



## PRIME DRINK GROUP CORP. ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE TRIANI CANADA INC.

**Montreal, Québec, May 15, 2024 – Prime Drink Group Corp. (CSE:PRME) (“Prime” or the “Company”)** announces that it has entered into a share purchase agreement dated May 14, 2024 (the **“Share Purchase Agreement”**) with 9296-0186 Québec Inc. (**“9296”**), the shareholders of 9296 (together with 9296, the **“Vendors”**), and Angelpart Ventures Inc., whereby the Company will acquire all of the issued and outstanding common shares (**“Triani Shares”**) of Triani Canada Inc. (**“Triani”**), subject to the terms and conditions described therein (the **“Transaction”**). All currency references herein are in Canadian currency unless otherwise specified.

The Transaction will constitute a “fundamental change” for the Company pursuant to the rules and policies of the Canadian Securities Exchange (the **“CSE”**). In connection with the closing of the Transaction, the Company will change its name to “Prime Group Corp.” (the **“Name Change”**) and will continue the business of Triani as further described below.

### ***About Triani***

Triani is a Québec-based company specialized in the production, bottling and sale of alcoholic and non-alcoholic beverages to a large client roster including prestigious brand names across North America with unaudited non-IFRS annual sales of \$28 million for the year ended November 30, 2023. Founded in 2015, Triani experienced solid growth following the company’s successful foray into Québec grocery stores with its Cantini, Ettaro, and Enjoy wine brands. Triani produces and markets Octane, Mojo, Baron, and its well-known Glutenberg, Oshlag and Vox Populi brands and other malt-based alcoholic beverages, as well as non-alcoholic products under the Hickson brand. It also markets alcoholic and non-alcoholic microbrewery beers from Brasserie les 2 Frères (Hickson, Série Découverte, and Charles-Henri), as well as produces several other alcoholic beverages for both the Canadian and American markets.

### ***Transaction Summary***

Pursuant to the Share Purchase Agreement, Prime will acquire the Triani Shares in exchange for (i) \$2,000,000 payable in cash, or through the issuance of a promissory note in the amount of \$2,000,000 and bearing interest at a rate of 10% per annum, on the date that is 12 months from the closing date of the Transaction (the **“Closing Date”**); and (ii) 140,000,000 common shares in the capital of Prime (**“Prime Shares”**) having an aggregate value of \$17,500,000, with each Prime Share to be issued at a deemed price \$0.125 (on a pre-Consolidation basis (as defined below)), subject to adjustment (the **“Consideration”**). In addition to the Consideration, Prime intends to pay an additional amount up to \$18,500,000 (the **“Bonus Consideration”**) to the Vendors payable in Prime Shares if Triani reaches certain EBITDA targets in the financial years ended March 31, 2025, 2026 and 2027. The Prime Shares payable pursuant to the Bonus Consideration shall be issued at a deemed price equal to \$0.125 per Prime Share (on a pre-Consolidation basis) for any Bonus Consideration payable in the financial years ended March 31, 2025, and 2026, and \$0.16 per Prime Share for any Bonus Consideration payable in the financial year ended 2027.

It is intended that the Transaction will result in the creation of a new Control Person (as such term is defined in the policies of the CSE) of the resulting entity following completion of the Transaction (the “**Resulting Issuer**”). It is anticipated that the shareholders of 9296 will beneficially own, or exercise control or direction over, 28,000,000 common shares of the Resulting Issuer (“**Resulting Issuer Shares**”) or 49.26% of the outstanding Resulting Issuer Shares on a non-diluted basis.

Pursuant to the Share Purchase Agreement, the Company and 9296 shall enter into a License and Option Agreement as of the Closing Date (the “**License and Option Agreement**”), whereby the Company shall be granted: (i) an exclusive license in favour of the Company (the “**License**”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendor as part of its business which will not be owned by Triani on the Closing Date (the “**IP**”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of 3 years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Company shall be granted: (i) an exclusive option to acquire the St-Jean sur Richelieu property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “**Property Option Agreement**”). The specific terms of the License and Option Agreement and the Property Option Agreement shall be finalized by the parties thereto and remain subject to the terms to be contained therein.

Additionally, the Company shall make a cash contribution in the amount of \$5,000,000 to the operations of Triani on the Closing Date. Such amount shall be used as working capital by the Company in the ordinary course of business. The cash contribution includes an amount of \$2,000,000 that will be reinvested in the Company by the Vendor.

Prior to closing of the Transaction, the Company intends to consolidate its outstanding Prime Shares on a 5:1 basis (the “**Consolidation**”) resulting in 1 Prime Share outstanding following the Consolidation for every 5 Prime Shares outstanding prior to the Consolidation. Following the Consolidation, the Company expects it will have approximately 56,835,492 Prime Shares issued and outstanding on a non-diluted basis (and excluding the Prime Shares issued as the Consideration and pursuant to the Company’s previously announced concurrent financing of subscription receipts of the Company (the “**Concurrent Financing**”)).

In connection with the Transaction, Triani intends to complete a non-brokered private placement of convertible debentures in the aggregate principal amount of up to \$3,000,000, bearing interest at a rate of 12.1% per annum, maturing 12 months from the date of issuance, and automatically convertible into Prime Shares (post-Consolidation) immediately following the closing of the Transaction, at a deemed price per Prime Share equal to \$0.50, or such other price as permitted by the CSE (the “**Bridge Convertible Debenture Offering**”). In accordance with applicable securities laws, all securities issued under the Bridge Convertible Debenture Offering will be subject to a four month and one day hold period from the date of issuance. The net proceeds of the Bridge Convertible Debenture Offering will be to fund the Transaction and for general and corporate working capital purposes.

