

Recipe announces \$35 Million Covid-19 Crisis Rent Subsidy for Franchisees

VAUGHAN, ON, May 21, 2020 /CNW/ - Recipe Unlimited Corporation, Canada's largest full-service restaurant group, announced a \$35M rent subsidy program to assist their franchise network with direct rent support through the end of 2020. As dining rooms slowly reopen across Canada, many may assume the crisis for restaurants has passed. Yet with Government mandates on capacity limits, supporting restaurant operators across the country is more critical than ever. Recipe's rent subsidy program provides franchisees additional economic support and allows more time for franchisees to recover financially. This is in addition to a new royalty subsidy program the company also announced. Both subsidy programs will continue through the balance of 2020.

At the onset of the Covid-19 crisis, Recipe swiftly implemented the following actions:

- Board of Directors & Recipe's CEO voluntarily suspended their compensation
- Recipe's Senior Leadership team and all support center teams agreed to pay cuts
- All dividend payments to shareholders were cancelled
- All stock buybacks were cancelled
- Recipe suspended the collection of royalty fees and advertising payments from their franchisee network
- Recipe provided wage premiums to employees continuing to work in corporate restaurants
- Recipe and their franchisees have donated over \$1.5M to charities, front line workers and food banks across Canada
- Recipe supported the launch of the #onetable industry campaign, in support of independent Canadian restaurants

Recipe continues to negotiate with landlords for assistance with ongoing rent support until sustainable sales levels return. "We believe that our franchisees need assistance now versus waiting for negotiations with landlords to effectively respond to the problem. It is my hope that our commercial real estate landlords will recognize that everyone has a responsibility to do the right thing. We need them to do their part to assist restaurant owners and other retailers who have been, and will continue to be, severely impacted by this crisis," said Frank Hennessey, CEO of Recipe.

Established in 1883, Recipe has endured the Great Depression, World Wars and other major calamities with the perseverance of its teammates and franchisees and the unwavering support of Canadian families. Some of Recipe's leading brands like St. Hubert, Harvey's and Swiss Chalet have continued serving Canadians as an essential service throughout this pandemic, while many of their brands like The Keg and Montana's voluntarily closed their dining rooms entirely, prior to government mandates, with the primary focus on the health and safety of guests, teammates and franchisees.

Recipe is committed to Canada's economic recovery and bringing its 60,000 teammates fully back to work, serving communities coast to coast. "I want to thank all of our franchisees for their continued support through this event, and I want to thank our Board of Directors for their enthusiastic support of our rent subsidy program. All of our restaurants have prepared their 'Safe Reopening Blueprints' which include modified floor plans for social distancing, heightened sanitation practices, wellness checks for all teammates and other practices to ensure our guests feel confident in our dining rooms. Most importantly, when we reopen, these new measures will ensure our guests and teammates can still be social, while also being safe," said Hennessey.

About Recipe

Founded in 1883, RECIPE Unlimited Corporation 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, Kelseys, East Side Mario's, New York Fries, Landing Group and Original Joe's.

RECIPE's iconic brands have established the organization as a nationally recognized franchisor of choice. As at March 29, 2020, Recipe had 24 brands and 1,363 restaurants, 85% of which are operated by franchisees and joint venture partners, operating in 11 countries (Canada, USA, Bahrain, China, India, Macao, Oman, Panama, Qatar, Saudi Arabia and the UAE). 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.

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<https://recipeunlimited.investorroom.com/2020-05-21-Recipe-announces-35-Million-Covid-19-Crisis-Rent-Subsidy-for-Franchisees>