

Recipe Unlimited announces \$250 million placement of 10-year senior secured notes and extension of its existing \$550 million syndicated bank credit facility

VAUGHAN, ON, April 29, 2019 /CNW/ - Recipe Unlimited Corporation ("Recipe" or the "Company") (TSX: RECP) today announced that it has priced \$250 million 10-year Senior Secured First Lien Notes due 2029 (the "Notes") by way of a private placement and the Company is amending and extending its existing \$550 million syndicated bank credit facility (the "New Credit Facility").

The 10-Year Notes - \$250 million

The Company is issuing the 10-year Notes in order to secure long-term capital at favourable terms. The Notes have a fixed coupon and will bear interest from their date of issue at a rate of 4.719% per annum, payable semi-annually, and will mature on May 1, 2029 (a 10-year term). Closing of the Notes offering is expected to occur on or around May 1, 2019, subject to the satisfaction of certain customary closing conditions. The Company will use the net proceeds of the Notes offering to reduce current borrowings under the Company's existing credit facility.

The Notes shall rank pari passu in right of payment with the lenders under the Company's New Credit Facility, will be secured on a first lien basis against the assets that secure the Company's New Credit Facility, and shall be guaranteed by all material subsidiaries of the Company on the same basis as the New Credit Facility.

New Credit Facility - \$550 million

In conjunction with the Notes offering, the Company is amending and extending the terms of its existing \$550.0 million syndicated bank credit facility. The New Credit Facility will be comprised of a \$400.0 million revolving credit facility that matures on May 1, 2024 (5 years) plus a \$150.0 revolving facility that matures on May 1, 2022 (3 years). In addition, the new credit facility includes a \$250.0 million uncommitted accordion feature that can be applicable to either revolver under the Company's existing credit facility (subject to future lender approval).

The interest rate applied on amounts drawn by the Company under its New Credit Facility will be the effective bankers' acceptance rate or prime rate plus a spread. The spread is based on the Company's total funded net debt to Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") ratio, as defined in the New Credit Facility, measured using EBITDA for the four most recently completed fiscal quarters. The Company's existing credit facility is being amended to remove certain covenants and restrictions, to include more flexible remaining covenants, and to lower borrowing rates, all of which better reflect Recipe's current strong financial position. Borrowing rate savings of approximately 0.25% to 0.30% will be achieved at most total debt to EBITDA pricing levels under the New Credit Facility on a go-forward basis.

The Notes - Secondary Market Trading

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws or the laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. The Notes have also not been and will not be qualified for distribution to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the securities in Canada will be made on a basis which is exempt from the prospectus requirements of such securities laws. The securities will be offered and sold in Canada on a private placement basis only to "accredited investors". This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Recipe Unlimited Corporation

Founded in 1883, RECIPE Unlimited Corporation (formerly Cara Operations Limited) is Canada's oldest and largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Milestones, Montana's, Kelsey's, East Side Mario's, New York Fries, Prime Pubs, Bier Markt, Landing, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel and 1909 Taverne Moderne. RECIPE's iconic brands have established the organization as a nationally recognized franchisor of choice. As at December 30, 2018, Recipe had 21 brands and 1,382 restaurants, 85% of which are operated by franchisees and joint venture partners. RECIPE's shares trade on the Toronto Stock Exchange under the ticker symbol RECP. More information about the Company is available at www.recipeunlimited.com

Cautionary Statement Regarding Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information in this press release includes, but is not limited to, statements regarding the private placement of Notes, the closing date of the private placement of Notes, the intended use of proceeds from the private placement of Notes and expected borrowing rate savings. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "estimates", "intends", "anticipates", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "achieve". There are several factors that could cause actual results to differ materially from those contained in forward-looking information, including: future operating results; future general economic and market conditions, including equity capital markets; changes in laws and regulations; and such other factors and risks as described in detail from time to time in documents filed by the Company with securities regulatory authorities in Canada. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information contained herein, except as required by applicable securities laws.

Note: All financial figures are in Canadian dollars

SOURCE Recipe Unlimited Corp.

For further information: Investor Relations: Recipe Unlimited Corp., Ken Grondin, (905) 760-2244, Chief Financial Officer, Email: kgrondin@recipeunlimited.com or investorrelations@recipeunlimited.com

<https://recipeunlimited.investorroom.com/2019-04-29-Recipe-Unlimited-announces-250-million-placement-of-10-year-senior-secured-notes-and-extension-of-its-existing-550-million-syndicated-bank-credit-facility>