group moved into a new warehouse during FY23 and additionally took temporary space on to support significant revenue growth, especially for BodyFuel Hydration, (4) increased online marketplace fees, which grew in line with online marketplace sales, which grew faster than overall revenue, (5) other costs which tend to move relative with the size of the Group's revenue, such as utilities, which correlate to production volumes, and insurance costs, which are based in significant part on the size of the Group's activities and (6) carriage out costs, which track closely to UK (and EU to a lesser extent) revenue as they relate to the costs of delivering the products the Group generates revenue from.

Adjusted operating profit and operating profit

Operating profit increased from £9.95 million in FY22 to £17.91 million in FY23, an increase of £7.96 million. This was principally a result of the continued growth in revenue.

In FY22 and FY23, the Group had no exceptional costs and therefore adjusted operating expenses and operating expenses are the same (FY22: £9.95 million and £17.91 million).

Finance income

Finance income was zero in FY22, increasing to approximately £0.07 million in FY23. This additional finance income was derived from interest on cash deposits as the interest rate increased.

Finance expense

Finance expenses in FY23 (£0.05 million) were broadly the same as in FY22 (£0.06 million).

Taxation

Taxation for the Group increased by £2.44 million in the period, from £1.67 million in FY22 to £4.11 million in FY23. This higher tax amount was principally a result of increased profit. The tax as

a percentage of profit before tax increased due to (1) an increase in the headline UK corporation tax rate from April 2023 (from 19% to 25%) and (2) although the Group receives an R&D tax credit for R&D activities, R&D costs do not scale as quickly as revenue and, therefore, this will increase the overall tax rate as the Group becomes a larger business.

Profit for the year

The Group's profit for the year increased by £5.61 million, from £8.21 million in FY22 to £13.82 million in FY23. This was principally due to increased sales, which drove increased profit.

EBITDA/Adjusted EBITDA

The Group calculates EBITDA for FY22 and FY23 as follows:

	Year ended 31 July	
	2022	2023
	(£000)	
Operating profit	9,945	17,908
Depreciation of property, plant and equipment	260	403
Amortisation of lease liabilities	213	224
Amortisation of intangible assets	—	6
(Profit)/loss on disposal of property, plant and equipment	(8)	7
EBITDA	10,410	18,548

For FY22 and FY23 the Group does not believe any adjustments are appropriate.

The Group's adjusted EBITDA and EBITDA for the year increased by £8.14 million, from £10.41 million in FY22 to £18.55 million in FY23. This was principally due to increased sales which drove increased profit.

7 Liquidity and capital resources

The Group's principal source of liquidity and capital resource during the period under review has been cash from operations. In June 2020, the Group took out a £1 million loan through the UK Government's Coronavirus Business Interruption Loan Scheme. This was repaid in April 2022 and since then, the Group has remained debt free.

Cash flows

The table below presents a summary of the Group's cash flows for the periods indicated, which have been extracted without material adjustment from the Historical Financial Information set out in Section B of Part 6 of this document.

	Year ended 31 July		
	2022	2023	2024
	(£000)		
Cash generated from operations	7,889	10,467	16,449
Net cash from operating activities	6,493	8,517	6,702
Net cash used in investing activities	(267)	(920)	(407)
Net cash used in financing activities	(8,979)	(217)	(339)
Cash and cash equivalents at the beginning of the period	8,152	5,399	12,735
Cash and cash equivalents at the end of the period	5,399	12,735	18,720

Cash generated from operations

The Group's cash generated from operations increased from £7.89 million in FY22 to £10.47 million in FY23, which was principally driven by growth in EBITDA, partially offset by an increase in working capital absorption of £8.08 million (which was an increase of £5.56 million compared to FY22).

The Group's cash generated from operations increased from £10.47 million in FY23 to £16.45 million in FY24, which was principally driven by growth in EBITDA, partially offset by an

increase in working capital absorption of £8.36 million (which was a similar increase to that having been seen between FY22 and FY23).

FY22 working capital absorption was lower than the Group would typically expect to experience as a result of a high stock holding at the end of FY21 which unwound in FY22. The increase in FY23 was in part driven by increased revenue from sales channel such as grocery which require longer credit terms than the rest of the Group's business.

Net cash from operating activities

The Group's net cash from operating activities increased from £6.49 million in FY22 to £8.52 million in FY23, which was principally driven by the same reasons as given for the cash generated from operations above, but also taking into account an increase in tax payments of £0.55 million in FY23 compared to FY22.

The Group's net cash from operating activities decreased from £8.52 million in FY23 to £6.70 million in FY24, which was principally driven by the same reasons as given for the cash generated from operations above, but also taking into account a large increase in tax payments of £7.80 million in FY24 compared to FY23 as the Group became "Very Large" for the purposes of corporation tax payment timing and was for the first time required to pay all tax for FY24 before the end of the financial year to which it related (on an estimated basis).

Net cash used in investing activities

Net cash used in investing activities increased from £0.27 million in FY22 to £0.92 million in FY23, principally as a result of an increase in capital expenditure. The detail of the capital expenditure is included in paragraph 9 of this Part 5.

Net cash used in investing activities decreased from £0.92 million in FY23 to £0.40 million in FY24, principally as a result of an increase in interest received. The detail of the capital expenditure is included in paragraph 9 of this Part 5.

Net cash used in financing activities

Net cash used in financing activities decreased from £8.98 million in FY22 to £0.22 million in FY23, principally as a result of 1) repayment of Directors loans in FY22 of £1.83m, 2) repayment of bank debt in FY22 of £0.98m, and 3) payment of a dividend to a Shareholder of £6.00m in FY22.

Net cash used in financing activities increased from £0.22 million in FY23 to £0.34 million in FY24, principally as a result of increased payment on lease liabilities under IFRS 16. This was as a result of a full year effect of a lease commenced in FY23.

8 Commitments and contingent liabilities

The Group had no capital, financial and/or other commitments at the end of the financial years falling within the period covered by the Historical Financial Information in Section B of Part 6 of this document.

9 Capital expenditure

Applied Nutrition has relatively low capital expenditure requirements. The most significant elements of the Group's capital expenditure during the period under review were the Group's expansion into a new warehouse and increased production automation at its manufacturing facility in FY23, and extension of the manufacturing facility and increased manufacturing capacity in FY24.

The Group is now in a position that its current capacity will allow it to grow to approximately £160 million of revenue without the need for non-maintenance capital expenditure. The Group will continue to review the option of increasing automation within manufacturing where sensible to do so.

The table below sets out a breakdown of the Group's capital expenditure for the periods indicated.

	Year ended 31 July		
	2022	2023	2024
		(£ 000)	
Capital expenditure in relation to new warehouse	—	434	—
Capital expenditure in relation to production automation	—	234	135
Capital expenditure in relation to production capacity expansion	—	—	674
Other capital expenditure	293	294	230
Total	293	962	1,039

10 Off balance sheet arrangements

The Group did not have any off-balance sheet liabilities as at 31 July 2024.

11 Quantitative and qualitative disclosures about market risk

For a description of the Group's approach to management of credit risk, foreign exchange risk and liquidity risk, see Note 24 to the Historical Financial Information in Section B of Part 6 of this document.

12 Critical accounting policies and estimates

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see Note 3 to the Historical Information in Section B of Part 6 of this document.

PART 6
HISTORICAL FINANCIAL INFORMATION
SECTION A – ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION



BDO LLP
55 Baker Street
London
W1U 7EU

15 October 2024

The Directors
Applied Nutrition plc
2 Acornfield Road
Knowsley Industrial Park
Liverpool
L33 7UG

Numis Securities Limited (trading as Deutsche Numis)
45 Gresham Street
London
EC2V 7BF

Dear Sir or Madam

Applied Nutrition plc (the “Company”) and its subsidiary undertakings (together, the “Group”)

Introduction

We report on the financial information set out in Section B of Part 6 of the prospectus dated 15 October 2024 of the Company (the “Prospectus”) for the three years ended 31 July 2022, 31 July 2023 and 31 July 2024.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Group as at 31 July 2022, 31 July 2023 and 31 July 2024 and of its profits, cash flows, statement of comprehensive income and changes in equity for the three years ended 31 July 2022, 31 July 2023 and 31 July 2024 in accordance with International Accounting Standards as adopted by the United Kingdom.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Accounting Standards as adopted by the United Kingdom.

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

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Delegated Regulation”), consenting to its inclusion in the Prospectus.

Basis of preparation

This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item

18.3.1 of Annex 1 of the Prospectus Delegated Regulation and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group to continue as a going concern for a period of at least twelve months from the date of the Prospectus. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the Prospectus Delegated Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B – HISTORICAL FINANCIAL INFORMATION

CONSOLIDATED HISTORICAL INFORMATION AS AT AND FOR THE THREE FINANCIAL YEARS ENDED 31 JULY 2022, 31 JULY 2023 AND 31 JULY 2024

Consolidated statements of profit or loss and other comprehensive income

		Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
	Note			
Revenue	4	35,028	60,781	86,152
Cost of sales		(20,950)	(33,635)	(44,858)
Gross profit		14,078	27,146	41,294
Administrative expenses		(4,133)	(9,238)	(17,555)
Adjusted operating profit¹		9,945	17,908	25,091
Costs relating to proposed Initial Public Offering		—	—	(1,187)
Share-based payment expense		—	—	(165)
Operating profit		9,945	17,908	23,739
Finance income	9	—	69	734
Finance expense	9	(65)	(51)	(89)
Profit before taxation		9,880	17,926	24,384
Taxation	10	(1,674)	(4,107)	(5,732)
Profit for the year		8,206	13,819	18,652
Other comprehensive income:				
Gain on foreign currency translation		—	60	20
Deferred tax asset on share-based payment		—	—	436
Total comprehensive income		8,206	13,879	19,108
Earnings per share for profit attributable to the owners of the parent²				
Basic and diluted (£)	11	1.64	2.78	3.82

All activities relate to continuing operations.

¹ Adjusted operating profit is a non-IFRS financial measure and is defined as statutory operating profit of £23,739,000 (2023: £17,908,000, 2022: £9,945,000) before £1,187,000 (2023: £Nil, 2022: £Nil) of costs related to the proposed Initial Public Offering, and £165,000 (2023: £Nil, 2022: £Nil) of share-based payment expense.

² As a result of a bonus issue of ordinary shares on 24 September 2024, the basic and diluted earnings per share have been calculated based on a total of 5,000,000 ordinary shares, see note 11 and 30.

Consolidated statements of financial position

		As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
	Note			
Assets				
Current assets				
Inventories	16	8,700	12,975	19,482
Trade and other receivables	17	6,062	11,504	17,334
Cash and cash equivalents	18	5,399	12,735	18,720
Total current assets		20,161	37,214	55,536
Non-current assets				
Property, plant and equipment	13	713	1,250	1,688
Right-of-use assets	14	1,233	2,116	1,792
Intangible assets	15	1	37	42
Deferred tax assets	10	—	—	595
Total non-current assets		1,947	3,403	4,117
Total assets		22,108	40,617	59,653
Liabilities				
Current liabilities				
Lease liabilities	14	122	259	313
Trade and other payables	19	5,727	9,277	9,584
Total current liabilities		5,849	9,536	9,897
Non-current liabilities				
Deferred tax liabilities	10	162	294	—
Lease liabilities	14	998	1,802	1,490
Other provisions	20	227	234	242
Total non-current liabilities		1,387	2,330	1,732
Total liabilities		7,236	11,866	11,629
Net assets		14,872	28,751	48,024
Equity				
Share capital	21	—	—	—
Share based payment reserve	22	—	—	165
Foreign exchange reserve		—	60	80
Retained earnings		14,872	28,691	47,779
Total equity		14,872	28,751	48,024

Consolidated statements of changes in equity

	Note	Share capital £'000	Share based payment £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 August 2021		—	—	—	12,668	12,668
Comprehensive income						
Profit for the year		—	—	—	8,206	8,206
Transactions with owners						
Dividends paid	12	—	—	—	(6,002)	(6,002)
As at 31 July 2022		—	—	—	14,872	14,872
As at 1 August 2022		—	—	—	14,872	14,872
Comprehensive income						
Profit for the year		—	—	—	13,819	13,819
Other comprehensive income		—	—	60	—	60
As at 31 July 2023		—	—	60	28,691	28,751
As at 1 August 2023		—	—	60	28,691	28,751
Comprehensive income						
Profit for the year		—	—	—	18,652	18,652
Other comprehensive income		—	—	20	—	20
Share based payment		—	—	—	436	436
Transactions with owners						
Share based payments	22	—	165	—	—	165
As at 31 July 2024		—	165	80	47,779	48,024

Consolidated statements of cash flows

		Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
	Note			
Cash flows from operating activities				
Profit before taxation		9,880	17,926	24,384
Adjustments for:				
Depreciation of property, plant and equipment	13	260	403	575
Amortisation of lease liabilities and intangible assets	14, 15	213	230	336
(Profit)/loss on disposal of property, plant and equipment		(8)	7	(9)
Share based payment expense	22	—	—	165
Finance income	9	—	(69)	(734)
Finance expense	9	65	51	89
		10,410	18,548	24,806
Increase in inventories		(3,749)	(4,275)	(6,507)
Increase in trade and other receivables		(301)	(5,451)	(5,993)
Increase in trade and other payables		1,529	1,645	4,143
Cash generated from operating activities		7,889	10,467	16,449
Tax paid		(1,396)	(1,950)	(9,747)
Net cash flows from operating activities		6,493	8,517	6,702
Cash flows from investing activities				
Purchase of intangible fixed assets	15	(1)	(42)	(17)
Purchase of tangible fixed assets	13	(293)	(962)	(1,039)
Sale of tangible fixed assets		27	15	35
Interest received	9	—	69	614
Net cash used in investing activities		(267)	(920)	(407)
Cash flows from financing activities				
Repayment of borrowings	19	(983)	—	—
Interest paid	9	(19)	—	—
Directors' loans repaid	26	(1,831)	(7)	(1)
Dividends paid	12, 26	(6,002)	—	—
Principal paid on lease liability	14	(105)	(167)	(257)
Interest paid on lease liability and dilapidations	14	(39)	(43)	(81)
Net cash used in financing activities		(8,979)	(217)	(339)
Net (decrease)/increase in cash and cash equivalents		(2,753)	7,380	5,956
Cash and cash equivalents at beginning of year		8,152	5,399	12,735
Effect of foreign exchange differences		—	(44)	29
Cash and cash equivalents at end of year	18	5,399	12,735	18,720

Notes to the historical financial information

1 General Information

Applied Nutrition Plc (the “Company”) is a public company limited by shares and registered and incorporated in England and Wales. The registered office is 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG.

The principal activity of the Company together with its subsidiary undertaking (the “Group”) throughout the years presented is that of the manufacture, wholesale, and retail of sports nutritional products.

The information for the years covered by the historical financial information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the three years ended 31 July 2022, 31 July 2023 and 31 July 2024 has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for the financial period ended 31 July 2024 were signed on 11 October 2024.

2 Accounting policies

2.1 Basis of preparation

This historical financial information provided presents the consolidated financial track record of the Group for the three years ended 31 July 2022, 31 July 2023 and 31 July 2024.

This financial information has been prepared in accordance with International Accounting Standards as adopted by the United Kingdom (“IFRS”) and the requirements of the Prospectus Regulation and the Listing Rules. This historical financial information is the responsibility of the Directors of the Group (the “Directors”).

The historical financial information is prepared on a going concern basis, under the historical cost convention. The historical financial information is presented in pounds sterling (“GBP”) and all values are rounded to the nearest thousand (£’000), except when otherwise indicated. In preparing the consolidated historical financial information of the Group, the Group has applied IFRS for the first time from 1 August 2021. The principles and requirements for first time adoption of IFRS are set out in IFRS 1, see Note 31.

The principal accounting policies adopted in the preparation of the historical financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group have applied the requirements of IFRS 16 Leases from 1 August 2021. The modified retrospective method of adoption was applied and has resulted in recognition of assets (right-of-use assets), initially measured at the amount of the lease liability, reduced for any lease incentives and increased for lease payments made at or before the commence of the lease, initial direct costs incurred and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities have also been directly recognised on the balance sheet measured at the present value of the contractual payments due to the lessor over the lease term. Lease costs each financial year are now recognised in the form of amortisation of the right-of-use asset and interest expense on the lease liability. This results in a higher interest expense in the earlier years of the lease term, however the total expense that is ultimately recognised in the Income Statement over the life of the lease will remain unaffected by the adoption of this standard.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Company has control. The Group controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Company until the date that control ceases.

The subsidiary reporting periods are the same as the Company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to

transactions between members of the Group are eliminated in preparing the historical financial information.

The Group includes foreign entities whose functional currencies are not GBP. On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at the weighted average rates during the period.

Classification of costs

Allocations of costs presented in the consolidated statement of profit or loss are allocated to cost of sales when management deem costs are directly associated with fulfilling performance obligations under IFRS 15, including the creation of those products sold by the Group. Those costs which fall outside of these allocations, which includes all sales and marketing associated costs are presented within administrative expenses, excluding finance expenses and taxation, in the consolidated statement of profit or loss.

2.3 Going concern

The Group has continued to trade throughout the historical financial period under a net asset position. The Directors are pleased with progress of trading to date.

The Directors have assessed the ability of the Company and the Group to continue as a going concern using three-year cash flow forecasts prepared from 31 July 2024. With the continued encouraging current trading results the Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of signing this historical financial information.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company and Group to continue as a going concern. Therefore, the historical financial information continues to be prepared on the going concern basis.

2.4 New standards, amendments, and interpretations not yet adopted

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023, and therefore were adopted by the Group for the year ended 31 July 2024, none of which had a material impact on the Group:

- Insurance Contracts – Amendments to IFRS 17
- Presentation of Financial Statements – Amendments to IAS 1
- Income Taxes, Deferred Tax – Amendments to IAS 12
- Income Taxes – International Tax Reform – Amendments to IAS 12
- Accounting Policies – Changes in Accounting Estimates and Errors – Amendments to IAS 8

The following standard, amendments and interpretations are not yet effective and have not been early adopted by the Group:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Amendments to IFRS 16 – Lease liability in sale and leaseback;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- Amendments to IAS 21 Lack of Exchangeability*;
- Issue of IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information*;
- Issue of IFRS S2 – Climate-related Disclosures*;
- Issue of IFRS 18 – Presentation and Disclosure in Financial Statements*; and
- Issue of IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

*Subject to endorsement by the UK

Certain new standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. These standards, amendments or interpretations are not expected to have a material impact on the Group.

2.5 Revenue recognition

IFRS 15 “Revenue from Contracts with Customers” is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Revenue represents amounts chargeable in respect of the manufacture, wholesale and retail of sports nutrition products. The Group operates through a range of business to business “B2B” and business to consumer “B2C” channels, with all revenue recognised at a point of time, being when control has passed to the customer under Incoterms®. Payment of the transaction price is due immediately when the customer purchases the product, or in the case of certain trade transactions, payable on set credit terms.

Rebates are volume based and are established on management's best estimate of the amounts necessary to meet claims by customers in respect of these rebates. A liability is calculated at the time of sale and updated at the end of each reporting period for changes in circumstances. Volume based rebates represent variable consideration for which the estimated variable consideration is constrained to ensure that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the rebate amount is realised.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Net finance costs

Finance expense

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs.

Finance income

Finance income comprises interest on bank deposits.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK and US where the Group operates and generates taxable income and expenses.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Where applicable the Group claim R&D tax reliefs in accordance with the Small and Medium Enterprise (“SME”) R&D Relief Scheme. Projects are assessed by management to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs.

2.8 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

The Group includes foreign entities whose functional currencies are not GBP. On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at the weighted average rates during the period. Translation differences are recognised as a gain on foreign currency translation in Other Comprehensive Income.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and an allocation of those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated on a weighted average cost basis. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

2.10 Property, plant and equipment

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

- | | |
|-------------------------|-------------------|
| • Plant and machinery | 20% straight line |
| • Fixtures and fittings | 33% straight line |
| • Motor vehicles | 20% straight line |
| • Computer equipment | 33% straight line |

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. There have been no impairment indications however if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.11 Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the administrative expenses in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets.

Intangible assets are amortised on a straight-line basis over their useful lives. The estimated useful lives are as follows:

- | | |
|------------------------|---------|
| • Patents and licences | 3 years |
|------------------------|---------|

2.12 Research and development

Research and development expenditure that does not meet the criteria of an intangible asset is expensed as incurred.

2.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

2.14 Financial assets

The Group classifies its financial assets at amortised cost. Management determines the classification of its financial assets at initial recognition.

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2.15 Financial liabilities

The Group measures its financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

The Group's financial liabilities held at amortised cost comprise trade and other payables and other short-dated monetary liabilities in the consolidated statement of financial position.

Trade payables and other short-dated monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

2.16 Impairment of assets

Carrying values of assets that are subject to depreciation or amortisation are periodically reviewed for any indicators of impairment.

If an impairment indicator is identified, the carrying value of the asset (or cash generating units to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

2.17 Equity instruments

Equity is the residual interest in the assets of the Company after deducting all liabilities and comprises the following:

- "Share capital" represents the nominal value of equity shares;
- "Share-based payment reserve" represents the cumulative fair value of options charged to the statement of profit or loss;
- "Foreign exchange reserve" represents the cumulative value of foreign currency translation differences; and
- "Retained earnings" represents retained earnings less retained losses.

2.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.19 Pensions

The Group operates a defined contribution pension scheme. Contributions to the scheme are charged to the statement of profit or loss and other comprehensive income in the period to which the contributions relate. The assets of the scheme are held separately from those of the Group.

2.20 Provisions

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money.

A provision against lease dilapidations has been made based on senior management's assessment of likely costs in the assessment of historic experience.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2.21 Leased assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: an identified physically distinct asset can be identified; and the Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and

- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Where the Group's property leases contain variable payment terms, payments determined as variable are treated as a charge to the income statement and not capitalised. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

2.22 Share based payments

The Group issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed in the Group's financial statements on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest.

Share Option Plan

Under the Share Option Plan, the Company may, within certain limits and subject to any applicable performance conditions, grant tax-advantaged enterprise management incentives options and unapproved options over Shares to eligible employees. No payment is required for the grant of an Option. Share Options that have been issued by the Group have been reviewed under the Monte Carlo model. The share-based payment expense has been calculated and detailed per the notes to the financial statements.

Other Schemes

Under other schemes the Company has granted Share Options in AN USA Holdings Inc. to certain employees. The Share Scheme lapsed in December 2023. Management deems the fair value of these shares to be trivial throughout the historical financial period.

2.23 Dividends

Ordinary dividends proposed by the Board of Directors are not recorded in the historical financial information until they have been approved by the shareholders at the Annual General Meeting.

2.24 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group. The CODM has determined that there is one single operating segment, the manufacture and sale of sports nutrition products.

3 Critical accounting judgements and estimates

The preparation of the historical financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use assumptions in applying the Group'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 historical financial information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the historical financial information are discussed below:

Key accounting estimates and judgements

The following are the areas requiring the use of estimates and judgements that may significantly impact the historical financial information. No material estimates have been identified in the preparation of the historical financial information.

The key areas of estimate are below:

Share-based payments

In order to calculate the value of employee share options as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model. This is a key estimate used to value the share options in issue both at grant date and at the balance sheet date.

Deferred tax assets

In order to calculate deferred tax assets on share-based payments, the Group makes estimates principally relating to the equity value of the Group at the balance sheet date. This is a key estimate used to value deferred tax asset recognition.

Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate ("IBR"). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points.

The Group makes judgements to estimate the IBR used to measure lease liabilities based on expected third party financing costs when the interest rate implicit in the lease cannot be readily determined. The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the Group, lease length and comparisons against other relevant data points. Significant changes in IBR would cause changes to both the value of the right-of-use assets and corresponding lease liabilities. Sensitivity analysis on the IBR, along with lease liabilities are detailed in Note 14.

The key areas of judgement are below:

Allocation of selling and marketing costs

The Group allocates selling and marketing costs to administrative expenses rather than cost of sales, as these are not costs directly associated with fulfilling performance obligations under IFRS 15. This is key area of judgement in the presentation of costs in statement of comprehensive income.

4 Revenue

All Group revenue was generated from the sale of goods and recognised at a point of time, being when control has passed to the customer under Incoterms®. 1 customer makes up 10% or more of revenue in the period ended 31 July 2024 (2023: 1; 2022: 1). Management considers revenue derives from one business stream being the manufacture, wholesale, and retail of sports nutritional products.

As at the 31 July 2024 the Group recognised revenue net of rebates of £1,386k (2023: £608k; 2022: £304k). Volume based rebates are estimated at each period end based on variable consideration and recognised within revenue. The Group anticipate all rebates recognised will be payable at the end of each financial year.

Revenue from customers

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Customer 1	8,636	9,044	12,729
Other customers	26,392	51,737	73,423
	<u>35,028</u>	<u>60,781</u>	<u>86,152</u>

Geographical reporting

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
United Kingdom	12,190	25,240	33,635
Europe	4,880	7,736	10,665
Rest of the World	17,958	27,805	41,852
	<u>35,028</u>	<u>60,781</u>	<u>86,152</u>

Within the Groups one business stream revenue can be disaggregated across six product categories for the purpose of alignment with the Directors internal reporting, being protein, pre-workout, grab-and-go, health and wellness, weight management, and intra-workout. An additional two categories are presented being 'other' which includes sales of raw materials and white label packaging; and 'rebates' where certain amounts are shown separately as they are unable to be allocated against specific product ranges.

Revenue by product offering

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Protein	12,776	21,526	26,118
Pre-workout	7,700	11,858	19,587
Grab-and-Go	2,896	11,212	12,808
Health and wellness	2,738	5,151	9,670
Weight management	5,053	5,735	7,373
Intra-workout	2,596	4,860	10,423
Other	1,573	1,047	1,559
Rebates	(304)	(608)	(1,386)
	<u>35,028</u>	<u>60,781</u>	<u>86,152</u>

The following table provides information about contract liabilities with customers, there were no contract assets as at 31 July 2024; 31 July 2023; and 31 July 2022:

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Deferred income	20	133	145
	20	133	145

Revenue recognised in the year that was deferred from the previous year was £133k in year ended 31 July 2024 (31 July 2023: £20k; 31 July 2022: £235k). The contract liabilities relate to the deferred income in respect of the wholesale, and retail of sports nutritional products. Revenue is being recognised on the transfer of risk and reward to the customer under Incoterms®.

The Group have taken the practical expedient under IFRS 15 to not disclose further details in respect of remaining revenue performance obligations at each period end presented in the historical financial information, as all obligations are fulfilled within one year or less.

5 Segmental reporting

The Chief Operating Decision Maker ("CODM") has been identified as the Directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined that there is one single operating segment, the manufacture and sale of sports nutrition products.

Revenue by geography, major customers and products is set out in Note 4. as required under entity wide disclosures when there is one single operating segment. Assets held by the Company's foreign subsidiary AN USA Holdings Inc. are immaterial to be disclosed separately.

6 Expenses by nature

Operating profit is stated after charging:

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Hire of plant and machinery	5	12	23
Depreciation of owned property, plant and equipment	260	403	575
Amortisation of right-of-use assets	213	224	324
(Profit)/loss on disposal of property, plant and equipment	(8)	7	(9)
Amortisation of intangible assets	—	6	12

7 Employee benefit expenses

Employee benefit expenses (including directors) comprise:

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Wages and salaries	2,467	4,953	7,855
Social security contributions and similar taxes	247	465	770
Share based payment expense (Note 22)	—	—	165
Other pension costs	38	78	140
	2,752	5,496	8,930

Average number of people (including directors) employed:

	Year ended 31 July 2022 No.	Year ended 31 July 2023 No.	Year ended 31 July 2024 No.
Directors	3	3	4
Warehouse/production	65	98	147
Office	19	35	44
	<u>87</u>	<u>136</u>	<u>195</u>

10,000 Class A shares in AN USA Holdings Inc. were issued to the former CEO of AN USA Holdings Inc. on 21 April 2023, which have been considered an employee benefit expense, akin to a cash settled bonus arrangement. As the CEO left employment on 15 December 2023 having failed to complete the minimum employment period of 3 years, no employee benefit expense has been recognised in the historical financial period. See Note 25 for further details.

