



Rockshield Enters Binding LOI to Acquire Three Plant-Based Companies

Vancouver, British Columbia – April 27, 2021 - Rockshield Capital Corp. (CSE:RKS), (US:RKSCF), (FSE:6BC) ("Rockshield" or the "Company") is pleased to announce it has entered into a letter of intent ("LOI") with Novel Agri-Technologies Inc. ("Novel") dated April 23, 2020, pursuant to which Rockshield will assume Novel's contractual rights to acquire 100% of Sapiientia Technology Inc., 100% of a pulse processor, and 75% of Boku International Inc. (combined the "Target Companies") in furtherance of its previously disclosed updates to its investment policy to focus on plant-based foods, food alternatives and vegan-friendly alternatives with sustainable competitive advantages. The investments in the Target Companies will provide Rockshield with an interest in a vertically integrated seed-to-market plant-based wellness platform with combined 2020 revenues of \$57,428,000. Subject to closing, the transaction is expected to be immediately accretive to Rockshield shareholders, with a gross profit of \$11,805,000 and a positive EBITDA of \$6,210,000 for the same period. All references to "dollars" or "\$" are to Canadian dollars, unless otherwise specified.

Strategic Rationale

- The plant-based food market is expected to grow at a compound annual growth rate of 11.9% from 2020 to 2027, reaching \$74.2 billion by 2027 (Polaris Market Research). The plant-based meat market, specifically, is projected to be valued at \$35.4 billion by 2027, according to Polaris Market Research;
- On January 28, 2021, Rockshield announced that it had updated and amended its investment policy by broadening the spectrum of investments to include the plant-based foods market;
- Rockshield believes the plant-based food market is highly fragmented, presenting an opportunity to extract significant value by investing in certain complementary entities to give Rockshield shareholders unique access to investments in a vertically integrated plant-based seed-to-market platform, the first of its kind in North America;
- The acquisition of the Target Companies and further potential investments will provide investors with significant exposure to the entire plant-based value chain;
- From raw ingredients to consumer packaged goods products, Rockshield's investment in the Target Companies combines three industry-leading businesses to create one global brand to compete with the largest plant-based companies;
- The Target Companies provide an enhanced global footprint with significant distribution across business-to-business (B2B) and business-to-consumer (B2C) channels in domestic and international markets;
- 2020 revenues from the Target Companies were \$57,428,000;
- The Target Companies can now leverage individual strengths to streamline operations with a focus on increasing efficiencies while dramatically improving margins and revenue;
- The Target Companies establish organizational and complementary strengths in raw ingredients, processing, pulse fractionation, intellectual property, and premium consumer packaged goods products;
- Management of the Target Companies has extensive experience across the entire value chain, including significant logistics and distribution relationships, driving billions in market value in the plant-based sector; and

- Previous senior leadership positions held by proposed management of the Target Companies include leading multinational companies and brands such as PepsiCo Inc., Frito Lay, Cheetos, The Quaker Oats Company, Gatorade and more, de-risking operations from a leadership perspective.

The Acquisitions Create A New Vertically Integrated Seed-to-Market Division of Rockshield; Nutrition One

Rockshield's plant-based investment thesis is to develop a seed-to-market operation that includes raw ingredients, processing, pulse fractionation, unique IP, and premium consumer packaged goods. Combining these three proven and complementary companies through a series of strategic investments provides Rockshield with industry-leading management in Novel and achieves the first phase of the Company's entrance into the rapidly expanding global plant-based foods market.

Pulse crops include dried peas, fava beans, lentils and chickpeas; and processing pulses through processes such as fractionation and extrusion creates the main proteins used in the majority of plant-based products on the market today. Examples of this include, Beyond Meat, Impossible Foods, and the largest ingredient supplier in the world, Ingredion, and many of the other companies' products.

The acquisitions of the Target Companies establish Nutrition One, a completely vertically integrated seed-to-market division of Rockshield providing investors with significant exposure to the entire plant-based value chain. From raw ingredients to CPG products, Rockshield's investments in the Target Companies will combine three industry-leading companies to create one global brand to compete with the largest vertically integrated plant-based companies existing today.

The Target Companies provide an enhanced global footprint with significant distribution across B2B and B2C channels through domestic and international markets and revenues of \$57,428,000 in 2020 and \$68,921,000 forecasted in 2021.

"These investments cement Rockshield's entrance into the rapidly expanding plant-based industry. Rockshield aims to not only provide shareholders with a comprehensive seed-to-market operation led by a proven team with 100 years cumulative sector-specific experience, but also large-scale revenue and immediately accretive positive cash flow," commented Nick Demare, the Company's Director. "These companies are creating the future of plant-based foods, and with an operation ranging from raw ingredients to premium CPG products, Rockshield is in a position to capitalize on the entire value chain and generate significant EBITDA for shareholders. This investment establishes a strong foundation for the Company's continued growth in the plant-based sector."

