

# PlantPlus Foods LLC to Acquire Sol Cuisine Ltd. for All Cash Consideration

11/12/2021

MISSISSAUGA, ON, Nov. 12, 2021 /CNW/ - Sol Cuisine Ltd. (TSXV: VEG) ("**Sol Cuisine**" or the "**Company**") announces that it has entered into a definitive agreement (the "**Arrangement Agreement**") with PlantPlus Foods LLC ("**PlantPlus Foods**") and its wholly-owned subsidiary, PlantPlus Foods Canada Inc. (the "**Purchaser**"). PlantPlus Foods, a joint-venture controlled by Marfrig Global Foods S.A., is a provider of leading-edge plant-based protein products across the Americas. Pursuant to the Arrangement Agreement, the Purchaser will acquire all of the outstanding common shares of Sol Cuisine for \$2.06 per share in cash (the "**Share Consideration**"), all of the outstanding common share purchase warrants ("**Warrants**") and compensation options ("**Compensation Options**") of Sol Cuisine for \$0.18 per Warrant or Compensation Option, as the case may be, in cash, and all of the outstanding stock options (the "**Options**") of Sol Cuisine for a cash payment equal to the amount (if any) by which the Share Consideration exceeds the exercise price of such Options (the "**Transaction**"). The Transaction is to be completed by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Arrangement**").

The consideration payable pursuant to the Arrangement represents a 211% premium to the 5-day volume-weighted average trading price ("**VWAP**") of Sol Cuisine's common shares on the TSX Venture Exchange ("**TSX-V**") and a 215% premium to the 20-day VWAP of Sol Cuisine's common shares for the period ended November 11, 2021, representing a total purchase price for the common shares of approximately \$112.0 million. The total value of the Transaction (taking into account the Warrants, Compensation Options and Options) is approximately \$125.4 million.

All amounts in this news release are expressed in Canadian dollars.

Dror Balshine, Founder and President of Sol Cuisine, said, "This Transaction represents fair value for shareholders and is the beginning of the next chapter of growth for the Company. By partnering with PlantPlus Foods, Sol Cuisine gains additional tools to scale, including capital, access to best-in-class ingredient suppliers and technologies, and the backing of premier operations and leading food technologies. We look forward to building the future of the Company together based on a mutual commitment to producing plant-based foods that are both superior in taste and uncompromising in nutrition."

## Transaction Highlights

PlantPlus Foods is focused on developing a wide selection of plant-based food products across the Americas, making its acquisition of Sol Cuisine synergistic for both entities.

Sol Cuisine will be able to leverage PlantPlus Foods significant research and development and manufacturing resources, while enhancing PlantPlus Foods operations in North America to accelerate plant-based protein category growth in white spaces and new plant forward solutions. The Transaction will provide Sol Cuisine with access to additional capital, as well as strategic relationships and operational best practices, required to fuel continued growth.

For Sol Cuisine shareholders:

- the Transaction will provide certainty of liquidity and immediate crystallization of value as the consideration under the Arrangement is all cash; and
- the consideration is at a significant premium to trading prices prior to announcement of the Transaction.

## **The Arrangement**

The Arrangement will be subject to approval by at least 66 2/3% of the votes cast at a special meeting of Sol Cuisine's shareholders that is expected to be held in January 2022. Pursuant to the Arrangement Agreement, the proposed Transaction is also subject to the approval of the Superior Court of Justice (Ontario) Commercial List, applicable regulatory approvals, the obtaining of material consents and waivers, and the satisfaction of certain closing conditions customary in transactions of this nature.

The Arrangement Agreement provides for, among other things, customary board support, non-solicitation covenants and termination provisions consistent with transactions of this nature, including the payment to the Purchaser of a termination fee in the amount of approximately \$5.0 million if the proposed Transaction is not completed in certain specified circumstances.

Upon completion of the Arrangement, Sol Cuisine will apply to be de-listed from the TSX-V and to cease to be a reporting issuer.

## **Recommendation of the Sol Cuisine Board of Directors**

The Company's independent directors, after consultation with the Company's financial and legal advisors, have unanimously determined, and the Company's board of directors has determined, that the Arrangement is in the best interests of Sol Cuisine and is fair to Sol Cuisine's shareholders and they are recommending that Sol Cuisine's shareholders vote in favour of the Arrangement.

The Company's board of directors obtained a fairness opinion from Paradigm Capital Inc., acting as financial advisor to the board of directors, to the effect that, as of the date of the opinion, subject to specified assumptions, limitations and qualifications, the Share Consideration to be received by Sol Cuisine shareholders pursuant to the Arrangement is fair, from a financial point of view, to Sol Cuisine shareholders.