In the year ended 31 July 2024 10,000 Class A shares in AN USA Holdings Inc. were issued to the CEO of AN USA Holdings Inc. on 4 June 2024, which have been considered an employee benefit expense, akin to a cash settled bonus arrangement. An employee benefit expense has been recognised in respect of these shares of £Nil as at 31 July 2024 on the basis of materiality. See Note 25 for further details.

8 Director emoluments

Director emoluments comprise:

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Wages and salaries	167	402	562
Social security contributions and similar taxes	23	51	63
Pension contributions to money purchase schemes	7	11	30
Share based payment expense (Note 22)	—	—	165
	<u>197</u>	<u>464</u>	<u>820</u>

There were 2 Directors participating in money purchase pension schemes as at the year ended 31 July 2024 (2023: 2; 2022: 2).

Key management personnel include all of the Directors, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business. There are no key management personnel other than the Directors of the Group.

9 Finance income and expense

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Finance income			
Interest receivable	—	69	734
	<u>—</u>	<u>69</u>	<u>734</u>
	<u><u>—</u></u>	<u><u>69</u></u>	<u><u>734</u></u>
Finance expense			
Interest on bank loans	19	—	—
Interest on lease liabilities and dilapidations	46	50	89
Other interest paid	—	1	—
	<u>65</u>	<u>51</u>	<u>89</u>
	<u><u>65</u></u>	<u><u>51</u></u>	<u><u>89</u></u>

10 Taxation

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Analysis of charge in year			
Total current tax	1,635	3,975	6,354
Adjustments in respect of prior periods	—	—	(159)
Tax current tax	<u>1,635</u>	<u>3,975</u>	<u>6,195</u>
Deferred tax expense/(credit)			
Origination and reversal of timing differences	39	132	(267)
Adjustment in respect of prior periods	—	—	(196)
Total deferred tax	<u>39</u>	<u>132</u>	<u>(463)</u>
Tax charge per statement of comprehensive income	<u><u>1,674</u></u>	<u><u>4,107</u></u>	<u><u>5,732</u></u>

The tax charges for the years presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Profit on ordinary activities before tax	9,880	17,926	24,384
Tax using the Group's domestic tax rates	1,877	3,765	6,096
Effects of:			
Expenses not deductible for tax purposes	3	6	310
Movement on unrecognised deferred tax	38	376	(73)
R&D tax claim	(222)	—	(289)
Effect of tax rates in foreign jurisdictions	—	—	47
Transfer pricing adjustment	—	—	(4)
Adjustments in respect of prior periods to current tax	—	—	(159)
Adjustments in respect of prior periods to deferred tax	—	—	(196)
Other differences	(22)	(40)	—
Total tax charge	<u><u>1,674</u></u>	<u><u>4,107</u></u>	<u><u>5,732</u></u>

The applicable standard rate of corporation tax in the UK in the year ended 31 July 2024 was 25% (2023: 25%, 2022: 19%). The UK corporation tax was set at the main rate of 25% from 1 April 2023, provided a marginal tax rate of 21% for the year ended 31 July 2023.

Deferred tax

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Opening balance	(123)	(162)	(294)
(Charged) / credited to the income statement	(39)	(132)	463
Impact of foreign exchange	—	—	(10)
Recognised through equity (Note 22)	—	—	436
	<u>(162)</u>	<u>(294)</u>	<u>595</u>
	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Accelerated capital allowances	(162)	(294)	(364)
Share based payment timing differences (Note 22)	—	—	477
Tax losses	—	—	482
	<u>(162)</u>	<u>(294)</u>	<u>595</u>

11 Earnings per share

Basic and diluted profit per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue. Earnings per share is presented based on the number of shares outstanding in the Company. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The Company's C Share Options are contingent on the option conditions being fulfilled by future events. None of conditions were fulfilled as at 31 July 2022, 31 July 2023, and 31 July 2024. Share Options are not deemed dilutive until all contingent conditions have been met, and thus have no dilutive impact in the historical financial period.

	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2024
Basic and diluted			
Profit attributable to owners of the Company (£)	8,206,000	13,879,000	19,108,000
Weighted average number of shares	5,000,000	5,000,000	5,000,000
Basic and diluted earnings per share (£)	<u>1.64</u>	<u>2.78</u>	<u>3.82</u>

As a result of a bonus issue of shares on 24 September 2024, the basic and diluted earnings per share have been calculated based on a total of 5,000,000 ordinary shares, see note 30.

12 Dividends

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Final dividend	6,002	—	—
	6,002	—	—

Final dividend for the year ended 31 July 2024 totalled £Nil per share (2023: £Nil; 2022: £6,002).

The dividend issued in the year ended 31 July 2022 was paid to the holders of B Ordinary Shares, apportioned between the holders of the B Ordinary Shares proportionately to their holding. The holders of the B Shares held an agreement which entitled, in priority to any other distribution to Shareholders, to a cash dividend or dividends of the Company's available profits until the aggregate dividend paid to the holders of the B Ordinary Shares equalled an amount to £6,001,193. This agreement was settled in full as part of the dividend payment in the year ended 31 July 2022 and no further preference dividend agreements existed during the periods covered by the historic financial information.

13 Property, plant and equipment

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 1 August 2021	735	215	23	43	1,016
Additions	81	117	52	43	293
Disposals	—	(7)	(12)	(1)	(20)
At 31 July 2022	816	325	63	85	1,289
Depreciation					
At 1 August 2021	(213)	(70)	(1)	(33)	(317)
Charge for the period	(160)	(85)	(4)	(11)	(260)
Disposals	—	1	—	—	1
At 31 July 2022	(373)	(154)	(5)	(44)	(576)
Net book amount					
At 31 July 2022	443	171	58	41	713
Cost					
At 1 August 2022	816	325	63	85	1,289
Additions	415	450	18	79	962
Disposals	(4)	(28)	(7)	—	(39)
At 31 July 2023	1,227	747	74	164	2,212
Depreciation					
At 1 August 2022	(373)	(154)	(5)	(44)	(576)
Charge for the period	(189)	(173)	(12)	(29)	(403)
Disposals	4	12	1	—	17
At 31 July 2023	(558)	(315)	(16)	(73)	(962)
Net book amount					
At 31 July 2023	669	432	58	91	1,250
Cost					
At 1 August 2023	1,227	747	74	164	2,212
Additions	794	158	14	73	1,039
Disposals	(45)	—	(13)	(9)	(67)
At 31 July 2024	1,976	906	75	227	3,184
Depreciation					
At 1 August 2023	(558)	(315)	(16)	(73)	(962)
Charge for the period	(290)	(214)	(18)	(53)	(575)
Disposals	26	—	5	9	41
At 31 July 2024	(822)	(530)	(29)	(116)	(1,496)
Net book amount					
At 31 July 2024	1,154	376	46	111	1,688

Depreciation was recognised in the income statement within administrative expenses throughout the historical financial information period.

14 Leased assets

The Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

	As at 31 July 2022	As at 31 July 2023	As at 31 July 2024
Number of active leases	2	4	4

The Groups leases include leasehold properties for commercial and head office use. The leases range in length from two to ten years and vary on length depending on lease type. Industrial units holding the longest-term length of up to 10 years.

Extension, termination, and break options

The Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the Group.

Incremental borrowing rate

The Group has adopted a rate with a range of 3.25% – 5% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of the Group measured by reference to the Groups facilities.

Sensitivity analysis has been performed that shows that an effect of 1% decrease in the IBR rates used will cause an increase in lease liabilities of £50,919 as at 31 July 2024 (2023: £68,497; 2022: £43,675) and an increase in ROU assets of £79,332 (2023: £92,993; 2022: £66,282). An increase of 1% in the IBR rates used will cause a decrease in lease liabilities of £48,980 as at 31 July 2024 (2023: £65,480; 2022: £41,460) and a decrease in ROU assets of £74,766 (2023: £87,656; 2022: £61,950). This rate is used to reflect the risk premium over the borrowing cost of Company measured by reference to the Group facilities.

Short term or low value lease expense

Three short term or low value leases existed during the historical financial period.

	Year ended 31 July 2022 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2024 £'000
Short term and low value lease expenses	58	462	62

Right of use assets

	Leasehold Property £'000	Total £'000
Cost		
At 1 August 2021	1,446	1,446
Additions	—	—
At 31 July 2022	1,446	1,446
Depreciation		
At 1 August 2021	—	—
Charge for the year	213	213
At 31 July 2022	213	213
Net book amount		
At 31 July 2022	1,233	1,233
Cost		
At 1 August 2022	1,446	1,446
Additions	1,120	1,120
Disposals	(94)	(94)
Foreign exchange	(12)	(12)
At 31 July 2023	2,460	2,460
Depreciation		
At 1 August 2022	213	213
Charge for the period	224	224
Disposals	(94)	(94)
Foreign exchange	1	1
At 31 July 2023	344	344
Net book amount		
At 31 July 2023	2,116	2,116
Cost		
At 1 August 2023	2,460	2,460
Foreign exchange	4	4
At 31 July 2024	2,464	2,464
Depreciation		
At 1 August 2023	344	344
Charge for the period	324	324
Foreign exchange	4	4
At 31 July 2024	672	672
Net book amount		
At 31 July 2024	1,792	1,792

Lease liabilities

	Leasehold Property £'000	Total £'000
At 1 August 2021	1,225	1,225
Interest expense	39	39
Lease payments	(144)	(144)
At 31 July 2022	1,120	1,120
At 1 August 2022	1,120	1,120
Additions	1,120	1,120
Interest expense	43	43
Lease payments	(210)	(210)
Foreign exchange	(12)	(12)
At 31 July 2023	2,061	2,061
At 1 August 2023	2,061	2,061
Additions	—	—
Interest expense	81	81
Lease payments	(338)	(338)
Foreign exchange	(1)	(1)
At 31 July 2024	1,803	1,803

Lease dilapidations

	Leasehold Property £'000	Total £'000
At 1 August 2021	220	220
Interest expense	7	7
At 31 July 2022	227	227
At 1 August 2022	227	227
Interest expense	7	7
At 31 July 2023	234	234
At 1 August 2023	234	234
Interest expense	8	8
At 31 July 2024	242	242

Reconciliation of minimum lease payments and present value

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Within 1 year	157	339	378
Later than 1 year and less than 5 years	653	1,408	1,370
After 5 years	461	620	280
Total including interest cash flows	1,271	2,367	2,028
Less: interest cash flows	(151)	(306)	(225)
Total principal cash flows	1,120	2,061	1,803

Reconciliation of current and non-current lease liabilities

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Current	122	259	313
Non-current	998	1,802	1,490
Total lease liability	1,120	2,061	1,803

15 Intangible assets

	Patents and licenses £'000	Total £'000
Cost		
At 1 August 2021	—	—
Additions	1	1
At 31 July 2022	1	1
Amortisation		
At 1 August 2021	—	—
Charge for the year	—	—
At 31 July 2022	—	—
Net book amount		
At 31 July 2022	1	1
Cost		
At 1 August 2022	1	1
Additions	42	42
At 31 July 2023	43	43
Amortisation		
At 1 August 2022	—	—
Charge for the year	(6)	(6)
At 31 July 2023	(6)	(6)
Net book amount		
At 31 July 2023	37	37
Cost		
At 1 August 2023	43	43
Additions	17	17
At 31 July 2024	60	60
Amortisation		
At 1 August 2023	(6)	(6)
Charge for the year	(12)	(12)
At 31 July 2024	(18)	(18)
Net book amount		
At 31 July 2024	42	42

16 Inventories

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Raw materials	5,399	5,828	10,733
Finished goods and goods for resale	3,301	7,147	8,749
	<u>8,700</u>	<u>12,975</u>	<u>19,482</u>

The cost of Group inventories recognised as an expense in year to 31 July 2024 amounted to £19,515k (2023: £31,167k; and 2022: £40,720k). This is included in cost of sales. Inventory write offs and inventory provisions netted from gross inventory were £857k for year to 31 July 2024 (2023: £420k; 2022: £145k).

17 Trade and other receivables

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Amounts falling due within one year:			
Trade receivables	5,856	11,060	16,235
Other receivables	7	8	12
Corporation tax	—	—	541
Prepayments	199	436	546
	<u>6,062</u>	<u>11,504</u>	<u>17,334</u>

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement immediately or within 30 to 60 days for certain credit customers and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates to their fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined based on historical data available to management in addition to forward looking information utilising management knowledge. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

The following tables detail the aging and risk profiles of trade receivables:

As at 31 July 2022

	Current £'000	<30 days £'000	31-60 days £'000	61-90 days £'000	Total £'000
Expected credit loss rate	—	—	—	17.58%	1.13%
Total gross carrying amount	3,527	1,397	618	381	5,923
Expected credit loss	—	—	—	(67) ⁽⁶⁷⁾	—
Total	3,527	1,397	618	314	5,856

As at 31 July 2023

	Current £'000	<30 days £'000	31-60 days £'000	61-90 days £'000	Total £'000
Expected credit loss rate	—	—	—	6.83%	0.60%
Total gross carrying amount	6,509	2,853	784	981	11,127
Expected credit loss	—	—	—	(67) ⁽⁶⁷⁾	—
Total	6,509	2,853	784	914	11,060

As at 31 July 2024

	Current £'000	<30 days £'000	31-60 days £'000	61-90 days £'000	Total £'000
Expected credit loss rate	—	4.84%	10.34%	29.20%	4.83%
Total gross carrying amount	10,012	3,718	1,741	1,588	17,059
Expected credit loss	—	(180)	(180)	(464)	(824)
Total	10,012	3,538	1,561	1,124	16,235

18 Cash and cash equivalents

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Cash and cash equivalents	5,399	12,735	18,720
	5,399	12,735	18,720

19 Trade and other payables

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Amounts falling due within one year:			
Trade payables	2,436	2,584	3,771
Corporation tax	985	3,011	—
Social security and other taxes	96	166	157
VAT	242	608	578
Other payables	10	25	18
Directors' loans	8	1	—
Deferred income	20	133	145
Accruals	1,930	2,749	4,915
	5,727	9,277	9,584

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.

As at 1 August 2021 the Company held a Coronavirus Business Interruption Loan Scheme (CBILS) which totalled £983k. The loan was taken out in June 2020 and was due to mature four years after this date. The loan incurred interest of 2.25% above Bank of England base rate with a deferred payment start date as part of the CBILS scheme of 12 months. Interest on the loan is payable by the UK Government as part of the business interruption payment under the facility. The loan was paid off in full, early in the year ended 31 July 2022.

Directors' Loans are interest free and repayable on demand. See Note 26 for further details.

20 Provisions

	Leasehold Property dilapidations £'000	Total £'000
Non-current:		
At 1 August 2021	220	220
Interest expense	7	7
At 31 July 2022	227	227
At 1 August 2022	227	227
Interest expense	7	7
At 31 July 2023	234	234
At 1 August 2023	234	234
Interest expense	8	8
At 31 July 2024	242	242

As part of the Group's property leasing arrangements there is an obligation to repair damage which occurs during the life of the lease, such as wear and tear. These costs have been shown separately to the lease obligation liability as detailed in Note 14. The provisions are expected to be utilised by 2030 as the leases terminate. The dilapidations provision is considered a source of estimation. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates.

21 Share capital

	As at 31 July 2022 Shares	As at 31 July 2023 Shares	As at 31 July 2024 Shares
Allotted, called up and fully paid			
<i>A1 Ordinary shares of £0.01 each</i>			
Opening number of A1 ordinary shares	5,800	5,800	5,800
Re-designation of shares	—	—	(367)
Closing number of A1 ordinary shares	5,800	5,800	5,433
<i>A2 Ordinary shares of £0.01 each</i>			
Opening number of A2 ordinary shares	1,000	1,000	1,000
Re-designation of shares	—	—	(57)
Closing number of A2 ordinary shares	1,000	1,000	943
<i>B Ordinary shares of £0.01 each</i>			
Opening number of B ordinary shares	3,200	3,200	3,200
Re-designation of shares	—	—	(64)
Closing number of B ordinary shares	3,200	3,200	3,136
<i>D Ordinary shares of £0.01 each</i>			
Opening number of D ordinary shares	—	—	—
Re-designation of shares	—	—	488
Closing number of D ordinary shares	—	—	488
Closing share capital	10,000	10,000	10,000

	As at 31 July 2022 £	As at 31 July 2023 £	As at 31 July 2024 £
Allotted, called up and fully paid			
<i>A1 Ordinary shares of £0.01 each</i>			
Opening number of A1 ordinary shares	58.00	58.00	58.00
Re-designation of shares	—	—	(3.67)
Closing number of A1 ordinary shares	58.00	58.00	54.33
<i>A2 Ordinary shares of £0.01 each</i>			
Opening number of A2 ordinary shares	10.00	10.00	10.00
Re-designation of shares	—	—	(0.57)
Closing number of A2 ordinary shares	10.00	10.00	9.43
<i>B Ordinary shares of £0.01 each</i>			
Opening number of B ordinary shares	32.00	32.00	32.00
Re-designation of shares	—	—	(0.64)
Closing number of B ordinary shares	32.00	32.00	31.36
<i>D Ordinary shares of £0.01 each</i>			
Opening number of D ordinary shares	—	—	—
Re-designation of shares	—	—	4.88
Closing number of D ordinary shares	—	—	4.88
Closing share capital	100.00	100.00	100.00

The Company have also granted 102 share options to a director of the Company which are held over C Shares in the Company. The C shares only participate in a return in the event of an Exit Event, and when the Exit is above a specific Hurdle.

Voting rights

Shareholders are entitled to one voting right per share.

Re-designation of shares

On 31 January 2024, 116 A1 ordinary shares, 20 A2 ordinary shares and 64 B ordinary shares were re-designated into 200 D ordinary shares of £0.01 each.

On 18 April 2024, 171 A1 ordinary shares and 29 A2 ordinary shares were re-designated into 200 D shares of £0.01 each.

On 6 June 2024, 42 A1 ordinary shares and the 8 A2 ordinary shares were re-designated into 50 D ordinary shares of £0.01 each.

On 7 June 2024, 38 A1 ordinary shares were re-designated into 38 D ordinary shares of £0.01 each.

22 Share-based payments

The Group operated an employee share option plan that is accounted for as equity-settled share-based payments.

Share Option Plan

On 29 April 2022, the Company granted 102 share options to a director of the Company. The Share Options are options held over potential C Shares in the Company which would result in a redesignation of 102 A1 ordinary shares as C Shares, and therefore no C Shares are currently in issue. The C shares only participate in a return in the event of an Exit Event, and when the Exit is above a specific Hurdle. There are further continuous employment service conditions attached to the Share Options.

The Share Options granted are as detailed below:

Date of grant	Director	No. of options	Exercise price (£)	Vesting conditions	Contractual life of options
29 April 2022	Joseph Pollard	102	88.78	Market and non-market-based performance conditions	10 years

Details of the number of Share Options granted, exercised, lapsed and outstanding during the historical financial information period, as well as the weighted average exercise prices in GBP are as follows:

	Number	Weighted Average Exercise Price £
At 1 August 2021	102	88.79
At 31 July 2022	102	88.79
At 1 August 2022	102	88.79
At 31 July 2023	102	88.79
At 1 August 2023	102	88.79
At 31 July 2024	102	88.79
Total outstanding as at 31 July 2024	102	88.79
Total exercisable as at 31 July 2024	102	88.79

The fair value of the Share Options and the expected vesting period was calculated at the date of grant using a Monte Carlo Pricing Model with the following key assumptions:

Grant date	29 April 2022
Share price hurdle	£7,200
Exercise price	£88.79
Risk free rate (10-year UK gilts)	0.88%
Annualised volatility (based on peer Group companies)	39.25%
Expected dividend yield	0.00%
Exercise date	Once vested
Contractual life	10 years

The fair value of the Share Options granted was calculated as £165k. The expected vesting period of the options was 3.75 years, which is the date the share price hurdle was expected to be met.

C Shares only participate in return on an Exit Event, if the holder is in employment, as such the Share Options are expected to vest immediately on an Exit Event only. The vesting period of the Share Options is therefore driven by the expectation of an Exit Event occurring.

Management concluded that at the Date of Grant and as at 31 July 2021, the probability of the option conditions being met was remote and therefore, irrespective of the fair value of the Options at Grant Date, the cumulative IFRS 2 charge to be recognised was £Nil. Management concluded the same as at 31 July 22 and 31 July 23.

As at 31 July 2024, management estimated the likelihood of an Exit Event to be highly probable and for the option holder to remain in employment, and therefore the IFRS 2 charge to be recognised in the Group's consolidated statement of profit or loss is £165k, representing a catch up of the option charge since issuance.

As at 31 July 2024, consistent with the likelihood of an Exit Event judgment noted above, an intrinsic valuation of the options was made in order to assess any future corporation tax adjustment that may be available for the deduction available for the market price of the shares less the exercise price paid for the shares. This calculation showed that a £477k deduction is expected to be available and therefore a Deferred Tax Asset was recognised in respect of this amount. £436k of this Deferred Tax Asset was recognised in Equity, as can be seen in the Other Comprehensive Income Statement and Note 10 above.

Other share-based payments

On 13 June 2022, the Company granted a total 1,000 Class B shares in AN USA Holdings Inc. to its former CEO T Humphreys. The Class B shares lapsed on exit of T Humphreys' employment in December 2023. The fair value of these shares was determined to be trivial by management as at 31 July 2022, and 31 July 2023. As such there was a £Nil share-based payment charge in the year ended 31 July 2022 and 31 July 2023 in respect of these options. There were no Class B shares options held as at 31 July 2024.

23 Commitments and contingencies

The Group has no capital, financial and or other commitments at the end of any of the years included in the historical financial information.

The Group has made a VAT reclaim to HMRC in respect of certain products that have been treated as standard rated but are believed to be zero rated. This claim is ranged between £Nil and £1,400k and has not been recognised in these financial statements.

24 Financial instruments

Financial assets

Financial assets are not measured at fair value and due to short-term nature, the carrying value approximates to their fair value. They comprise trade receivables, other receivables, and cash. It does not include prepayments.

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Trade receivables	5,856	11,060	16,235
Other receivables	7	8	12
Cash and cash equivalents	5,399	12,735	18,720
	<u>11,262</u>	<u>23,803</u>	<u>34,967</u>

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, other payables, and accruals. It does not include deferred income and other taxation and social security.

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Trade payables	2,436	2,584	3,771
Other payables	10	25	18
Directors' loans	8	1	—
Accruals	1,930	2,749	4,915
	<u>4,384</u>	<u>5,359</u>	<u>8,704</u>

Financial risk management

The Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange risk and liquidity risk. Risk management is carried out by the Directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the historical financial information.

The receivables age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to historical financial information.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable.

Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group) Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Group writes off a financial asset when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted. Currently the financial institution whereby the Group holds significant levels of cash is RBS which is rated AA-.

Interest and market rate risk

As at 31 July 2024, 2023, and 2022, the Group had no current borrowings and used no finance facilities or debt structures to coordinate business. Therefore, interest and market rate risk exposure for the Group is minimal. The Group's policy aims to manage the interest cost of the Group within the constraints of its financial borrowings.

The Group have entered into significant leases for assets, namely leasehold properties, under fixed interest rate terms. This means that the interest rate charged on these leases is fixed for the entire term of the lease, regardless of changes in market interest rates.

If market interest rates rise, the Group's fixed-rate leases will become less attractive to potential lessors, as they would be able to obtain better rates elsewhere. On renewal of these leases this could result in the Group having to renew or renegotiate these leases at higher rates, which would increase its operating costs and potentially reduce its profitability.

The Group look to mitigate this risk by committing to lease agreements in respect of leasehold properties in advance of end of lease terms, ensuring management can manage and plan for interest rate change.

Foreign exchange risk

Foreign exchange risk arises when the Group enter into transactions in a currency other than their functional currency. The Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

The Groups exposure to foreign currency risk at the end of the respective reporting period was as follows:

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
<i>Cash</i>			
USD	—	367	340
<i>Total Cash</i>	—	367	340
<i>Trade Receivables</i>			
USD	—	180	505
<i>Total Trade Receivables</i>	—	180	505
<i>Trade Payables</i>			
USD	4	21	331
<i>Total Trade Payables</i>	4	21	331

The effect of a 10% strengthening and 10% weakening of the US Dollar against Sterling would result in the below impact to the consolidated statement of profit or loss and other comprehensive income:

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
10% strengthening	—	(53)	(51)
10% weakening	—	53	51

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's financial liabilities and lease liabilities is shown below:

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
<i>Less than 1 year:</i>			
Trade and other payables	2,454	2,610	3,789
Accruals	1,930	2,749	4,915
Lease liability	157	339	378
	<u>4,541</u>	<u>5,698</u>	<u>9,082</u>
<i>Later than 1 year and less than 5 years:</i>			
Lease liability	<u>653</u>	<u>1,408</u>	<u>1,370</u>
<i>After 5 years:</i>			
Lease liability	<u>461</u>	<u>620</u>	<u>280</u>
	<u>5,655</u>	<u>7,726</u>	<u>10,732</u>
<i>Less: interest cash flows:</i>			
Lease liability	<u>(151)</u>	<u>(306)</u>	<u>(225)</u>
Total less interest cash flows	<u>5,504</u>	<u>7,420</u>	<u>10,507</u>

Capital risk management

The capital structure of the business consists of cash and cash equivalents and equity. Equity comprises share capital and retained earnings and is equal to the amount shown as 'Equity' in the balance sheet.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets. During the years ended 31 July 2022, 2023, and 2024, the Group's business strategy remained unchanged.

25 Investments in subsidiaries

The Company has one subsidiary. The table below sets out the details of the subsidiary of the Company during the historical financial period, the percentage ownership and the percentage of voting power held:

Subsidiary	Principal activity	Country of incorporation	Registered address	Percentage of voting rights held	Proportion of ordinary shares held by Group
AN USA Holdings Inc.	Sale of sports nutrition products	United States of America	5601 Democracy Dr Ste 135 Plano, TX	100% as at 31 July 2022; 2023; and 2024.	*90% as at 31 July 2022; 2023; and 2024.

The Group holds direct investments in all subsidiaries.

*AN USA Holdings Inc. issued 10,000 class A shares on 21 April 2023 to its former chief executive officer ("Former US CEO") T Humphreys. The shares held of the Company, required employment of the Former US CEO in year 1,2 and 3, with a further option contained with the ability to sell one third of the shares per annum, starting from the fourth year of service thereafter to AN USA Holdings Inc. at a set predetermined formulaic price (based on the financial performance/a financial metric rather than equity value). T Humphries left employment in December 2023 and the A shares were brought back by AN USA Holdings Inc. at £Nil value. The Class A shareholders held no rights to vote, nor receive dividends.

The A shares represent a long-term employment benefit to T Humphrey under IAS 19 across the service of employment. As at 31 July 2023 the employee benefit expense accrued was £Nil.

As at 31 July 2023 the Former US CEO owned 10% of the shares in issue of AN USA Holdings Inc., as the shares held no rights to vote, or receive dividends and could only be bought back by AN USA Holdings Inc. at a predetermined formulaic price, it is concluded the Former US CEO held no rights to the Company's equity outside of the predetermined formula, and thus no non-controlling interest ("NCI") existed. No recognition of NCI has been recognised as at 31 July 2023.

In the year ended 31 July 2024 AN USA Holdings Inc. issued 10,000 class A shares on 4 June 2024 to its new US CEO A Heidebreicht. The shares held of the Company, required employment of the US CEO in year 1,2 and 3, with a further option contained with the ability to sell one third of the shares per annum, starting from the fourth year of service thereafter to AN USA Holdings Inc. at a set predetermined formulaic price (based on the financial performance/a financial metric rather than equity value). The Class A shareholders held no rights to vote, nor receive dividends.