After completing the acquisitions, the pulse processor will operate under the name Prairie Plant Farms Ltd. ("**Prairie Plant**"), and Boku and Sapientia will operate as The Healthy Table Superfoods Inc. ("**Healthy Table**").

Operating Team

The management team leading Novel and the Target Companies has driven billions in market value through transformational IP, ingredient processing, global market-making, consumer-branded products, and M&A worldwide. The expectation is to utilize the very best of plant-based science, innovation, marketing, and creative business development, to drive the next multi-billion-dollar global plant-based solutions company. After giving effect to the acquisitions, the Target Companies' management will include Marc Aneed, Barry Didato, Patrick Dunn, and Mark Coles, who have combined decades of sector-specific experience.

Mr. Aneed is an award-winning natural/wellness consumer products expert with a 20-year career in CPG, starting at The Quaker Oats Company/PepsiCo, and working on iconic brands such as Gatorade and more. Prior to Healthy Table, Mr. Aneed was at Glanbia PLC, a global nutrition company where he led Amazing Grass, a leading plant nutrition & supplement company with over \$100 million in retail sales, winning multiple corporate and industry awards for brand growth. Mr. Aneed also led Glanbia's Sports Nutrition brands in North America, including Optimum Nutrition and Isopure, with over \$750 million in retail

sales. He has launched dozens of successful consumer products driving over \$1 billion in retail sales collectively, with scale in eCommerce where he oversaw the #1 portfolio of fast-growing Sports Nutrition brands and the #1 Greens Superfood on Amazon. Mr. Aneed holds an MBA from the Kellogg School at Northwestern University and a BA from the University of Pennsylvania.

“The combined entities will create one of the most exciting vertically integrated plant nutrition companies in North America,” commented Marc Aneed, who will be the CEO of Healthy Table. “The best businesses are forward-thinking and make no compromise on quality. We couldn’t be more excited to accelerate our growth with Rockshield and lead the way in the global plant-based marketplace.”

Mr. Didato will focus on developing strategic revenue channels, sales partnerships, and international distribution. Mr. Didato brings extensive strategic sales capabilities and a broad network of contacts in the industry. He previously served for 18+ years as a senior advisor for several ultra-high net worth family offices and numerous innovative wellness, nutrition, medical, and food businesses.

“The global marketplace from Australia to the UAE, starting with policy at the highest levels and with the most advanced thought leaders, are all recognizing the multiple benefits of plant-based lifestyles and plant-based solutions,” commented Mr. Didato. “The world is changing, and the opportunities for innovation in food security, sound environmental stewardship, and nutrition are being driven by an unprecedented focus on health and wellness.”

Patrick Dunn, CPA, will be the CFO for Prairie Plant. As the founding partner of Dunn, Pariser & Peyrot, he has a track record of building highly successful agribusinesses throughout North America and other international jurisdictions. As a partner of one of the top business management firms in Los Angeles, Mr. Dunn believes the business of plant-based nutrition will drive profitability through its unique properties in different business channels in food, cosmetics, and healthcare worldwide. As a testimony to his business portfolio work, Mr. Dunn and his firm have won multiple industry awards for accounting, finance, and business management.

Mark Coles, Rockshield’s Strategic Advisor and Head of Corporate Development, states, “I am particularly impressed by Rockshield’s commitment to creating a vertically integrated plant-based division of the Company. For well over a decade, I have advised and managed the most prominent players in the plant-based food arena, and the team that was assembled for Rockshield will be quite a force for years to come.”

Prairie Plant Farms

In 2020, the precursory pulse processor, which will be renamed Prairie Plant Farms Inc., generated revenue of \$55,954,000 with a gross profit of \$10,993,000 and an EBITDA of \$7,230,000, while 2021 is expected to generate revenue of \$59,788,000 with a gross profit of approximately \$14,852,000 and an EBITDA of approximately \$9,115,000.

Prairie Plant is one of the largest processors of plant-based ingredients in Canada, with over 40 years of legacy and global growth. The company counts a broad range of customers, including global strategic food companies and major ingredient distributors. Prairie Plant has partnered with industry-leading brands in the plant-based foods sector and has developed proprietary and healthy ingredients to provide to the market. Key to their success is an exceptional commitment to quality through the entire farm-to-market chain, high-grade manufacturing equipment utilizing proprietary customization for efficient processing, long-standing relationships with market-making customers, and a company culture built from decades of success.

The Healthy Table Superfoods Ltd. (Sapientia and Boku)

Healthy Table (a newly formed subsidiary that will hold Sapientia and Boku) is a consumer-packaged goods platform that owns several industry-leading vegan consumer packaged goods and intellectual property-related plant-based companies. In 2020, Boku generated approximately \$1,474,000 with aggregate gross profits of \$812,000 and is expected to generate aggregate revenues of \$8,000,000 with aggregate gross profits of \$4,408,000 in 2021. Upon closing, Rockshield will own 75% of Boku. Sapientia is expected to generate revenues \$1,133,000 in 2021.

