



## **Eat Well Group to Acquire Majority Stake in Plant-Based Baby Food Company**

*Initial Investment in Amara will result in 51% equity ownership and an option to increase equity investment to 80%; Reinforces Eat Well Group's Vertical Integration Strategy*

**Vancouver, BC – October 28, 2021:** Eat Well Investment Group Inc. (the “**Company**” or “**Eat Well Group**”) (CSE:EWG) (US:EWGFF) (FRA:6BCO) is pleased to announce that it has agreed to definitive terms to acquire a preferred equity position in PataFoods, Inc. dba Amara Organic Foods (“**Amara**”), a fast growing North American plant-based baby food brand, with an option to acquire an additional 29% of the shares of Amara at a USD\$100,000,000 valuation. Pursuant to the agreement signed October 27, 2021, closing is expected to occur on or about November 2, 2021, subject to the satisfaction of customary closing conditions.

“Amara represents an integral component of Eat Well Group's strategic business plan, bolstering the Company's complete vertical integration strategy by focusing on top-tier and proven CPG products that consumers love. Amara's focus on improving infant nutrition through innovative organic products will help establish Eat Well Group as a leader in plant-based CPG products and offerings. Consumer decisions continue to drive disruption in the legacy dairy industry, and Jessica Sturzenegger and her team at Amara are at the forefront. Amara's leadership team are among the very best of purpose-driven pioneers who bring together plant-based innovation, brand passion, and operating drive,” stated Marc Aneed, President, Eat Well Group. “Amara has proven an impressive ability to scale through retail distribution and eCommerce excellence, and the funding and industry expertise provided by the Eat Well Group will help accelerate Amara's growth as we head into calendar 2022.”

### **About Amara**

Amara is a food technology company that uses science and proprietary IP that locks in taste and texture to make healthy, organic, non-GMO, plant-based, convenient baby and children's food possible for modern-day families. From baby food to toddler food and beyond, Amara is driven by the belief that setting kids on the right path from a young age will help them live better, feel better and think better for the rest of their lives.

Amara first disrupted the baby food market in 2017, supporting the demand from parents for fresh, nutrient-rich, low-sugar baby food that was minimally processed and shelf-stable. Amara's baby food is one of the most unique product lines that can deliver the benefits of fresh, with the convenience and scale of shelf-stable. The baby blend line is designed to mix with breast milk, formula, or water for a gentle transition to starting solids.

Amara's new snack line continues to deliver on the promise of fresh tastes and texture with no added sugar or long ingredient lists. Like their major snack line, the 100% organic whole fruit and vegetable blend baby meals use the natural properties available in the fruits and vegetables, without additives and concentrated sugars.



Amara is sold throughout major North American retailers, including Whole Foods, Costco, Amazon, and Walmart Canada.

### Strategic Rationale

- **Vertical Integration:** Completes the initial phase of Eat Well Group's full vertical integration investment strategy with a powerful consumer packaged goods ("CPG") brand in a category not saturated with other plant-based players
- **Award-Winning CPG:** Adds an award-winning and rapidly scaling brand to Eat Well Group's strategic investment portfolio in leading plant-based CPG companies, complementing the Company's strengths in complete plant-based foods vertical integration, founded on food-tech and deep nutrition credentials supporting infant microbiome development
- **Distribution:** Amara's current distribution includes some of the largest retailers from around the globe including, Amazon, Costco, Walmart Canada, and more
- **Top Brand:** Voted the #1 Baby Best Food by Good House Keeping
- **Strong Differentiation:** Amara's technology allows the brand to bring families the benefits of fresh, with the scale and convenience of shelf-stable, giving the brand a unique foothold in a growing market.
- **Baby Food Market TAM:** Provides Eat Well Group with entry into the lucrative baby foods CPG category, projected to reach USD\$96.3 billion by 2027,<sup>1</sup> growing at a CAGR of 6.0% from 2021 to 2027
- **Synergies:** Eat Well Group and Amara will explore supply and ingredient levers to streamline costs and drive margins through Eat Well Group's existing core investments and ecosystem partners
- **Benefits from Eat Well Group's Expertise:** Amara will benefit from EWG's expertise as an agri-foods focused investment company, including through improved vertical integration to streamline costs and drive margins, and through enhanced scalability across eCommerce, and brick and mortar distribution channels
- **Further SKU's:** Adds 14 SKUs to Eat Well Groups portfolio
- **Leadership:** Amara is led by visionary CEO and founder Jessica Sturzenegger and backed by senior executives that bring proven execution, brand building knowledge; and early investors include the former chairman of The Hershey Company

"This investment and broader collaboration with Eat Well Group could not have come at a better time. We are incredibly excited to be working with Eat Well Group to deliver more healthy and nutritious meals to families across the globe. By continuing to grow with our customer, from baby food to toddlers and beyond, we're building a platform for a lifetime of healthy eating. Our science and technology can bring truly better options for the modern-day parent for breakfast, lunch, and dinner!" commented Amara founder and CEO, Jessica Sturzenegger. "We look forward to utilizing Eat Well Group's capital, strategic experience, and operating ecosystem to bring parents healthy, nutrient-dense options that fit into their daily lives," continued Sturzenegger.