The A shares represent a long-term employment benefit under IAS 19 across the service of employment. As at 31 July 2024 the employee benefit expense accrued was £Nil, as the potential liability was immaterial.

As at 31 July 2024 the US CEO owned 10% of the shares in issue of AN USA Holdings Inc., as the shares held no rights to vote, or receive dividends and could only be bought back by AN USA Holdings Inc. at a predetermined formulaic price, it is concluded the US CEO held no rights to the Company's equity outside of the predetermined formula, and thus no non-controlling interest ("NCI") existed. No recognition of NCI has been recognised as at 31 July 2024.

26 Related party transactions

Key management personnel remuneration is disclosed in Note 8 above. Certain Directors of the Company have also received share options in the historical financial period and these are detailed in Note 22.

Loans and transactions with Directors

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
<i>T M Ryder</i>			
Balance outstanding at start of year	1,839	8	1
Amounts repaid	(1,831)	(7)	(1)
Balance outstanding at end of year	8	1	—
	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
<i>T M Ryder</i>			
Dividend paid	—	—	—

Loans from related parties comprise loans made to the Company by Directors. The loans are interest free and repayable on demand.

Other related parties

	As at 31 July 2022 £'000	As at 31 July 2023 £'000	As at 31 July 2024 £'000
Sales	135	551	1,173
Dividend paid	6,002	—	—
Amount due from related party	—	97	143

Other related parties constitute transactions and amount due from JD Sports Fashion Plc, a shareholder of the Company.

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during the historical financial period regarding related party transactions.

27 Retirement benefit plans

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The total expense recognised in the statement of profit or loss and other comprehensive income of £139k (2023: £78k, 2022: £38k) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As the end of the 2024 year £18k (2023: £15k, 2022: £10k) contributions were payable to the scheme and are included in creditors.

28 Changes in liabilities from financing activities

	At 1 August 2021 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	Non-cash changes £'000	At 31 July 2022 £'000
Lease liabilities	1,225	(144)	39	—	—	1,120
Bank loan	983	(1,002)	19	—	—	—
Total liabilities from financing activities	2,208	(1,146)	58	—	—	1,120

	At 1 August 2022 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	Non-cash changes £'000	At 31 July 2023 £'000
Lease liabilities	1,120	(210)	43	1,120	(12)	2,061
Total liabilities from financing activities	1,120	(210)	43	1,120	(12)	2,061

	At 1 August 2023 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	Non-cash changes £'000	At 31 July 2024 £'000
Lease liabilities	2,061	(338)	81	—	(1)	1,803
Total liabilities from financing activities	2,061	(338)	81	—	(1)	1,803

29 Ultimate controlling party

The ultimate controlling party of the Company is Thomas Michael Ryder by virtue of his shareholding.

30 Post balance sheet events

On 16 August 2024, the business established a 100% owned subsidiary company “Applied Nutrition Columbia SAS” in Colombia, South America with an initial share capital of COP\$1,000,000. The purpose of the entity is to facilitate product registration in the Colombian market. The entity has no employees.

On 24 September 2024, a shareholders resolution was passed in respect of a bonus issue of 4,990,000 new ordinary shares. A sum of £49,900 was capitalised from the Company’s distributable reserves and appropriated to the shareholders of the Company in proportion to the number of ordinary shares in the Company held by them respectively. As a result of the bonus issue the total number of ordinary shares in issue increased to 5,000,000 and the resultant share capital increased to £50,000. This transaction was required to facilitate the Company’s re-registration as a PLC, a process which was underway at the time of issuing this historical financial information.

As a result of this transaction, the future calculation of earnings per share will be based on total of 5,000,000 ordinary shares. In accordance with IAS33: Earnings per Share guidance, the disclosed EPS has been updated in the current and comparative years (as can be seen in the statement of profit and loss and note 11) to utilise the updated number of shares in issue, as the denominator in the calculations, for all periods presented.

As disclosed in paragraph 2.2 of Part 10 of this document, the Company re-registered as a public limited company on 1 October 2024.

31 Transition to IFRS

For all periods up to and including 1 August 2021, the Group prepared its statutory financial statements in accordance with FRS 102. This is the first financial information the Group has prepared in accordance with IFRS. The Group's effective IFRS transition date for the purposes of this financial information was 1 August 2021. The effects of transition to IFRS on the balance sheets at 1 August 2021, 31 July 2022, 31 July 2023 and 31 July 2024 and the income statements for the years ended 31 July 2022, 31 July 2023 and 31 July 2024, are shown below. No statements of cashflows are presented on the basis that none of the IFRS adjustments impacted cash. In preparing the consolidated historical financial information of the Group, the Group has applied IFRS for the first time from 1 August 2021. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of standards to prior periods in order to assist companies with the transition process.

The Group have applied the requirements of IFRS 16 Leases from 1 August 2021, the effects of adoption have been recognised directly in opening retained earnings. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on a straight-line basis over the lease term. No other transitional exemptions have been taken.

Estimates

The estimates within the statutory accounts up to 1 August 2021 are consistent with those made for the same dates in accordance with FRS 102 (after adjustments to reflect any differences in accounting policies).

The transition adjustments required on applying IFRS, as numbered in the tables below, were:

1. Under IFRS 16 the standard was effective from 1 January 2019. The Group have applied the modified retrospective approach adopting the standard effectively from 1 August 2021, the first day of the first period included in the historical financial information under IFRS, no other expedients were used on transition. Adjustments to leases under IFRS 16, to recognise leases previously recognised as operating leases as right-of-use assets. The initial recognition of right-of-use assets and lease liabilities as of 1 August 2021 was for £1,446k and £1,225k respectively. A dilapidation provision of £220k was recognised as at the 1 August 2021 and included as part of the IFRS 16 adjustment requirements on transition, a provision for certain dilapidations were not previously recognised in the Group's FRS 102 statutory accounts. In the year ended 31 July 2022 right-of-use assets decreased by £213k, lease liabilities decreased by £106k and the dilapidation provision increased by £7k. The impact of this adjustment has increased operating expenses by £61k and increased finance expense by £46k. In the year ended 31 July 2023 right-of-use assets increased by £883k, lease liabilities increased by £940k and the dilapidation provision increased by £7k. The impact of this adjustment has increased operating expenses by £12k and increased finance expense by £51k. In the year ended 31 July 2024 right-of-use assets decreased by £324k, lease liabilities decreased by £257k and the dilapidation provision increased by £8k. The impact of this adjustment has decreased operating expenses by £31k and increased finance expense by £89k. Additional detail on transition to IFRS 16 is detailed in the accounting policies Note 2.1 and Note 14.
2. In the year ended 31 July 2024 an adjustment was required to be made to tax to adjust for the impact of the IFRS 16 transition adjustments. This had the impact of increasing the corporation tax asset by £30k and reducing the corporation tax charge by £30k. This adjustment was not required in any other period.

The following transition adjustments required on applying IFRS, as numbered in the tables below, which would also have included restatement under FRS102 are continued as follows:

3. IFRS 15 requires rebates that represent variable contribution to be treated as a deduction from revenue rather than a cost. Historically the Group have recorded all rebates within administrative expenses. In respect of adjustments in the calculation of rebates under IFRS 15 in the year ended 31 July 2022 revenue decreased by £304k and administrative expenses decreased by £304k. In the year ended 31 July 2023 revenue decreased by £608k and administrative expenses decreased by £608k. In the year ended 31 July 2024 rebates totalling £1,328k were netted from Revenue in the Group's consolidated statutory accounts reported

under FRS102, and as such these figures have been reported in the HFI and required no adjustment.

4. This adjustment was required to correctly allocate production overheads to stock. An adjustment has been made to the opening balance sheet as at 1 August 2021 increasing inventories by £148k and increasing retained earnings by £148k. In the year ended 31 July 2022 inventories increased by £227k and cost of sales decreased by £160k and administrative expenses decreased by £67k. In the year ended 31 July 2023 inventories increased by £248k and cost of sales decreased by £175k and administrative expenses decreased by £73k. In the year ended 31 July 2024 production overhead costs totalling £57k and cost of sales totalling £197k were correctly allocated to stock in the Group's consolidated statutory accounts reported under FRS102, and as such these figures have been reported in the HFI and required no adjustment.
5. This adjustment was required to correctly allocate costs between revenue, cost of sales and administrative expenses. Whereby the allocations of costs presented are to be allocated to cost of sales when management deem costs are directly associated with fulfilling performance obligations under IFRS 15, including the creation of those products sold by the Group. Those costs which fall outside of these allocations, which includes all sales and marketing associated costs are presented within administrative expenses, excluding finance expenses, and taxation. In the year ended 31 July 2022 revenue increased by £104k, cost of sales increased by £2,463k and administrative expenses decreased by £2,359k. In the year ended 31 July 2023 revenue increased by £220k and cost of sales increased by £2,575k and administrative expenses decreased by £2,355k. In the year ended 31 July 2024 a reallocation of revenue, cost of sales and administrative expenses totalling £340k, £3,765k and £3,425k was included in the Group's consolidated statutory accounts reported under FRS102, and as such these figures have been reported in the HFI and required no adjustment.
6. This adjustment was required to allocate other operating income to administrative expenses. In the year ended 31 July 2022 this adjustment was not required. In the year ended 31 July 2023 other operating income reduced by £12k and administrative expenses decreased by £12k. In the year ended 31 July 2024 other operating income of £7k was allocated to administrative expenses this was included in the Group's consolidated statutory accounts reported under FRS102, and as such these figures have been reported in the HFI and required no adjustment.
7. This adjustment was required to correctly recognise stock in transit that has not yet arrived at a Company warehouse facility but that the Company held the rights and ownership of. In the year ended 31 July 2022 this increased stock by £750k and increased accruals by £750k. In the year ended 31 July 2023 this increased stock by £650k and increased accruals by £650k. In the year ended 31 July 2024 an increase to stock of £1,891k and increase to accruals of £1,891k for stock in transit owned by the Company was included in the Group's consolidated statutory accounts reported under FRS102, and as such these figures have been reported in the HFI and required no adjustment.

Balance sheet at 1 August 2021

	UK GAAP £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 4 £'000	IFRS £'000
Assets				
Current assets				
Inventories	4,803	—	148	4,951
Trade and other receivables	5,776	(14)	—	5,762
Cash and cash equivalents	8,152	—	—	8,152
Total current assets	18,731	(14)	148	18,865
Non-current assets				
Property, plant, and equipment	700	—	—	700
Right-of-use assets	—	1,446	—	1,446
Total non-current assets	700	1,446	—	2,146
Total assets	19,431	1,432	148	21,011
Liabilities				
Current liabilities				
Trade and other payables	5,819	(28)	—	5,791
Lease liabilities	—	106	—	106
Borrowings	200	—	—	200
Corporation tax payable	—	—	—	—
Total current liabilities	6,019	78	—	6,097
Non-current liabilities				
Lease liabilities	—	1,119	—	1,119
Borrowings	783	—	—	783
Other provisions	124	220	—	344
Other payables	—	—	—	—
Deferred tax liabilities	—	—	—	—
Total non-current liabilities	907	1,339	—	2,246
Total liabilities	6,926	1,417	—	8,343
NET ASSETS	12,505	15	148	12,668
Equity				
Share capital	—	—	—	—
Retained earnings	12,505	15	148	12,668
TOTAL EQUITY	12,505	15	148	12,668

Balance sheet at 1 August 2022

	UK GAAP £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 4 £'000	IFRS £'000
Assets				
Current assets				
Inventories	4,803	—	148	4,951
Trade and other receivables	5,776	(14)	—	5,762
Cash and cash equivalents	8,152	—	—	8,152
Total current assets	18,731	(14)	148	18,865
Non-current assets				
Property, plant, and equipment	700	—	—	700
Right-of-use assets	—	1,446	—	1,446
Total non-current assets	700	1,446	—	2,146
Total assets	19,431	1,432	148	21,011
Liabilities				
Current liabilities				
Trade and other payables	5,819	(28)	—	5,791
Lease liabilities	—	106	—	106
Borrowings	200	—	—	200
Corporation tax payable	—	—	—	—
Total current liabilities	6,019	78	—	6,097
Non-current liabilities				
Lease liabilities	—	1,119	—	1,119
Borrowings	783	—	—	783
Other provisions	124	220	—	344
Other payables	—	—	—	—
Deferred tax liabilities	—	—	—	—
Total non-current liabilities	907	1,339	—	2,246
Total liabilities	6,926	1,417	—	8,343
NET ASSETS	12,505	15	148	12,668
Equity				
Share capital	—	—	—	—
Retained earnings	12,505	15	148	12,668
TOTAL EQUITY	12,505	15	148	12,668

Balance sheet at 31 July 2022

	UK GAAP £'000	Adj. b/fwd £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 4 £'000	FRS 102 Restatement 7 £'000	IFRS £'000
Assets						
Current assets						
Inventories	7,575	148	—	227	750	8,700
Trade and other receivables	6,098	(14)	(22)	—	—	6,062
Cash and cash equivalents	5,399	—	—	—	—	5,399
Total current assets	19,072	134	(22)	227	750	20,161
Non-current assets						
Property, plant & equipment	713	—	—	—	—	713
Right-of-use asset	—	1,446	(213)	—	—	1,233
Intangible assets	1	—	—	—	—	1
Total non-current assets	714	1,446	(213)	—	—	1,947
Total assets	19,786	1,580	(235)	227	750	22,108
Liabilities						
Current liabilities						
Lease liability	—	106	16	—	—	122
Trade and other payables	5,034	(28)	(29)	—	750	5,727
Total current liabilities	5,034	78	(13)	—	750	5,849
Non-current liabilities						
Deferred tax liabilities	162	—	—	—	—	162
Lease liabilities	—	1,119	(122)	—	—	998
Other Provisions	1	220	7	—	—	227
Total non-current liabilities	163	1,339	(115)	—	—	1,387
Total liabilities	5,197	1,417	(128)	—	750	7,236
NET ASSETS	14,589	163	(107)	227	—	14,872
Equity						
Share capital	—	—	—	—	—	—
Retained earnings	14,589	163	(107)	227	—	14,872
	14,589	163	(107)	227	—	14,872
TOTAL EQUITY	14,589	163	(107)	227	—	14,872

Balance sheet at 31 July 2023

	UK GAAP £'000	Adj. b/fwd £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 4 £'000	FRS 102 Restatement 7 £'000	IFRS £'000
Assets						
Current assets						
Inventories	11,702	375	—	248	650	12,975
Trade and other receivables	11,539	(36)	1	—	—	11,504
Cash and cash equivalents	12,735	—	—	—	—	12,735
Total current assets	35,976	339	1	248	650	37,214
Non-current assets						
Property, plant & equipment	1,250	—	—	—	—	1,250
Intangible assets	37	—	—	—	—	37
Right-of-use asset	—	1,233	883	—	—	2,116
Total non-current assets	1,287	1,233	883	—	—	3,403
Total assets	37,263	1,572	884	248	650	40,617
Liabilities						
Current liabilities						
Trade and other payables	8,684	(57)	—	—	650	9,277
Lease liability (CL)	—	122	137	—	—	259
Total current liabilities	8,684	65	137	—	650	9,536
Non-current liabilities						
Lease liabilities (NCL)	—	997	803	—	—	1,802
Other provisions (NCL)	296	227	7	—	—	528
Total non-current liabilities	296	1,224	810	—	—	2,330
Total liabilities	8,980	1,289	947	—	650	11,866
NET ASSETS	28,283	283	(63)	248	—	28,751
Equity						
Share capital	—	—	—	—	—	—
Foreign exchange reserve	60	—	—	—	—	60
Retained earnings	28,223	283	(63)	248	—	28,691
	28,283	283	(63)	248	—	28,751
TOTAL EQUITY	28,283	283	(63)	248	—	28,751

Balance sheet at 31 July 2024

	UK GAAP £'000	Adj. b/fwd £'000	IFRS Adjustment 1 £'000	IFRS Adjustment 2 £'000	IFRS £'000
Assets					
Current assets					
Inventories	18,859	623	—	—	19,482
Trade and other receivables	17,384	(35)	(45)	30	17,334
Cash and cash equivalents	18,720	—	—	—	18,720
Total current assets	54,963	588	(45)	30	55,536
Non-current assets					
Property, plant & equipment	1,688	—	—	—	1,688
Intangible assets	42	—	—	—	42
Right-of-use asset	—	2,116	(324)	—	1,792
Deferred tax asset	595	—	—	—	595
Total non-current assets	2,325	2,116	(324)	—	4,117
Total assets	57,288	2,704	(369)	30	59,653
Liabilities					
Current liabilities					
Trade and other payables	9,641	(57)	—	—	9,584
Lease liability (CL)	—	259	54	—	313
Total current liabilities	9,641	202	54	—	9,897
Non-current liabilities					
Lease liabilities (NCL)	—	1,800	(311)	—	1,490
Other provisions (NCL)	1	234	8	—	242
Total non-current liabilities	1	2,034	(303)	—	1,732
Total liabilities	9,642	2,236	(249)	—	11,629
NET ASSETS	47,646	468	(120)	30	48,024
Equity					
Share capital	—	—	—	—	—
Share based payment reserve	165	—	—	—	165
Foreign exchange reserve	80	—	—	—	80
Retained earnings	47,401	468	(120)	30	47,779
	47,646	468	(120)	30	48,024
TOTAL EQUITY	47,646	468	(120)	30	48,024

Income statement for the period ended 31 July 2022

	UK GAAP £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 3 £'000	FRS 102 Restatement 4 £'000	FRS 102 Restatement 5 £'000	IFRS £'000
Revenue	35,228	—	(304)	—	104	35,028
Cost of sales	(18,647)	—	—	160	(2,463)	(20,950)
Gross profit	16,581	—	(304)	160	(2,359)	14,078
Administrative expenses	(6,802)	(61)	304	67	2,359	(4,133)
Profit from operations	9,779	(61)	—	227	—	9,945
Finance expense	(19)	(46)	—	—	—	(65)
Profit before tax	9,760	(107)	—	227	—	9,880
Taxation	(1,674)	—	—	—	—	(1,674)
Profit for the period	8,086	(107)	—	227	—	8,206
Other comprehensive income						
<i>Other comprehensive income</i>						
Gain on foreign currency translation	—	—	—	—	—	—
Total comprehensive income	8,086	(107)	—	227	—	8,206

Income statement for the period ended 31 July 2023

	UK GAAP £'000	IFRS Adjustment 1 £'000	FRS 102 Restatement 3 £'000	FRS 102 Restatement 4 £'000	FRS 102 Restatement 5 £'000	FRS 102 Restatement 6 £'000	IFRS £'000
Revenue	61,169	—	(608)	—	220	—	60,781
Cost of sales	(31,235)	—	—	175	(2,575)	—	(33,635)
Gross profit	29,934	—	(608)	175	(2,355)	—	27,146
Other operating income	12	—	—	—	—	(12)	—
Administrative expenses	(12,274)	(12)	608	73	2,355	12	(9,238)
Profit from operations	17,672	(12)	—	248	—	—	17,908
Finance income	69	—	—	—	—	—	69
Finance expense	—	(51)	—	—	—	—	(51)
Profit before tax	17,741	(63)	—	248	—	—	17,926
Taxation	(4,107)	—	—	—	—	—	(4,107)
Profit for the period	13,634	(63)	—	248	—	—	13,819
Other comprehensive income							
Gain on foreign currency translation	60	—	—	—	—	—	60
Total comprehensive income	13,694	(63)	—	248	—	—	13,879

Income statement for the period ended 31 July 2024

	UK GAAP £'000	IFRS Adjustment 1 £'000	IFRS Adjustment 2 £'000	IFRS £'000
Revenue	86,152	—	—	86,152
Cost of sales	(44,858)	—	—	(44,858)
Gross profit	41,294	—	—	41,294
Administrative expenses	(17,524)	(31)	—	(17,555)
Profit from operations	23,770	(31)	—	23,739
Finance income	734	—	—	734
Finance expense	—	(89)	—	(89)
Profit before tax	24,504	(120)	—	24,384
Taxation	(5,762)	—	30	(5,732)
Profit for the period	18,743	(120)	30	18,652
Other comprehensive income				
Gain on foreign currency translation	20	—	—	20
Deferred tax asset on share-based payment	436	—	—	436
Total comprehensive income	19,198	(120)	30	19,108

PART 7

CAPITALISATION AND INDEBTEDNESS

The following table shows the consolidated capitalisation of the Group as at 31 July 2024. The figures have been extracted without material adjustment from the Historical Financial Information set out in Section B of Part 6 of this document.

	As at 31 July 2024 £'000
Total current debt (including current portion of long-term debt):	
— Guaranteed	—
— Secured	—
— Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of long-term debt):	
— Guaranteed	—
— Secured	—
— Unguaranteed/unsecured	—
Shareholder equity:	
— Share capital	—
— Legal reserves ⁽¹⁾	245
— Other reserves	—
Total	245

(1) Comprises the share based payment reserve and foreign exchange reserve

Capitalisation does not include retained earnings.

The following table shows the consolidated Group net liquidity as at 31 July 2024.

	As at 31 July 2024 £'000
Cash	18,720
Cash equivalents	—
Other current financial assets	—
Liquidity	18,720
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	313
Current portion of non-current financial debt	—
Current financial indebtedness	313
Net current financial liquidity	18,407
Non-current financial debt (excluding current portion and debt instruments)	1,490
Debt instruments	—
Non-current trade and other payables	—
Non-current financial indebtedness	1,490
Total financial liquidity	16,917

The figures disclosed above for financial debt include lease liabilities, comprising £0.3 million current lease liabilities and £1.5 million non-current lease liabilities.

As at 31 July 2024, the Group had no material indirect or contingent indebtedness.

There have been the following material changes in the Group's capitalisation or indebtedness position since 31 July 2024 to 11 October 2024, being the latest practicable date prior to the date of this document:

- A pre-Admission dividend distribution is to be made, reducing cash and cash equivalents at that date to approximately £5 million.

PART 8

DETAILS OF THE OFFER

1 Summary of the Offer

This Part 8 should be read in conjunction with the section entitled “*Expected Timetable of Principal Events and Offer Statistics*” of this document.

The Offer comprises the Institutional Offer and the RetailBook Intermediaries Offer.

The Institutional Offer comprises an offer to certain institutional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S and in the United States to QIBs, as defined in Rule 144A under the US Securities Act.

The RetailBook Intermediaries Offer comprises an offer to the Intermediaries for onward distribution to retail investors in the United Kingdom.

The Offer Price per Offer Share is expected to be between 136 and 160 pence and the Offer comprises an offer of up to 137,408,477 Offer Shares from Selling Shareholders.

All Shares sold pursuant to the Offer will be sold, payable in full, at the Offer Price. It is currently expected that the Offer Price will be set within the Indicative Price Range. However, the Indicative Price Range is indicative only, it may change during the course of the Offer and the Offer Price may be set within, above or below the Indicative Price Range. The amount to be sold by the Selling Shareholders may be increased or decreased during the course of the Offer. A number of factors will be considered in determining the Offer Price, the amount to be received by the Selling Shareholders pursuant to the Offer and the basis of allocation to prospective investors, including the level and nature of demand for the Offer Shares during the bookbuilding process, the level of demand in the RetailBook Intermediaries Offer, the prevailing market conditions and the objective of establishing an orderly and liquid market in the Shares following Admission. Unless required to do so by law or regulation, the Company does not envisage publishing any supplementary prospectus or a Pricing Statement, as the case may be, until announcement of the Offer Price. A Pricing Statement containing the Offer Price, confirming the number of Shares which are the subject of the Offer and containing any other outstanding information is expected to be published on or around 24 October 2024.

The Pricing Statement will not automatically be sent to persons who receive this document, but it will (subject to certain restrictions) be available in electronic form on the Company's corporate website at www.appliednutritionplc.com. If the Offer Price is set above or below the Indicative Price Range or the Indicative Price Range is revised, the Company will make an announcement via a Regulatory Information Service and prospective investors may have a right to withdraw their application for Offer Shares. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Offer Shares would be contained in the announcement.

The Offer Shares will represent approximately 55% of the issued share capital of the Company immediately following Admission (assuming the maximum number of Offer Shares subject to the Offer are sold, although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement).

Applications are expected to be sought by the Intermediaries from their selected retail investor clients under the RetailBook Intermediaries Offer for Offer Shares on the basis that the exact number of Offer Shares the subject of such applications will vary depending on the final Offer Price. A global application will then be made by the Intermediaries on behalf of their clients, through the RetailBook Intermediaries Offer Co-ordinator, and this demand will be taken into account by the Company, the Selling Shareholders and Deutsche Numis alongside indications of interest from institutional investors in the Institutional Offer in conducting the book-building in respect of the Offer.

The aggregate allocation of Offer Shares as between the Institutional Offer and the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. The allocation policy for the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made

available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares. Allocations under the Offer will be finally determined by the Company in consultation with Deutsche Numis in accordance with an allocation policy to be determined by the Company in consultation with Deutsche Numis (including full allocation to the Cornerstone Investors and, if it applies for Offer Shares, CWR before any other allocations).

The Offer is subject to satisfaction of the conditions set out in the Underwriting and Sponsor's Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. on 29 October 2024 or such later time and/or date as the Company and Deutsche Numis may agree, and the Underwriting and Sponsor's Agreement not having been terminated in accordance with its terms.

Immediately following Admission, it is expected that in excess of 10% of the Shares will be held in public hands (within the meaning of paragraph 5.5.3R of the UK Listing Rules).

Certain selling and transfer restrictions that apply to the distribution of this document and the Shares being sold under the Offer in jurisdictions outside the United Kingdom are described in the section entitled "*Terms and Conditions of the Offer*" of this Part 8.

Following Admission, the Shares will be registered with ISIN of GB00BPVDXX64 and SEDOL of BPVDXX6, and will trade under the symbol APN. Admission is expected to take place and unconditional dealings in the Shares are expected to commence on the London Stock Exchange on 29 October 2024.

The Offer Shares will, on Admission, rank *pari passu* in all respects with the existing Shares and will rank in full for all dividends and other distributions after that date that are declared, made or (excluding the Pre-Admission Dividend) paid on the Share capital of the Company. The Shares will, immediately on and from Admission, be freely transferable, subject to the applicable law, the Articles and any contractual obligations of a Shareholder.

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer. If such right is exercised, the Offer (and the arrangements associated with it) will lapse and any money received in respect of the Offer will be returned to investors without interest.

The Company further reserves the right to extend or shorten the timetable, or any aspect of the timetable, for the Offer.

The following table sets out the number of Offer Shares the Selling Shareholders are selling in the Offer and the interests of the Selling Shareholders following Admission (assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range):

Selling Shareholder	Maximum number of Offer Shares to be sold under the Offer	Minimum number of Shares owned following Admission	Minimum percentage of Shares following Admission
Thomas Ryder	58,791,953	75,000,000	30.00%
Steven Granite	11,075,000	12,500,000	5.00%
JD Sports Fashion Plc	65,900,000	12,500,000	5.00%
Alun Peacock	625,000	625,000	0.25%
Joe Pollard	1,016,524	1,016,523	0.41%

The total fees and expenses of, and incidental to, Admission and the Offer to be borne by the Company are estimated to amount to approximately £3.0 million, and include, amongst other items, the FCA's fees, the London Stock Exchange's fees, professional fees and expenses and the costs of printing and distribution of documents. The total fees and expenses of, and incidental to, Admission and the Offer to be borne by the Selling Shareholders are estimated to amount to approximately £4.0 million, which consist of the placing commissions, assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding

process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range. No expenses will be charged by the Company or the Selling Shareholders to any purchasers of Offer Shares pursuant to the Offer.

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

The Company is very pleased to have the support of four prominent and highly successful North West entrepreneurs, including Mohsin Issa, who have committed to participate in the Offer to an aggregate value of £25 million pursuant to the Cornerstone Investment Agreements.

2 Reasons for the Offer and use of proceeds

The Directors believe that the Offer and Admission will position the Group for the next stage of its development, including further enhancing the Group's profile and brand awareness, assisting in retaining and incentivising senior management and key employees and providing it with a platform for continued growth.

