



FOR IMMEDIATE RELEASE

EUROPASTRY ANNOUNCES ITS INTENTION TO FLOAT ON THE SPANISH STOCK EXCHANGES

Barcelona, Spain, 18 June 2024 – Europastry S.A. (“Europastry” or the “Company”), a fast-growing specialist pioneer in premium quality frozen bakery products and a top-five player in the global frozen bakery market segment, with over €1.3bn of net turnover in 2023, today announces its intention to proceed with an initial public offering (the “IPO” or the “Offering”) of its ordinary shares (the “Shares”) to qualified investors. The Company intends to apply for admission of the Shares to listing (the “Admission”) on the Barcelona, Madrid, Bilbao and Valencia stock exchanges (collectively, the “Spanish Stock Exchanges”) for trading through the Automated Quotation System (*Mercado Continuo*). The Offering is expected to comprise a primary offering of newly issued Shares by the Company in an amount of approximately €225m and a secondary offering of existing Shares made by Exponent S.à r.l., controlled by MCH Continuation Fund, Gallés Office, S.L., owned by the Gallés family and which will remain as a controlling shareholder post-IPO, and Indinura, S.L., controlled by Europastry’s Chief Executive Officer, Jordi Morral (collectively, the “Selling Shareholders”). The Offering will be made to qualified investors, including a placement in the United States to qualified institutional buyers under Rule 144A.

Jordi Gallés, Executive President and (through Gallés Office, S.L.) majority shareholder of the Company said: *“Europastry is at the next stage of its development, and this IPO is the natural way to fund and accelerate our growth strategy to foster our leadership position in the frozen bakery segment while deleveraging and maintaining a prudent capital structure. Through international expansion, continued product innovations and a value-accretive acquisitions strategy we want to cement our position as a leader in the global frozen bakery market and promote sustainability in the sector. We are excited about our future as a listed company.”*

EUROPASTRY, A SPECIALIST IN PREMIUM QUALITY FROZEN BAKERY PRODUCTS

Europastry, founded in 1987 by Pere Gallés, is a family-owned leading global player in the frozen bakery market. Headquartered in Barcelona, it operates worldwide across more than 80 countries with 27 production centers. The Company is focused exclusively on frozen products, differentiating itself through innovation and an expanding international footprint.

- **A leading global pure player:** Specialist and pioneer in quality frozen bakery products, the leading supplier of frozen bakery products in Spain, with a 27% market share in Spain¹, and among the top-five players in the global frozen bakery market segment, based on 2022 net turnover.

¹ Market position calculated based on 2022 net turnover of the top 40 players in the Spanish market and excluding players with net turnover below €1Mm.



- **Present in the fastest-growing segment of the bakery market:** The frozen bakery market is expected to grow at a 6.5% CAGR in terms of revenue between 2021-26E in the geographies in which Europastry primarily operates, according to industry sources. The market tailwinds are mainly driven by: a) favourable structural customer trends, such as the preference for natural quality products, as well as, the reduction of business complexity with less waste, less personnel and less required know-how, driving the substitution of fresh products for frozen products; and b) the frozen bakery market benefits from a higher exposure to foodservice and traditional bakery customer channels, which are expected to grow faster than retail customer channels. As a result, between 2021-26E, the frozen bread and pastry market segment's share of the total bakery market is expected to continue growing, in terms of volume, in the geographies in which Europastry primarily operates, according to industry sources.
- **Wide and innovative premium product offering:** Europastry's strong focus on R&D and outstanding know-how, combining artisanal and traditional bakery processes with modern technology, has led to a wide product offering of over 4,900 stock-keeping units (SKUs) in quality frozen products across pastries (56% of 2023 net turnover), breads (42%) and other products (2%).
- **Industry-leading innovation capabilities:** Europastry's strong capabilities in innovation and product customization allow it to quickly adapt to market trends, create solid entry barriers, increase client retention and switching costs. Europastry's innovation process, which from the idea stage to industrial production typically takes 9 to 12 months, is done through six R&D facilities (Centers for Research Europastry Advanced Labs or "CEREALS"), which helped to launch more than 480 new products launched in 2023.
- **Diversified and long-standing customer base:** Europastry serves a diversified B-2-B customer base² which includes (1) retailers (approx. 56% of 2023 net turnover), (2) foodservice customers (approx. 32%), (3) traditional bakery customers (approx. 11%), and (4) other manufacturer customers (approx. 2%). The business structure efficiently services this well-diversified customer base, with Europastry's top 20 customers representing approximately 38% of net turnover in 2023, across five continents, with a tailored offering that meets changing end-market preferences, both directly and through over 650 third-party distributors to over 80,000 customer points of sale.
- **Well-invested industrial footprint:** The Company's leadership lies in its integrated production and supply model that includes 27 production centers with a total of 97 production lines across seven countries and, in 2023, more than 1,000 raw materials suppliers.

