



# Freshii Provides Business Update

5/29/2020

TORONTO, May 29, 2020 (GLOBE NEWSWIRE) -- Freshii Inc. ("Freshii" or the "Company") (TSX: FRII) today provided the business update required as a result of Freshii's previously announced utilization of the temporary blanket relief granted by the Ontario Securities Commission in Ontario Instrument 51-502 Temporary Exemption from Certain Corporate Finance Requirements (and equivalent relief granted by the other provinces and territories of Canada) in respect of the filing of its interim financial report and related filings for the first quarter of 2020. The Company expects to file its interim financial report and related filings on June 26, 2020. Freshii remains focused on protecting the health of its customers and employees and on supporting its network of restaurants and franchise partners in response to the ongoing COVID-19 pandemic.

The response to the COVID-19 pandemic and government restrictions that have been imposed in a variety of the jurisdictions in which Freshii and its franchise partners operate have continued since the date of Freshii's previous updates on March 30 and April 29, 2020. In common with other restaurant, hospitality and entertainment-related businesses, these restrictions have resulted in many Freshii locations having temporarily paused their service to dine-in guests, revised their operating hours or paused operations altogether. These actions have resulted in a decrease to customer traffic and revenues at the affected locations that is expected to be temporary but material during the relevant periods.

The Company expects that the number of affected locations will continue to fluctuate in response to the rapidly-changing environment, with a corresponding effect on customer traffic volumes and revenue at these locations. Factors contributing to this fluctuation include: the imposition (and in some jurisdictions, relaxation) of government restrictions; Freshii-led initiatives to assist its franchise partners in responding to the challenges created by the current environment (including sales and traffic driving initiatives as well as a temporary deferral option of 25% of royalty fees from March 30, 2020 until May 24, 2020, following a full Freshii fee deferral from March 9 – March 29,

2020, with all deferred amounts to be collected at later date as determined by the Company); the nature, extent and duration of the government relief that is provided to small businesses (including in relation to rent relief and wage subsidies, which, along with the Freshii-led sales and traffic driving initiatives, have resulted in many franchise partners restarting full or partial operations, as applicable); and to other conditions and other factors specific to the various local markets in which Freshii and its franchise partners operate.

Freshii continues to expect that the ongoing COVID-19 pandemic and events and circumstances resulting from that pandemic will have a material impact on Freshii's business, operations and financial performance through 2020, as well as on the valuation and recoverability of certain assets, but the duration and/or extent of this impact cannot be quantified at this time because of the significant uncertainty associated with the ultimate extent, duration and severity of the pandemic itself, and with the government restrictions, effects on consumer behaviour and other factors associated with or resulting from that pandemic, many of which are beyond the Company's control. Freshii continues to actively monitor all aspects of its business and operations, including the eligibility of Freshii and/or its franchise partners for applicable government relief programs (including the Canada Emergency Wage Subsidy (CEWS), which the Company and many of its franchise partners have accessed to date) as well as the dates upon which various regions are permitting restaurants to reopen for dine-in service, and to work closely with its franchise partners and other business partners but does not expect to provide further updates except as required by applicable law.

As stated in Freshii's prior releases, its management and other insiders will remain subject to an insider trading black-out policy (Freshii's Timely Disclosure, Confidentiality and Insider Trading Policy) that reflects the principles in section 9 of National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdiction for so long as Freshii continues to utilize the relief under the blanket orders described above.

#### Forward-Looking Information

Certain information in this news release contains forward-looking information and forward-looking statements which reflect the current view of management with respect to the Company's objectives, plans, goals, strategies, outlook, results of operations, financial and operating performance, prospects and opportunities, including statements relating to the filing date of certain disclosure documents, the anticipated utilization of regulatory relief available in connection with the filing of such disclosure documents, the number of Freshii locations offering modified or paused services and the fluctuation of this number over time, the imposition (or relaxation) of government restrictions and other factors (including the duration and terms of such restrictions), the extent of the expected impact of the COVID-19 pandemic and associated government regulation, Freshii-led initiatives to assist its franchise partners in responding to the challenges created by the current environment, the eligibility of Freshii and/or its franchise partners for applicable government relief programs, the impact of expected consumer

behaviour and other related matters on Freshii's business, operations and financial performance, the valuation of certain assets and the recoverability of certain accounts receivable, and the timing of any further updates. Wherever used, the words "expects", "will", "continues to", "ongoing" and similar expressions identify forward-looking information and forward-looking statements.

Forward-looking information and forward-looking statements should not be read as guarantees that future events, performance or results will occur, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will occur. In particular, the Company notes that the dynamic nature of the COVID-19 pandemic and the events and circumstances resulting from or associated with that pandemic mean that management can offer no assurance such forward-looking information or forward-looking statements will occur or be accurate in the circumstances. 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 Company will be able to prepare and file the disclosure documents on the timelines anticipated, 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 than currently anticipated by management, the continued availability of food commodities used by Freshii locations at stable prices, the availability and timely receipt of funds expected by management to be received in connection with applicable government relief programs, that Freshii will be able to continue to assist its franchise partners, the eventual recovery of economic conditions in Canada and the dates upon which various regions are permitting restaurants to reopen for dine-in service, the United States and elsewhere, the continued access by the Company and its franchise partners to a pool of suitable workers at reasonable wage levels, that the 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) and other matters discussed in the Company's materials filed with the Canadian securities regulators from time to time. Forward-looking statements are also subject to inherent risks and uncertainties surrounding future expectations generally and these risks and uncertainties could cause actual results to differ materially from those indicated by such forward-looking statements. Such risks and uncertainties include, but are not limited to: the ultimate extent, duration and severity of the pandemic itself, and the associated government restrictions, effects on consumer behaviour and other factors associated with or resulting from such pandemic (the intensification of which may have a further adverse impact on the Company and its financial performance); the Company's ability to anticipate or respond effectively to events arising out of the pandemic or reactions to the pandemic; that the Company's business partners will continue to provide supplies and services in the manner and on the timelines anticipated by the Company; that Freshii may elect to take certain further steps to support its franchise partners (whether financially or otherwise); and those described in "Forward-Looking

Statements” and “Risk Factors” which are described in the Company's Annual Information Form dated May 12, 2020 and Management’s Discussion and Analysis dated February 25, 2020, and in the Company’s other filings, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Readers are urged to consider the 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. 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.

#### About Freshii

Eat. Energize. That’s the Freshii mantra. Freshii is a health and wellness brand on a mission to help citizens of the world live better by making healthy eating 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 caters to every taste and dietary preference.

Since it was founded in 2005, Freshii has opened 470 restaurants in 16 countries around the world. Now, guests can energize with Freshii’s menu anywhere from cosmopolitan cities and fitness clubs to sports arenas and airplanes.

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>

Follow Freshii on **Twitter** and Instagram: [@freshii](https://twitter.com/freshii)

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Source: Freshii Inc.