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

The Company will not receive any proceeds from the sale of the Offer Shares. The sale of the Offer Shares will raise net proceeds for the Selling Shareholders of approximately £198 million (assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range).

3 The Institutional Offer

Under the Institutional Offer, the Offer Shares will be offered to certain institutional and professional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S and in the United States to QIBs, as defined in Rule 144A under the US Securities Act. Certain restrictions that apply to the distribution of this document and the Institutional Offer and sale of the Offer Shares are described in the section entitled "*Terms and Conditions of the Offer*" of this Part 8.

The latest time and date for indications of interest in acquiring Offer Shares under the Institutional Offer are set out on page 31 of this document but are indicative and subject to change.

Participants in the Institutional Offer will be advised verbally or by electronic mail of their allocation as soon as practicable following allocation. The results of the Institutional Offer will be announced on the date of Admission.

Investors in the Institutional Offer will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

4 The RetailBook Intermediaries Offer

Members of the general public will not be able to apply for Offer Shares in the Offer directly. They may, however, be eligible to apply for Offer Shares through the Intermediaries, by following their relevant application procedures, by no later than 10.00 a.m. on 23 October 2024. The Intermediaries may not permit the underlying applicants to make more than one application under the RetailBook Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan).

The RetailBook Intermediaries Offer is being made to retail investors in the United Kingdom only. No Offer Shares allocated under the RetailBook Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom except in certain limited

circumstances with the consent of Deutsche Numis, the RetailBook Intermediaries Offer Co-ordinator and the Company. For the avoidance of doubt, applicants in the United States will not be able to participate in the RetailBook Intermediaries Offer.

Applications under the RetailBook Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Offer Shares or the Offer Price. The minimum monetary amount per applicant is £250. There is no maximum monetary amount per applicant. An application for Offer Shares in the RetailBook Intermediaries Offer means that the applicant agrees to acquire the Offer Shares at the Offer Price.

Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Offer Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be made in accordance with the terms provided by the Intermediary to the applicant. The Company, Deutsche Numis, the RetailBook Intermediaries Offer Co-ordinator and the Selling Shareholders accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will be required on appointment to agree, to adhere to and be bound by the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the RetailBook Intermediaries Offer on market standard terms.

Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States. Under the RetailBook Intermediaries Offer, Offer Shares will be offered to persons outside the United States in reliance on Regulation S under the Securities Act.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and shall not be reviewed or approved by the RetailBook Intermediaries Offer Co-ordinator, the Company or the Selling Shareholders. Any liability relating to such documents shall be for the Intermediaries only. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide the Intermediary Terms and Conditions to any prospective investor who has expressed an interest in participating in the RetailBook Intermediaries Offer.**

Each Intermediary will be informed by the RetailBook Intermediaries Offer Co-ordinator of the aggregate number of Offer Shares allocated to their underlying clients (or to the Intermediaries themselves) and the total amount payable in respect thereof. The aggregate allocation of Offer Shares as between the Institutional Offer and the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. The allocation policy for the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares.

The publication of this document and/or any supplementary prospectus and any other actions of the Company, the Selling Shareholders, Deutsche Numis, the RetailBook Intermediaries Offer Co-ordinator, the Intermediaries or other persons in connection with the Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Offer Shares to be offered under the RetailBook Intermediaries Offer or allocations within the RetailBook Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the RetailBook Intermediaries Offer Co-ordinator, Deutsche Numis, the Company and the Selling Shareholders.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf (not on behalf of any other person) of the consideration for the Offer Shares allocated, at the Offer Price, to the RetailBook Intermediaries Offer Co-ordinator in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Offer Shares at the time and/or date set out in the section headed

“Expected Timetable of Principal Events and Offer Statistics” of this document or at some other time and/or date after the day of publication of the Pricing Statement as may be agreed by the Company, the Selling Shareholders, Deutsche Numis and the RetailBook Intermediaries Offer Co-ordinator and notified to the Intermediaries.

5 Dealings and Admission

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting and Sponsor’s Agreement, which are typical for agreements of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and Deutsche Numis. Further details of the Underwriting and Sponsor’s Agreement are described in paragraph 13.6 of Part 10 of this document.

Application will be made to the FCA for the Shares to be admitted to the equity shares (commercial companies) category of the Official List and to the London Stock Exchange for the Shares to be admitted to trading on the Main Market.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 29 October 2024. Settlement of dealings from that date will be on a two-day rolling basis.

Each investor (which for the purpose of this provision includes any Intermediary) in the Offer will be required to undertake to pay the Offer Price for the Offer Shares sold to such investor in such manner as shall be directed by Deutsche Numis or the RetailBook Intermediaries Offer Co-ordinator (as applicable). It is expected that Offer Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the sole risk of the persons concerned. All dealings in Shares prior to the commencement of unconditional dealings will be on a “when issued” basis and of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

6 Miscellaneous

- 6.1 Deutsche Numis, the Selling Shareholders and the Company expressly reserve the right to modify the Offer (including, without limitation, its timetable and settlement) at any time before allocations are determined including the right of Deutsche Numis to notify to the Company and the Selling Shareholders the extension for the dates and times for satisfaction of any or all of the conditions in the Underwriting and Sponsor’s Agreement
- 6.2 The Offer is subject to the satisfaction of the conditions contained in the Underwriting and Sponsor’s Agreement and the Underwriting and Sponsor’s Agreement not having been terminated. For further details of the terms of the Underwriting and Sponsor’s Agreement, please refer to paragraph 13.6 of Part 10 of this document.
- 6.3 Deutsche Numis may, and its affiliates acting as an investor for its or their own account(s) may, purchase Offer Shares and, in that capacity may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Offer Shares, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in these terms and conditions to the Offer Shares being offered, acquired or otherwise dealt with should be read as including any offer to, or acquisition or dealing by, Deutsche Numis and/or any of their respective affiliates acting as an investor for its or their own account(s). Neither Deutsche Numis 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.
- 6.4 The Selling Shareholders have agreed to pay any stamp duty chargeable on a transfer on sale of Offer Shares and/or SDRT chargeable on an agreement to transfer Offer Shares arising in the United Kingdom (currently at a rate of 0.5%) on the initial sale of Offer Shares under the Offer. Each investor which acquires Offer Shares will be deemed to undertake: (i) that it shall not submit any reclaim to HMRC in respect of any stamp duty or SDRT so paid or accounted for by the Selling Shareholders in respect of the Offer or the Offer Shares and (ii) 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 Offer Shares or the agreement by such investor to acquire any Offer Shares.

7 Withdrawals

- 7.1 In the event that the Company is required to publish a supplementary prospectus, applicants who have applied to purchase Offer Shares in the Offer will have at least two Business Days commencing on the first Business Day after the date of publication of the supplementary prospectus within which to withdraw their application to acquire Offer Shares in the Offer.
- 7.2 The right to withdraw an application to purchase Offer Shares in the circumstances set out above will be available to all investors. If the application is not withdrawn within the period stipulated in any supplementary prospectus or announcement (as described above), any application to purchase Offer Shares in the Offer will remain valid and binding.
- 7.3 Any supplementary prospectus will be published in accordance with the Prospectus Regulation Rules (and notification thereof will be made to a Regulatory Information Service) but will not be distributed to investors individually. Any such supplementary prospectus will be published online at www.appliednutritionplc.com and be available until 14 days after Admission.
- 7.4 Details of how to withdraw an application will be made available if a supplementary prospectus or relevant announcement (as described above) is published.

8 Selling restrictions

The distribution of this document and the Offer of Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction by the Company, the Selling Shareholders or Deutsche Numis that would permit a public offering of the Shares, or possession or distribution of this document or any other offering material, in any country or jurisdiction where action for that purpose is required, other than the United Kingdom. Accordingly, the 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 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 Offer Shares 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 purchase any of the Offer Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer in such jurisdiction.

8.1 United Kingdom

In relation to the United Kingdom, an offer to the public of any Shares may not be made in the United Kingdom, except that an offer to the public in the United Kingdom may be made at any time under the following exemptions under the UK Prospectus Regulation:

- (a) to any legal entity which is a “qualified investor” within the meaning of Article 2(1)(e) of the UK Prospectus Regulation (**UK Qualified Investor**);
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of Deutsche Numis for any such offer; or
- (c) in any other circumstances falling within Section 86 of FSMA, provided that no such offer of the Offer Shares shall require the Company or Deutsche Numis to publish a prospectus pursuant to Section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Deutsche Numis and the Company that it is a UK Qualified Investor, save for the Intermediaries participating in the RetailBook Intermediaries Offer.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares so as to enable an investor to decide to purchase any Offer Shares.

In the case of any Offer 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 Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of the Company and Deutsche Numis has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, Deutsche Numis and their respective affiliates, representatives 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 Deutsche Numis of such fact in writing may, with the consent of Deutsche Numis, be permitted to purchase Offer Shares in the Offer.

8.2 EEA

In relation to each Member State, an offer to the public of any Offer Shares may not be made in that Member State, except that an offer to the public in that Member State of any Offer Shares may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a “qualified investor” within the meaning of Article 2(1)(e) of Regulation (EU) 2017/1129, as amended from time to time (**EU Prospectus Regulation**) (**EEA Qualified Investor**);
- (b) to fewer than 150 natural or legal persons (other than qualified Investors as defined in the EU Prospectus Regulation) per Member State, subject to obtaining the prior consent of Deutsche Numis for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of Offer Shares shall require the Company or Deutsche Numis to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

Each person in a Member State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Deutsche Numis and the Company that it is an EEA Qualified Investor.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares so as to enable an investor to decide to purchase any Offer Shares.

In the case of any Offer Shares being offered to a “financial intermediary” as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in the relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Company and Deutsche Numis has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, Deutsche Numis and their respective affiliates, representatives 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 Deutsche Numis of such fact in writing may, with the consent of Deutsche Numis, be permitted to purchase Offer Shares in the Offer.

8.3 United States of America

The Offer Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**). In the United States, the Offer Shares may only be offered and sold to Qualified Institutional Buyers, or QIBs, as defined in Rule 144A under the US Securities Act. Outside the United States, the Offer Shares will be offered and sold pursuant to Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) 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 the registration requirements of the US Securities Act.

8.4 Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, as amended (**FinSA**) (unless in circumstances falling within article 36 of the FinSA), and no application has been made or will be made to admit the Offer Shares to trading on any trading venue (i.e., exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer or the Offer Shares constitutes a prospectus within the meaning of the FinSA, and neither this document nor any other offering or marketing material relating to the Offer or the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering or the Offer Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document has not been and will not be reviewed or approved by a Swiss reviewing body (Prüfstelle) pursuant to article 51 of the FinSA and does not comply with the disclosure requirements applicable to a prospectus within the meaning of article 35 of the FinSA.

8.5 Australia

This document:

- (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (**Corporations Act**);
- (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act;
- (c) has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (**ASIC**), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and
- (d) may not be provided in Australia other than to select investors (**Exempt Investors**) who are able to demonstrate that they: (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any

Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations.

By submitting an application for the Offer Shares, each subscriber or purchaser of Offer Shares represents and warrants to the Company, the Selling Shareholders, Deutsche Numis and their affiliates that such subscriber or purchaser is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement prospectus or any other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares, each subscriber or purchaser of Offer Shares undertakes to the Company, the Selling Shareholders, and Deutsche Numis that such subscriber or purchaser will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

8.6 Canada

The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada. Accordingly, subject to certain exceptions, the Offer Shares may not, directly or indirectly, be offered or sold within Canada, or offered or sold to a resident of Canada.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document (including any amendment or supplement thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (**NI 33-105**), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offer.

8.7 Hong Kong

This document has not been, and will not be, approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Offer Shares other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning thereunder.

No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons

outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

No person sold Offer Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of sale of such shares. The contents of this document have not been reviewed by any Hong Kong regulatory authority. Potential equity investors are advised to exercise caution in relation to the Offer. Potential equity investors in doubt about any contents of this document should obtain independent professional advice.

8.8 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 Offer Shares will not, directly or indirectly, be offered or sold within the Republic of South Africa.

8.9 Japan

The Offer 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 with all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time.

9 Transfer restrictions

Each purchaser of the Offer Shares in the United States will be deemed to have represented and agreed as follows:

- 9.1 the purchaser (a) is a qualified institutional buyer, or QIB, as defined in Rule 144A under the US Securities Act of 1933, as amended (**US Securities Act**) (**QIB**), or a broker-dealer acting for the account of a QIB, (b) is acquiring such securities for its own account or for the account of a QIB, and (c) is aware that the securities are restricted within the meaning of the US Securities Act and may not be deposited into any unrestricted depository facility, unless at the time of such deposit the securities are no longer restricted;
- 9.2 the purchaser is aware that the securities have not been and will not be registered under the US Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the US Securities Act; and
- 9.3 the purchaser understands and agrees that the securities may not be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB **or** (b) outside the United States in accordance with Regulation S under the US Securities Act of 1933, as amended, **or** (c) pursuant to an exemption from registration under the US Securities Act, **or** (d) pursuant to an effective registration statement under the US Securities Act.

10 Allocation

- 10.1 Deutsche Numis will solicit indications of interest from prospective institutional and other investors to purchase Offer Shares in the Institutional Offer. On this basis, prospective investors will be asked to specify the number of Offer Shares that they are prepared to purchase at different prices. Multiple applications under the Institutional Offer are permitted.
- 10.2 Applications are expected to be sought by the Intermediaries from their selected retail investor clients under the RetailBook Intermediaries Offer for Shares on the basis that the exact number of Offer Shares the subject of such applications will vary depending on the final Offer Price. A global application will then be made by the Intermediaries on behalf of their clients, through the RetailBook Intermediaries Offer Co-ordinator, and this demand will be taken into account by the Company, the Selling Shareholders and Deutsche Numis alongside indications of interest in the Institutional Offer in conducting the book-building in respect of the Offer.

- 10.3 The aggregate allocation of Offer Shares as between the Institutional Offer and the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. The allocation policy for the RetailBook Intermediaries Offer will be determined by the Company in consultation with Deutsche Numis. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares. Allocations under the Offer will be finally determined by the Company in consultation with Deutsche Numis in accordance with an allocation policy to be determined by the Company in consultation with Deutsche Numis (including full allocation to the Cornerstone Investors and, if it applies for Offer Shares, CWR before any other allocations).
- 10.4 Participants in the Institutional Offer will be advised verbally or by electronic mail or otherwise by Deutsche Numis and the Company of their allocation as soon as practicable following allocation.
- 10.5 Upon notification of any allocation, Investors (as defined in paragraph 1.1 of the “Terms and conditions of the Institutional Offer” below) will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment. Dealing with the Offer Shares may not begin before notification is made.
- 10.6 The rights attaching to the Offer Shares will, from Admission, be uniform in all respects and they will, from Admission, form a single class for all purposes.
- 10.7 Each Offer Share will, from Admission, rank equally in all respects with each other Share and have the same rights (including voting and dividend rights and rights to a return of capital but excluding in relation to the Pre-Admission Dividend) and restrictions as each other Share, as set out in the Articles.
- 10.8 Except in relation to dividends which have been declared and rights on a liquidation of the Company, the Shareholders have no rights to share in the profit of the Company.
- 10.9 The Offer Shares are not redeemable. However, the Company may purchase or contract to purchase any of the Shares, subject to the Companies Act and the requirements of the UK Listing Rules.
- 10.10 Further details of the rights attached to the Shares are set out in paragraph 4 of Part 10 of this document.

11 Dealing arrangements

- 11.1 The Offer is subject to the satisfaction of certain conditions contained in the Underwriting and Sponsor's Agreement, which are typical for an agreement of this nature, including Admission occurring and becoming effective by 8.00 a.m. on 29 October 2024 or such later date as may be determined in accordance with such agreement and the Underwriting and Sponsor's 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 Deutsche Numis. Further details of the Underwriting and Sponsor's Agreement are described in paragraph 13.6 of Part 10 of this document.
- 11.2 Application will be made to the FCA for all of the Shares to be admitted to the equity shares (commercial companies) category of the Official List and to the London Stock Exchange for all of the Shares to be admitted to trading on the Main Market. Listing of the Shares is not being sought on any stock exchange other than the London Stock Exchange.
- 11.3 It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 29 October 2024. Settlement of dealings from that date will be on a two-day rolling basis.
- 11.4 Each Investor (as defined in paragraph 1.1 of the “Terms and conditions of the Institutional Offer” below) will be required to undertake to pay the Offer Price for the Offer Shares sold to such Investor in such manner as shall be directed by Deutsche Numis.

- 11.5 The Shares are in registered form and can be held in certificated or uncertificated form from Admission. Title to certificated Shares (if any) will be evidenced in the register of members of the Company and title to uncertificated 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 Offer Shares to investors who wish to hold Offer Shares in uncertificated form will take place through CREST on Admission. It is intended that, where applicable, definitive share certificates in respect of the Offer Shares will be posted by first class post within 10 Business Days of 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 Offer Shares which are not settled in CREST, transfers of those Offer 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 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 Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

13 Underwriting arrangements

- 13.1 The Company, the Directors, the Selling Shareholders and Deutsche Numis have entered into the Underwriting and Sponsor's Agreement, pursuant to which Deutsche Numis has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for or, failing which, to itself purchase the Offer Shares pursuant to the Institutional Offer.
- 13.2 The Underwriting and Sponsor's Agreement contains provisions entitling Deutsche Numis to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any monies received in respect of the Offer will be returned to applicants without interest. The Underwriting and Sponsor's Agreement provides for Deutsche Numis to be paid a commission in respect of the Offer Shares sold under the Institutional Offer. Any commission received by Deutsche Numis may be retained and any Offer Shares acquired by them may be retained or dealt in, by it, for its own benefit.
- 13.3 Deutsche Numis is entitled to terminate the Underwriting and Sponsor's Agreement if any of the conditions contained therein (details of which may be found in paragraph 13.6 of Part 10 of this document) are not satisfied (or, if capable of waiver, waived) on or before the relevant time and date. If the Underwriting and Sponsor's Agreement is terminated, the Offer will be terminated.

14 Lock-in arrangements

- 14.1 Pursuant to the terms of the Underwriting and Sponsor's Agreement, each of the Company, the Selling Shareholders and the Directors has agreed to certain lock-in arrangements with Deutsche Numis.
- 14.2 For a six month lock-in period from the date of Admission, each of the Selling Shareholders has agreed that, subject to certain customary exceptions, it will not offer, sell or contract to sell, or otherwise dispose of, any Shares (or any interest therein or in respect thereof) that it may hold, or enter into any transaction with the same economic effect as any of the foregoing. For the six month period thereafter, each of the Selling Shareholders has agreed not to dispose of any Shares (or any interest therein or in respect thereof) that it may hold other than through Deutsche Numis (for so long as Deutsche Numis is engaged as the Company's broker) with a view to maintaining an orderly market in the Company's securities.

- 14.3 For a 12 month lock-in period from the date of Admission, each of the Directors has agreed that, subject to certain customary exceptions, they will not offer, sell or contract to sell, or otherwise dispose of, any Shares (or any interest therein or in respect thereof) that they may hold, or enter into any transaction with the same economic effect as any of the foregoing. For the 12 month period thereafter, they have each agreed not to dispose of any Shares (or any interest therein or in respect thereof) that they may hold other than through Deutsche Numis (for so long as Deutsche Numis is engaged as the Company's broker) with a view to maintaining an orderly market in the Company's securities.
- 14.4 Further details of the lock-in arrangements are set out in paragraph 13.7 of Part 10 of this document.

TERMS AND CONDITIONS OF THE INSTITUTIONAL OFFER

1 Terms and Conditions of the Institutional Offer

1.1 Introduction

These terms and conditions apply to persons agreeing to purchase Offer Shares under the Institutional Offer.

Each person to whom these terms and conditions apply, as described above, who confirms its agreement to Deutsche Numis to purchase Offer Shares (which may include Deutsche Numis or its nominee(s) and designated investment managers acting on behalf of certain funds) (an **Investor**) hereby agrees with Deutsche Numis, the Company, the Selling Shareholders and the Registrar to be bound by these terms and conditions as being the terms and conditions upon which Offer Shares will be purchased under the Institutional Offer. An Investor shall, without limitation, become so bound if Deutsche Numis confirms to the Investor (orally or in writing) (i) the Offer Price and (ii) its allocation of Offer Shares and Deutsche Numis so notifies the Registrar on behalf of the Company and the Selling Shareholders.

The provisions of these terms and conditions may be waived or modified as regards specific Investors or on a general basis by Deutsche Numis (in its absolute discretion).

1.2 Offer Price and size of the Institutional Offer

This section should be read in conjunction with the section entitled “*Expected Timetable of Principal Events and Offer Statistics*” of this document.

All Offer Shares sold pursuant to the Institutional Offer will be issued at the Offer Price. The Underwriting and Sponsor’s Agreement provides for Deutsche Numis to be paid commissions in respect of the Offer Shares. No commissions or expenses will be charged to investors by the Company or Deutsche Numis.

The Company, the Selling Shareholders and Deutsche Numis are not bound to proceed with the Institutional Offer. Completion of the Institutional Offer will be subject, *inter alia* to each of the Company’s, each Selling Shareholder’s and Deutsche Numis’ decisions to proceed with the Institutional Offer. It will also be conditional on: (i) Admission occurring and becoming effective by no later than 8.00 a.m. on 29 October 2024 (or such later time and/or date as the Company and Deutsche Numis may agree); and (ii) the Underwriting and Sponsor’s Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms. Completion of the Institutional Offer will be announced via a Regulatory Information Service on Admission, which is expected to take place at 8.00 a.m. on 29 October 2024.

If (i) any of the conditions in the Underwriting and Sponsor’s Agreement are not satisfied (or, where relevant, waived) or (ii) the Underwriting and Sponsor’s Agreement is terminated or (iii) the Underwriting and Sponsor’s Agreement does not otherwise become unconditional in all respects, the Institutional Offer will not proceed and all funds delivered by the Investor to Deutsche Numis will be returned to the Investor at its own risk without interest, and each Investor’s rights and obligations hereunder shall cease and determine at such time and no claim shall be made by the Investor in respect thereof.

Conditional dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned. Admission is expected to take place and unconditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 29 October 2024. The Institutional Offer cannot be terminated once unconditional dealings in the Shares have commenced.

1.3 Payment for Offer Shares

Each Investor undertakes to pay the Offer Price for the Offer Shares sold to such Investor as set out in these terms and conditions or otherwise in the manner and by the time directed by Deutsche Numis.

Each Investor is deemed to agree that, if it fails to pay the Offer Price for the Offer Shares sold (as applicable) to such Investor, Deutsche Numis may sell (in one or more transactions)

any or all of the Offer Shares allocated to that Investor and which have not been paid for on such Investor's behalf and retain from the proceeds, for Deutsche Numis' account and benefit (as agent for the Selling Shareholders), 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 Deutsche Numis 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 Offer Shares on such Investor's behalf. A sale of all or any of such Offer Shares shall not release the relevant Investor from the obligation to make such payment for Offer Shares to the extent that Deutsche Numis or its nominee has failed to sell such Offer Shares at a consideration which after deduction of the expenses of such sale and payment of stamp duty and/or SDRT exceeds the Offer Price per Offer Share. By agreeing to acquire Offer Shares, each Investor confers on Deutsche Numis all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Deutsche Numis lawfully takes in pursuance of such sale.

If Admission does not occur, monies will be returned without interest at the risk of the Investor.

1.4 Representations and warranties

By agreeing to purchase Offer Shares under the Institutional Offer, each Investor which enters into a commitment to purchase Offer Shares will (for itself and any person(s) procured by it to purchase Offer Shares and any nominee(s) for any such person(s)) be deemed to irrevocably agree, undertake, represent and warrant to each of the Company, the Selling Shareholders, the Registrar and Deutsche Numis that:

- (a) in agreeing to purchase Offer Shares under the Institutional Offer, it has read this document and is not relying on any other information given, or representation or statement made at any time, by any person concerning the Company, the Group or the Offer and that, to the fullest extent permitted by law, none of the Company, the Selling Shareholders, Deutsche Numis or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information, representation or statement and irrevocably and unconditionally waives any rights it may have in respect of any other information, representation or statement. This paragraph (a) shall not exclude any liability for fraudulent misrepresentation;
- (b) it will pay to Deutsche Numis (or as Deutsche Numis may direct) any amounts due from it in accordance with this document at the time and date set out herein;
- (c) the contents of this document (and any supplementary prospectus published by 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 the Selling Shareholders or Deutsche Numis or their respective affiliates by 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 Deutsche Numis, the Selling Shareholders nor any person acting on their behalf nor any of their 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 prospectus published by the Company subsequent to the date of this document) or for any other information, representation or statement made or purported to be made by it, or on its behalf, in connection with the Company, the Group, the Offer Shares or the Offer and nothing in this document (and any supplementary prospectus published by the Company subsequent to the date of this document) will be relied upon as a promise or representation in this respect, whether or not to the past or future. Deutsche Numis and the Selling Shareholders accordingly disclaim, to the fullest extent permitted by law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have in respect of this document (or any supplementary prospectus published by the Company subsequent to the date of this document) or any such information, representation or statement;

- (d) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to purchase Offer Shares under the Institutional Offer, it warrants that 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 is entitled to purchase the Offer Shares in its allocation under the laws of any territory or jurisdiction which apply to such Investor and that it has not taken any action or omitted to take any action which will result in the Company, the Selling Shareholders, Deutsche Numis, the Registrar or any of their respective officers, agents, affiliates or employees 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 Institutional Offer;
- (e) 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 Offer Shares and is a person to whom it is lawful for the Institutional Offer of the Offer Shares to be made under the terms of the jurisdiction in which that Investor is located and it is not acting on a nondiscretionary basis for any such person;
- (f) it agrees that, having had the opportunity to read this document, it shall be deemed to have had notice of all information, representations and statements contained in this document, that it is acquiring Offer Shares solely on the basis of this document (and any supplementary prospectus published by the Company subsequent to the date of this document) and no other information, representations or statements and that in accepting a participation in the Institutional Offer it has had access to all information it believes necessary or appropriate in connection with its decision to purchase Offer Shares;
- (g) it has sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and other relevant risks and is capable of evaluating, and has evaluated, the merits, risks and sustainability of purchasing Offer Shares, and in making the investment decision with respect to Offer Shares, it has:
 - (i) had access to such financial and other information concerning the Company, the Group, the Offer Shares and the Offer as it deems necessary in connection with its decision to purchase Offer Shares; and
 - (ii) investigated the potential tax consequences affecting it in connection with its acquisition of Offer Shares, including potential tax consequences in connection with the acquisition, holding or any subsequent disposal of Offer Shares;
- (h) it acknowledges that no person is authorised in connection with the Institutional Offer to give any information or make any representation other than as contained in this document and any supplementary prospectus 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 Deutsche Numis, the Company or the Selling Shareholders;
- (i) 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 purchases Offer 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 Offer Shares, are not participating in the Institutional Offer as nominee or agent for any person or persons to whom the allocation, transfer or delivery of Offer Shares would give rise to such a liability;
- (j) it, or the person specified by it for registration as a holder of the Offer 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 (depository 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 Offer 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, none of Deutsche Numis, 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;

