

SUBWAY® ANNOUNCES LARGEST MASTER FRANCHISE AGREEMENT IN BRAND HISTORY TO EXPAND PRESENCE IN MAINLAND CHINA

Master franchise agreement will result in nearly 4,000 new restaurant openings across Mainland China in the next 20 years

6 June 2023 - Subway, one of the world's largest restaurant brands, has entered into a new master franchise agreement with Shanghai Fu-Rui-Shi Corporate Development Co., Ltd. (FRS), to significantly expand its presence in Mainland China. The agreement — funded by a consortium of private investors, including Asia Investment Capital (AIC) — is the largest master franchise agreement in Subway history and one of the largest across the entire QSR industry.

Under the new partnership, FRS will open nearly 4,000 restaurants in Mainland China over the next 20 years, growing Subway's current footprint in the market by more than seven times. The group will also acquire the exclusive rights to manage and develop all Subway locations in Mainland China.

The consortium of investors, joining the Subway family as FRS, bring decades of experience managing large global QSR chains across Asia. In addition, the group will appoint a chief executive officer with significant QSR experience in the Chinese market.

"This agreement is a significant milestone in Subway's international growth strategy as we continue to focus on strategically expanding our footprint and maintaining our position as one of the world's largest restaurant brands," said John Chidsey, Subway Global Chief Executive Officer. "China is a key market with significant long-term growth opportunity, and we look forward to bringing the Subway experience to even more guests in the region."

Across Mainland China, since coming out of the COVID-19 pandemic, Subway restaurants have experienced positive sales momentum, driven by a strong digital strategy – including third-party delivery and key partnerships with digital platforms – as well as the introduction of new menu items. The new master franchise agreement will further accelerate enhancements to the guest experience, elevating Subway's presence in the market and creating value for guests in Mainland China.

As part of the brand's multi-year transformation journey and focus on international expansion, the agreement marks Subway's 13th master franchise and development

agreement in the past two years, resulting in more than 9,000 future restaurant commitments around the world.

In Asia Pacific, Subway continues to seek strong partners with expertise in local markets as it aggressively doubles its current network of restaurants in the region from approximately 3,500 restaurants to more than 6,000 restaurants over the next five years.

About Subway® Restaurants

As one of the world's largest quick service restaurant brands, Subway® serves freshly made to order sandwiches, wraps, salads and bowls to millions of guests, across more than 100 countries in more than 37,000 restaurants every day. Subway® restaurants are owned and operated by Subway® franchisees, a network that includes more than 20,000 dedicated entrepreneurs and small business owners who are committed to delivering the best guest experience possible in their local communities.

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