² Frozen bakery products are generally distributed to: (1) retailers (including hypermarkets, supermarkets, and hard-discount stores), (2) foodservice customers (including hotel chains, restaurants (including fast food), coffee shops, bakery and confectionery chains), (3) traditional bakeries (including traditional bakery shops, independent foodservice establishments and small convenience stores) and (4) manufacturers (including producers of bakery products).



- Fast-growing operations through organic and inorganic growth:** The Company has invested significantly to grow organically through innovation and the development of new production centers and lines. Between 2014 and 2023, the Company has delivered an annual average of 8.5% organic growth^{APM3}. Growth has also been driven by targeted value-accretive acquisitions of smaller frozen bakery competitors in Europe, the United States and Mexico, helping to drive a 14.5% net turnover growth CAGR between 2014 and 2023.
- Experienced management team with a clear strategy to deliver profitable growth:** We believe Europastry’s experienced and multidisciplinary management team, supported by strong family values, has demonstrated its capability by creating and developing a company with leading market positions, a continuously evolving and innovative product portfolio, successful international operations, a strong track record of acquisitions and a solid financial performance.

LONG HISTORY OF GROWTH, PROFITABILITY AND STRATEGIC CASH FLOW REINVESTMENT

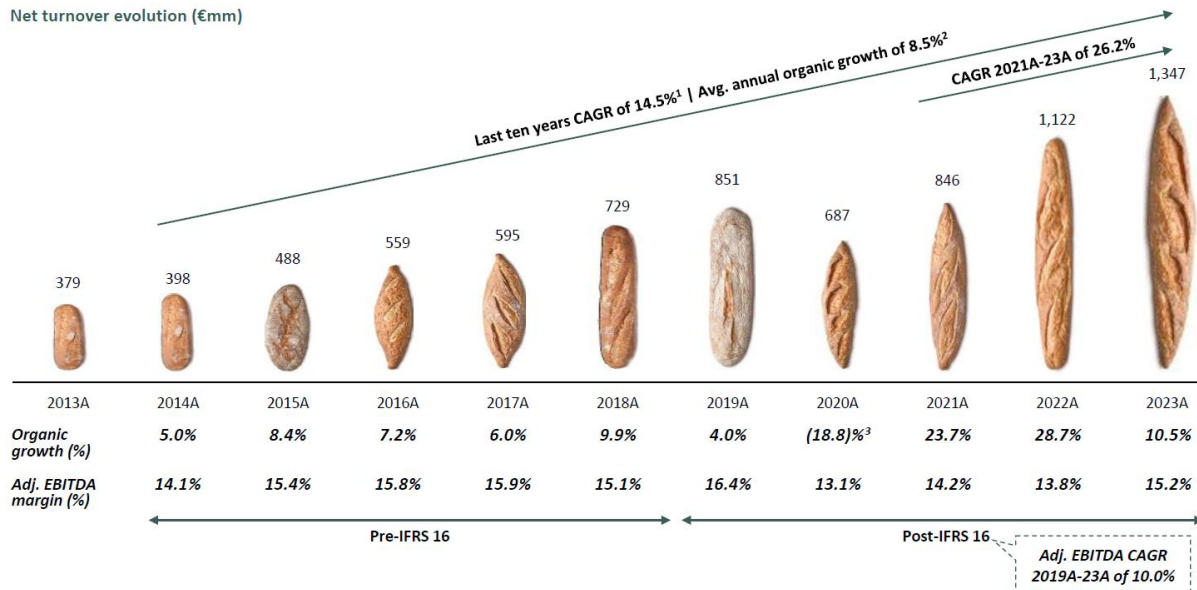


(1) Includes the sum of cash payments, deferred payments and net financial debt deployed to complete the acquisitions undertaken between 2021 and 2023.