- (k) it accepts that none of the Offer Shares have been or will be registered under the laws of any jurisdictions other than the UK where such registration may be restricted by the laws of those jurisdictions (where applicable, a **Restricted Jurisdiction**). Accordingly, the Offer 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;
- (l) (save with the express consent of the Company) the Investor is not a national or resident of Australia, Canada, Japan or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia, Canada, Japan or the Republic of South Africa and that the Investor will not offer, sell, renounce, transfer or deliver directly or indirectly any of the Offer Shares into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation or to or for the benefit of any person resident in Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation;
- (m) if it is receiving the Institutional Offer 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 Offer Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (n) if it is a resident in the United Kingdom, it is a "qualified investor" within the meaning of Article 2(1)(e) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by UK legislation from time to time (**UK Prospectus Regulation**) (**UK Qualified Investor**) and is also either (A) (i) a person who is an investment professional falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**); (ii) a high net worth company, unincorporated association or other body falling within Article 49(2)(a) to (d) of the Order; or (iii) a person to whom the Offer Shares may otherwise lawfully be offered under the Order;
- (o) if it is a resident in the EEA, it is a "qualified investor" within the meaning of Article 2(1)(e) of Regulation (EU) 2017/1129, as amended from time to time (**EU Prospectus Regulation**) (**EEA Qualified Investor**);
- (p) if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Institutional Offer constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to purchase Offer Shares pursuant to the Offer 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 Offer Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (q) it acknowledges that none of Deutsche Numis or any of its respective 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 Institutional Offer or providing any advice in relation to the Institutional Offer and that neither the Investor nor, as the case may be, its clients, expect Deutsche Numis to have any duties or responsibilities to the Investor similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA Handbook Conduct of Business Sourcebook and that participation in the Offer is on the basis that it is not and will not be a client of Deutsche Numis or any of its affiliates, that Deutsche Numis is acting for the Company and no-one else and that none of Deutsche Numis or 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 Institutional Offer nor in respect of any

representations, warranties, undertakings or indemnities contained in these terms and conditions or the Underwriting and Sponsor's Agreement, nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

- (r) where it is purchasing Offer Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to purchase the Offer Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document, where relevant; and (iii) to receive on behalf of each such account any documentation relating to the Institutional Offer in the form provided by the Company and/or Deutsche Numis. The Investor agrees that the provision of this paragraph shall survive any resale of the Offer Shares by or on behalf of any such account;
- (s) if it is in the United Kingdom, it is acting as principal only in respect of the Institutional Offer, or, if it is acting for any other person (i) it is and will remain liable to the Company and/or Deutsche Numis and/or the Selling Shareholders for the performance of all its obligations as an investor in respect of the Institutional Offer (regardless of the fact that it is acting for another person) (ii) it is both an "authorised person" for the purposes of FSMA and a UK Qualified Investor acting as agent for such person and (iii) such person is either (1) a FSMA "qualified investor" or (2) its "client" (as defined in section 86(2) of FSMA) that has engaged it to act as his agent on terms which enable it to make decisions concerning the Institutional Offer or any other offers of transferable securities on his behalf without reference to him;
- (t) it confirms that any of its clients, whether or not identified to Deutsche Numis or any of its affiliates or agents, will remain its sole responsibility and will not become clients of Deutsche Numis or any of their affiliates or agents for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (u) where it or any person acting on its behalf is dealing with Deutsche Numis, any money held in an account with Deutsche Numis 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 Deutsche Numis to segregate such money as that money will be held by Deutsche Numis under a banking relationship and not as trustee;
- (v) it has not and will not offer or sell any Offer 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 FSMA;
- (w) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Offer Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- (x) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving, the United Kingdom;
- (y) it is an "eligible counterparty" or a "professional investor" within the meaning of Chapter 3 of the FCA Handbook Conduct of Business Sourcebook and it is purchasing the Offer Shares for investment only and not for resale or distribution;
- (z) it irrevocably appoints any Director and any director of Deutsche Numis 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 purchase for all or any of the Offer Shares for which it has given a commitment under the Institutional Offer, in the event of its own failure to do so;

- (aa) it accepts that if the Institutional Offer does not proceed or the conditions to Deutsche Numis' obligations in respect of such Institutional Offer under the Underwriting and Sponsor's Agreement are not satisfied or the Underwriting and Sponsor's Agreement is terminated prior to the admission of the Offer Shares for which valid applications are received and accepted to listing on the Official List and to trading on the Main Market for any reason whatsoever or such Offer Shares are not admitted to the Official List and/or to trading on the Main Market for any reason whatsoever, then none of Deutsche Numis, the Company or the Selling Shareholders or 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;
- (bb) it has not taken any action or omitted to take any action which will or may result in Deutsche Numis, the Company, the Selling Shareholders or any of their respective directors, officers, agents, affiliates, employees or advisers being in breach of the legal or regulatory requirements of any territory in connection with the Offer or its purchase of Offer Shares pursuant to the Institutional Offer;
- (cc) in connection with its participation in the Institutional Offer it has observed all relevant legislation and regulations;
- (dd) if it is in the United Kingdom, it has complied in particular (but without limitation) with all legislation and regulations relating to money laundering and countering terrorist financing including under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (**Money Laundering Directive**) and the Money Laundering Sourcebook of the FCA 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;
- (ee) if it is outside the United Kingdom, it is (i) subject to the Money Laundering Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (**Money Laundering Directive**) or (ii) 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;
- (ff) due to anti-money laundering and the countering of terrorist financing requirements, Deutsche Numis, the Company and/or the Selling Shareholders may in their absolute discretion require proof of identity of the Investor and related parties and verification of the source of the payment before the Institutional Offer commitment can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes, Deutsche Numis, the Company and/or the Selling Shareholders may at their absolute discretion refuse to accept the Institutional Offer commitment and the subscription moneys relating thereto. The Investor agrees to hold harmless and will indemnify, to the fullest extent permitted by law, Deutsche Numis, the Company and/or the Selling Shareholders against any liability, loss or cost ensuing due to the failure to process the Institutional Offer commitment, if such information as has been required has not been provided by it or has not been provided timeously;
- (gg) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, section 118 of FSMA and the Proceeds of Crime Act 2002 and confirms that it has complied and will continue to comply with those obligations;
- (hh) it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Offer Shares pursuant to the Offer or to whom it allocates such Offer Shares have the capacity and authority to enter into and to perform their obligations as an Investor of the Offer Shares and will honour those obligations;
- (ii) Deutsche Numis, the Selling Shareholders (who shall include for the purposes of this paragraph any Directors selling Offer Shares pursuant to the Institutional Offer) and the

Company (and any agent on their behalf) are entitled to exercise any of their rights under the Underwriting and Sponsor's Agreement or any other right in their absolute discretion, including the right of Deutsche Numis to terminate the Underwriting and Sponsor's Agreement, without any liability whatsoever to Investors and Deutsche Numis, the Selling Shareholders and the Company shall not have any obligation to consult or notify Investors in relation to any right or discretion given to them or which they are entitled to exercise. Each Investor agrees that it has no rights against Deutsche Numis, the Selling Shareholders, the Company or any of their respective affiliates, directors, officers, employees or agents under the Underwriting and Sponsor's Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;

- (jj) Deutsche Numis, the Company and the Selling Shareholders expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Institutional Offer. If such right is exercised, the Offer (and the arrangements associated with it) will lapse and any monies received in respect of the Institutional Offer will be returned to Investors without interest;
- (kk) the representations, undertakings and warranties given by an Investor as contained in this document are irrevocable. The Investor acknowledges that Deutsche Numis, 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, warranties or acknowledgments made or deemed to have been made by its application for Offer Shares are no longer accurate or have not been complied with, it shall promptly notify Deutsche Numis and the Company;
- (ll) 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 Offer Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;
- (mm) it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VI of FSMA as they apply to the Company;
- (nn) it accepts that the allocation of Offer Shares shall be determined by the Company following consultation with Deutsche Numis and that the Company has complete discretion as to whether to accept any offer to purchase Offer Shares and may scale down any commitments to acquire Offer Shares for this purpose on such basis as they may determine;
- (oo) time shall be of the essence as regards its obligations to settle payment for the Offer Shares and to comply with its other obligations under the Institutional Offer;
- (pp) in the case of a person who agrees on behalf of an Investor to acquire Offer Shares pursuant to the Institutional Offer and/or who authorises Deutsche Numis to notify the Investor's name to the Registrar as mentioned above, that person represents and warrants that he/she has authority to do so on behalf of the Investor;
- (qq) neither the Company nor Deutsche Numis owes any fiduciary or other duties to any Investor in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Underwriting and Sponsor's Agreement; and
- (rr) its commitment to take up Offer Shares on these terms and conditions will continue notwithstanding any amendment that may in the future be made to these terms and conditions and that Investors will have no right to be consulted or require that their consent be obtained with respect to the Company or Deutsche Numis' conduct of the Institutional Offer.

1.5 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, Deutsche Numis and the Selling Shareholders 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 any person on whose behalf it is acting of the representations, warranties, undertakings, agreements and acknowledgements in these terms and conditions and further agrees that the provisions of these terms and conditions shall survive after completion of the Institutional Offer.

1.6 Supply and disclosure of information

If Deutsche Numis, the Selling Shareholders, the Registrar or the Company or any of their agents request any information in connection with an Investor's agreement to purchase Offer Shares under the Institutional Offer or to comply with any relevant legislation, such Investor must promptly disclose it to them.

2 Miscellaneous

- 2.1 The rights and remedies of the Company, the Selling Shareholders, Deutsche Numis 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.
- 2.2 On the acceptance of their offer 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 Offer will be sent at the Investor's risk. They may be returned by post to such Investor at the address notified by such Investor.
- 2.3 Each Investor agrees to be bound by the Articles (as amended from time to time) once the Offer Shares which the Investor has agreed to purchase pursuant to the Offer, have been acquired by the Investor. The contract to purchase Offer Shares under the Offer 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, Deutsche Numis 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.
- 2.4 In the case of a joint agreement to purchase Offer Shares under the Offer, references to a "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.

PART 9

TAXATION

The following is a summary of certain UK tax considerations relating to an investment in the Shares.

The comments set out below are based on current UK tax law as applied in England and Wales and what is understood to be the current published practice of HMRC (which may not be binding on HMRC), in each case as at the last practicable date prior to the issue of this document, and both of which are subject to change, possibly with retrospective effect. These comments are intended as a general guide and not a substitute for detailed tax advice and apply only to Shareholders who acquire Offer Shares as initial shareholders in the Offer, who are resident and, in the case of an individual, domiciled for tax purposes in (and only in) the UK and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-UK residents), who hold Shares as an investment and who are, or are treated as, the absolute beneficial owners thereof and any dividends paid on them.

The comments do not address any proposed or prospective future changes to UK tax law (following the UK general election on 4 July 2024 or otherwise) and they do not address all possible tax consequences relating to an investment in the Shares. Certain categories of Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company or the Group, those for whom Shares are employment-related securities, and those that own (or are deemed to own) 5% or more of the Shares and/or voting power of the Company (either alone or together with connected persons) may be subject to special rules and this summary does not apply to such Shareholders.

These statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their taxation position or who are resident for tax purposes (or otherwise subject to taxation) in any jurisdiction other than the UK should consult an appropriate professional adviser immediately. In particular, Shareholders and prospective Shareholders should be aware that the tax legislation of any jurisdiction where they are resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Shares, including in respect of any income received from the Shares.

Taxation of dividends

The Company will not be required to withhold amounts on account of UK tax at source when paying a dividend (whether the payment is made to a UK resident Shareholder, or a non-UK resident Shareholder).

UK Resident Individual Shareholders

Under current UK tax rules, dividends received by a UK resident individual Shareholder from the Company will generally be subject to tax as dividend income. For these purposes “dividend income” includes UK and non-UK source dividends and certain other distributions in respect of shares.

The first £500 of the total amount of dividend income (including any dividends received from the Company) received by such a Shareholder in a tax year will be taxed at a nil rate (and so no UK income tax will be payable in respect of such amounts) (**Dividend Allowance**).

If a UK resident individual Shareholder’s total dividend income for a tax year exceeds the Dividend Allowance (such excess being referred to as the **Taxable Excess**), then the Taxable Excess will be subject to tax depending on the tax rate band or bands it falls within. The relevant tax rate band is determined by reference to the Shareholder’s total income charged to income tax (including the dividend income charged at a nil rate by virtue of the Dividend Allowance) less relevant reliefs and allowances (including the Shareholder’s personal allowance, currently £12,570 for the 2024–25 tax year). The Taxable Excess is, in effect, treated as the top slice of any resulting taxable income and:

- (a) To the extent that the Taxable Excess falls below the basic rate limit, the Shareholder will be subject to tax on it at the dividend basic rate of 8.75%
- (b) To the extent that the Taxable Excess falls above the basic rate limit but below the higher rate limit, the Shareholder will be subject to tax on it at the dividend upper rate of 33.75%

- (c) To the extent that the Taxable Excess falls above the higher rate limit, the Shareholder will be subject to tax on it at the dividend additional rate of 39.35%

The above rates apply during the current tax year (ending on and including 5 April 2025) and are subject to change, including in subsequent tax years.

UK Resident Corporate Shareholders

Each Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class.

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax (currently at a rate of 25%, or 19% if the Shareholder is eligible for the small profits rate) on dividends paid by the Company, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met.

It is likely that most dividends paid on Shares to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from UK corporation tax. The exempt classes are of wide application and include dividends paid on shares that are "ordinary share capital" for UK tax purposes (that is, shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not "redeemable", and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not met or such anti-avoidance rules do apply, such corporate Shareholders will be subject to UK corporation tax on dividends received from the Company at the rate appropriate to that corporate Shareholder.

Non-UK resident Shareholders

In general (and subject to certain specific cases), unless it is holding Shares in connection with or for the purposes of a trade, profession or vocation carried on by it in the UK through a branch or agency in the UK, or in the case of a corporate holder, a trade carried on by it in the UK through a permanent establishment in the UK, a non-UK resident Shareholder will not be subject to UK tax in respect of dividends paid by the Company.

A Shareholder resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) may, however, be subject to foreign taxation on dividend income under the local law in the relevant jurisdiction. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company (in respect of liability to both UK taxation and taxation of any other country or jurisdiction).

Taxation of chargeable gains

Shareholders who are resident in the UK may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of Shares.

UK Resident Individual Shareholders

A disposal of Shares by a Shareholder within the charge to UK capital gains tax may give rise to a chargeable gain for the purposes of UK capital gains tax. Capital gains within the annual exempt amount (currently £3,000 for the 2024–25 tax year) are exempt from UK capital gains tax. After the annual exempt amount has been exhausted, the rate for UK capital gains tax depends on the Shareholder's other income and gains. To the extent gains are within the basic rate band they are likely to be taxed at the rate of 10%, and gains in excess of the basic rate band are likely to be taxed at the rate of 20% for the 2024–25 tax year, subject in each case, however, to the availability of any exemptions, reliefs and/or allowable losses.

UK Resident Corporate Shareholders

A Shareholder within the charge to UK corporation tax may be liable for corporation tax in respect of a chargeable gain (or an allowable loss may arise) on the disposal of Shares, depending on the circumstances and any available exemption or relief. Chargeable gains in respect of disposals by persons within the charge to UK corporation tax will, subject to any exemptions, reliefs and/or allowable losses, be taxed at the rate of UK corporation tax appropriate to that corporate person.

Non-UK Resident Shareholders

Individual Shareholders who cease to be resident in the UK or are treated as resident outside the UK for the purposes of a double tax treaty for a period of five years or less may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of Shares.

In general (and subject to certain specific cases), non-UK resident Shareholders should not otherwise be subject to UK tax in respect of gains arising from a sale or other disposal of Shares unless their Shares are held in connection with or for the purposes of a trade, profession or vocation carried on by them in the UK through a branch or agency in the UK, or in the case of a corporate holder, a trade carried on by it in the UK through a permanent establishment in the UK.

Individual Savings Accounts (ISAs)

The Shares will be qualifying investments for the stocks and shares component under the current ISA regulations. No taxation will be chargeable on any dividends, distributions or gains received in respect of Shares held through an ISA.

The opportunity to invest in Shares through an ISA is restricted to individuals. Individuals wishing to invest in Shares through an ISA should contact their professional advisers regarding their eligibility. Individual investors contemplating investing in shares through an ISA should note that there is always a risk that their current rights to hold such shares through an ISA may be prejudiced by future changes to the regulations which govern ISAs.

Inheritance tax

Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Shares bringing them within the charge to inheritance tax.

Holders of Shares should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Shares through a close company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

Stamp duty and stamp duty reserve tax (SDRT)

The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position. They apply to all Shareholders, including Shareholders who are not resident for tax purposes or domiciled in the UK. Special rules apply to certain transactions, such as transfers of shares to a company connected with the transferor or transfers of shares to or through clearance services or depositary receipt arrangements, and those rules are not described below. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Share Issues

No UK stamp duty or SDRT will arise on the issue of Shares by the Company.

Transfers outside of Depositary Receipt Systems and Clearance Services

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Shares will generally be subject to stamp duty on an instrument of transfer at the rate of 0.5% of the consideration given for the transfer (rounded up to the next £5). There is an

exemption where the consideration for a transfer is £1,000 or less and that transfer does not form part of a larger transaction or series of transactions where the combined consideration exceeds £1,000 and this is certified on the instrument of transfer. The purchaser normally pays the stamp duty.

If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Transfers within CREST

Paperless transfers of Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of shares into CREST will not generally be subject to SDRT or stamp duty unless the transfer into CREST is itself for consideration.

The Offer

The sale of the Offer Shares by the Selling Shareholders under the Offer will generally give rise to a liability to stamp duty and/or SDRT, as described above. Under the Underwriting and Sponsor's Agreement the Selling Shareholders have agreed to meet the liability to stamp duty and/or SDRT of purchasers of Shares at the normal rate that will arise on such sale under the Offer.

Information reporting

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, the US Foreign Account Tax Compliance Act, the Common Reporting Standard on Automatic Exchange of Information, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

PART 10

ADDITIONAL INFORMATION

1 Responsibility

The Company and the Directors, whose names and principal functions are set out in Part 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2 Incorporation

- 2.1 The Company was incorporated and registered in England and Wales on 15 July 2014 under the name Applied Nutrition Limited with registered number 09131749 as a private company limited by shares. The LEI of the Company is 213800KCP1IDX51ZHE47.
- 2.2 On 1 October 2024, the Company was re-registered as a public limited company.
- 2.3 The Company's registered office and principal place of business is 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG, United Kingdom. Its telephone number is 0300 303 5344.
- 2.4 The Company's websites are www.appliednutrition.uk and www.abenation.com. The contents of the Company's websites do not form part of this document.
- 2.5 The principal legislation under which the Company operates and under which the Shares were created is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution.

3 Share capital

- 3.1 As at the date of this document, the issued and fully paid share capital of the Company is:

Class of shares	Number	Amount (£)
A1 Ordinary shares of £0.01 each	2,716,500	£27,165.00
A2 Ordinary shares of £0.01 each	471,500	£4,715.00
B Ordinary shares of £0.01 each	1,568,000	£15,680.00
D Ordinary Shares of £0.01 each	244,000	£2,440.00
Total	5,000,000	£50,000.00

- 3.2 The share capital history of the Company is as set out below.

- (a) The share capital of the Company on incorporation was £100.00, divided into 100 ordinary shares of £1.00 each.
- (b) On 7 May 2021 the 100 ordinary shares were re-designated into 68 A ordinary shares of £1.00 each and 32 B ordinary shares of £1.00 each.
- (c) On 29 April 2022, the 68 A ordinary shares of £1.00 each were subdivided into 6,800 A ordinary shares of £0.01 each and the 32 B ordinary shares of £1.00 each were subdivided into 3,200 B ordinary shares of £0.01 each. 5,800 A ordinary shares were re-designated and re-classified into A1 ordinary shares of £0.01 each, and 1,000 A ordinary shares of £0.01 each were re-designated and re-classified into A2 ordinary shares of £0.01 each.
- (d) On 31 January 2024, 116 A1 ordinary shares, 20 A2 ordinary shares and 64 B ordinary shares were re-designated into 200 D ordinary shares of £0.01 each.
- (e) On 18 April 2024, 171 A1 ordinary shares and 29 A2 ordinary shares were re-designated into 200 D shares of £0.01 each.
- (f) On 6 June 2024, 42 A1 ordinary shares and 8 A2 ordinary shares were re-designated into 50 D ordinary shares of £0.01 each.

- (g) On 7 June 2024, 38 A1 ordinary shares were re-designated into 38 D ordinary shares of £0.01 each.
 - (h) On 24 September 2024, the Company undertook a bonus issue of shares to holders of Shares in proportion to their existing Shares of an additional 4,990,000 Shares to increase the Company's issued share capital.
- 3.3 The Company does not have an authorised share capital.
- 3.4 As at the date of this document, the Company does not hold any Shares in treasury.
- 3.5 As at the date of this document, there are no convertible securities, exchangeable securities, or securities with warrants in the Company.
- 3.6 Other than as set out in paragraph 3.9 below, as at the date of this document, there are no acquisition rights and/or obligations over authorised but unissued capital or undertakings to increase the capital of the Company.
- 3.7 In connection with Admission, the Company will undertake a reorganisation of its share capital (the **Reorganisation**), which will take effect conditional on, and with effect from immediately prior to, Admission. Pursuant to the Reorganisation:
- (a) the Company will sub-divide each of the issued Shares such that:
 - (i) the 2,716,500 A1 ordinary shares of £0.01 are sub-divided into 135,825,000 A1 ordinary shares of £0.0002;
 - (ii) the 471,500 A2 ordinary shares of £0.01 are sub-divided into 23,575,000 A2 ordinary shares of £0.0002;
 - (iii) the 1,568,000 B ordinary shares of £0.01 are sub-divided into 78,400,000 B ordinary shares of £0.0002; and
 - (iv) the 244,000 D ordinary shares of £0.01 are sub-divided into 12,200,000 D ordinary shares of £0.0002;
 - (b) the Company will redesignate each of the issued Shares as an ordinary share of £0.0002;
 - (c) the Company will adopt the articles of association referred to in paragraph 4 below;
 - (d) the Company will adjust the option referred to in paragraph 3.9 below, so that it is over an appropriate number of ordinary shares of £0.0002 each, with an exercise price of an appropriate amount per share, to reflect the sub-division and redesignation referred to in paragraphs 3.7(a) and 3.7(b) above and the operation of article 4.2 of the Company's articles of association upon Admission and once the Offer Price is known;
 - (e) Joe Pollard will exercise the option referred to in paragraph 3.9 below and, in satisfaction of that option, Tom Ryder will transfer to Joe Pollard the relevant number of ordinary shares of £0.0002 each;
 - (f) the Company will declare a dividend payable to the holders of the Shares immediately prior to Admission such that the cash retained by the Company after such dividend and the expenses of, and incidental to, Admission and the Offer which will be borne by the Company will be approximately £5 million, which is believed by the Directors to be sufficient for normal trading. Additionally, the RCF will provide borrowing of an additional £10 million;
 - (g) the Shareholders' Agreement will be terminated; and
 - (h) the Company will be granted certain authorities to allot and purchase Shares, certain disapplications of pre-emption rights in relation to the allotment of Shares and certain relaxation of the notice period for general meetings other than annual general meetings, as follows:
 - (i) the Directors will be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

- (A) up to a maximum aggregate nominal amount of £16,666.66 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under paragraph (B) below in excess of £16,666.66); and
- (B) comprising equity securities (as defined in section 560(1) of the Companies Act) up to a maximum aggregate nominal amount of £33,333.33 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under paragraph (A) above) in connection with a fully pre-emptive offer:
 - 1) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - 2) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory, or practical problems in, or under the laws of, any territory or any other matter.

This authority will expire at the conclusion of the Company's annual general meeting to be held in 2025 or at the close of business on 23 January 2026, whichever is sooner (unless previously renewed, varied or revoked by the Company at a general meeting), save that the Company shall be entitled to make offers or enter into agreements before such expiry that would or might require shares to be allotted or rights to be granted after such expiry, and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if this authority had not expired;

- (ii) the Directors will be empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash under the authority referred to in paragraph (i) above and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment and/or sale, provided that such power is limited to:

- (A) the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority referred to in paragraph (i)(B) above, by way of a fully pre-emptive offer):
 - 1) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - 2) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (B) the allotment of equity securities and/or sale of treasury shares for cash (otherwise than under paragraph (ii)(A) above up to a maximum aggregate nominal amount of £5,000; and
- (C) the allotment of equity securities and/or sale of treasury shares for cash (otherwise than under paragraph (ii)(A) or paragraph (ii)(B) above up to a maximum aggregate nominal amount equal to 20 per cent. of any allotment of equity securities and/or sale of treasury shares from time to time under paragraph (ii)(B) above, such power to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on

Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this document.

This power will expire on the revocation or expiry (unless renewed) of the authority referred to in paragraph (i) above, save that, before the expiry of this power, the Company may make offers or enter into agreements which would or might require securities to be allotted and/or treasury shares to be sold after such expiry, and the Directors may allot securities and/or sell treasury shares in pursuance of any such offer or agreement as if this power had not expired;

- (iii) the Directors will be empowered pursuant to sections 570 and 573 of the Companies Act, in addition to any power referred to in paragraph (ii) above, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash under the authority referred to in paragraph (i) above and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment and/or sale, provided that such power is limited to:

- (A) the allotment of equity securities and/or sale of treasury shares for cash up to a maximum aggregate nominal amount of £5,000, such power to be used only for the purposes of financing (or refinancing, if the power is to be used within 12 months after the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this document; and
- (B) the allotment of equity securities and/or sale of treasury shares for cash (otherwise than under paragraph (iii)(A) above up to a maximum aggregate nominal amount equal to 20 per cent. of any allotment of equity securities and/or sale of treasury shares from time to time under paragraph (iii)(A) above, such power to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this document.

This power will expire on the revocation or expiry (unless renewed) of the authority referred to in paragraph (i) above, save that, before the expiry of this power, the Company may make offers or enter into agreements which would or might require securities to be allotted and/or treasury shares to be sold after such expiry, and the Directors may allot securities and/or sell treasury shares in pursuance of any such offer or agreement as if this power had not expired;

- (iv) the Company will be generally and unconditionally authorised for the purposes of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of its ordinary shares on such terms and in such manner as the Directors may determine, provided that:

- (A) the maximum number of ordinary shares which may be purchased is 25,000,000;
- (B) the minimum price (exclusive of any expenses) which may be paid for each ordinary share is its nominal value;
- (C) the maximum price (exclusive of any expenses) which may be paid for each ordinary share shall not be more than the higher of:
 - 1) an amount equal to 105% of the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is purchased; and
 - 2) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an

ordinary share as derived from the London Stock Exchange Trading System.

This authority will expire at the conclusion of the Company's annual general meeting to be held in 2025 or at the close of business on 23 January 2026, whichever is sooner (unless previously renewed, varied or revoked by the Company at a general meeting) but, during this period the Company may enter into a contract to purchase ordinary shares which would or might be completed or executed wholly or partly after this authority expires, and the Company may purchase ordinary shares pursuant to any such contract as if the authority had not expired; and

- (v) a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

- 3.8 On completion of the Reorganisation, the issued share capital of the Company will be £50,000, comprising 250,000,000 ordinary shares of £0.0002 each.
- 3.9 As at the date of this document, there is an outstanding enterprise management incentive option that was granted to Joe Pollard under the Share Option Plan on 29 April 2022. The option was granted over 102 C ordinary shares of £0.01 each in the Company, with an exercise price of £88.78 per share. On 24 September 2024, the option was adjusted, so that it is over 51,000 C ordinary shares of £0.01 each, with an exercise price of £0.18 per share, to reflect the bonus issue referred to in paragraph 3.2(h). For further detail please see paragraphs 6.3 and 10.1 below.
- 3.10 As at the date of this document, the Group's US CEO, Aaron Heidebreicht, holds shares amounting to 10% of the capital value of AN USA. The US CEO has the ability to sell one third of such shares in AN USA per annum from 4 years' service and thereafter to the Company under a put and call option set at 7 times EBITDA less the investment costs and calculated on a cash free, debt free and normalized working capital basis.

4 Articles of Association

- 4.1 The Articles, which will be adopted by the Company, conditional upon Admission, contain provisions to the following effect.
- 4.2 For the purposes of this paragraph 4:
 - (a) **Director** means a director of the Company;
 - (b) **Holder** means, in relation to a Share, the Member whose name is entered in the register of members of the Company as its holder, and Joint Holder means, in relation to a Share, each member whose name is entered in the register of members of the Company as its joint holder;
 - (c) **Member** means a member of the Company; and
 - (d) **Share** means a share in the capital of the Company.

