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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

15 February 2021

MITCHELLS & BUTLERS plc  
LEI no: 213800JHYNDNB1NS2W10

### **Intention to Undertake an Open Offer to Raise £350 million**

Following the announcement made by Mitchells & Butlers on 7 January 2021, regarding its intention to explore an equity capital raise, the Board of Mitchells & Butlers plc (the **“Company”**) and, together with its subsidiaries, **“Mitchells & Butlers”** or the **“Group”**), today announces that it intends to raise £350 million by means of an underwritten fully pre-emptive open offer (the **“Proposed Open Offer”**). The Proposed Open Offer will include a facility for shareholders to apply for any shares not taken up by other shareholders, up to a maximum amount depending on their existing shareholdings in Mitchells & Butlers (the **“Excess Application Facility”**).

Mitchells & Butlers has also reached agreement with its relationship banks for a new £150 million 3 year unsecured revolving credit facility (the **“Refinancing”**). The facility under the Refinancing is conditional on completion of the Proposed Open Offer. Mitchells & Butlers has also agreed a number of amendments and waivers (the **“Amendments and Waivers”**) with Ambac Assurance UK Limited as controlling creditor and HSBC Trustee (C.I.) Limited as trustee and borrower security trustee in respect of certain potential breaches under its secured debt financing arising as a result of the ongoing impact of COVID and the measures taken to stem the spread of the virus. In the event that the Proposed Open Offer is not completed, such Amendments and Waivers may be withdrawn.

Any issue of new shares by the Company requires the support of a majority of the Company’s shareholders. The Proposed Open Offer is fully supported by the Company’s major shareholders, Piedmont Inc. (**“Piedmont”**), Elpida Group Limited (**“Elpida”**), and Smoothfield Holding Ltd. (**“Smoothfield”**), who collectively hold approximately 55% of the issued share capital of the Company.

Piedmont, Elpida and Smoothfield (together the **“Consortium”**) have informed Mitchells & Butlers that they have come together as a concert party and consolidated their holdings under a newly incorporated holding company, Odyzean Limited (**“Odyzean”**) and, together with its subsidiaries, the **“Odyzean Group”**) in order to help address the significant capital needs of Mitchells & Butlers and provide a clear and consistent framework for their future relationship with the Company.

Odyzean has indicated its intention to make available the full amount of £350 million to be raised, to ensure that the Proposed Open Offer will be fully subscribed in all circumstances. Further to this, Odyzean has communicated to the Company that it is fully supportive of

Mitchells & Butlers' management team, which has re-established the business as a sector leader with a strong focus and direction. Looking forward, Odyzean has indicated that, in order to streamline decision-making, it intends to review the composition of the Board of Directors, which may result in a reduced level of independent Non-Executive representation in the future. Odyzean has also informed the Company that it intends to work with the existing management team to ensure the strategy and structure of the business are appropriate to optimise its long-term success and that the time and cost devoted to public company matters are reduced.

As a result of the consolidation of the Consortium's shareholdings in the Company, the Odyzean Group owns approximately 55% of the issued share capital of the Company and therefore controls a majority of the votes in the Company. Mitchells & Butlers' lenders under its existing unsecured facilities have given their consent to the technical change of control of the Company. In addition, The Takeover Panel, having sought the views of the Company and its advisers, has confirmed to the Company and the Consortium that the coming together of the Consortium under the structure described above carries no consequences under Rule 9 of the Takeover Code and no mandatory offer will be required to be made. As the Odyzean Group holds shares carrying more than 50% of the voting rights of the Company, the Odyzean Group is free to acquire additional shares, in the Proposed Open Offer or otherwise, without a mandatory offer being required to be made.

Odyzean's support for the Company undertaking an equity capital raise is conditional on it being structured as a fully pre-emptive open offer at a subscription price of 210 pence per share. The Board has formed a committee of independent directors (the "**Committee**"), which consists of those directors not connected to the Consortium to consider Odyzean's proposal, and following full consideration of all options and discussions with Odyzean, the Committee has agreed on the structure of the equity raise being an open offer, this being in the best interests of the Company and its shareholders as a whole, whilst ensuring Odyzean's support and certainty of funds on an accelerated timetable in order to meet the liquidity needs of the Company.

Under the terms of the Proposed Open Offer, the Company will issue approximately 167 million new ordinary shares. The subscription price of 210 pence per share represents a 36% discount to the Company's closing share price on 12 February 2021. It is anticipated that the Proposed Open Offer will be fully underwritten at launch.

As part of its support for the Proposed Open Offer, Odyzean has indicated that it intends to enter into an irrevocable commitment with the Company to (i) subscribe for the Odyzean Group's basic entitlements under the Proposed Open Offer, and (ii) to apply under the Excess Application Facility for all of the shares that are not taken up by other shareholders, thereby ensuring that the Proposed Open Offer will be fully subscribed from launch.

Bob Ivell, Chairman of Mitchells & Butlers said:

*"We are pleased to have received the support of our major shareholders and key creditors. Mitchells & Butlers was a high performing business going into the pandemic and this capital raising and refinancing will provide the business with the certainty of funding that it needs in order to emerge in a stronger position to take advantage of its strong property portfolio, well known brands and operational expertise in order to win market share and continue its long-term strategy of deleveraging and driving value creation for shareholders."*

A full announcement will be made on finalisation of the offering documentation and it is expected that the Company's shares will be marked "ex-entitlement" on the date of that announcement, as is customary for an open offer.

The person responsible for arranging for the release of this announcement on behalf of Mitchells & Butlers is Greg McMahon.

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*Note for editors:*

Mitchells & Butlers is a leading operator of managed restaurants and pubs. Its portfolio of brands and formats includes Harvester, Toby Carvery, All Bar One, Miller & Carter, Premium Country Pubs, Sizzling Pubs, Stonehouse, Vintage Inns, Browns, Castle, Nicholson's, O'Neill's and Ember Inns. In addition, it operates Innkeeper's Lodge hotels in the UK and Alex restaurants and bars in Germany. Further details are available at [www.mbplc.com](http://www.mbplc.com).

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This announcement is released by Mitchells & Butlers plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal Act) 2018 ("UK MAR"), encompassing certain information relating to the Proposed Open Offer and the Amendments and Waivers described above, and is disclosed in accordance with the Company's obligations under Article 17 of UK MAR.

### **Forward-looking statements**

This announcement, oral statements made in relation to this announcement and other information published by the Company may contain certain statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the Company about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. By their nature, these statements involve risks and uncertainties since future events and circumstances can cause results and developments to differ materially from those anticipated. Other than in accordance with its legal or regulatory obligations (including under the UK MAR, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules), the Company undertakes no obligation to update or revise any such forward-looking statements. Nothing in this announcement should be construed as a profit forecast.