UNDER EMBARGO UNTIL THURSDAY, AUGUST 12 AT 5 AM PT / 8 AM ET

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TACO BELL® AND FRANCHISEE PARTNER TO REVOLUTIONIZE THE DRIVE-THRU EXPERIENCE WITH TACO BELL DEFY

Initiative is led by 35-year partnership with franchisee, Border Foods, and looks to simplify drive-thru time significantly

Irvine, Calif. (August 12, 2021) – One of its most innovative Taco Bell restaurant designs yet, Taco Bell Defy is set to break ground in Brooklyn Park, Minnesota, later this month. With plans to open its doors to the public by summer 2022, the 3,000 square-foot, two-story model features first-of-its-kind Vertical Works Inc.-licensed design and technology, and represents a true franchisee-franchisor relationship at its finest. The best part? The revolutionary pickup experience at the Defy restaurant is expected to be the fastest way ever to get Taco Bell – from cruising into any of its four lanes, to checking in, to grabbing your Taco Bell favorites – it's the frictionless future of Taco Bell.

The Defy concept was developed in partnership with Minneapolis-based Vertical Works Inc., a design company that merges manufacturing and construction to concept and build industry-leading solutions for quick-serve restaurants, retail, healthcare and beyond. Vertical Works Inc. is powered by WORKSHOP®, PD Instore and Engelsma Construction. In 2020, Border Foods, one of the largest, privately held Taco Bell franchisees in America, enlisted Vertical Works Inc. to help them create an industry-provoking restaurant with a leading design. With an existing 35-year partnership, Taco Bell and Border Foods will partner on its 230th restaurant and 82nd new restaurant build. But this time, on a concept that will defy norms and define the future: Taco Bell Defy.

The innovative restaurant reimagines the traditional drive-thru experience with four lanes, three of which are dedicated to mobile or delivery order pickups, providing fast, skip-the-line service for customers who order via the Taco Bell app and third-party delivery services. These three lanes will supplement one traditional lane, easing the flow of traffic and ensuring a speedy experience. All of this will help Taco Bell Defy's footprint, which is smaller or equal to existing store footprints, serve even more customers.

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The Defy concept takes Taco Bell's digital infrastructure to new heights, too. Digital check-in screens allow mobile order customers to scan in their order via a unique QR code, then pull forward for a pickup experience that *defies* gravity: food is delivered seamlessly and in a contactless manner via a proprietary lift system, while two-way audio and video technology lets customers interact directly with the team members above in real time. The elevated kitchen design will optimize and streamline operations for the benefit of both Taco Bell team members and customers.

"In 2015, we created the Taco Bell Cantina concept with an open kitchen environment in urban markets. In 2020, we introduced the Go Mobile concept much earlier than anticipated with the help of quick collaboration with franchisees just like Border Foods," said Mike Grams, Taco Bell's President and Global COO. "Partnering with our franchisees to test new concepts is a huge unlock of learning for us. What we learn from the test of this new Defy concept may help shape future Taco Bell restaurants."

"We believe in big ideas and know that some of our best work comes from moments when we push the boundaries," said Michael Strommen, PD Instore's CEO. "We're excited by the opportunity Defy brings to the consumer. The design strategically blends technology and design to deliver the convenience of fast, craveable food without many of the challenges of traditional drive-thrus."

"We know that today's consumer expects convenience and personalization, and our team excels at creating unique and memorable experiences. We developed the Defy concept to help Taco Bell and Border Foods meet consumer needs and deliver exceptional customer service in a brand new way," said Josh Hanson, WORKSHOP's Founder.

"This new, innovative concept breaking ground in Brooklyn Park, Minnesota, will improve a major aspect of the consumer experience: drive-thru speed," said Aaron Engler, President of Border Foods. "We're partnering with Taco Bell and the best and brightest in technology and design to create what will very likely be the future of quick service restaurants."

In August 2020, Taco Bell quickly evolved to deliver on changing consumer behaviors by launching the all-new Go Mobile framework, which enhances the digital and drive-thru experience for guests. With features like dual drive-thrus with a dedicated mobile pickup lane, smart kitchen technology, mobile pickup shelves, kiosk ordering and a faster "bellhop" experience, the concept has been a big hit. To date, there are 13 Go Mobile restaurants built and another 85 in the pipeline with Defy being the latest innovation under this category.

Taco Bell Defy is currently scheduled to break ground in August 2021 and open its doors to the public by summer 2022.

About Taco Bell Corp.

For more information about Taco Bell, visit our website at www.TacoBell.com/news or at www.TacoBell.com/popular-links. You can also stay up to date on all things Taco Bell by following us on

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<u>Facebook</u>, <u>Instagram</u>, Taco Bell's <u>Twitter</u>, Taco Bell News' <u>Twitter</u>, <u>TikTok</u> and subscribing to our <u>YouTube</u> channel. For updates on how Taco Bell is navigating COVID-19, click <u>here</u>.

About Border Foods

Border Foods is a family-owned franchisee of Taco Bell, the nation's leading Mexican-inspired quick service restaurant. With more than 200 locations (and growing) across the Upper Midwest, it is one of the largest Taco Bell franchises in the country. Headquartered in New Hope, Minnesota, with locations in Illinois, Iowa, Michigan, Minnesota, South Dakota and Wisconsin, the company has a people-first culture where leaders work to develop team members for long-term careers with the brand and beyond. For more information about Border Foods, visit the website at borderfoods.com.

About Vertical Works Inc.

For more information about Vertical Works Inc., visit the website at www.VerticalWorks.co. Vertical Works, LLC is a disruptive solutions consultancy powered by designers and makers from WORKSHOP, PD Instore, and Engelsma Construction. Vertical Works merges design, manufacturing, and construction to concept and build industry-leading solutions for quick-serve restaurants, retail, healthcare, and beyond.

About WORKSHOP®

For more information about WORKSHOP, visit the website at www.WORKSHOP.com. WORKSHOP is a design consultancy studio that creates what's next. We push forward with curiosity, experimentation, and iterative thinking. We partner with visionaries, industry leaders and people who want to do more with us. Our services include strategic direction & creative concepting, retail & experience design, digital marketing, web design & user experience, and much more.

About PD INstore

For more information about PD INstore, visit the website at www.pdinstore.com. Limited only by how big brands can dream, PD INstore is uniquely equipped to handle design, production, logistics and installation of displays, fixtures and full retail environments, as well as creative and mechanical design, printing (Litho, Screen, Die-Sub & Digital) with just about any material imaginable -- allowing for agile solutions scalable to any scenario. As a front-end partner, PD finds the most cost-effective, executable solutions to connect the world's leading brands with shoppers.