Objects

- 4.3 The Articles do not provide for: (i) any objects of the Company and, accordingly, the Company's objects are unrestricted; or (ii) any purposes for which the Company was established.

Share class rights

- 4.4 The rights attached to any class of Shares may be varied with the consent in writing of the Holders of not less than three-quarters in nominal value of the issued Shares of the class or with the sanction of a special resolution passed at a separate meeting of the Holders of Shares of the class.

Transfer of shares

- 4.5 Subject to the Articles, a Member may transfer all or any of his Shares:
- (a) in the case of certificated Shares, by an instrument of transfer in writing in any usual form or in another form approved by the Board signed by or on behalf of the transferor and (in the case of a transfer of a Share which is not fully paid) by or on behalf of the transferee; or
 - (b) in the case of uncertificated Shares, without a written instrument in accordance with the CREST Regulations.
- 4.6 The Board may refuse to register a transfer of certificated Shares if:
- (a) any of the shares are partly paid;
 - (b) the transfer is in favour of more than four joint transferees;
 - (c) the transfer is in favour of a minor, bankrupt or person of mental ill health; or
 - (d) the Board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Companies Act.
- 4.7 Without prejudice to the above, the Board may also refuse to register a transfer of certificated shares unless:
- (a) the instrument of transfer is properly stamped or is certified or otherwise shown to the Board's satisfaction to be exempt from stamp duty and is presented for registration to the Company at its registered office or such other place as the Board may decide, accompanied by the certificate for the Shares to which it relates (except in the case of a transfer by a person to whom the Company was not required to issue a share certificate and has not issued one in respect of the Share concerned) and any other evidence as the Board may require to show the right of the person signing the instrument to make the transfer or, if the instrument is signed by some other person on his behalf, the authority of such person to do so;
 - (b) all the Shares to which it relates are fully paid and of the same class;
 - (c) it is in favour of a single transferee or not more than four joint transferees, in each case being a natural or legal person; and
 - (d) it is in respect of one class of share only.

Dividends and other distributions

- 4.8 All dividends on Shares are to be paid according to the amounts paid up (otherwise than in advance of calls) on their nominal value, or otherwise in accordance with the terms concerning entitlement to dividends on which Shares were issued. All unclaimed dividends may be made use of by the Board for the Company's benefit until claimed. Any dividend unclaimed for twelve years from the date the dividend was declared or became due for payment will either (i) be transferred to an authorised reclaim fund (as defined in the Dormant Assets Act 2022) (**Reclaim Fund**) and upon such transfer the Company shall be discharged from any liability to meet reclaims for such dividend or (ii) if the Directors determine in their absolute discretion that the unclaimed dividend cannot be lawfully transferred to a Reclaim Fund, be forfeited and belong to the Company and the Company will not be liable in any respect to the Member or other person who may or would have been entitled to such dividend.
- 4.9 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. If the Directors act in good faith, they shall not incur any liability to the Holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

General meetings

- 4.10 Every Member who is present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands (except that a proxy has one vote

for and one vote against the resolution if he has been duly appointed by more than one Member entitled to vote on the resolution and has been instructed (or exercises a discretion given) by one or more of those Members to vote for it and by one or more other of those Members to vote against it) and to one vote for every Share of which he is the holder on a resolution put to the meeting on a poll. The vote of the senior of joint holders who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the holders appear in the Company's register of Members in respect of the joint holding.

- 4.11 The Articles require the Board to convene annual general meetings in accordance with company legislation and shall decide if the meeting is to be held as a physical meeting or via an electronic forum or as both a physical meeting or via an electronic forum or as both a physical meeting and via an electronic forum. The Board may convene a general meeting which is not an annual general meeting whenever and wherever it considers appropriate. The Company is required to give notice of a general meeting to each Member (other than one who, under the Articles or any restrictions imposed on any Shares, is not entitled to receive it or to whom the Company has not sent and is not required to send its latest annual accounts and reports) at a time and date selected by the Board in accordance with the Articles and company legislation, to the Directors on the date of the notice and to the auditors on that date. A notice of general meeting shall specify, if and to the extent that the meeting is to be held as a physical meeting, the place of the meeting (including any satellite meeting place arranged, which shall be identified as such in the notice), and if and to the extent that the meeting is to be held via an electronic forum or electronic forums, all information which a member will need in order to access such electronic forum or electronic forums at that time and date in order to attend and participate at the general meeting, including such identification and security requirements as may be determined in accordance with these Articles or by the Board.
- 4.12 A Member who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different Shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.
- 4.13 A corporation which is a Member may, by resolution of its directors or other governing body, authorise one or more persons as it thinks fit to act as a representative for it at any general meeting of the Company. The Company may require such a representative to produce a certified copy of the authorising resolution or such other reasonable evidence of his authority before permitting him to exercise any powers on the corporation's behalf at the meeting.

Interests in Shares not disclosed to the Company

- 4.14 If the Company gives notice under section 793 of the Companies Act in relation to any Shares to a Member or another person appearing to be interested in such Shares and the recipient fails to give the Company the information required within fourteen days afterwards, the holder of such Shares is not entitled to attend or vote at a general meeting or exercise any other rights in respect of them in relation to a general meeting or a poll. Where such Shares represent at least 0.25% of the issued Shares of their class (i) the Company may withhold payment of any dividend or other distribution or amount payable in respect of them, (ii) the Member is not entitled to elect to receive Shares instead of a dividend, and (iii) the Board may refuse to register the transfer of any such Shares unless (1) the Member is not himself in default in supplying the information required and proves to the satisfaction of the Board that no person in default of supplying the information required is interested in any Shares which are the subject of the transfer or (2) the transfer is shown to the Board's satisfaction to be made by a Member to a third-party unconnected with that Member or with any other person appearing to be interested in the Shares and made pursuant to (A) an acceptance of a takeover offer, (B) a sale through a Recognised Investment Exchange or any other securities investment exchange outside the United Kingdom on which (in either case) such Shares have been admitted to trading on the Company's application or (C) a sale of the whole of the beneficial interest in the Shares.

Return of capital

- 4.15 On a winding up of the Company and subject to company legislation, the Company's assets available for distribution shall be divided among the Members in proportion to the nominal amounts of capital paid up on their Shares, subject to the terms of issue of or rights attached to any Shares.

Lien and forfeiture

- 4.16 The Company has a first and paramount lien on each partly paid Share for all amounts payable to the Company (whether due or not) in respect of such Share. The Board may sell any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been sent to the holder of the Share demanding payment and stating that if the notice is not complied with the Share may be sold.
- 4.17 Subject to the terms on which Shares are allotted, the Board may make calls on Members in respect of any money unpaid on their Shares. Each Member shall (subject to receiving at least 14 days' notice) pay to the Company the amount called on his Shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

Board powers

- 4.18 The Company's business is to be managed by the Board. The Board may exercise all the Company's powers and may do on the Company's behalf all such acts as may be done by it or on its behalf and which are not required to be exercised or done by the Company in general meeting subject (in all cases) to company legislation, the Articles and any direction that the Company gives to the Board by passing a special resolution.
- 4.19 The Board may delegate any of its powers under the Articles and any other of its powers that can be delegated:
- (a) to such person or persons or to any Board committee;
 - (b) to such an extent (including in relation to any matter or any territory, region or country);
 - (c) on such terms and subject to such conditions;
 - (d) for such period or indefinitely; and
 - (e) by such means,
- as the Board considers appropriate.
- 4.20 The Board may:
- (a) grant to any person or persons or to any Board committee to whom it delegates any power the power to sub-delegate that power (with or without a power of further sub-delegation) to one or more persons or to a sub-committee;
 - (b) retain or exclude the right of the Board to exercise any delegated power collaterally with the person or persons or the Board committee to whom it has been delegated; and
 - (c) revoke the delegation or alter its terms or conditions.

Directors – appointment, retirement and removal

- 4.21 At any one time the total number of Directors may not be less than two but (unless otherwise determined by the Company by ordinary resolution) is not subject to any maximum. The Company may by ordinary resolution appoint as a Director a person who is willing to act as such provided that:

- (a) notice is given of the resolution identifying the person concerned by name; and
- (b) if that person is not recommended for appointment by the Board, the Company receives at its registered office that person's written confirmation of his willingness to be appointed as a Director at least seven days before the date appointed for the holding of the general meeting at which the resolution is to be considered.

4.22 The Board may appoint as a Director any person who is willing to act as such.

4.23 At each annual general meeting:

- (a) each person who is a Director on a date selected by the Board in relation to an annual general meeting that is not more than 14 days before, and no later than, the date of the notice of that meeting (the **selection date**) and was appointed as such after the previous annual general meeting is to be proposed for election as a Director; and
- (b) each other person who is a Director on the selection date is to be proposed for re-election as a Director,

provided that, in each case, the person concerned is a Director immediately before the commencement of the meeting and has confirmed to the Board that he is willing to continue as a Director.

4.24 If a resolution for the election or re-election as a Director of any person who was a Director at the commencement of an annual general meeting is put to vote at that meeting but not passed, that person will remain in office until the meeting appoints someone in his place or (if it does not do so) until the end of the meeting, when (subject to the next paragraph) he will cease to be a Director.

4.25 If at the end of an annual general meeting there would otherwise be no Directors, each person to whom the previous paragraph applies:

- (a) shall remain in office as a Director until someone else who was not a Director at the commencement of that meeting is appointed as a Director by the Company in general meeting, when he will cease to be a Director; and
- (b) may, in his capacity as a Director for so long as he remains in office in accordance with this paragraph, act (with any other persons to whom this paragraph applies as the Board) only: (A) for the purposes of convening and holding a general meeting to appoint Directors; and (B) as he considers necessary or appropriate in order to comply with any legal or regulatory requirement applicable to the Company or the Directors or to him as a Director.

4.26 The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with company legislation, remove any Director before the expiration of his period of office.

Directors – fees and remuneration

4.27 The aggregate amount of fees paid to Directors who do not hold executive office shall be such amount as the Board shall from time to time determine. The aggregate fees may be divided among such Directors in such proportions as the Board decides or, if no decision is made, equally.

4.28 The Directors are entitled to be repaid all travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as Directors, including any professional fees incurred by them.

4.29 The Board may provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances for persons who are or were directors of the Company and their relatives and dependants.

Directors' interests

- 4.30 A Director is not required (provided he has disclosed his interest in the matter to the other Directors in accordance with the Companies Act (if that act obliges him to do so)) to account to the Company for any profit, remuneration or other benefit which he derives from or in connection with (i) being a party to or otherwise interested in any arrangement or transaction with the Company or in which the Company is otherwise interested, (ii) holding any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and on such terms, including as to remuneration, as the Board may decide, (iii) acting by himself or through a firm with which he is associated in a professional capacity for the Company or any body corporate in which the Company is interested (other than as auditor), or (iv) being a director or other officer of, or employed by or otherwise interested in any body corporate in which the Company or any other undertaking in the Group (a **Group Undertaking**) is interested or which has an interest in the Company or in any other Group Undertaking. A Director or former Director will not be accountable to the Company for any benefit provided to him or his dependants in accordance with any provision in the Articles.
- 4.31 A Director shall not vote or be counted in the quorum on any resolution of the Board concerning any contract in which he has an interest (and, if he votes on it, his vote is not to be counted) unless that interest cannot reasonably be regarded as likely to give rise to a conflict of interest or only arises from or relates to one or more of the following matters:
- (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of any Group Undertaking;
 - (b) the giving of any security, guarantee or indemnity to a third-party in respect of a debt or obligation of a Group Undertaking for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) an offer of securities by a Group Undertaking in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (d) a contract with or relating to another company in which he does not have to his knowledge an interest (as that term is used in Part 22 of the Companies Act) in Shares representing 1% or more of either any class of the equity share capital, or the voting rights in, such company;
 - (e) an arrangement for the benefit of employees of any Group Undertaking which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (f) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including any Director; or
 - (g) a proposal for the Company (1) to provide him with an indemnity permitted by company legislation, (2) to provide him with funds in circumstances permitted by company legislation to meet his defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any category of relief permitted by company legislation, or (3) to do anything to enable him to avoid incurring any such expenditure.
- 4.32 The Board may authorise any situation or matter relating to a particular Director to which section 175 of the Companies Act applies (each a **Conflict Matter**) on such terms as they think fit. For the Board to do so, a Director must propose to the Board that the Conflict Matter concerned be so authorised. The Board may terminate or withdraw any such authorisation by giving notice to the Director concerned. Any terms to which such an authorisation is made subject may include that the Director concerned (i) is not obliged to disclose to the Company confidential information obtained by him (other than in his capacity as its Director or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which such authorisation applies, nor to use any such information directly or indirectly for the Company's benefit, where to do so would amount to a breach of a duty of confidence to any third-party, where the Director concerned has previously disclosed to the Board the existence of the conflict and the third-

party's identity, and (ii) may absent himself from any Board discussions, and make arrangements not to receive documents and information, relating to the Conflict Matter concerned for so long as he reasonably believes that he has or may have a conflict of interest in respect of it.

Directors' indemnity and insurance

4.33 Subject to company legislation, the Company may:

- (a) indemnify any Director or any director of any associated company against any liability pursuant to any qualifying third-party indemnity provision or any qualifying pension scheme indemnity provision, or on any other basis as is lawful, in each case on such terms as the Board may decide; and
- (b) purchase and maintain for any Director or any director of any associated company insurance against any liability.

Borrowing powers

4.34 The Board may exercise all the Company's powers to borrow money and to mortgage or charge all or part of its undertaking, property and assets (present or future) and uncalled capital and to issue debentures and other securities and to give security, whether outright or as collateral for a debt, liability or obligation of the Company or of a third-party.

Untraced Shareholders

4.35 Subject to the Articles, the Company may sell any Shares registered in the name of a Member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal and, on those Shares, no dividend is cashed and no dividend is paid on them through a completed funds transfer following such advertisement. Until the Company can account to the Member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest. The Articles permit the Company to transfer the net proceeds of sale to a Reclaim Fund, upon such transfer the Company shall be discharged from any liability to meet reclaims from untraced Shareholders.

5 Directors and senior management

- 5.1 The Directors, the US CEO and their functions within the Group and brief biographies are set out in Part 3 of this document.
- 5.2 The business address of the Directors is 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG. The business address of the US CEO is 5601 Democracy Drive, Suite 135, Plano, Texas 75024, USA.
- 5.3 In addition to their directorships of the Company and directorships of other members of the Group, the Directors and the US CEO hold, or have held, the following directorships or equivalent roles and are or were members of the following partnerships, within the previous five years prior to the date of this document:

Name	Current directorships/ partnerships	Former directorships/ partnerships
Andy Bell	EQ Property Services Limited Moor Hall Holdings Limited Moor Hall Restaurant Limited Moor Hall Construction Limited Moor Hall Limited ATT Fashion Ltd Blythe Business Services Ltd Blythe Ventures Ltd AJ Bell Trust AJBT Projects Ltd AJBT Events Ltd	AJ Bell Media Limited AJ Bell Trustees Limited AJ Bell Management Limited Lawshare Nominees Limited AJ Bell Platinum Limited AJ Bell Business Solutions Limited Whitehead Trustees Limited Sippdeal Trustees Limited AJ Bell (PP) Trustees Limited Ashby London Trustees Limited

Name	Current directorships/ partnerships	Former directorships/ partnerships
	GDAB LLP Blythe HC LLP Blythe Capital Blythe Investments Asper Property (Earlswood) Ltd Asper Property (Stourbridge) Ltd Vibe Padel Ltd Toffee Ventures Limited Portside Trustees Limited Blythe Spain SL (Spain) Blythe SARL (France) Blythe HCI Ltd (Ireland) Blythe Church Investments Holdings Ltd (IOM)	AJ Bell PLC Sippdeal Limited AJ Bell Asset Management Limited Ashby London (PP) Trustees Limited AJ Bell Securities Limited AJ Bell Digital Savings Limited AD Alpha Solutions Limited AJ Bell Touch Limited Adalpha Investments Limited Adalpha Limited Adalpha Nominees Limited Adalpha Trustees Ltd
Thomas Ryder	HRR Residential Ltd Ryder & Granite Estates Limited	Pro CBD Limited Waverley House Limited Liverpool Nutrition Ltd
Steven Granite	Granite Commercial Property Limited Ryder & Granite Estates Limited	Freight Transport Association Ltd Axle Topco Ltd Axle Bidco Ltd Abbey Logistics Group Ltd Armet Logistics Ltd Abbey Warehousing Ltd Armet Carrying Co Ltd Th!nk Logistics Careers Limited N/A
Joe Pollard	N/A	N/A
Tony Buffin	134 Shirland Road Management Company Limited Scate Limited Tecs Limited Tecs Capital Limited Noah Topco Limited Noah Midco Limited Noah Bidco Limited Tyrefix Plant Tyres (UK) Limited Tyrefix Holdings Limited Hosefix Plant Hose Services (UK) Limited Tyrefix UK Limited Tyrefix Limited Fix N Fit Tyres Limited Weybourne Limited Earth Midco Limited Earth Bidco Limited Assembuild Group Limited Assembuild Topco Limited Transit Topco Limited Melbourne Topco Limited Nobia AB Geodyst Limited The Vegan Kind Limited Lillie SPV Limited	Kingfisher Plc Weybourne Group Limited G-Paws Limited May & Hassell Saw Mills (Liverpool) Limited Beyond 100 Limited L1R HB Holdings Limited Lifecycle 2018 Limited L1R HB Midco Sub Limited Nutrition Warehouse Limited L1R HB Limited Precision Engineered Limited Holland & Barrett Group Limited Holland & Barrett Holdings Limited L1R HB Midco Limited Good 'N' Natural Limited Holland & Barrett Retail Limited Holland & Barrett International Limited Neal's Yard Wholefoods Limited L1R HB Finance Limited Holland & Barrett (Benelux) Limited Holland & Barrett Limited Heritage Topco Limited Heritage Midco Limited Heritage Bidco Limited

Name	Current directorships/ partnerships	Former directorships/ partnerships
		AB Holdco Limited Ashleigh & Burwood Limited
Marnie Millard	Mypura.com Group Limited Marks Electrical Group Plc University Academy 92 Limited UA92 Old Trafford Limited Marnie Millard Limited	Finsbury Food Group Limited Kidly Limited Connect Wetherby Limited The British Soft Drinks Association Limited Nichols Plc
Aaron Heidebreicht	N/A	KAGED LLC Woodbolt Holdings LLC

Save as set out above, none of the Directors or the US CEO has any business interests, or performs any activities, outside the Group which are significant with respect to the Group.

- 5.4 There are no family relationships between any Directors, or between any Directors and the US CEO.
- 5.5 Save as disclosed in paragraph 5.6 below, as at the date of this document, none of the Directors or the US CEO has at any time within the last five years:
- (a) had any prior convictions in relation to fraudulent offences;
 - (b) been declared bankrupt or been the subject of any individual voluntary arrangement;
 - (c) been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;
 - (d) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);
 - (e) been disqualified by a court from acting in the management or conduct of the affairs of any issuer;
 - (f) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer;
 - (g) been a partner or senior manager in a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
 - (h) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he was a partner at the time or within the 12 months preceding such event;
 - (i) been a director or senior manager of a company or a partner of a partnership which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors or any business rescue plans generally or any class of creditors, at any time during which he was a director or senior manager of that company or partner of that partnership or within 12 months of his ceasing to be a director or senior manager or partner;
 - (j) been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
 - (k) received public criticism from statutory or regulatory authorities, including professional bodies, and has ever 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;
 - (l) been barred from entry into a profession or occupation; or
 - (m) been convicted in any jurisdiction of any criminal offence.

- 5.6 In June 2022, Tony Buffin was appointed to the board of The Vegan Kind Limited (**The Vegan Kind**), an online vegan food retailer, as a non-executive director, after it had experienced a significant decline in transaction volumes following the end of the COVID pandemic. In October 2022, The Vegan Kind was placed into administration after the reduction in order volumes rendered the capacity of a new warehouse contract, that was entered into during the pandemic, unnecessary. The Vegan Kind's principal creditor was the warehouse landlord. In October 2022, The Vegan Kind was sold in a pre-pack administration to Lillie SPV Limited (**Lillie SPV**), in an attempt to retain jobs through the potential merger of the business and assets with a third-party. In October 2022, Tony Buffin was appointed to the board of Lillie SPV as a non-executive director, and at the same time was appointed as the company secretary. On 23 June 2024, a voluntary liquidator was appointed in respect of Lillie SPV, after the future of The Vegan Kind's business could not be secured.
- 5.7 No Director or the US CEO nor, so far as the Company is aware, any director of the Company who resigned during the last 18 months has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group and which were effected by the Group during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.
- 5.8 There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors or the US CEO.

6 Directors' and Senior Management's interests

- 6.1 As at the date of this document, the interests of the Directors and the US CEO in any class of share in the Company are as follows.

Name	Interest
Thomas Ryder	2,716,500 A1 Ordinary shares of £0.01 each
Steven Granite	471,500 A2 Ordinary shares of £0.01 each
Blythe Investments (investment vehicle owned by Andrew Bell and Tracey Bell)	100,000 D ordinary shares of £0.01 each
Scate Limited (investment vehicle owned by Anthony Buffin, Thomas Buffin, Ella Buffin and Charlie Buffin)	19,000 D ordinary shares of £0.01 each

- 6.2 There are no potential conflicts of interest between any duties owed by the Directors or the US CEO to the Company and their private interests or other duties.
- 6.3 Joe Pollard has been granted a tax-advantaged enterprise management incentives option under the Share Option Plan over 51,000 C ordinary shares of £0.01 each in the capital of the Company, as further detailed in paragraph 3.9 above and paragraph 10.1 below.

7 Significant Shareholders' interests in the Company

- 7.1 Insofar as it is known to the Company as at the date of this document, the following persons will, immediately prior to Admission and immediately following Admission, be directly or indirectly interested (within the meaning of the Companies Act) in 3% or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as at Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules). The amounts in the table below have been calculated assuming the maximum number of Offer Shares subject to the Offer are sold (although this is subject to the bookbuilding process and the number of Offer Shares to be sold will be confirmed in the Pricing Statement) and the Offer Price is set at the mid-point of the Indicative Price Range.

Shareholder	Immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued Shares	Minimum number of Shares	Minimum percentage of issued Shares
Thomas Ryder	133,791,953 ordinary shares of £0.0002 each	53.52%	75,000,000 ordinary shares of £0.0002 each	30.00%
Steven Granite	23,575,000 ordinary shares of £0.0002 each	9.43%	12,500,000 ordinary shares of £0.0002 each	5.00%
JD Sports Fashion Plc	78,400,000 ordinary shares of £0.0002 each	31.36%	12,500,000 ordinary shares of £0.0002 each	5.00%

- 7.2 None of the Company's significant Shareholders listed above has voting rights which are different from other holders of Shares.
- 7.3 Insofar as is known to the Directors, there is no other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.
- 7.4 The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

8 Directors' terms of employment

The Directors and their functions are set out in the section of this document headed "Directors, Company Secretary, Registered Office and Advisers". Summary details of the service agreements of the Executive Directors and the letters of appointment of the Non-Executive Directors, each of which have been entered into conditional upon Admission, are set out below.

8.1 Executive Directors

(a) Thomas Ryder – Chief Executive Officer

Thomas Ryder will be entering into a new comprehensive service agreement with effect from Admission, under which he will continue in his role of Chief Executive Officer. Thomas will be entitled to an annual salary of £350,000 plus a discretionary bonus. The bonus has a maximum bonus potential of 200% basic salary, subject to achieving stretching performance targets which will be measured over each financial year. Thomas will also be entitled to a £6,000 car allowance. The service agreement is terminable on 12 months' written notice by either party (which the Company may at its absolute discretion pay in lieu in order to bring the employment to an immediate end). His service agreement includes standard summary termination provisions. Thomas is subject to the following post-termination restrictions, each of which lasts for 12 months post-termination: a non-competition covenant, non-solicitation of and non-dealing with certain restricted clients, non-contact with certain restricted contacts of the Group and non-solicitation of certain employees or suppliers, as well as confidentiality undertakings. Each of these restrictions is reduced by any period spent on garden leave prior to termination.

(b) Steven Granite – Chief Operating Officer

Steven Granite will be entering into a new comprehensive service agreement with effect from Admission, under which he will continue in his role of Chief Operating Officer. Steven will be entitled to an annual salary of £250,000 plus a discretionary bonus. The bonus has a maximum bonus potential of 200% basic salary, subject to achieving stretching performance targets which will be measured over each financial year. Steven will also be entitled to a £6,000 car allowance. The service agreement is terminable on 6 months' written notice by either party (which the Company may at its absolute discretion pay in lieu in order to bring the employment to an immediate end). His service agreement includes standard summary termination provisions. Steven is subject to the following post-termination restrictions, each of which lasts for 6 months post-termination: a non-competition covenant, non-solicitation of and non-dealing with certain restricted clients, non-contact with certain restricted contacts of the Group and non-solicitation of certain employees or suppliers, as well as confidentiality undertakings. Each of these restrictions is reduced by any period spent on garden leave prior to termination.

(c) Joe Pollard – Chief Financial Officer

Joe Pollard will be entering into a new comprehensive service agreement with effect from Admission, under which he will continue in his role of Chief Financial Officer. Joe will be entitled to an annual salary of £250,000 plus a discretionary bonus. The bonus has a maximum bonus potential of 200% basic salary, subject to achieving stretching performance targets which will be measured over each financial year. Joe will also be entitled to a £6,000 car allowance. The service agreement is terminable on 6 months' written notice by either party (which the Company may at its absolute discretion pay in lieu in order to bring the employment to an immediate end). His service agreement includes standard summary termination provisions. Joe is subject to the following post-termination restrictions, each of which lasts for 6 months post-termination: a non-competition covenant, non-solicitation of and non-dealing with certain restricted clients, non-contact with certain restricted contacts of the Group and non-solicitation of certain employees or suppliers, as well as confidentiality undertakings. Each of these restrictions is reduced by any period spent on garden leave prior to termination.

8.2 Non-Executive Directors

The Company has appointed an Independent Non-Executive Chair and two Independent Non-Executive Directors. Summary details of their terms of appointment, which have been entered into conditional upon Admission, are set out below.

(a) Independent Non-Executive Chair

Andy Bell was appointed to the board of the Company on 20 February 2024. The annual fee payable to Andy is £100,000. The number of days Andy is required to spend on Company business is 20 days per annum. The notice period for either the Company or Andy to terminate the appointment is one month.

(b) Non-Executive Directors

Tony Buffin was appointed to the board of the Company on 20 February 2024. Marnie Millard was appointed to the board of the Company on 22 May 2024. Each of the Non-Executive Directors is entitled to a fee of £60,000 per annum and they are required to spend 20 days per annum on Company business. Their appointments may be terminated on one month's notice.

The duties of the Non-Executive Directors include: (a) constructively challenging and contributing to the development of strategy; (b) management performance against agreed goals and objectives; (c) ensuring financial controls and risk management systems are robust and defensible; and (d) to take into account the views of Shareholders and other stakeholders where appropriate. The Non-Executive Directors are appointed for an initial term of three years commencing on Admission, in the event it occurs. It is envisaged that the Non-Executive Directors will each devote approximately 10 days per year to carrying

out their duties. The Non-Executive Directors are entitled to the reimbursement of reasonable expenses incurred by them in the performance of their duties.

- 8.3 Each Director is eligible to benefit from the directors' indemnity provided for in the Company's Articles, and for cover under any directors and officers liability insurance policy that the Company maintains from time to time. Each Director may obtain, at the Company's expense, external legal or professional advice necessary to enable the Director to carry out their duties.

