

PizzaExpress Financing 1 plc**PizzaExpress Financing 2 plc**

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PizzaExpress Financing 1 plc and PizzaExpress Financing 2 plc announce updates on the restructuring of the PizzaExpress Group

As we first announced on 4 August 2020, PizzaExpress Financing 1 plc (the “**Parent**” and, together with its subsidiaries, the “**Group**”) and PizzaExpress Financing 2 plc (“**PEF2**”) are undertaking a wider holistic recapitalisation and restructuring transaction (the “**Transaction**”), which will strengthen, safeguard and provide funding for the business to deliver its five-year business plan. The announcement made by the Parent and PEF2 on 4 August 2020 provides an overview of the terms of the Transaction.

Financial restructuring

As previously announced on 1 September 2020, as a key component of the Transaction, PEF2 launched a restructuring plan under Part 26A of the Companies Act 2006 (the “**Restructuring Plan**”) to implement (among other things) the restructuring of the £465 million senior secured notes due 2021 (the “**Existing SSNs**”) issued by PEF2 and the £200 million senior unsecured notes due 2022 (the “**SUNs**”) issued by the Parent.

The High Court of Justice of England and Wales sanctioned the Restructuring Plan at a hearing held on 29 October 2020. The Group anticipates that the Transaction will complete on or around 6 November 2020 upon implementation of the terms of the Restructuring Plan.

Operational restructuring

PizzaExpress (Restaurants) Limited (“**PERL**”), an indirect subsidiary of the Parent and PEF2, has been notified of applications issued by certain landlords challenging certain aspects of the company voluntary arrangement of PERL (the “**CVA**” and the “**CVA Challenges**”).

The CVA was passed by the requisite majority of PERL’s creditors and approved by PERL’s shareholder on 4 September 2020. 89.3% of all creditors responding voted in favour of the CVA proposal, passing the 75% approval threshold, and 67% of unconnected creditors responding voted in favour of the CVA proposal, passing the 50% threshold required. An overall majority of landlords also voted in favour of the CVA proposal.

The terms of the CVA remain in effect and binding on all unsecured creditors of PERL while the CVA Challenges remain outstanding. PERL intends to oppose the CVA Challenges.

Reduction in the size of the Group’s restaurant teams

The Group separately announced on 29 October 2020 a reduction in the size of its UK restaurant teams as it adapts to current market conditions.

The Group has successfully and safely re-opened the significant majority of its UK restaurants earlier this year and its UK takeaway, delivery and retail channels have all performed strongly. However, customer demand for dine-in services has been more variable, particularly in recent weeks as COVID cases have risen and a range of trading restrictions have been introduced. With seating capacity in restaurants already reduced by around 25% for social distancing since the summer, the Group has experienced customer footfall decline nationwide in the UK since September. Although some restaurants in suburban and out-of-town locations have continued to trade comparatively well, some city centre sites have been particularly hard-hit.

In view of these market conditions and the expectation that footfall will continue to be affected for at least the next six months, the Group is reducing the size of its restaurant teams. It is expected that 1,300 roles will be affected across all of the 370 PizzaExpress UK restaurants, through a combination of voluntary and compulsory redundancies.

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