



July 16, 2024

Dear One Table Shareholder,

It is with a heavy heart that I inform you of the voluntary Chapter 11 filing of One Table Restaurant Brands and certain of its affiliated entities that will take place after hours tomorrow evening. Prior to our filing, OTRB reached an understanding with its secured lender to support the company's restructuring.

OTRB has struggled since July of last year to service the significant interest payments of our senior secured debt facility which has been compounded by additional debt-like liabilities and legal settlements.

At the time of the combination of Tender Greens and Tocaya, the legacy debt each company was carrying was consolidated and OTRB entered into a \$28MM variable interest rate term loan facility with Breakwater Management (Tocaya's legacy lender and also an equity holder). Initially, the interest rate was 11.6% and at the time, the company had enough profitability and cash flow to service the debt. Our current interest rate stands at 15.9%. Annual payments are approximately \$4.5MM which translate to an increase of \$1.2MM versus 2021.

Two significant financial events coupled with the high cost of debt, double-digit inflation and a challenged Tocaya business have contributed to our circumstances. The February 2023 settlement of our exclusive Tocaya agreement with Uber/Postmates resulted in the substantial loss of other income totaling more than \$7MM per year including a related decline in 3rd Party sales and profits. The subsequent Chixegg shareholder lawsuit and settlement of \$8.5MM and notably, the \$3.5MM payment we were forced to make in July of 2023 drained a significant portion of our working cash. As we have reported over the past 12-18 months, top-line sales recovery post COVID has been slow going, and double-digit annual inflation worked against our efforts by eroding profitability and remaining cash since mid-summer of last year.

We conducted a robust process in search of a capital solution and/or sale with North Point Advisors over the past 18 months that unfortunately didn't materialize workable options for OTRB and both companies. Once our North Point process concluded without a workable solution, we ran additional out-of court options to the ground in order to avoid bankruptcy, but ultimately, the restructuring of our debt is the only remaining solution in order to continue restaurant operations.

I am very sorry and disappointed to share this news and apologize for the resulting impact this will have on each of you. As you can imagine, we will be inundated with calls and requests for information and will do our best to make ourselves available over the next few weeks. In the meantime, we have implemented a web-based information portal and call line through administrator Stretto, Inc.

# ONE TABLE

restaurant brands

tender greens  **tocado**  
MODERN MEXICAN

For case information, court updates, dates, important deadlines and timelines, company communications and contact information, please visit:

Cases.stretto.com/onetable or call:

855.513.4115 (Toll Free) & 707.302.6128 (International)

E-mail: OneTable [Inquiries@stretto.com](mailto:Inquiries@stretto.com)

Harald Herrmann

CEO

One Table Restaurant Brands

## General FAQs Explaining Chapter 11 Bankruptcy:

**1. What is Chapter 11 bankruptcy?** Chapter 11 bankruptcy is a legal process that allows businesses to reorganize their debts and finances while continuing their operations. It provides a framework for the company to develop a plan to repay creditors over time while addressing financial challenges.

**2. How does Chapter 11 differ from other types of bankruptcy?** Unlike Chapter 7 bankruptcy, which involves liquidating assets to pay off debts, Chapter 11 allows businesses to remain operational while restructuring their finances. It provides more flexibility and control over the reorganization process compared to other bankruptcy chapters.

**3. What are the goals of Chapter 11 bankruptcy?** The primary goals of Chapter 11 bankruptcy are to help businesses restructure their debts, preserve jobs and emerge from financial distress in a stronger position. It allows companies to develop a plan to repay creditors while addressing any other underlying financial issues.

**4. What is the role of the bankruptcy court in Chapter 11 proceedings?** The Bankruptcy Court oversees the Chapter 11 process and ensures that it is carried out in accordance with the law. It reviews the company's reorganization plan, resolves disputes between creditors and the debtor, and provides guidance throughout the process.

**5. How long does Chapter 11 bankruptcy typically last?** The duration of Chapter 11 bankruptcy can vary depending on the complexity of the case and the size of the company. It may take several months to several years to complete the process, during which time the company continues to operate under court supervision.

**6. What happens after a company emerges from Chapter 11 bankruptcy?** Once a company successfully emerges from Chapter 11 bankruptcy, it continues its operations under the terms of the plan approved by the court. It may have reduced debt obligations, streamlined operations, and a stronger financial foundation.

For additional information, including:

- Case information
- Court updates
- Dates & Timelines
- Company communications
- Contact Information

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Or email: [OneTableInquiries@stretto.com](mailto:OneTableInquiries@stretto.com)