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**MITCHELLS & BUTLERS FINANCE PLC ANNOUNCES AGREEMENT OF CERTAIN AMENDMENTS AND WAIVERS IN RELATION TO ITS SECURED NOTE FINANCING**

22 February 2021

Mitchells & Butlers Finance plc (the *Issuer*) as issuer in respect of the £200,000,000 Class A1N Secured Floating Rate Notes due 2030 (XS0267227212) (the *Class A1N Notes*), £550,000,000 Class A2 Secured 5.574 per cent. Notes due 2030 (XS0179133953) (the *Class A2 Notes*), the \$418,750,000 Class A3N Secured Floating Rate Notes due 2030 (XS0267229267) (the *Class A3N Notes*), the £170,000,000 Class A4 Secured Floating Rate Notes due 2030 (XS0267230943) (the *Class A4 Notes*), the £325,000,000 Class AB Secured Floating Rate Notes due 2033 (XS0267232485) (the *Class AB Notes*), the £350,000,000 Class B1 Secured 5.965 per cent. Notes due 2025 (XS0179135909) (the *Class B1 Notes*), the £350,000,000 Class B2 Secured 6.013 per cent. Notes due 2030 (XS0179137194) (the *Class B2 Notes*), the £200,000,000 Class C1 Secured 6.469 per cent. Notes due 2032 (XS0179137947) (the *Class C1 Notes*), the £50,000,000 Class C2 Secured Floating Rate Notes due 2034 (XS0267233020) (the *Class C2 Notes*) and the £110,000,000 Class D1 Secured Floating Rate Notes due 2036 (XS0267233889) (the *Class D1 Notes* and together with the Class A1N Notes, the Class A2 Notes, the Class A3N Notes, the Class A4 Notes, the Class AB Notes, the Class B1 Notes, the Class B2 Notes, the Class C1 Notes and the Class C2 Notes, the *Notes*) confirms that it has agreed certain amendments and waivers in respect of its secured Note financing transaction.

Reference is made to the notice given to holders of the Notes on 15 February 2021 (the *Notice*) that certain amendments and waivers (the *2021 Waivers and Amendments*) had been agreed by the Issuer and Mitchells & Butlers Retail Limited (the *Borrower*) with its controlling creditor, Ambac Assurance UK Limited (*Ambac*), and HSBC Trustee (C.I.) Limited as trustee and borrower security trustee (the *Trustee*) under the secured Note financing in order to prevent a number of breaches of certain provisions arising as a result of the continuing impact of COVID-19 and the measures taken by the UK Government and devolved administrations to stem the spread of the virus.

As noted in the Notice, in addition to those amendments and waivers outlined in the Notice, it has been agreed with Ambac and the Trustee that certain additional amendments and waivers in respect of the secured Notes financing contained in the 2021 Amendments and Waivers shall come into effect in the event that the fully pre-emptive Open Offer (the *Open Offer*) announced today by Mitchells & Butlers plc is successfully completed. Such additional amendments and waivers (the *Additional Amendments and Waivers*) include the following:

- a waiver of, and modification to, the debt service coverage ratio covenant such that the six-month look-back covenant will be waived until January 2022 and will thereafter apply on a modified basis, and the 12-month look-back covenant will be waived until April 2022 and will thereafter apply on a modified basis, in each case until January 2023, subject to the right of the Borrower to terminate such waivers and modifications at an earlier date if it is of the opinion that it will be able to meet the debt service coverage ratio on an unwaived/unmodified basis earlier;
- so as to facilitate disposals of properties by the Borrower, an amendment to the disposal regime such that the basket which applies in respect of permitted disposals of properties (and which is calculated by reference to EBITDA of the properties for the relevant financial year within the estate secured under the Note financing) will be calculated by reference to the EBITDA of such properties in Financial Year ending in September 2019. This amendment will apply in respect of any proposed disposals in Financial Years ending in September 2021 and September 2022; and

- the restriction on making acquisitions (which was agreed as part of the amendments and waivers agreed in June 2020) has been lifted so as to permit acquisitions of assets to the extent such acquisitions comply with the regime set out in the Issuer/Borrower Facility Agreement and the waiver letter entered into with Ambac and the Trustee.

The Additional Amendments and Waivers shall come into effect on the date on which Mitchells & Butlers plc receives the net proceeds of the Open Offer (to the extent such Open Offer is successfully completed). The Issuer notes that (i) the Additional Amendments and Waivers shall not come into effect and (ii) the amendments and waivers outlined in the Notice may be terminated by Ambac and the Trustee if the Open Offer announced by Mitchells & Butlers plc today is not successfully completed by 30 April 2021. These various amendments and waivers can also be terminated by Ambac and/or the Trustee if the Borrower and/or Issuer were to breach any provision of the waiver letter entered into with Ambac and the Trustee, or by the Trustee alone if Ambac ceases to be a controlling creditor.

The need for the waivers or amendments agreed by the Issuer and the Borrower is entirely caused by, and a direct consequence of, the effects of the COVID-19 pandemic and the COVID Measures. The Borrower's business continued to perform well prior to the COVID-19 shutdown and management is confident that it will do so again once the relevant restrictions are eased in due course.

For further information, please contact:

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