9 Directors' and senior management's remuneration

- 9.1 In the financial year ended 31 July 2024, the aggregate remuneration and benefits to the Directors and the US CEO who served during the financial year ended 31 July 2024 was £773,860.
- 9.2 In the financial year ended 31 July 2024, the Directors and the US CEO were remunerated as set out below:

Name	Position	Annual salary / fees (£)	Bonus (£)	Pension contribution (£)	Other benefits (£)
Thomas Ryder	Founder and CEO	150,000	60,000	12,000	6,000
Steven Granite	Group COO	97,000	40,000	—	4,400
Joe Pollard	Group CFO	110,000	23,219	17,600	6,000
Andy Bell	Independent Non-Executive Chair	17,896	—	—	—
	Independent Non-Executive				
Tony Buffin	Director	39,999	—	—	—
	Independent Non-Executive				
Marnie Millard	Director	7,846	—	—	—
Aaron Heidebreicht	US CEO	159,765	—	15,714	6,421

9.3 Post-Admission Remuneration Policy

Prior to the date of this document and in advance of Admission, the Remuneration Committee undertook a detailed review of the Company's approach to executive remuneration. Prior to Admission, the Company will adopt a remuneration policy for Executive Directors that is designed to attract, retain and motivate talent and ensure that executives are rewarded for strong performance.

The Directors' remuneration policy will be included in the Company's 2025 annual report and Shareholders will be asked to vote on it at the 2025 annual general meeting. The proposed remuneration policy is summarised below. In determining the proposed remuneration policy, the Remuneration Committee took into account the requirements of the UK Corporate Governance Code. The Remuneration Committee also took into account market and investor best practice.

The Company's remuneration framework for Executive Directors and senior management is intended to combine base salary, pension contributions (or cash allowance), benefits and an annual incentive opportunity. The Remuneration Committee believes that:

- individuals should be properly rewarded where justified by the Group's financial performance and their personal contribution;
- the Group should pay no more than is necessary;
- remuneration packages should be constructed so as to include stretching performance objectives linked to the long-term success and strategy of the Group; and
- remuneration structures should discourage the taking of excessive risk that is not aligned with the long-term interests of shareholders.

Consistent with the Company's pay philosophy set out above the Remuneration Committee has agreed the following aspects of its remuneration policy for its Executive Directors, to be put in place following Admission.

Base salary

The proposed base salaries with effect from Admission for Thomas Ryder (CEO) is £350,000, and for Joe Pollard (CFO) and Steven Granite (COO) are both £250,000. It is intended that

base salaries will normally be reviewed annually, taking account of Company and individual performance and the wider context of the pay and conditions of the wider workforce, as well as other relevant factors.

Pension and benefits

It is proposed that pension opportunity (pension contribution or equivalent cash allowance) for Executive Directors will be in line with the pension opportunity for the majority of the wider workforce. It is proposed that Executive Directors will be eligible for a range of benefits, which may include, but is not limited to, private medical expenses, health insurance, life assurance and income protection.

Variable Incentive Arrangements

Executive Directors are eligible to participate in a discretionary annual bonus plan. Annual awards will be no higher than 200% of base salary for the Executive Directors. The Remuneration Committee will set stretching performance targets which will be measured over each financial year, the first of which will be FY25.

The majority of the award will be assessed against financial performance metrics, with the balance assessed against non-financial strategic/personal objectives. This will create a direct focus on delivery against strategic objectives on an annual basis, which in turn will drive long-term growth and value creation for Shareholders. Subject to the achievement of these annual targets, up to a third of any award would be paid at the end of the performance year in cash, with the remaining proportion being deferred into shares. Vesting of the deferred shares will be subject to continued employment and the satisfaction of a discretionary performance underpin of three years.

The Remuneration Committee will provide appropriate levels of disclosure on a retrospective basis of the measures and targets used in the bonus in the Directors' Remuneration Report. Due to concerns regarding commercial sensitivity and consistent with general market practice, it is expected that the targets will not be disclosed prospectively. The Remuneration Committee will retain overriding discretion to adjust any formulaic vesting including if it considers that it does not reflect the underlying financial or non-financial performance of the business, the performance of the participant, or is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date.

Share ownership guidelines

With effect from Admission, the Company will operate share ownership guidelines. It is intended that Executive Directors will be expected to build or maintain (as relevant) a shareholding in the Company equivalent in value to 150% of their annual base salary. Executive Directors will also be subject to post-employment share ownership guidelines.

Non-Executive Director remuneration policy

Fees for Non-Executive Directors shall be set to enable the Company to attract and retain experienced, skilled Non-Executive Directors who can advise and support the Executive Directors.

The Company's Non-Executive Director fee policy is to pay a basic fee for membership of the Board. Reasonable expenses and other benefits may also be provided. Additional fees may also be provided where additional duties are required to be performed by any Non-Executive Director.

The appointments of each of the Non-Executive Directors are for an initial term of three years from the date of appointment or, if later, the date of the appointment letter referred to above, unless terminated earlier by either party on one month's notice. The appointment of each Non-Executive Director is also subject to re-election when appropriate by the Company at general meetings.

10 Share Incentive Plans

10.1 Existing Share Incentive Plans

Status

The Share Option Plan is a discretionary share option plan that was established on 29 April 2022. Under the Share Option Plan, the Company may, within certain limits and subject to any applicable performance conditions, grant tax-advantaged enterprise management incentives options and unapproved options over Shares to eligible employees (**Options**). No payment is required for the grant of an Option. There is an outstanding share option which was granted under the Share Option Plan, which is summarised below. However, it is not intended that any further options will be granted under this plan.

Eligibility

All employees (including executive directors) of the Group are eligible for selection to participate in the Share Option Plan at the discretion of the Company.

Corporate events

Under the rules of the Share Option Plan, an Option will be exercisable within such time period and in such circumstances, as specified in the option agreement constituting such Option. In addition, an Option may be exercised within such time periods as specified in the rules of the Share Option Plan and to the extent vested on an "Exit Event". An "Exit Event" is defined under the Share Option Plan as a listing, a share sale or an assets sale of the Company, or any other event that the Board considers to be an "Exit Event".

Outstanding Share options

As detailed in paragraphs 3.9 and 6.3 above, there is an outstanding tax-advantaged enterprise management incentives option that was granted under the Share Option Plan to Joe Pollard on 29 April 2022 over 51,000 C ordinary shares of £0.01 each in the Company, with an exercise price of £0.18 per share (**EMI Option**). The EMI Option shall be exercised in full prior to Admission.

10.2 Future incentive arrangements

The Company has established, conditional upon and with effect from Admission, a discretionary share plan, the Applied Nutrition Executive Incentive Plan (the **Incentive Plan**) under which awards may be made on or after Admission.

A reference in this paragraph 10 to the Board includes any designated committee of the Board. Information on the principal features of the Incentive Plan is included below.

10.3 The Incentive Plan

The Incentive Plan was adopted by the Board on 24 September 2024 conditional on Admission.

Status

The Incentive Plan comprises a discretionary annual incentive scheme together with provisions for the mandatory deferral of a proportion of the cash amounts payable into Shares, under which awards may be made to selected employees or directors (**Participants**) of the Company or the Group.

The Board will be responsible for the operation of the Incentive Plan. Awards (**Incentive Awards**) comprising a conditional right to receive a cash amount, subject to the achievement of a performance target (which may comprise a combination of separate targets) measured over a financial year will be made to Participants. Following the determination of the extent to which the performance target has been met, a material proportion of the cash amount due under an Incentive Award is deferred into Shares (a **Deferred Share Award**) which will vest at the end of a deferral period (which will typically be one year for half of the Shares subject to the Deferred Share Award and two years for the remaining Shares), subject to the Participant's continued employment and a holding period during which the Shares may not be transferred or sold.

The Incentive Plan may also be used to provide awards to new employees in order to compensate them for any forfeited awards from their previous employer.

Deferred Share Awards may be made as share options, conditional share awards or awards of restricted shares.

An Incentive Award may not be made more than 10 years after the date of shareholder approval of the Incentive Plan.

Deferred Share Awards may be satisfied by the issue of new shares or by the transfer of shares held in treasury or by the trustee of an employee benefit trust.

Eligibility

A Participant must be an employee or director of the Group at the time an award is made. Participation in the Incentive Plan will be at the discretion of the Board. It is intended that the initial grant of Incentive Awards shall be made to the executive directors of the Company and apply to FY25.

Grant of Incentive Awards

The maximum annual amount which may be paid out under an Incentive Award granted to a participant (including under any related Deferred Share Award) may not exceed 200% of the Participant's annual rate of basic salary at the date of grant. The Board may specify another limit from time to time, subject (in the case of a higher limit) to the approval of a revised Directors' Remuneration Policy by the Company's shareholders.

The limits above do not apply to buy-out awards in respect of a new employee.

Performance targets

An Incentive Award will be subject to a performance target which will be set by the Board at the time the Incentive Award is made.

The Board may vary or waive the performance target applying to an Incentive Award if an event occurs which causes the Board to consider that the performance target is no longer appropriate, provided that such variation or waiver is reasonable in the circumstances and, except in the case of a waiver, produces a fairer measure of performance and is not materially less difficult to satisfy.

Leaving employment before Incentive Award determined

If a Participant ceases to be employed within the Group for any reason before an Incentive Award made to them is determined, then that Incentive Award will normally lapse.

If the reason for cessation of the Participant's employment is death, or if the Board in its discretion determines in any other particular case, the Board may determine that the Incentive Award will continue as normal.

Alternatively, the Board may decide that an Incentive Award will be determined immediately in which case the proportion of the value of the Incentive Award which shall be paid will be determined by the Board in its absolute discretion taking into account any factors it considers relevant.

Unless the Board decides otherwise, any value which becomes payable under the Incentive Award will be time pro-rated to reflect the number of whole months from the beginning of the relevant financial year to which the Incentive Award relates until the date of leaving employment as a proportion of the relevant financial year.

Deferral into Shares

The Board will determine the extent to which the performance target applicable to an Incentive Award has been met following the end of the relevant financial year, and accordingly the cash amount payable under that Incentive Award. Subject to any applicable minimum cash payment under the Incentive Award, a material proportion of the cash amount shall be deferred into a Deferred Share Award, with the number of Shares subject to the Deferred Share Award being determined by reference to the average share price over a period determined by the Board ending on the last day of the relevant financial year.

Grant of Deferred Share Awards

Deferred Share Awards will be granted as soon as practicable following the determination of the extent to which the performance target applicable to the relevant Incentive Award has been met, subject to the Company not being prevented from granting awards over Shares by restrictions on dealings in Shares by Directors or employees of the Group imposed by statute, order, regulation, Government directive or the Company's own code on dealings in its securities by Directors and employees. No payment will be required for the grant of a Deferred Share Award and Deferred Share Awards are not transferable (except on death).

An award certificate shall be issued to each Participant as soon as reasonably practicable following the grant of the Deferred Share Award, setting out the details of the award.

Vesting of Deferred Share Awards

Deferred Share Awards will normally vest in two equal tranches, with each tranche vesting respectively on the first and second anniversary of the date the Deferred Share Award was granted. A Deferred Share Award which is an option will lapse 10 years after the date on which it is granted.

Holding period

Shares acquired under Deferred Share Awards may be subject to a holding period after vesting during which the Participant may not sell or transfer the shares, except to cover any tax payable in relation to the vesting or exercise of the Deferred Share Award. Normally, the holding period will end four years after the date of grant of the Deferred Share Award.

Malus

At any time before a cash payment is made or Deferred Share Award has vested the Board may reduce the cash amount or number of shares subject to the relevant award if any of the following events occur:

- the discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of a Group company;
- the assessment of any performance target in respect of an Incentive Award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the number of Shares subject to a Deferred Share Award was based on error, or inaccurate or misleading information;
- action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct;
- events or behaviour of a Participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them;
- a serious failure of risk management of the Company, a Group company or a business unit of the Group;
- the Company or any Group company or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of Shares is materially reduced provided that the Board determines following an appropriate review of accountability that the Participant should be held responsible (in whole or in part) for that insolvency or corporate failure.

Clawback

Where a cash payment has been made or a Deferred Share Award has vested (or, in the case of a Deferred Share Award which is an option, been exercised), the Board may require the Participant to transfer all or a proportion of the value received under the cash payment or Deferred Share Award in substantially the same circumstances as apply to malus (as described above) for a period of four years after the cash payment and four years following the vesting date of a Deferred Share Award. Clawback may be effected, among other means,

by requiring the transfer of shares back to the Company or as it directs, or by a cash payment.

Leaving employment during the vesting period of a Deferred Share Award

If a Participant ceases to be employed within the Group during the vesting period, a Deferred Share Award granted to them will normally lapse.

If the reason for cessation of the Participant's employment is death or if the Board in its discretion determines in any other particular case, the Participant may retain the Deferred Share Award and it shall continue to vest in accordance with its original terms.

Alternatively, the Board may determine that the Deferred Share Award will vest immediately upon the cessation of employment. A Deferred Share Award which is an option will ordinarily lapse if it has not been exercised within 6 months of cessation of employment or, if later, when it becomes exercisable.

Takeover, reconstruction etc.

In the event of a takeover, reconstruction, amalgamation or winding up of the Company or, if the Board determines, where the Company is affected by a demerger or similar other event, a Deferred Share Award will vest immediately. Deferred Share Awards will vest in full unless the Board determines otherwise. The Deferred Share Award may be exchanged for an award over shares in an acquiring company if an offer to exchange is made and accepted by the Participant or if the Board, with consent of the acquiring company, determines that Deferred Share Awards should automatically be exchanged.

Variations of share capital

In the event of a variation of the share capital of the Company, including by way of a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue or any sub-division, consolidation, or reduction in the Company's share capital, either or both of the number of Shares and the description of the Shares subject to a Deferred Share Award may be adjusted in such manner as the Board determines.

Rights attaching to Shares

A Deferred Share Award will not confer any shareholder rights, such as the right to vote or to receive any dividend, where the record date is prior to the allotment or transfer of Shares to the Participant following the vesting of the Deferred Share Award.

A Participant may be entitled to receive a payment in cash or Shares upon their acquisition of the Shares subject to their Deferred Share Award in respect of dividends on those Shares. The payment will be of an amount equal to any dividends paid on the number of Shares acquired pursuant to the Deferred Share Award during the period from the date that the Deferred Share Award was made to the date that the Participant acquires the shares.

A further payment may also be made in respect of interest on any such dividends from the date the dividend was paid to the date that the Participant acquires the Shares, at a rate determined by the Board.

Awards not transferable

Awards granted under the Incentive Plan are not transferable other than to a participant's personal representatives in the event of death.

Limits

The Incentive Plan may operate over newly issued Shares, treasury Shares or Shares purchased in the market. The rules of the Incentive Plan provide that, in any period of 10 calendar years, not more than 10% of the Company's issued ordinary share capital may be issued under the relevant plan and under any other employees' share scheme operated by the Company. Shares issued out of treasury under the Incentive Plan will count towards these limits for so long as this is required under institutional shareholder guidelines. Shares which have been purchased in the market by trustees of an employee benefit trust to satisfy awards

will not count towards these limits. In addition, awards which are renounced or lapse shall be disregarded for the purposes of these limits.

Amendments

The Board may, at any time, amend the provisions of the Incentive Plan in any respect. The prior approval of the Company in general meeting must be obtained in the case of any amendment to the advantage of participants in the plan which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an award can be made under the plan, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval, save that there are exceptions for any minor amendment to benefit the administration of the relevant plan, to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its other Group companies. Amendments may not normally adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.

Overseas plans

The Board may, at any time, establish further plans based on the Incentive Plan for overseas territories. Any such plan shall be similar to the Incentive Plan, but modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the relevant plan.

Benefits not pensionable

The benefits received under the Incentive Plan are not pensionable.

10.4 Employee Benefit Trust

The Company is intending to establish an employee benefit trust (the **EBT**) following Admission, which will be constituted by a trust deed which will be entered into between the Company and a trustee. The Company will have the power to appoint and remove the trustee.

The EBT will be able to be used to benefit employees and former employees of the Company and its subsidiaries and certain members of their families. The trustee of the EBT will have the power to acquire Shares. Any Shares acquired may be used for the purposes of the Incentive Plan or other employee share plans established by the Group from time to time.

The Group may fund the EBT by loan or gift to acquire Shares either by market purchase or by subscription.

The EBT will not make an acquisition of shares if that acquisition would mean that (after deducting any Shares held as nominee for beneficiaries under the EBT) it would hold more than 5% of the Company's ordinary share capital without prior shareholder approval.

11 Subsidiaries and principal establishments

The Company has two subsidiaries. The table below sets out the significant subsidiaries of the Company at the date of this document, the percentage ownership and the percentage of voting power held (if different from the percentage ownership):

Name	Jurisdiction of incorporation	Percentage ownership	Percentage of voting rights held
AN US Holdings Inc.	Texas, United States	90%	100%
Applied Nutrition Columbia SAS	Colombia	100%	100%

12 Statutory auditor

- 12.1 BDO LLP (**BDO**), whose registered address is at 55 Baker Street, London, W1U 7EU, United Kingdom, has been appointed as the statutory auditor to the Company. BDO has prepared the accountants' report in Section A of Part 6 of this document. BDO is registered to perform audit work by the Institute of Chartered Accountants in England and Wales.

12.2 The annual accounts of the Group have been audited for the financial periods ended 31 July 2022 and 31 July 2023 by Haines Watts, of Northern Assurance Buildings, 9-12 Princess Street, Manchester, M2 4DN and for the financial period ended 31 July 2024 by BDO. Auditors' reports in respect of each statutory accounts for the financial periods ended 31 July 2022, 31 July 2023 and 31 July 2024 have been made and each such report was an unqualified report. The statutory accounts for the financial period ended 31 July 2024 were signed on 11 October 2024.

13 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this document which are, or may be, material to the Company or any member of the Group; or (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this document:

13.1 Shareholders' Agreement

On 7 May 2021, the Company, its founder, Thomas Ryder, and other Shareholders Steven Granite, JD Sports and Blythe Investments entered into a shareholders' agreement (**Shareholders' Agreement**) which was later varied on 31 January 2024. Peter Alan Cowgill, Alun Peacock and Scate Limited adhered to the Shareholders' Agreement on 18 April 2024, 6 June 2024 and 7 June 2024 respectively following the transfer of shares to them. The Shareholders' Agreement contains customary provisions governing, *inter alia*, certain consent matters, shareholder information rights and restrictions on the transfer of shares. The Shareholders' Agreement further provides that the holders of the B ordinary shares shall be entitled to appoint up to two non-executive directors of the Company.

The Shareholders' Agreement will terminate with immediate effect on (but conditional upon) an Exit (as defined therein, which includes a Listing, also defined therein). A deed terminating the Shareholders' Agreement will be entered into on Admission.

13.2 US Shareholders' Agreement

Pursuant to his employment agreement with AN USA, the Group's US CEO, Aaron Heidebreicht, is entitled to share options in AN USA amounting to 10% of the capital value of AN USA. The US CEO has the ability to sell one third of the shares per annum from 4 years' service and thereafter to the Company under a put and call option set at 7 times EBITDA of AN USA, less the investment costs and calculated on a cash free, debt free and normalized working capital basis.

On 4 June 2024, the US CEO entered into a shareholders' agreement with AN USA and the Company (**US Shareholders' Agreement**) which triggered the share options detailed in the US CEO's employment agreement. The US Shareholders' Agreement sets out that the Company holds 40,000 class A non-voting shares and 50,000 class B voting shares (together, 90% of the shareholding), and the US CEO holds 10,000 class A non-voting shares (being 10% of the shareholding).

The US Shareholders' Agreement also contains, *inter alia*, the following key provisions:

- **Restrictions on Transfer.** The US CEO may not transfer, sell, pass, assign, gift, exchange, distribute, transfer, pledge, mortgage, encumber or dispose of his shares except with the written consent of AN USA and the Company.
- **Put Option.** The US CEO has the right to require the Company to purchase his shares subject to certain provisions. As detailed above, the US CEO may exercise the put option for one third of his shares after completing a minimum of 4 years' service.
- **Drag Along Rights.** In the event that an offer is received and accepted for the sale of the entire issued share capital of the Company or AN USA, the Company may require the US CEO to sell all of his shares in AN USA in consideration for a pro-rata portion of the purchase price.

- **Buyback Option.** The US Shareholders' Agreement contains provisions which allow the Company or AN USA to purchase all of the US CEO's shares in AN USA, including, *inter alia*, the right for either entity to exercise this option on or after 1 March 2030 with regard to such shares then owned by the US CEO.

13.3 US Phantom Stock Option

One of the Group's employees moved to a role in the US as part of their ongoing duties to the Group. Subject to certain conditions, under the terms of their employment contract with AN USA, they are entitled to receive up to 1% sweet equity in AN USA pursuant to a phantom stock plan. Under the US Phantom Stock Option arrangement, the employee is not issued shares in AN USA. Instead, they are entitled to an exit bonus of 0.5% of the equity proceeds if AN USA is sold before reaching an EBITDA of \$2 million, or 1% of the equity proceeds if this \$2 million EBITDA target is achieved.

13.4 Co-existence Agreement

On 26 April 2023, the Company entered into a co-existence and settlement agreement with Irwin Naturals and 5310 Holdings LLC (**Co-existence Agreement**) whereby the parties agreed to settle, compromise, and resolve certain matters in respect of the Company's use of the word combination 'applied nutrition' on the Company's products, sold, shipped and/or distributed in the United States and Canada, on the basis of, *inter alia*, infringement of Irwin Naturals' and 5310 Holdings LLC's trademark rights.

Pursuant to the terms of the Co-existence Agreement:

- the Company agrees not to use the word combination "applied nutrition" on the Company's products sold, shipped and/or distributed in the United States and Canada on the basis that 5310 Holdings LLC owns (and Irwin Naturals exclusively licenses) the APPLIED NUTRITION and APPLIED NUTRITION DESIGN trademarks and APPLIED NUTRITION registrations in the United States and Canada in association with vitamins, dietary, nutritional and herbal supplements;
- Irwin Naturals and 5310 Holdings LLC agree not to object to:
 - the adoption or use and/or registration of the trademark "AN" in association with dietary and nutritional supplements by the Company in the United States and/or Canada provided that the Company agrees not to use certain prescribed features as part of its trade mark; and
 - the use and registration by the Company in the United States and Canada of the "AN" trademark and image (which is now registered).

13.5 Revolving Facility Agreement

On 14 October 2024, the Company entered into a sterling revolving credit facility agreement with The Royal Bank of Scotland Plc (**RCF**). The purpose of the RCF is for general corporate and working capital purposes of the Group as well as to finance permitted acquisitions and capital expenditure of the Group. The quantum of the RCF is £10,000,000 with an uncommitted accordion option for up to £10,000,000. The terms of the RCF include: (i) the Company as initial borrower, (ii) a term of 36 months, (iii) the margin being 1.7% above SONIA, (iv) the provision of quarterly financial information and an annual budget, (v) a net leverage covenant set at 2:1 (total debt to adjusted EBITDA) and interest cover (EBITDA to net finance charges) set at 3:1, (vi) the provision of guarantees by certain Group companies that become material from time to time in respect of the obligations under the RCF and (vii) secured by all asset security granted by the Company and certain other material Group companies. The Company can terminate the RCF at any time without penalty and therefore, if other forms of debt finance are more commercially beneficial, the Company can do so and utilise those other forms without charge.

13.6 Underwriting and Sponsor's Agreement

On 15 October 2024, the Company, the Selling Shareholders, the Directors, and Deutsche Numis entered into the Underwriting and Sponsor's Agreement. Pursuant to the Underwriting and Sponsor's Agreement:

- (a) the Company has confirmed the appointment of Deutsche Numis as sponsor, sole bookrunner and underwriter in connection with the application for Admission and the Offer;
- (b) each of the Selling Shareholders has, severally, agreed, subject to certain conditions, to sell, at the Offer Price, the Offer Shares in connection with the Offer and have confirmed the appointment of Deutsche Numis to sell the Offer Shares on their behalf;
- (c) Deutsche Numis has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for (or itself to purchase) the Offer Shares pursuant to the Institutional Offer in accordance with the terms and conditions in the Underwriting and Sponsor's Agreement;
- (d) the Selling Shareholders have severally agreed to pay commission to Deutsche Numis in respect of the Offer Shares from the gross proceeds of the Institutional Offer based on the aggregate of the Offer Price of the number of Shares sold by each Selling Shareholder;
- (e) the Company will pay the costs and expenses of, and incidental to, the admission and the arrangements as referred to in the Underwriting and Sponsor's Agreement;
- (f) the obligations of Deutsche Numis under the Underwriting and Sponsor's Agreement are subject to certain conditions. These conditions include the absence of any breach of representation or warranty and Admission occurring on or before 8.00 am (London time) on 29 October 2024 (or such later time and/or date as Deutsche Numis and the Company may agree). In addition, Deutsche Numis has the right to terminate the Underwriting and Sponsor's Agreement, exercisable in certain circumstances prior to Admission;
- (g) the Selling Shareholders have severally agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of the Offer Shares;
- (h) each of the Company, the Directors and the Selling Shareholders has given certain representations, warranties and undertakings, subject to certain limits, to Deutsche Numis;
- (i) the Company and the Selling Shareholders have given an indemnity to the Deutsche Numis on customary terms;
- (j) the parties to the Underwriting and Sponsor's Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions; and
- (k) the Underwriting and Sponsor's Agreement contains lock-up provisions described in more detail in paragraph 13.7 below.

13.7 Lock-in arrangements

Pursuant to the terms of the Underwriting and Sponsor's Agreement, each of the Company, the Selling Shareholders and the Directors has agreed to certain lock-in arrangements with Deutsche Numis.

For a six month lock-in period from the date of Admission, each of the Selling Shareholders has agreed that, subject to certain customary exceptions, it will not offer, sell or contract to sell, or otherwise dispose of, any Shares (or any interest therein or in respect thereof) that it may hold, or enter into any transaction with the same economic effect as any of the foregoing. For the six month period thereafter, each of the Selling Shareholders has agreed not to dispose of any Shares (or any interest therein or in respect thereof) that it may hold other than through Deutsche Numis (for so long as Deutsche Numis is engaged as the Company's broker) provided that certain terms agreed between the Selling Shareholders and Deutsche Numis relating to such a disposal are met.

For a 12 month lock-in period from the date of Admission, each of the Directors has agreed that, subject to certain customary exceptions, they will not offer, sell or contract to sell, or otherwise dispose of, any Shares (or any interest therein or in respect thereof) that they may hold, or enter into any transaction with the same economic effect as any of the foregoing. For the 12 month period thereafter, they have each agreed not to dispose of any Shares (or any interest therein or in respect thereof) that they may hold other than through Deutsche Numis (for so long as Deutsche Numis is engaged as the Company's broker) provided that certain terms agreed between the Directors and Deutsche Numis relating to such a disposal are met.

Pursuant to the terms of the Lock-Up Deed, Peter Alan Cowgill has agreed with the Company and Deutsche Numis that, subject to certain customary exceptions, for a six month lock-in period from the date of Admission, he will not offer, sell or contract to sell, or otherwise dispose of, any Shares (excluding any Shares acquired by him pursuant to the RetailBook Intermediaries Offer) (or any interest therein or in respect thereof) that he may hold, or enter into any transaction with the same economic effect as any of the foregoing. For the six month period thereafter, Peter Alan Cowgill has agreed not to dispose of any Shares (excluding any Shares acquired by him pursuant to the Retail Offer) (or any interest therein or in respect thereof) that he may hold other than through Deutsche Numis (for so long as Deutsche Numis is engaged as the Company's broker) provided that certain terms agreed between Peter Alan Cowgill and Deutsche Numis relating to such a disposal are met.

13.8 CWR Agreement

On 26 September 2024, the Company entered into a brand ambassador agreement with CWR 2021 Limited (**CWR**), a company owned by Coleen and Wayne Rooney (**CWR Agreement**). Under the CWR Agreement, CWR shall, in exchange for a fee to be paid by the Company to CWR, procure that Coleen Rooney provides various services to the Company in order to promote the Company's brand and endorsement of the Company's products. The Company has undertaken to CWR to design, develop and launch, in collaboration with Coleen Rooney, a range of products. Under the CWR Agreement, CWR has the right, but not the obligation, to purchase Offer Shares as part of the Offer. The Company understands that it is CWR's intention to exercise this right.

