



October 31, 2023

EG GROUP COMPLETES THE SALE OF THE MAJORITY OF ITS UK&I BUSINESS TO ASDA FOR £2BN

- Transformational deal allows the Group to focus on international growth and the energy transition to alternative fuels and EV charging
- Proceeds from the transaction will be used to repay debt, significantly reducing net leverage and enabling \$3.2bn of loans to be extended to February 2028 under amend and extend transaction

BLACKBURN, UK: October 31st, 2023 – EG Group today confirms that it has completed the sale of the majority of its UK&I fuel, foodservice, grocery and merchandise business to Asda for a cash consideration of £2bn (\$2.5bn).

EG Group will continue to operate in the USA, Australia, Germany, France, Italy, the Netherlands, Luxembourg and Belgium as well as 32 sites in the UK. Under the terms of the transaction, the company will also retain certain foodservice brands including Cooplands, its wholly-owned bakery business, as well as franchise businesses with the Starbucks, KFC, Sbarro, Chaiwala and Cinnabon brands, and this is reflected within the final purchase price.

The deal represents a transformational step for EG Group and strengthens its platform to further invest in its proven and successful strategy to rollout foodservice, grocery and merchandise to create multi-purpose convenience retail sites across its international estate. The Group will also continue its strategy to deploy emerging fuels and EV chargers, under its proprietary brand, evpoint, across the existing site network, as well as third-party locations.

The \$2.5bn proceeds from this transaction will be used – together with the net proceeds of \$1.4bn from the recent sale & lease back transaction in the US and the \$43m net proceeds from the non-core US asset disposal – to repay debt, enabling the Group to significantly reduce net leverage, in line with the previously announced financial policy and deleveraging strategy. The completion of the UK transaction allows the Group to complete the process to successfully amend and extend the remaining \$3.2bn of its term loans through the extension of the maturity date to February 2028, which was priced and allocated in June. The Group remains committed to addressing its remaining maturities within 12-15 months of their maturity dates and achieving a net leverage multiple of mid 4 times in the near to mid-term.

Today, EG Group is also pleased to announce the launch of up to a \$500m Term Loan B add-on to existing term loans due February 2028 (the "Transaction"), with further refinancing to follow. Proceeds from the Transaction will be used to partially refinance the remaining 2025 maturities.

The Group will remain a leading global convenience retailer, generating over \$25bn of annual revenue and more than \$1bn of EBITDA, across 5,500 locations. The Waterside offices in Blackburn, UK, will remain as the global headquarters and shared service centre for the Group.

Zuber Issa CBE, co-CEO and co-founder of EG Group, said:

“The sale of the majority of EG Group’s UK business to Asda represents an important strategic step for the company, enabling EG to support the continued roll out of its successful convenience retail, fuel and foodservice strategy and drive innovation to transform the consumer experience. This includes the ongoing investment and expansion of the EV charging business, evpoint, as well as hydrogen and other sustainable fuel retail infrastructure, which we continue to see as a significant future opportunity.

“Following this transaction and the successful extension of the debt maturities to February 2028, EG Group will benefit from a sustainable capital structure from which to build for the future.

“I would like to thank all EG colleagues for their continued hard work and thank those who are transferring to Asda for their contribution to the success of EG and wish them well for the future. We look forward to executing our 2024 strategy with confidence.”

Lord Stuart Rose, Chairman of EG Group, said:

“The transaction is an important milestone for both companies. EG Group can focus on international growth underpinned by its strengthened balance sheet, whilst Asda can accelerate its convenience rollout on proven, well-invested sites.

“There is now a clear opportunity to grow and build the international business whilst ensuring EG plays a pivotal role in the energy transition.”

- ENDS -

About EG Group

Founded in 2001 by the Issa brothers, the United Kingdom-based EG Group is a leading independent convenience retailer, which has established partnerships with global brands, as well as a focused portfolio of proprietary brands. The business has an established pedigree of delivering a world-class Grocery & Merchandise, Foodservice and Fuel proposition in all the markets in which it operates.

The business is regularly recognised for innovation and investment in convenience retail assets, employees and systems. Mohsin and Zuber Issa, founders and co-CEOs of EG Group, were jointly named the 2018 EY Entrepreneur of the Year in the UK.

Forward looking statements

Certain statements contained in this release are forward looking statements, and may discuss our future plans or our expectations regarding our business performance.

Forward looking statements are not guarantees of future business performance or that future events will occur, and inherently involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of management. Therefore, actual outcomes and results may differ materially from what is expressed in any forward-looking statements, and we cannot assure you that the results or developments expressed in these statements will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Other than as may be required under applicable law, we disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

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