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<sup>1</sup> Statistics Reference: <https://www.prnewswire.com/news-releases/baby-food-market-size-to-reach-usd-96-3-billion-by-2027-at-a-cagr-of-6-0---valuates-reports-301271654.html>



“The investment in Amara is a major event for Eat Well Group as we participate in the transformation of what modern food looks like using leading foodtech and plant-based nutrition, paired with a beautiful brand,” commented Mark Coles, Chief Investment Officer. “Amara provides us with a premier investment opportunity into the CPG sector with mass distribution, focused product efforts, and a lean operating team that’s proven an ability to scale. Keep an eye out for further investments in the future that can expand Eat Well Group’s investment portfolio of CPG brands.”

### **Terms of the Investment**

Eat Well will be issued 2,047,299 Series A preferred shares in the capital of Amara (the “**Series A Shares**”) in exchange for a subscription price of USD\$11,600,000 (the “**Initial Investment**”). The Initial Investment represents a 51% equity ownership of Amara on a fully-diluted as-converted basis.

The purchase price for the Initial Investment is to be paid: (i) as to USD\$1,000,000 in cash on closing of the Initial Investment; and (ii) as to the remaining USD\$10,600,000, on a deferred payment schedule with quarterly installments of approximately USD\$1.3 million for a period of 24 months following closing of the Initial Investment (the “**Deferred Payments**”). The Deferred Payments are evidenced by a promissory note issued by Eat Well Group in favour of Amara, which is secured by a share pledge in respect of certain of the Series A Shares held by Eat Well Group. The Deferred Payments may be accelerated at anytime without penalty at the sole discretion of Eat Well Group.

Upon full payment of the Deferred Payments, Eat Well Group may exercise an option to acquire an additional 29% of Amara at a USD\$100,000,000 valuation for an aggregate cash purchase price of USD\$29,000,000 (the “**Share Purchase Option**”) from other shareholders of Amara.

### **Series A Share Terms**

The Series A Shares being acquired by Eat Well include certain rights that rank in preference to the currently outstanding common shares and series seed preferred shares of Amara, including in respect of dividends (when and if declared), liquidation events, and mergers, and other corporate transactions. The Series A Shares are convertible by the holders thereof at any time into common shares of Amara.

On the seventh anniversary of the closing date of the Initial Investment, Eat Well Group may redeem its Series A Shares in exchange for the original issue price (plus accrued and unpaid dividends) in the event a liquidity event or qualified initial public offering has not occurred by that time.

### **Additional Shareholder Rights**

In connection with the closing of the Initial Investment, Eat Well Group, Amara, all holders of series seed shares and certain other holders of common shares of Amara have entered into an investor rights agreement and voting agreement which provide for certain rights to be granted in favour of Eat Well Group (the “**Shareholder Agreements**”), including board appointment rights, drag-along rights (if Eat Well Group fully exercise the Share Purchase Option), information access rights, pre-emptive purchase rights on new equity issuances, rights of first refusal on proposed share sales and registration rights, all in a manner customary for transactions of this nature. Amara’s current management team will continue to lead the operations and day-to-day management of the business.



### **Contact Information**

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### **Forward-Looking Statements**

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") which relate to future events or Eat Well Group's future business, operations, and financial performance and condition, including with respect to Amara, the Company's business plan with Amara, the Company's ability to pay the Deferred Payments, the Company's exercise of Share Purchase Option, the anticipated growth of the plant-based food market and the anticipated growth of the Company's sales. 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 actual results of business operations; marketing activities; adverse general economic, market or business conditions; regulatory changes; and other risks detailed from time to time in the filings made by the Company with securities regulators.

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.

### **ABOUT EAT WELL GROUP**

Eat Well Group is a publicly-traded investment Company primarily focused on high-growth companies in the agribusiness, food tech, plant-based and ESG (environmental, social and governance) sectors. Eat Well Group's management team has an extensive record of sourcing, financing and building successful companies across a broad range of industries and maintains a current investment mandate on the health/wellness industry. The team has financed and invested in early-stage venture companies for greater than 25 years, resulting in unparalleled access to deal flow and the ability to construct a portfolio of opportunistic investments intended to generate superior risk-adjusted returns.



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***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.***