FOOD DELIVERY BRANDS

Information Release

2 May 2023

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Key Refinancing and Recapitalization Terms Agreed

- Food Delivery Brands Group S.A. (“**FDB**”) is pleased to announce that it has agreed key commercial terms of a refinancing and recapitalisation of the company and its subsidiaries (together, the “**Recapitalisation**”) pursuant to the framework agreement (the “**Framework Agreement**”) between FDB, its major shareholders and holders representing c. 81% of Foodco Bondco S.A.U.’s existing 6¼% senior secured notes (ISINs: XS1990733898 and XS1990734359, the “**Existing SSNs**”).
- Key terms of the Recapitalisation contemplate:
  - a reduction of the principal amount owing to holders of the Existing SSNs by up to c. two thirds via an exchange for a pro rata allocation of reinstated debt maturing December 2028[1] and up to c.75% of the equity capital of FDB
  - a reduction in the principal amount of the Group’s government guaranteed bilateral loans by an amount which is economically equivalent to the treatment of the Existing SSNs; and
  - the establishment of a €60m term loan facility[2], the proceeds of which will support the Group’s working capital, refinance the interim facility established in February and pay for costs and expenses of the Recapitalisation
- FDB is currently engaged in constructive discussions with its other creditors / working capital providers to facilitate and execute the Recapitalisation via a Spanish homologation.
- In light of the proposed Recapitalisation, the indenture governing the Existing SSNs has been amended pursuant to consent from holders constituting a majority of the Existing SSNs to make certain other changes, including: (i) extending the grace period for the non-payment of interest on the Existing SSNs due on January 16, 2023 and July 17, 2023 to October 16, 2023; (ii) extending the deadline for reporting the audited financial statements for FY 2022 and the unaudited financial statements for Q1 2023 to July 31, 2023; and (iii) amending certain of the incurrence covenants providing incremental debt capacity.
- System sales continued to uptrend in 2022 (10.6% growth vs FY21 in constant currency), with a resilient adjusted EBITDA[3] performance (€58.2m, 18% decline vs FY21) despite the challenging environment. As part of the Recapitalisation process, the group has revised its business plan for the period 2022-2024. As a result, the group’s parent recorded an impairment of its investment in the FDB group of €232.2m in FY22, driving a loss for the period of €278m on a consolidated basis.
- Positive sales trend continued in Q1 FY23 (+4.2% growth in system sales[4] vs Q1 FY22 in constant currency), with adjusted EBITDA[3] above expected targets for the period.
- FDB expects a deviation in the cash flow available for debt service of c.€5-10m for 2023 compared to the previous forecast, mainly driven by an increase on non-recurring costs.

Notes: **(1)** Such reinstated debt will benefit from interest of 12.25% p.a. to be paid in cash to the extent the Group meets certain liquidity thresholds (or otherwise to be paid in kind, subject to the possibility of making partial cash payment); **(2)** The term loan facility will bear a floating interest rate of Euribor + 6.25% per annum and an upfront fee of 4% of the total commitments; **(3)** Accounting for IFRS 16. The term loan facility will rank in priority over the reinstated debt maturing December 2028 **(4)** Excluding MF Latam following the revised terms of the alliance with Yum!.