³ Organic growth^{APM} calculated as net turnover growth less inorganic growth and foreign exchange effects.



Net turnover evolution (€mm)



- (1) CAGR of net turnover between 2014 and 2023.
- (2) Average annual organic growth^{APM} between 2014 and 2023.
- (3) Impacted by COVID-19 pandemic.

- For the three months ended March 31, 2024, the Company achieved net turnover of over €325m and adjusted EBITDA^{APM} of over €47m.⁴
- Europastry is targeting net turnover growth for 2024, in percentage terms, of low-to-mid teens (including the impact of its March 2024 acquisition of DeWi Back Holding GmbH) and will target high single digit average organic growth^{APM} for 2025 onwards, in line with average historical organic growth. In the medium term, Europastry expects its adjusted EBITDA margin^{APM} to slightly increase relative to 2023 levels, driven by product mix and operational leverage, diversification of distribution channels, the phase out of ramp-up costs from growth investments, the crystallization of synergies from recent acquisitions and improved profitability from the Company's international (ex-Europe) segment.⁵

PROPOSED OFFERING HIGHLIGHTS

- The Offering is expected to comprise a primary offering of newly issued Shares of the Company in an amount of approximately €225m to help de-leverage and potentially take advantage of

⁴ Adjusted EBITDA^{APM} calculated as net result for the period attributable to the Parent Company plus net result from non-controlling interests, corporate income tax, financial result, depreciation and amortization and impairment and profit/(loss) on disposals of fixed assets (EBITDA^{APM}), plus or less certain adjusted operating items.

⁵ Adjusted EBITDA margin^{APM} calculated as adjusted EBITDA^{APM} divided by net turnover.



organic and inorganic growth opportunities that Europastry may come across in the short or medium term.

- The Offering is also expected to comprise a secondary component by the Selling Shareholders, with the Gallés family (through Gallés Office, S.L.) remaining as a controlling shareholder post IPO.
- An over-allotment option expected to be granted by Gallés Office, S.L. and the Company over up to 10% of the size of the Offering.
- Expected post-IPO free float will be at least 25%, in compliance with applicable regulations.
- J.P. Morgan SE, UBS Europe SE and ING Bank N.V. are acting as Joint Global Coordinators and Joint Bookrunners for the Offering (the "Joint Global Coordinators"). Banco Santander, S.A., CaixaBank, S.A., Banco Bilbao Vizcaya Argentaria, S.A. (in collaboration with ODDO BHF) and Coöperatieve Rabobank U.A. are acting as Joint Bookrunners (together with the Joint Global Coordinators, the "Joint Bookrunners"). Banca March, S.A., Mirabaud Securities Limited, Sucursal en España and JB Capital Markets Sociedad de Valores, S.A. are acting as Co-Lead Managers (the "Co-Lead Managers" and together with the Joint Bookrunners, the "Managers"). Cuatrecasas, Gonçalves Pereira, S.L.P. and Davis Polk & Wardwell LLP are acting as legal counsel of the Company and J&A Garrigues, S.L.P. and Linklaters, S.L.P. are acting as the Managers' legal counsels.

Further details of the proposed Offering will be included in the Prospectus (the "Prospectus") to be approved by, and registered with, the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "CNMV") in connection with the Offering and the Admission, and which will supersede this announcement in its entirety. The Prospectus approval process is ongoing, and The Prospectus will include full details on the Offering and its expected timetable. Once approved, the Prospectus will be published and made available on the Company's website (www.europastry.com) and at the CNMV's website (www.cnmv.es).

Any acquisition of Shares in the Company should be made solely on the basis of the Prospectus approved by, and registered with, the CNMV. The approval of the Prospectus by the CNMV does not constitute an evaluation of the merits of the Offering.

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IMPORTANT INFORMATION

The information contained in this announcement does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement.

This announcement is neither a prospectus nor a prospectus-equivalent document nor an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States or in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Offering and the distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of the Offering in the United States or to conduct a public offering of securities in the United States.

