

# **The Very Good Food Company Announces Signing of Committed C\$70 Million Credit Facility Non-Binding Term Sheet with Prominent Institutional Investment Firm**

*Committed C\$20 million revolving line of credit and C\$50 million term loan*

*Targeted at Accelerating Growth and Capacity Expansion Initiatives*

Vancouver, British Columbia--(Newsfile Corp. - March 9, 2021) - The Very Good Food Company Inc. (CSE: VERY) (OTCQB: VRYYF) (FSE: 0SI) ("VERY" or the "Company") is pleased to announce that it has executed a non-binding term sheet (the "Term Sheet") with a prominent institutional lender for a committed C\$70 million senior secured Credit Facility (the "Credit Facility").

Upon closing the proposed financing, VERY will have access to a senior secured C\$20 million revolving line of credit and a C\$50 million asset backed term loan. All amounts drawn under the Credit Facility will pay interest at a rate of 9.95% per annum and will be repaid in full upon maturity. The Credit Facility proposed will have a term of 24 months with an option to renew, upon mutual consent, for another 12 months and will be primarily secured by the Company's current and planned production equipment.

## **Financing Highlights**

- The proposed C\$70 million Credit Facility will consist of a C\$20 million revolving line of credit and a C\$50 million senior secured asset backed term loan. Interest payments only on drawdowns and repayment upon maturity.
- Accelerates the commissioning of the first two production lines in VERY's facility in California, estimated to be C\$30 million with the purpose of scaling existing products already in the market with proven demand.
- Significant financial flexibility to support VERY's eCommerce sales growth strategy in the US and in Europe as well as the Company's working capital requirements.
- Strong financial commitment with competitive market terms, including a proposed single digit interest rate, from an institutional investor representing strong confidence in VERY's team, long-term growth strategy and product portfolio.
- Low cost of capital, minimal dilutive effect, size and attractive pricing of the Credit Facility are consistent with VERY's commitment to generating shareholder value.
- Long-term business partnership with a leading institutional lender interested in continuing to scale financing as VERY executes on its brand strategy through potential M&A opportunities and organic growth.

Mitchell Scott, CEO commented: "This proposed financing demonstrates VERY's ability to access capital markets, with favorable terms, based on strong fundamentals. We believe this financing signals that our business plan and sector have major growth potential which VERY is poised to execute upon to meet the existing and future demand for our products."

Closing of the Credit Facility is expected to occur on or about April 15, 2021 and is subject to, among other things, the completion of due diligence, negotiation and execution of a definitive agreement and the satisfaction of all closing conditions including obtaining regulatory approvals. Consideration for the

Credit Facility is anticipated to include 225,000 common share purchase warrants of VERY at a 25% premium on the closing price as of the date of the first draw under the definitive agreement. The terms set out in any definitive agreement to be entered into between the parties may be different from those set out in the Term Sheet.

Atlas Capital Partners. ("Atlas") acted as exclusive financial advisor to VERY in respect of the financing. Atlas is a global merchant banking firm focused on investing, advising and partnering with leading companies in select global industries.

## **About The Very Good Food Company Inc.**

The Very Good Food Company Inc. is an emerging plant-based food technology company. Our mission is to use progressive food technology to create plant-based meat and other food products that are delicious while maintaining a wholesome nutritional profile. To date we have developed a core product line under The Very Good Butchers brand.

### **For further information, please contact:**

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### ***Cautionary Note Regarding Forward-Looking Information***

*This news release contains forward-looking information. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "proposed", "expects", "intends", "may", "will", and similar expressions. Forward-looking information contained or referred to in this news release includes, but is not limited to: the execution of a definitive agreement with respect to the Credit Facility as proposed or at all and the ability of the parties to satisfy the conditions with respect to a definitive agreement; the anticipated closing date of the Credit Facility; the expected benefits to be derived by the Company from obtaining the Credit Facility including with respect to supporting the Company's ability to commission the first two production lines of VERY's California production facility and the Company's eCommerce sales growth strategy in the US and in Europe; the estimated costs of commissioning the first two production lines at the California facility; management's expectations regarding the Company's long-term relationship with the institutional lender; and management's expectations regarding the industry and VERY's growth potential. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company's current views and intentions with respect to future events, and current information available to the Company, and are subject to certain risks, uncertainties and assumptions, including, without limitation, the ability of the Company to negotiate and execute a satisfactory definitive agreement with respect to the Credit Facility and to satisfy the conditions thereunder. Other factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to: negative cash flow and future financing requirements to sustain operations, dilution, limited history of operations and revenues and no history of earnings or dividends, competition, economic changes and the impact of*

*and risks associated with the ongoing COVID-19 pandemic. The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.*



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