



BurgerFi, OPES Acquisition Corp Enter \$100 Million Agreement

INDUSTRY NEWS | JUNE 30, 2020



The transaction has been unanimously approved by the board of directors of OPES and BurgerFi.

Miami-headquartered OPES Acquisition Corp., a special purpose acquisition company, and BurgerFi International, LLC jointly announced that they have entered into a definitive agreement at a \$100 million purchase price to combine and form BurgerFi International, Inc. The transaction will introduce BurgerFi International, Inc. as a Nasdaq-listed public company with an anticipated initial enterprise value of approximately \$143 million, or 2.4x BurgerFi's estimated 2021 net company revenues and 13.6x BurgerFi's estimated 2021 adjusted EBITDA of \$10.5 million. BurgerFi is one of the nation's fastest-growing better burger concepts and is expected to trade on Nasdaq under the ticker symbol BFI upon closing of the business combination. "BurgerFi's position within the rapidly expanding 'better-burger' space combined with its technology-driven business model and highly-scalable structure makes it poised for significant shareholder value

creation," says Ophir Sternberg, chairman & CEO of OPES. "We believe that BurgerFi is positioned for rapid growth. Our team is thrilled to partner with BurgerFi's senior management to support the numerous growth initiatives underway and to drive operational excellence."

BurgerFi Investment Highlights

BurgerFi is comprised of approximately 125 corporate-owned and franchise locations across 23 states domestically, including several restaurant locations on college campuses and in airports, as well as a nationwide partnership for delivery-only kitchens, and in two countries internationally. The brand is also under agreement to open locations on U.S. Air Force Bases across the country.

Chef-Created Craveable Menu with Premium Natural Ingredients: BurgerFi's highly customizable menu appeals to customers seeking both quality and transparency, featuring a broad selection aligned with major consumer trends. As consumers seek a truly "better burger" experience and ingredient transparency, BurgerFi delivers American favorites made with 100 percent natural American angus beef that has never been exposed to any growth hormones, steroids, antibiotics, chemicals or additives. Approximately 1 percent of U.S. beef meets this strict standard. BurgerFi is committed to freshness so their Angus beef is never frozen. BurgerFi further differentiates itself from competitors by offering its award-winning VegeFi burgers, vegan Beyond Burgers (100 percent plant-based), and free range all-natural chicken, along with fresh-cut fries, double beer-battered onion rings, locally-sourced craft beers, and premium custards and shakes.

Attractive Scalable Model with Significant Greenfield Opportunity: With a mix of franchise and corporate openings projected, the company believes BurgerFi has a strong pipeline for rapid expansion, providing visible growth for the foreseeable future. New immediate-term locations are expected to include developments in BurgerFi's home state of Florida, as well as the Southeast, Mid-Atlantic and Northeast regions where there is high brand awareness.

Technology-Enhanced Brand: BurgerFi's continuous investment in a sophisticated technology infrastructure has enabled it to strategically anticipate and execute against significant industry-wide changes. The company believes that continued investment in technology, complemented by strong partnerships with best-in-class third-party delivery services has positioned BurgerFi favorably to capture significant share in this rapidly expanding channel. The company believes BurgerFi is favorably positioned to capitalize on booming omni-channels by significantly optimizing its takeout and delivery platforms for superior performance and profitability.

Commitment to Sustainability: BurgerFi restaurants feature an inviting, next-gen look and feel, appealing to consumers of all ages seeking an engaging, high-quality dining experience. Each restaurant is designed with an emphasis on sustainability and a reduced carbon footprint. Stores contain chairs made from recycled Coca-Cola bottles, tables made with reclaimed wood pallets, energy efficient fans and light fixtures and more.

Large Addressable Market: In the \$273 billion U.S. quick-service restaurant food category, where better-burger concepts are a rapidly expanding share, hamburger-focused restaurants account for 30% of the quick service food industry sales.

Compelling Financial Profile: Projected 2019-2021 net company revenue and adjusted EBITDA compounded annual growth rate of 36.4 percent and 77.2 percent, respectively. Well capitalized balance sheet at closing with anticipated net cash of over \$40 million to support capital expenditures expansion. BurgerFi president Charlie Guzzetta says: "We believe the combination with OPES will allow BurgerFi to reach new heights as we continue to redefine the way the world eats burgers. The OPES team's capital market experience and real estate expertise, in combination with our existing framework for excellence in everything we do – from procurement, to operations, and our high-performing teams – will accelerate our expansion opportunities and significantly enhance our go-to-market plan." Pursuant to the proposed transaction, at the closing, existing BurgerFi shareholders will receive up to approximately 6.6 million newly issued shares of the Company and \$30 million in cash. In addition, existing BurgerFi shareholders will be entitled to receive additional shares after closing subject to BurgerFi International, Inc.'s stock price performance. Assuming no redemptions by OPES public shareholders, the combined company will be capitalized with approximately \$50 million in cash held in OPES's trust account along with an incremental \$30 million committed private placement by Lionheart Equities and Lion Point Capital pursuant to the forward purchase agreement entered at the time of OPES's initial public offering. The proceeds will be used to satisfy the cash merger requirement, for general corporate purposes, and to accelerate the development of corporate locations and franchise restaurants. The transaction has been unanimously approved by the board of directors of OPES and BurgerFi and is expected to close in the third quarter of 2020, subject to customary closing conditions, including the approval of OPES shareholders.