13.9 Cornerstone Investment Agreements

On 15 October 2024, the Company entered into agreements (Cornerstone Investment Agreements) with each of Boulder Investco Limited (an investment vehicle of Mohsin Issa), Harrock Capital Partners (an investment vehicle of William Ainscough), T J Morris (Investments) Ltd (an investment vehicle of Tom Morris) and George Downing (Cornerstone Investors), pursuant to which Boulder Investco Limited agreed to purchase (via its appointed Intermediary) £10,000,000 of Offer Shares, Harrock Capital Partners agreed to purchase (via its appointed Intermediary) £4,000,000 of Offer Shares, T J Morris (Investments) Ltd agreed to purchase (via its appointed Intermediary) £6,000,000 of Offer Shares and George Downing agreed to purchase (via its appointed Intermediary) £5,000,000 of Offer Shares, in each case as part of the RetailBook Intermediaries Offer and at the Offer Price. The obligation of the Cornerstone Investors to purchase such Offer Shares in the RetailBook Intermediaries Offer is conditional upon, amongst other things, the Offer Price having been agreed in accordance with the terms of the Underwriting and Sponsor's Agreement, and the Cornerstone Investment Agreements will terminate if such conditions have not been fulfilled or, in certain circumstances, waived by the relevant Cornerstone Investor on or prior to Closing. The Cornerstone Investment Agreements contain customary warranties, undertakings and confirmations from the Cornerstone Investors and the Company.

14 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had, significant effects on the Company's and/or the Group's financial position or profitability.

15 Related party transactions

- 15.1 Save as set out below and in note 26 of the Historical Financial Information in Part 6 of this document, there are no related party transactions that were entered into by members of the Group during the period covered by the Historical Financial Information or during the period from 31 July 2024 to 15 October 2024, being the date of this document.
- 15.2 The Company maintains a customer relationship with JD Sports Gyms Limited, a wholly owned subsidiary of the Company's Shareholder, JD Sports. No formal contract exists between the Company and JD Sports Gyms Limited however sales to JD Sports Gyms Limited are made on an arm's length basis.

16 Investments and joint ventures

- 16.1 The Company currently has no material investments (in progress or planned for the future on which the Directors have made firm commitments or otherwise) other than the subsidiaries listed in paragraph 11 above.
- 16.2 The Company does not hold a proportion of the capital in any joint venture or undertakings, which is likely to have a significant effect on the assessment of its assets, liabilities, financial position or profits and losses, other than the subsidiaries listed in paragraph 11 above.

17 Working capital

In the opinion of the Company, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months following the date of this document.

18 No significant change

- 18.1 Save as set out below, there has been no significant change in the financial position or financial performance of the Group since 31 July 2024, the date to which the Historical Financial Information in Part 6 of this document was prepared.
- 18.2 The Group will declare and pay the Pre-Admission Dividend conditional on, and with effect from immediately prior to, Admission. The impact of which on the Group's consolidated statement of financial position will be a reduction in retained earnings and a corresponding reduction in cash and cash equivalents, both equivalent to the value of the Pre-Admission Dividend.

19 Mandatory bids and compulsory acquisition rules relating to Shares

Other than as provided by the Takeover Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

19.1 Rule 9 of the Takeover Code

- (a) The City Code on Takeovers and Mergers (**Takeover Code**) administered by the Panel on Takeovers and Mergers (**Panel**) applies to the Company. Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.
- (b) Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.
- (c) An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any

interest in shares of the company during the 12 months prior to the announcement of the offer.

- (d) Under the Takeover Code, shareholders in a private company who in connection with an initial public offering of that company become shareholders in a company to which the Takeover Code applies (such as the Company) will generally be presumed to be acting in concert with each other. The Company has agreed with the Panel that the following persons, due to their personal and business relationships, are acting in concert in relation to the Company: Thomas Ryder and Steven Granite (the **Concert Party**). No other current shareholders in the Company, nor the EBT referred to in paragraph 10.4 of this Part 10, are considered to be acting in concert with any other current shareholder in the Company.
- (e) Immediately following Admission and subject to participation in the Offer by Participants, the Concert Party's aggregate interests in Shares will be between a minimum of 87,500,000 Shares, (representing a minimum of 35.0% of the voting rights of the Company) and a maximum of 157,410,295 Shares, (representing a maximum of 63.0% of the voting rights of the Company).
- (f) As Executive Directors, Thomas Ryder and Steven Granite are eligible to participate in the Company's employee incentive schemes. Under the Incentive Plan (the terms of which are summarised in paragraph 10.3 of this Part 10), the award granted at Admission (which is detailed in sub-paragraph (g) below) and each of the awards granted (it is expected, annually) thereafter will give Thomas Ryder and Steven Granite the right, if performance and other conditions are subsequently satisfied, to receive payments equal to up to 200% of his annual basic salary (such salary being as at the date of grant), with one-third of that award satisfied in cash and the other two-thirds satisfied by the purchase of Shares in the market for him and/or via the issue of additional Shares by the Company (the issue price of such Shares being the equivalent of the prevailing market price of the Shares). As the future market price(s) at which Shares would be purchased or issued cannot be predicted, it is not possible to state the maximum number of Shares which the Concert Party might receive after Admission pursuant to the Incentive Plan. The entitlement of a member of the Concert Party to Shares is, however, capped by reference to his annual basic salary for the time being and the two-thirds limit on Shares which can be purchased for, and/or issued to, him. The receipt by members of the Concert Party of any such Shares may, at that time, increase the Concert Party's percentage interest in the voting share capital of the Company.
- (g) At Admission, Thomas Ryder and Steven Granite will be awarded the right, if performance and other conditions are subsequently satisfied, to receive payments of up to £700,000 and £500,000 respectively (being 200% of their respective annual basic salaries at Admission), with one-third of each such payment being satisfied in cash and the other two-thirds being satisfied by the purchase of Shares in the market for them and/or via the issue of additional Shares by the Company (the issue price of such Shares being the equivalent of the prevailing market price of the Shares) (such awards being the **Admission Award**). If, at the time when any such purchase is made and/or any Shares are issued, the price at which those Shares are purchased (and/or issued) is the same as the Offer Price at the bottom of the Indicative Price Range, the maximum number of Shares which Thomas Ryder would receive pursuant to the Admission Award is 343,137 and the maximum number of Shares which Steven Granite would receive pursuant to the Admission Award is 245,098.

- (h) A table showing the respective individual interests in Shares of the members of the Concert Party on Admission and the maximum number of Shares each member of the Concert Party would be entitled to receive pursuant to the Admission Award is set out below:

Name	Number of Shares immediately following Admission	Percentage of voting rights immediately following Admission	Maximum number of Shares that can be received pursuant to the Admission Award
Thomas Ryder	Between a minimum of 75,000,000 and a maximum of 133,835,295	Between a minimum of 30.00% and a maximum of 53.53%	343,137
Steven Granite	Between a minimum of 12,500,000 and a maximum of 23,575,000	Between a minimum of 5.00% and a maximum of 9.43%	245,098

- (i) Following Admission and subject to participation in the Offer by Participants:
- (i) if the members of the Concert Party are interested in Shares carrying more than 30% of the voting rights of the Company but will not hold Shares carrying more than 50% of the voting rights of the Company, for so long as they continue to be acting in concert, any increase in their aggregate interest in Shares, apart from pursuant to the arrangements described in paragraphs 19.1(f) and (g) of this Part 10, will be subject to the provisions of Rule 9; or
 - (ii) if the members of the Concert Party are interested in Shares carrying more than 50% of the voting rights of the Company, for so long as they continue to be acting in concert, they may increase their aggregate interests in Shares without incurring any obligation to make an offer under Rule 9, although individual members of the Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.
- (j) The receipt of Shares by members of the Concert Party pursuant to the arrangements described in paragraphs 19.1(f) and (g) of this Part 10 would normally trigger an obligation for an offer to be made under Rule 9. However, the Panel has confirmed that, on account of the disclosures in this paragraph 19.1, neither the receipt by Thomas Ryder of up to 343,137 Shares nor the receipt by Steven Granite of up to 245,098 Shares, in each case pursuant to the Admission Awards and whether by the purchase of Shares for them and/or the issue of new Shares to them, will trigger the obligation under Rule 9. The Company may make further such awards to Thomas Ryder and Steven Granite in the future as part of their remuneration. In respect of any such subsequent award, the Company would seek a waiver from the Panel of the application of Rule 9, subject to a vote of independent shareholders, prior to making the award.
- (k) When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested is treated as an acquisition of interests in shares which is relevant for the purpose of Rule 9. Rule 37 provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure on the lines of that set out in Appendix 1 of the Takeover Code is followed.
- (l) The Company may, at future annual general meetings, seek the customary shareholder authority to make on-market purchases of its own shares. In seeking any such authority, Rule 37 would apply but the Company would seek a waiver from the Panel of the resulting Rule 9 obligation to make a general offer, subject to a vote of independent shareholders.

19.2 Authority of the Company to redeem or purchase its own shares

When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. Rule 37 of the Takeover Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the Takeover Code is followed. Appendix 1 to the Takeover Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the Takeover Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders' authority for any such purchase.

Under Note 2 on Rule 37 of the Takeover Code, the exception in Note 1 on Rule 37 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 generally will not be relevant unless the relevant person knows that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30% or more but do not hold shares carrying more than 50% of the voting rights of a company, or may become interested in 30% or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30% or more, or may be increased to 30% or more on full implementation of the proposed purchase by the company of its own shares.

19.3 Squeeze-out rules

Under the Companies Act, if a "takeover offer" (as defined in Section 974 of the Companies Act) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the shares to which such offer relates, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to the outstanding members informing them that it will compulsorily acquire their shares and, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration for the outstanding shares to the Company which would hold the consideration on trust for the relevant members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

19.4 Sell-out

The Companies Act also gives minority members 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 in the Company 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% in value of the shares and not less than 90% of the voting rights carried by the shares in the Company, 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 would be required to give any member notice of his or her right to be bought out within one

month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his or her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

20 Consents

- 20.1 BDO LLP, which is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales, has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report set out in Section A of Part 6 of this document in the form and context in which it appears and has authorised the contents of this document which comprise its reports for the purposes of item 1.3 of Annex 1 of the Prospectus Delegated Regulation and Prospectus Regulation Rule 5.3.2R(2)(f).
- 20.2 Euromonitor International Ltd, with registered office at 60-61 Britton Street, London EC1M 5UX, has given and not withdrawn its written consent to the inclusion in this document of the information from the Euromonitor Report which has been sourced to Euromonitor (**Euromonitor Information**) and authorised the contents of the Euromonitor Information for the purpose of this document. For the purposes of Prospectus Regulation Rule 5.3.2(2)(f), Euromonitor accepts responsibility for the inclusion in this document of the Euromonitor Information. To the best of the knowledge of Euromonitor, the Euromonitor Information is in accordance with the facts and makes no omission likely to affect its import at the time of approval and publication. This declaration is included in this document in compliance with paragraph 1.2 of Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

21 Intermediaries

- 21.1 The Intermediaries authorised at the date of this document to use this document in connection with the RetailBook Intermediaries Offer are AJ Bell, Hargreaves Lansdown and interactive investor. Any new information with respect to financial intermediaries unknown at the time of publication of this document, including in respect of (a) any intermediary financial institution that is appointed by the Company in connection with the RetailBook Intermediaries Offer after the date of this document, following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions and (b) any Intermediary that ceases to participate in the RetailBook Intermediaries Offer, will be made available (subject to certain restrictions) on the Company's website at www.appliednutritionplc.com.
- 21.2 The Intermediaries Terms and Conditions regulate the relationship between the Company, the Selling Shareholders, the RetailBook Intermediaries Offer Co-ordinator and each of the Intermediaries that has been accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.
- 21.3 The Intermediaries have agreed that, in connection with the RetailBook Intermediaries Offer, they will be acting for themselves or as agent for retail equity investors in the United Kingdom who may wish to acquire Offer Shares under the RetailBook Intermediaries Offer. None of the Company, the Selling Shareholders or the RetailBook Intermediaries Offer Co-ordinator will have any responsibility for any liability, costs or expenses incurred by any Intermediary.
- 21.4 By accepting the Intermediaries Terms and Conditions, the Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Offer Shares of the aggregate amount submitted to the RetailBook Intermediaries Offer Co-ordinator or such less amounts in respect of which such application may be accepted. The Company, the Selling Shareholders and Deutsche Numis reserve the right to reject, in whole or in part, or to scale down, any application for Offer Shares in the RetailBook Intermediaries Offer.
- 21.5 The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the RetailBook Intermediaries Offer (both prior to and following publication of this document). The Intermediaries have given certain undertakings regarding their role and responsibilities in the RetailBook Intermediaries Offer and are subject

to certain restrictions on their conduct in connection with the RetailBook Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

21.6 The Intermediaries have given representations and warranties that are relevant for the RetailBook Intermediaries Offer.

22 General

The financial information contained in this document does not amount to statutory accounts within the meaning of Section 434(3) of the Companies Act. Full audited accounts have been delivered to Companies House for the Company for the financial years ended 31 July 2022, 31 July 2023 and 31 July 2024.

23 Documents available for inspection

Copies of the following documents will be available on the Company's corporate website, at www.appliednutritionplc.com for a period of 12 months following the date of this document:

- (a) the Articles;
- (b) the Historical Financial Information of the Group in respect of the three financial years ended and as at 31 July 2022, 31 July 2023 and 31 July 2024, together with the related accountants' report from BDO LLP, which are set out in Part 6 of this document;
- (c) the Euromonitor Report;
- (d) the consent letters referred to in paragraph 20 (*Consents*) above; and
- (e) this document.

For the purposes Prospectus Regulation Rule 3.2.2, this document will be published in electronic form and available on the Company's corporate website, at www.appliednutritionplc.com, subject to certain access restrictions.

Dated 15 October 2024

PART 11

DEFINITIONS

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

ABE	Applied Nutrition's "All Black Everything" range
Admission	the proposed admission of the Shares to the equity shares (commercial companies) category of the Official List and to trading on the London Stock Exchange's main market for listed securities, in respect of which the Company intends to make applications in due course
AN USA	AN USA Holdings Inc.
Articles	the articles of association of the Company which will be in force as at Admission, a summary of which is set out in paragraph 4 (Articles of Association) of Part 10 of this document
Audit and Risk Committee	the audit and risk committee established by the Board
BDO	BDO LLP
Board	the board of directors of the Company
Business Day	a day (excluding Saturdays, Sundays and public holidays) on which banks are open in London for the transaction of normal banking business
Chair	the chair of the Board
Co-existence Agreement	the co-existence agreement as further described in paragraph 13.4 of Part 10 of this document
Companies Act	Companies Act 2006
Company or Applied Nutrition	Applied Nutrition plc, a public limited company incorporated in England and Wales with registered number 09131749 and having its registered office at 2 Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UG
Concert Party	has the meaning given in paragraph 19.1(d) of Part 10 of this document
Cornerstone Investment Agreements	has the meaning given in paragraph 13.9 of Part 10 of this document
Cornerstone Investors	has the meaning given in paragraph 13.9 of Part 10 of this document
CWR	has the meaning given in paragraph 13.8 of Part 10 of this document
CWR Agreement	has the meaning given in paragraph 13.8 of Part 10 of this document
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & International Limited is the operator
Deferred Share Award	has the meaning given in paragraph 10.3 of Part 10 of this document
Deutsche Numis	Numis Securities Limited (trading as Deutsche Numis)
Directors	the directors of the Company as at the date of this document, whose names appear on page 30 of this document
Disclosure Committee	the disclosure committee established by the Board

Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules of the FCA made pursuant to Part VI of FSMA, as amended from time to time
EBT	has the meaning given in paragraph 10.4 of Part 10 of this document
EEA	together, the EU, Iceland, Norway and Liechtenstein
EMI Option	the outstanding tax-advantaged enterprise management incentives option, as further described in paragraph 10.1 of Part 10 of this document
EU	the European Union
EUR	the Euro, the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
Euromonitor	Euromonitor International Ltd
Euromonitor Report	has the meaning given in Part 1 of this document
Executive Directors	the executive directors of the Company
FCA	the UK Financial Conduct Authority
Financial Reporting Council	the UK Financial Reporting Council
FSMA	the Financial Services and Markets Act 2000, as amended
GBP	the British Pound, the lawful currency of the UK
GDPR	Regulation (EU) 2016/679
Group	the Company and its subsidiaries and subsidiary undertakings
Historical Financial Information	the historical financial information set out in Section B of Part 6 of this document
HMRC	HM Revenue & Customs
IFRS	International Accounting Standards as adopted by the United Kingdom
Incentive Awards	has the meaning given in paragraph 10.3 of Part 10 of this document
Incentive Plan	has the meaning given in paragraph 10.2 of Part 10 of this document
Independent Non-Executive Chair	Andy Bell
Indicative Price Range	the range of prices within which the Offer Price is expected to fall, being 136 to 160 pence per Share
Institutional Offer	the offer of Offer Shares to certain institutional and professional investors in the United Kingdom and elsewhere as described in Part 8 of this document
Intermediaries	the intermediaries listed in paragraph 21.1 of Part 10 of this document, together with any other intermediary financial institution (if any) that is appointed by the Company in connection with the RetailBook Intermediaries Offer after the date of this document and who agrees to adhere to and be bound by the Intermediaries Terms and Conditions
Intermediaries Agreement	the master intermediary agreement entered into by each Intermediary with the RetailBook Intermediaries Offer Co-ordinator together with the retail offer notice issued to Intermediaries by the RetailBook Intermediaries Offer Co-ordinator

Intermediaries Terms and Conditions	the terms and conditions agreed between the Company, the Selling Shareholders, the RetailBook Intermediaries Offer Co-ordinator and the Intermediaries in relation to the RetailBook Intermediaries Offer, and contained in the Intermediaries Agreement, a summary of which is contained in Part 8 of this document
ISIN	international securities identification number
JD Sports	JD Sports Fashion Plc
Lillie SPV	Lillie SPV Limited
Lock-Up Deed	the lock-up deed entered into between the Company, Peter Alan Cowgill and Deutsche Numis, details of which are set out in paragraph 13.7 of Part 10 of this document
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
Member State	a member state of the EEA
Nomination Committee	the nomination committee established by the Board
Non-Executive Directors	the non-executive directors of the Company
Non-IFRS Financial Measures	certain financial measures that are not defined or recognised under IFRS
Official List	the official list of the FCA
Offer	the Institutional Offer and the RetailBook Intermediaries Offer
Offer Price	the price at which each Offer Share is to be sold under the Offer
Offer Shares	the existing Shares to be sold at the Offer Price pursuant to the Offer
Options	the tax-advantaged enterprise management incentives options, as further described in paragraph 10.1 of Part 10 of this document
Order	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Participants	has the meaning given in paragraph 10.3 of Part 10 of this document
PECR	the Privacy and Electronic Communications (EC Directive) Regulations 2003
Pre-Admission Dividend	the dividend referred to in paragraphs 3.7(f) and 18.2 of Part 10 of this document
Pricing Statement	the statement expected to be published by the Company on or around 24 October 2024 in which the Offer Price, the number of Offer Shares and any other outstanding information will be announced
Prospectus Delegated Regulation	the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council
Prospectus Regulation Rules	the prospectus regulation rules of the FCA made pursuant to section 73A of FSMA, as amended from time to time
RCF	the revolving credit facility as further described in paragraph 13.5 of Part 10 of this document
Registrar	Link Group, the trading name of Link Market Services Limited
Regulation S	Regulation S under the US Securities Act

Regulatory Information Service	a regulatory information service authorised by the FCA to receive, process and disseminate regulatory information from listed companies
Remuneration Committee	the remuneration committee established by the Board
Reorganisation	the reorganisation of the Company's share capital as further described in paragraph 3.7 of Part 10 of this document
RetailBook	Retail Book Limited
RetailBook Intermediaries Offer	the offer of Offer Shares to the Intermediaries using the RetailBook portal for distribution to retail investors in the United Kingdom as described in Part 8 of this document
RetailBook Intermediaries Offer Co-ordinator	RetailBook
SDRT	stamp duty reserve tax
SEDOL	stock exchange daily official list
Selling Shareholders	Thomas Ryder, Steven Granite, JD Sports, Alun Peacock and Joe Pollard
Shareholders	the holders of Shares from time to time
Shareholders' Agreement	the shareholders' agreement as further described in paragraph 13.1 of Part 10 of this document
Share Option Plan	Applied Nutrition Share Option Plan, a discretionary share option plan established by the Company on 29 April 2022
Shares	the ordinary shares of the Company, having the rights set out in the Articles
Standards for Investment Reporting	Standards for Investment Reporting issued by the Financial Reporting Council
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act
The Vegan Kind	The Vegan Kind Limited
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council
UK GDPR	Regulation (EU) 2016/679 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by UK legislation from time to time
UK Listing Rules	the UK listing rules made by the FCA under section 73A(1) of FSMA
UK Market Abuse Regulation	Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by UK legislation from time to time
UK Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by UK legislation from time to time
Underwriting and Sponsor's Agreement	the underwriting and sponsor's agreement entered into between the Company, the Selling Shareholders, the Directors, and Deutsche Numis, details of which are set out in Part 8 of this document and further described in paragraph 13.6 of Part 10 of this document
US or United States	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

US CEO	Aaron Heidebreicht
US Exchange Act	US Securities Exchange Act of 1934, as amended
US Phantom Stock Option	the phantom stock option granted to an Applied Nutrition employee pursuant to their employment contract with AN USA, as further described in paragraph 13.3 of Part 10 of this document
US Securities Act	the US Securities Act of 1933, as amended
US Shareholders' Agreement	the shareholders' agreement as further described in paragraph 13.2 of Part 10 of this document
USD	the US Dollar, the lawful currency of the US

PART 12

GLOSSARY

B2B	business-to-business
CAGR	compound annual growth rate
D2C	direct to consumer
DDP	delivered duty paid
EBITDA	earnings before interest, taxes, depreciation, and amortisation
EHS	environmental and health and safety
FMCG	fast-moving consumer goods
FY	financial year of the Company, and FY followed by a year means the financial year of the Company ended or ending in that year, for example FY24 means the financial year of the Company ended in 2024
Incoterms®	International Commercial Terms, a series of pre-defined commercial terms published by the International Chamber of Commerce relating to international commercial law
KPIs	key performance indicators
NPD	new product development
RTD	ready-to-drink
R&D	research and development
SID	senior independent director
SKU	stock keeping unit

SCHEDULE OF CHANGES

The registration document published by the Company on 30 September 2024 (**Registration Document**) contained the information required to be included in a registration document for equity securities by Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 (supplementing Regulation (EU) 2017/1129) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**PR Regulation**). This document, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 to the PR Regulation (**Securities Note**) and summary information for equity securities as prescribed by Article 7 of the UK Prospectus Regulation (**Summary**). This document updates and replaces in whole the Registration Document. Any investor participating in the Offer should invest solely on the basis of this document, together with any supplement thereto.

This schedule of changes to the Registration Document (**Schedule of Changes**) sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in this document unless otherwise defined herein.

The purpose of this Schedule of Changes is to:

- highlight material changes made in this document, as compared to the Registration Document;
- highlight the new disclosure made in this document to reflect information required to be included in a Securities Note; and
- highlight the new disclosure made in this document to reflect information required to be included in a Summary.

1 Registration Document changes

- 1.1 The risk factor “The Group may have difficulties implementing elements of its growth strategy, which could have a material adverse effect on the Group’s business and results of operations” has been amended to add reference to the RCF.
- 1.2 Risks relevant once the Company is a public company have been added within the Risk Factors under the heading “*Risks relating to the Offer*” on pages 22 to 24 of this document.
- 1.3 The section entitled “*Directors, Company Secretary, Registered Office and Advisers*” on page 17 of the Registration Document has been updated in this document to reflect the details of the advisers connected to the Offer. Please see page 30 of this document.
- 1.4 A footnote has been added to the reference to Molly “Meatball” McCann in the section entitled “*Business description*” on page 33 of the Registration Document to reflect the fact that that partnership is historic. Please see page 49 of this document.
- 1.5 A new paragraph has been added to the section entitled “*Manufacturing*” of the “*Business description*” section on page 35 of the Registration Document to reflect the potential for a patent to be granted to the Company. Please see page 51 of this document.
- 1.6 Paragraphs 2 entitled “*Incorporation*” and 3 entitled “*Share capital*” of the “*Additional Information*” section on pages 110 to 112 of the Registration Document have been updated in this document to reflect the reorganisation conducted after the date of the Registration Document and prior to the date of this document and add further details of the reorganisation to be conducted before Admission and the Pre-Admission Dividend. Please see pages 152 to 156 of this document.
- 1.7 Paragraph 7 entitled “*Significant Shareholders’ interests in the Company*” of the “*Additional Information*” section on page 121 of the Registration Document has been updated in this document to reflect the expected interests in the share capital of the Company of significant shareholders of the Company immediately prior to and immediately following Admission. Please see page 166 of this document.
- 1.8 Paragraph 12 entitled “*Statutory auditor*” of the “*Additional Information*” section on pages 129 to 130 of the Registration Document has been updated in this document to reflect the fact that

the statutory accounts of the Company for the financial period ended 31 July 2024 have been signed. Please see page 175 of this document.

- 1.9 Changes have been made to paragraph 13 entitled “*Material contracts*” of the “*Additional Information*” section on pages 130 to 131 of the Registration Document, including the addition of the Underwriting and Sponsor’s Agreement and lock-up arrangements, the CWR Agreement and the RCF. Please see pages 175 to 178 of this document. The Underwriting and Sponsor’s Agreement and lock-up arrangements are also discussed elsewhere in this document, as well as on pages 138 to 139 of this document.
- 1.10 Paragraph 18 entitled “*No significant change*” of the “*Additional Information*” section on page 132 of the Registration Document has, in addition to being re-numbered as paragraph 18, been updated in this document to reflect the Pre-Admission Dividend. Please see page 179 of this document.

2 Securities Note Information

- 2.1 A new section entitled “*Risks relating to the Offer*” has been added into this document to describe the risks relating to the Offer and the Shares, including risks relating to the liquidity or trading price of the Shares, dilution risks, and risks relating to Shareholders in the United States. Please see pages 22 to 24 of this document.
- 2.2 New sections entitled “*Expected Timetable of Principal Events and Offer Statistics*” and “*Details of the Offer*” have been added into this document, describing the means through which the Offer Shares will be offered to institutional investors and Intermediaries pursuant to the Offer. Please see pages 31 to 32 and pages 127 to 147 of this document. The “*Details of the Offer*” disclosure also includes: (i) the arrangements entered into between the Company and Deutsche Numis, among other parties, pursuant to which Deutsche Numis has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for or, failing which, to itself purchase the Offer Shares pursuant to the Institutional Offer; and (ii) the lock-up arrangements that have been entered into or will be entered into ahead of Admission.
- 2.3 A new section entitled “*Capitalisation and Indebtedness*” has been added into this document, describing the consolidated capitalisation and indebtedness of the Group as at 31 July 2024. Please see pages 125 to 126 of this document.
- 2.4 A new section entitled “*Taxation*” has been added into this document to provide a general guide to certain UK tax considerations relevant to the acquisition, ownership and disposition of Shares. Please see pages 148 to 151 of this document.
- 2.5 A new paragraph entitled “*Working capital*” has been added into this document, confirming the adequacy of the Group’s working capital. Please see page 179 of this document.
- 2.6 A new paragraph entitled “*Mandatory bids and compulsory acquisition rules relating to Shares*” has been added into this document, describing rules and provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company. Please see pages 179 to 183 of this document.
- 2.7 A new paragraph entitled “*Intermediaries*” has been added into this document reflecting certain details of the RetailBook Intermediaries Offer. Please see pages 183 to 184 of this document.

3 Summary information

- 3.1 A new section entitled “*Summary*” has been added into this document, to reflect the addition of a Summary as required by Article 7 of the UK Prospectus Regulation. Please see pages 8 to 14 of this document.