Sapientia and Boku have developed plant-based products with ground-breaking IP in foods & beverages, including four foundational patents, two trade secrets, and the proprietary formulae for approximately one dozen product categories. Products include plant-based meats and plant-based meat snacks, plant-based dairy milks & yogurts, and pulse-based “puffed/twisted” snack foods, prioritizing high protein, low fat, nutritious products with delicious taste & texture. Healthy Table will leverage international global networks with strategic large CPG food companies, the leading North American plant-based food innovation incubator, snacking/quick-serve and school distributors, and AI-driven eCommerce platforms to enhance efficiencies, accelerate revenue, and create a healthier world.

On closing, Healthy Table will own a 100% interest in Sapientia Plant-Based Foods, an industry-leading processing and forming technologies company that creates the latest generation of delicious, high nutrition, high taste & texture plant-based foods. Sapientia is led by Dr. Eugenio Bortone, a preeminent food scientist with a Ph.D. in Food Engineering, an MS in Nutrition, 25 issued patents, and over 25 years of food, snack foods, pet foods, formulation, product development, process scale-up, and commercialization experience. Dr. Bortone is well-known in the industry for being the lead developer in the multi-billion-dollar, award-winning Cheetos brand franchise of Frito Lay, a division of PepsiCo, including the invention of Twisted Cheetos, which drove over \$2 billion in revenue. The acquisition includes additional assets, such as the healthy Natura Snacks, Bortone Family Investments, and Food Investment Technologies. The Healthy Table Company will service multiple B2B, B2C, human, and pet sectors.

Terms

Rockshield will issue up to 85,000,000 common shares (the “**Consideration Shares**”) of the Company from treasury and provide a cash consideration of approximately \$3,000,000 to the shareholders of the Target Companies and Novel, with \$1,000,000 payable now, and the balance due at close. Of the \$1,000,000 payable now, \$750,000 is a three-year term loan to Novel bearing interest at a rate of 8% per annum.

To accommodate certain tax planning and structuring requirements of Novel, Rockshield has incorporated a wholly-owned unlimited liability corporation under the laws of the Province of British Columbia (the “**ULC**”). The ULC will legally and beneficially own all of the issued and outstanding common shares in the capital of Prairie Plant and Healthy Table which will in turn acquire the voting securities of the Target Companies. It is anticipated that Novel will receive at closing a profits interest in the Target Companies convertible into its respective share of the Consideration Shares, which would be issued at a later date and subject to escrows as outlined below.

Using the Company's 10-day VWAP of \$0.54, the acquisitions of the Target Companies represent a share consideration of approximately CAD\$45,900,000 and a total consideration of \$48,900,000. The acquisitions will be financed through the issuance of the Consideration Shares and Rockshield's treasury, which, including warrants and investments, currently equates to approximately \$15.2 million.

Subject to any escrow requirements imposed by applicable securities laws or the rules of the CSE, the parties acknowledge and agree that until Rockshield or its operating companies achieves trailing 12-month revenue of \$100,000,000, the Consideration Shares will be subject to a 24-month escrow on the terms set out in the LOI.

The completion of the transaction is subject to the negotiation of definitive acquisition agreements with the principals of each of Sapientia, Boku, and the pulse processor, which shall include customary closing conditions. Finders' fees are payable in connection with the acquisitions. No change of control of Rockshield will result from the acquisitions. Further deferred considerations are payable in shares or cash at the Company's election. There can be no assurances that the acquisition of the Target Companies will be completed as proposed, or at all.

Non-IFRS Terms

This press release contains the term “EBITDA”, which does not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company includes these measures because it believes they provide to certain investors a meaningful way of assessing financial performance. The Company defines EBITDA as net earnings before interest taxes depreciation and amortization.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") which relate to future events or Rockshield's future business, operations, and financial performance and condition, including with respect to the acquisition of the Target Companies, the Company's business plan with the Target Companies following the closing of the transactions completed in the LOI, the forecasted 2021 revenue of the Target Companies, the anticipated growth of the plant-based food market and the anticipated growth of the Company's sales following the acquisition of the Target Companies. Forward-looking statements normally contain words like "will", "intend", "anticipate", "could", "should", "may", "might", "expect", "estimate", "forecast", "plan", "potential", "project", "assume", "contemplate", "believe", "shall" and similar terms. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the failure to satisfy the conditions of the LOI and other risks detailed from time to time in the filings made by the Company with securities regulations

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.

Contact Information

Rockshield Capital Corp.
Investor Relations
ir@rockshield.ca

The Canadian Securities Exchange has neither approved nor disapproved the information contained herein and does not accept responsibility for the adequacy or accuracy of this news release.