

Leicester Football Club Plc – Draft Chairman’s Statement for 2020 AGM

Dear Shareholders,

The last year has been challenging in almost every respect and the 2019/20 season was extremely disappointing for us all.

Last summer, we launched a strategic review of the business and sought new investors with the drive and ambition to take the Club forward. Whilst pleased with the level of interest in the Club, the Board did not feel that any of potential investor recognised the true value and potential of Tigers.

Our performance on the pitch was disappointing. Whilst proud of the 10 players we sent to the World Cup, their absence was noticeable at the start of the season and inevitably impacted the team’s strength and depth. Sadly, we failed to recover from the poor start and finishing in 11th place is not acceptable to your Board, our supporters, shareholders or any of our other stakeholders.

Following an in-depth review of the squad and its coaching set-up, we appointed Steve Borthwick as Head Coach and Aled Walters as Head of Physical Performance. Their influence is already being felt. I am confident that we now have the right people in place to recover our position as one of Europe’s top clubs.

Whilst these challenges were significant enough on their own, Tigers has also endured the near-existential crisis of Covid-19.

The pandemic’s spread, measures to contain it and resurgences during 2020 have had a crushing impact on the Club. Our priorities then, as now, have been the safety of players, staff and ensuring the Club’s business endures the crisis and is capable of facing the future.

We took prompt action to identify and implement cost savings, including renegotiating player contracts, reducing salaries and, regrettably, making a number of staff redundant. It was disappointing that this resulted in such negative and often inaccurate media coverage, which did little to help discussions with employees and stakeholders.

Making people redundant is never easy and is especially heartbreaking when so many of them have been part of Tigers for so long and are let go in such difficult economic circumstances. I thank them all for everything they have done for the Club over many years and express my admiration for the calm and supportive way in which they accepted the situation. My hope is that, when business returns to normal, we may be able to offer new roles to at least some of these people.

I cannot praise too highly our remaining members of staff who have worked long hours in difficult circumstances and, in many cases, on reduced salaries throughout much of this year. Without them, we would have struggled to keep the Club functioning properly.

As a public company, we have a responsibility to our shareholders to be as efficient as possible in all areas. Throughout the 2019/20 financial year and beyond, we have continued to look at ways of saving costs and generating income. Many season ticket holders have declined a refund and have left their money with the Club to be offset against payment of season tickets for the new season. Whilst Holland & Barrett’s term as our main partner came to an end in June, our other sponsors have continued to support the Club, not only financially but also with offers of help in other areas. We are delighted to welcome Topps Tiles as our new main partners and the Board is deeply grateful for the continued support of all partners in these difficult times.

We had hoped to have fans back at Mattioli Woods Welford Road this autumn, but the resurgence of Covid-19 has prevented this. As the best-supported club in professional rugby, we have been hit hard by the lack of income from ticket sales and matchday hospitality. We, along with other sporting businesses and organisations in Leicester, continue to lobby the Government to allow some fans to attend matches as soon as the rate of infection has reduced to a level that makes this viable.

Special AGM arrangements

The documentation relating to this year's Annual General Meeting is in the process of being made available to shareholders. Due to the pandemic, a number of significant changes have been made to the organisation of this year's meeting. Earlier in the year, the Government introduced legislation to enable companies to restrict attendance at shareholder meetings and provide greater flexibility relating to how such meetings are held.

Your Board has considered the changes made possible by the legislation and, in order to minimise the risk to shareholders and staff, has felt it advisable to close the meeting to shareholder attendees. As a result, only a number of directors, who are also shareholders, will formally participate in the meeting, thereby enabling the necessary resolutions to be dealt with. This will ensure that we comply with the requirements of the Companies Act to hold a formal AGM within six months of our financial year end.

I appreciate this will be a disappointment to those shareholders who regularly attend our AGMs. However, you will still be able to vote on the resolutions being put to the meeting by lodging your proxy vote with our registrar, Equiniti. Please follow the instructions on your proxy card and register your vote electronically. This is a quick and easy process that reduces the handling of hard copy proxy cards and saves postage costs, too.

I also urge you to register to receive future shareholder correspondence via email. This, again, is an easy process which you can complete by logging into Equiniti's website and following this link: <https://www.shareview.co.uk>.

We have additionally set up an email address, AGMQuestions@tigers.co.uk, for questions that would normally have been put to the meeting. This email address goes live on Thursday 26 November until Wednesday 16 December. Questions and answers will be available to view on the AGM page of our website, www.leicestertigers.com/agm. Please note that the directors reserve the right not to answer frivolous questions and to group together questions which relate to a single topic.

You will also see from the notice of the meeting that we will not be laying the accounts before shareholders at the AGM. Temporary legislation, introduced as a result of the pandemic, gives public companies up to nine months to publish their accounts. Your Board has decided to take advantage of this time extension and will delay finalising the annual report and financial statements for the financial year ending 30 June 2020 until March 2021 as the delay will provide us with extra time to assess the impact of the pandemic on our business.

We will hold a further shareholder meeting in March 2021 when the accounts will be available to shareholders. It is my sincere hope that, by that time, the restrictions introduced to reduce the spread of the virus will have eased, enabling shareholders to attend this meeting.

I am sorry that I will not see you at the AGM on 17 December, but I trust these arrangements will enable an appropriate level of accountability and scrutiny whilst enabling all concerned to stay safe and well.

In conclusion, this has been a year I am sure we would all rather forget. I believe we have come through the worst of the pandemic and have much to be optimistic about. As life returns to normal we can resume our efforts to put Tigers in its rightful place at the top of the domestic and European game.

Peter W G Tom, CBE
Chairman