



Freshii Inc. Announces Closing of Transaction to Acquire Majority Control of Natura Market

11/1/2021

TORONTO, Nov. 01, 2021 (GLOBE NEWSWIRE) -- Freshii Inc. (TSX: FRII) ("Freshii" or the "Company") is pleased to announce the closing of the previously announced acquisition of a majority stake in Natura Market Ecommerce Inc. ("Natura" or "Natura Market") with rights to acquire 100% of the business through Q1 2025 (the "Acquisition"). Natura Market is one of Canada's leading online health and wellness retailers and the acquisition marks a significant milestone in Freshii's omnichannel expansion strategy.

In return for 60% of the shares of Natura Market, the total aggregate consideration paid in cash by Freshii will be \$5.7M (as well as a potential earnout payment subject to Natura meeting certain performance metrics in 2022). This consideration was based on an enterprise valuation of \$9.6M, reflecting approximately 0.5x of Natura's trailing twelve months revenue of \$19M as at September 30, 2021. The price for the remaining 40% of Natura's shares will be determined based on the company's EBITDA performance through the relevant period.

Stikeman Elliott LLP served as legal counsel to Freshii and Fasken Martineau DuMoulin LLP served as legal counsel for Natura.

Freshii's Omnichannel Growth Story

Eat. Energize. That's the Freshii mantra. Freshii is an omnichannel health and wellness brand on a mission to help citizens of the world live better by making healthy eating and overall wellness convenient and affordable. With a diverse and completely customizable menu of breakfast, soups, salads, wraps, bowls, burritos, frozen yogurt, juices, and smoothies served in an eco-friendly environment, Freshii's restaurant division caters to every taste and dietary preference. Freshii's expansion into the CPG and, most recently, nutritional supplements spaces have increased the

touchpoints that Freshii has with its customers.

Since it was founded in 2005, Freshii has opened 384 restaurants in 14 countries around the world, has expanded its CPG lineup across hundreds of major retailer points of distribution and now offers nutritional supplement products in-store and directly to consumers via its online retail site. Now, guests can energize with Freshii's products anywhere from cosmopolitan cities and fitness clubs to sports arenas and airplanes, as well as in major retail outlets and, in some cases, directly from home.

Today, with the closing of the acquisition of a majority stake in Natura Market, one of Canada's fast-growing health and wellness ecommerce retailers, Freshii continues to pursue its mission by opening-up yet another channel through which its customers can access the latest in healthy products in an efficient and cost-effective way. Freshii continues to redefine what it means to be an omnichannel health and wellness brand and position itself at the forefront of this rapidly evolving industry.

For more information, please contact: natura@freshii.com

Inquire about how to join the Freshii family: <https://www.freshii.com/ca/en-ca/franchise>.

Learn more about investing in Freshii: <http://www.freshii.inc>

Find your nearest Freshii: <http://www.freshii.com>.

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About Natura Market

Natura Market was launched in late 2016 by Shakhzod Khabibov and has grown rapidly and become a market leader in identifying cutting edge health and wellness products and making them available to Canadian consumers. Natura has a Freshii-aligned mission, strong customer reviews and loyalty as well as expertise in health trend identification, supply chain management and digital advertising.

Freshii and Natura businesses will be run separately but each company expects to take advantage of synergies between them. Natura Market's founder, Shakhzod Khabibov, continues as President of Natura Market. The board of Natura Market will be comprised of senior management of both companies, and will be chaired by Matthew Corrin.

Forward Looking Information.

Certain information in this news release contains forward-looking information and forward-looking statements under applicable securities laws. Particularly, statements which reflect the current view of management with

respect to expected benefits of the transaction, the ability of the Company to leverage the synergies that may exist between the Company and Natura, the Company's objectives, plans, goals, strategies, outlook, results of operations, financial and operating performance, prospects and opportunities, including the Company's strategic pillars (specifically its omnichannel expansion), the ability of the Company to generally maintain its existing cash position and to reinvest, and the Company's plans with respect to its CPG and nutritional supplement business lines (including product innovation) constitute forward-looking information. In many but not necessarily all cases, the words "may", "will", "anticipate", "intend", "estimate", "expect", "plan", "believe", "lead", "continue", "plan", "design", "likely" and similar expressions identify forward-looking information and forward-looking statements. Forward-looking information and forward-looking statements should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the information in this news release containing forward-looking information or forward-looking statements is qualified by these cautionary statements.

Forward-looking information and forward-looking statements are based on information available to management at the time they are made, underlying estimates, opinions and assumptions made by management and management's current belief with respect to future strategies, prospects, events, performance and results. These estimates, opinions and assumptions include that: the COVID-19 pandemic and associated government regulation, expected consumer behaviour and other matters will not have a materially different impact on the business, operations or financial performance of the Company and Natura than what is currently anticipated by management; the continued availability of food commodities used by Freshii and access to supply channels by Natura (in each case at stable prices); the availability and timely receipt of funds expected by management to be received in connection with applicable government relief programs; the recovery and re-opening of the economies in Canada and the United States and elsewhere will occur in the manner and on the timelines anticipated by management; the continued access by the Company and its franchise partners to a pool of suitable workers at reasonable wage levels; foreign exchange rates may continue to fluctuate (in particular, that the value of the Canadian dollar will continue to fluctuate against the US dollar and other currencies); the recovery of Freshii's franchise system occurs on the timelines and in the manner anticipated; healthy eating trends continue in the manner anticipated; the Company's strategic pillars, the timelines for new menu rollouts and operational innovations, the rollout of the Company's new app and any future phases of the rollout, the planned launch of the loyalty benefits program, the Company's partnerships with Walmart Canada and other major grocery retailers and investments in its CPG business line, the implementation of the Company's Franchisee Incremental Investment Program, the anticipated growth in the dinner daypart (and launch of the Company's evolved dinner plates platform), the Company's ability to successfully develop new products in its nutritional supplements business line, and the development of strategies to drive down costs with franchise partners and cost control activities at the corporate level will each have the anticipated effect on the Company's business, operations and financial performance and will proceed on the timelines and in the manner currently anticipated by management.

Forward-looking information is subject to inherent risks and uncertainties surrounding future expectations generally, including, among other things, that such estimates, opinions and assumptions may not be accurate, particularly given the dynamic nature of the COVID-19 pandemic and the events and circumstances resulting from or associated with that pandemic, the potential disruption of management's attention from the Company's ongoing business operations as a result of the transaction, and the impact of closing the transaction on the Company's business, changes in market and competition, governmental or regulatory developments and a change in overall economic conditions generally. Such risks and uncertainties also include, but are not limited to, those described in the "Risk Factors" section of the Company's Annual Information Form dated March 26, 2021, the Company's Management's Discussion and Analysis dated August 9, 2021 and in the Company's other filings, which are available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Readers are urged to consider these risks, uncertainties and assumptions carefully in evaluating the forward-looking information and forward-looking statements and are cautioned not to place undue reliance on such information and statements. There can be no assurance that such information will prove to be accurate, as actual results and future events can differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any such forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.

For additional information, please contact

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Source: Freshii Inc.