All of the directors and executive officers of Sol Cuisine, including Dror Balshine, as well as certain other significant shareholders, collectively holding approximately 88% of Sol Cuisine's outstanding common shares, have entered into customary voting support agreements, pursuant to which, among other things, they have agreed to vote their common shares in favour of the Arrangement.

The terms and conditions of the proposed Transaction will be summarized in Sol Cuisine's information circular, which will be mailed to Sol Cuisine's security holders in due course prior to the special meeting of shareholders to be held to consider the Arrangement. The Arrangement Agreement will be filed on Sol Cuisine's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Transaction is expected to close by the end of February 2022.

### **Advisors and Legal Counsel**

Gowling WLG (Canada) LLP is acting as legal counsel to Sol Cuisine. Paradigm Capital Inc. is acting as financial advisor to the board of directors of Sol Cuisine.

McCarthy Tétrault LLP and Linklaters LLP are acting as legal counsel to the Purchaser and PlantPlus Foods LLC.

For more details on Sol Cuisine's consumer brands:

Website: [www.solcuisine.com](http://www.solcuisine.com)  
Instagram: @solcuisine  
Facebook: @solcuisine  
Twitter: @solcuisine  
LinkedIn: @solcuisine

### **About Sol Cuisine Ltd.**

Sol Cuisine is the publicly traded parent company of Sol Cuisine Inc., following the completion of its "qualifying transaction" on May 19, 2021. Sol Cuisine is a fast-growing producer of branded and private label, consumer-preferred plant-based protein offerings across key center-of-plate and appetizer categories. The Company's products are offered through an established omni-channel distribution platform in Canada, the U.S. and Mexico, and are available in over 11,000 stores and more than 41,000 unique points of distribution across four primary channels: Canada Retail Sales & Club; U.S. Retail Sales & Club; Food Service & Industrial; and Private Label. Over a history of 20+ years, Sol Cuisine has consistently demonstrated an ability to innovate and delight consumers in Canada and the U.S., while remaining true to its commitment to producing great tasting, nutritionally superior products. This commitment has resulted in several Canadian product wins, including the #1 frozen plant-based burger in Canada, the #1 consumer-preferred chicken alternative and the #1 quality roast product as determined by Whole Foods Market.

The Company's taste and nutritional superiority has also resulted in private label contracts with some of the most recognized natural brands in North America. These products are all produced at Sol Cuisine's two state of the art facilities, totaling 35,000 square foot facility in Mississauga, Ontario, capable of supporting up to 10 million kilograms of volume per annum.

### **About PlantPlus Foods**

PlantPlus Foods offers a wide range of finished plant-based food products across North and South America, backed by unmatched technology, scale and experience.

### **Forward-Looking Statements.**

This press release contains forward-looking statements within the meaning of Canadian securities laws regarding the Company and its business. These forward-looking statements contain statements of intent, belief or current expectations of Sol Cuisine. Forward-looking information is often, but not always identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook.

The forward-looking statements included in this press release, including statements regarding the Arrangement, the receipt of necessary approvals, the shareholder vote and the anticipated timing for mailing the information circular, holding the special meeting of shareholders of Sol Cuisine and completing the Arrangement, are not guarantees of future results and involve risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements.

In respect of the forward-looking statements and information concerning the completion of the Arrangement and the anticipated timing for completion of the Arrangement, the Company has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the time required to prepare and mail special meeting materials, the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court, shareholder, TSX-V and other third party approvals and the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Arrangement. These dates may change for a number of reasons, including unforeseen delays in preparing meeting material; inability to secure necessary shareholder, regulatory, court or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Risks and uncertainties that may cause such differences include but are not limited to: the risk that the Arrangement may not be completed on a timely basis, if at all; the conditions to the consummation of the Arrangement may not be satisfied; the risk that the Arrangement may involve unexpected costs, liabilities or delays; the possibility that legal proceedings may be instituted against the Company and/or others relating to the Arrangement and the outcome of such proceedings; the possible occurrence of an event, change or other circumstance that could result in termination of the Arrangement; risks relating to the failure to obtain necessary shareholder and court approval; other risks inherent in the plant-based food industry. Failure to obtain the requisite approvals, or the failure of the parties to otherwise satisfy the conditions to or complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed, the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion of the Arrangement could have a material adverse impact on the Company's share price, its current business relationships and on the current and future operations, financial condition and prospects of the Company. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

The forward-looking statements in this press release are made as of the date it was issued and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that outcomes implied by forward-looking statements will not be achieved. The Company cautions readers not to place undue reliance on these statements.

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.***

SOURCE Sol Cuisine Ltd.