The offer and sale of the Shares in the Offering are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company has not authorized any offer to the public of securities in the United Kingdom or in any Member State of the European Economic Area and assumes no responsibility in the event of a violation by any person of such restrictions.

Within the European Economic Area, this communication is addressed only to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation").

In the United Kingdom, this communication is directed only at "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended)) (i) having professional experience in matters relating to investments so as to qualify as an "investment professional" under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) falling within Article 49(2) (a) to (d) of the Order or (iii) to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates will only be available to and will only be engaged in with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents.



This announcement and its contents must not be acted on or relied upon (i) in the United Kingdom by persons who are not “relevant persons” or (ii) in any member state of the European Economic Area by persons who are not “qualified investors”. The communication of this announcement in the United Kingdom to persons who are not “relevant persons” or in any member state of the European Economic Area to persons who are not “qualified investors” is unauthorized and may contravene applicable law. Any investment or investment activity to which the Announcement relates is available only to or will be engaged in only with, (i) “relevant persons” in the United Kingdom, and (ii) “qualified investors” in any member state of the European Economic Area.

This announcement is an advertisement for the purposes of article 22 of the Prospectus Regulation and does not constitute a prospectus for the purposes of the Prospectus Regulation. As of the date of this announcement, the Prospectus is pending approval by the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores or the CNMV). Once approved, the Prospectus will be made available to investors on the website of the CNMV (www.cnmv.es) and of the Company. Investors should read the prospectus before making an investment decision in order to fully understand the potential risks and uncertainties associated with the decision to invest in the Shares, and investors should not purchase (or subscribe for) any Shares referred to in this announcement except on the basis of information in the Prospectus approved by, and registered with the CNMV. The approval of the Prospectus should not be understood as an endorsement of the Shares by the CNMV.

The information and opinions in this announcement are not based upon a consideration of any particular investment objectives, financial situation or needs. Readers may wish to seek independent and professional advice and conduct their own independent investigation and analysis of the information contained in this announcement and of the business, operations, financial condition, prospects, status and affairs of the Company.

The Offering and/or the Admission may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Offering will proceed and that the Admission will occur and you should not base your financial decisions on the Company’s intentions in relation to the Offering and the Admission at this stage.

This announcement includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “objectives”, “outlook”, “aims”, “expects”, “intends”, “may”, “plans”, “potential”, “should” and “will” as well as their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the Company’s objectives and intentions, beliefs or current expectations concerning, among other things, the Company’s financial performance, prospects and growth.



By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements rely on a number of assumptions, including, among others, the development of the Company's business, trends in the Company's industry and the Company's ability to successfully execute and meet its medium-term outlook. Such assumptions are inherently subject to significant business, operational, economic and other risks and uncertainties. You are hereby cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial condition, results of operations and cash flows may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Company's financial condition, results of operations and cash flows are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Company's results or developments in subsequent periods and may be impacted by important factors. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to publicly update or revise any such forward-looking statements.

In connection with the potential Offering, the Managers and any of their respective affiliates, may take up a portion of the Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares or related investments in connection with the potential Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being offered, acquired, placed or otherwise dealt in should be read as including any offer to, or acquisition, placing or dealing by the Managers and any of their respective affiliates acting in such capacity. In addition, the Managers and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of Shares. None of the Managers nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Nothing contained herein constitutes or should be construed as (i) investment, tax, financial, accounting or legal advice; (ii) a representation that any investment or strategy is suitable or appropriate to your individual circumstances; or (iii) a personal recommendation to you. None of the Managers nor any of their respective affiliates and/or any of their or their affiliates' directors, officers, employees, advisers and/or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to, the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) and/or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.



Each of the Managers will be acting exclusively for the Company and the Selling Shareholders and no one else in connection with the potential Offering. The Managers will not regard any other person as their client in relation to the potential Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the potential Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Information to distributors: Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EC on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements") and in Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements", together with the MiFID II Product Governance Requirements, the "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of qualified investors, as defined in MiFID II; (ii) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("COBS") and (iii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of qualified investors. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares in the Offering. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares in the Offering (by either adopting the Target Market Assessment or redefining it under the MiFID II Product Governance Requirements) and determining appropriate distribution channels.