Completion of the Transaction is subject to a number of terms and conditions, including, but not limited to: (i) completion of the Concurrent Financing; (ii) completion of the Consolidation; (iii) the parties obtaining all necessary consents, orders and regulatory and shareholder approvals, including the conditional approval of the CSE, subject only to customary conditions of closing; (iv) no material adverse change occurring in respect of either Prime or Triani; (v) the Name Change having been effected; (vi) the parties having delivered all documents and other items specified in the Share Purchase Agreement, including, but not limited to, an executed copy of the License and Option Agreement, the Property Option Agreement, and an opinion from 9296’s legal counsel that the discharge of Triani Canada’s wastewater complies with the regulations of the city of Terrebonne; (vii) the Resignations (as defined below) being tendered and the 9296 Nominees having been elected, subject to the closing of the Transaction; and (viii) such other closing conditions as set out in the Share Purchase Agreement.

**Board of Directors of the Resulting Issuer**

The board of directors of the Company (the “**Board**”) presently is made up of 6 members. Pursuant to the Share Purchase Agreement, 2 present directors of the Company shall resign (the “**Resignations**”) and the Board shall be reconstituted to include Jean-Denis Côté, Antoine Alonzo, and Samuel Cousineau-Bourgeois, as nominees of 9296 (the “**9296 Nominees**”). The names of the intended directors and officers of the Company following completion of the Transaction and their respective positions with the Company are as set forth below:

<b>Name</b>	<b>Position with the Company upon completion of the Transaction</b>
Alexandre Côté	Director and Chief Executive Officer
Antoine Alonzo	Director and Chief Financial Officer
Raimondo Messina	Director (Chairman of the Board)
Dominique Primeau	Director
Germain Turpin	Director
Jean-Denis Côté	Director
Samuel Cousineau-Bourgeois	Director

A brief biographical description of each of the anticipated directors and officers of the Company upon completion of the Transaction is provided below:

**Alexandre Côté – Proposed Director and Chief Executive Officer**

Alexandre Côté has been breaking boundaries in the finance world for over 20 years. Most recently, he’s known for being the Co-Founder and developer of the Distribution Model of Hybrid Financial Ltd. Mr. Côté has been a key leader of the growth of HFL in the US and Canada by developing the unique HFL model and building multiple effective teams. His team also created a substantial positive effect into the distribution of structured products in Canada.

Mr. Côté was also responsible for launching one of the first traditional fixed income notes listed in Canada. Formerly a Managing Director at AXA Canada, Alexandre helped create a Guaranteed Investment Funds platform. Earlier in his career, he helped to establish and develop OpenSky Capital, as the VP of Sales. OpenSky Capital was the largest independent innovator marketer of structured

products in Canada with over \$3 billion in assets. Alexandre made his first step in the Finance world at Talvest where he was responsible for a region with approximately \$500 million in assets under management. Mr. Côté earned a B.A. in Business from Laval University.

***Antoine Alonzo – Proposed Director and Chief Financial Officer***

Mr. Alonzo holds the title of Certified Professional Accountant (CPA) from l'Ordre des CPA du Québec. He worked for 20 years in the food industry in Canada and the USA. Mr. Alonzo worked the last 10 years for SOLINA, a food manufacturer based in France with over 38 plants around the world and very active in acquisitions in North America. He has a strong expertise in Lean management, Finances, M&A, IT and Supply Chain management.

Antoine has a strong knowledge in task automation and application design. He has led many acquisitions in the US & Canada. He has reengineered many operations and financial processes of different companies to improve profitably and increase the value for shareholders. He is a certified Black Belt Kaizen from the Kaizen Institute of America and Black Belt Lean Six Sigma from DBM institute USA.

***Raimondo Messina CPA, CA – Proposed Director and Chairman of the Board of Directors***

Raimondo Messina holds the title of Certified Professional Accountant from l'Ordre des CPA du Québec and is a Quebec entrepreneur.

Mr. Messina has extensive hands-on experience in conducting partnerships, acquisitions and building brand values in the hospitality and beverage industries. He also currently serves as Chief Financial Officer for the Beach Day Every Day beverage brand and President of Dream Hospitality Group.

***Dominique Primeau – Proposed Director***

Dominique Primeau is a businessman involved in several sectors of economic activity. From taking over the management of the family grocery store in 1990, he built, over the decades, a consortium for the next generation. From his extensive experience as an operator in the food sector, Dominique will be an asset to the Board of Directors.

***Germain Turpin – Proposed Director***

Mr. Turpin is a Forester by trade. With 26 years of experience working for Maclaren-Noranda Forest while perfecting his management skills & earning a certificate in administration and operations management, he achieved the position of factory director.

In 1992, Mr. Turpin purchased a sawmill and went on to develop the largest hardwood operation in Quebec with revenues of over \$40 million. Since 2000, he has applied the same model to develop water resources in Quebec, making him a true pioneer of the spring water sector.

***Jean-Denis Côté – Proposed Director***

Mr. Jean-Denis Côté is an accountant and a member of the HEC graduate program. A businessman and corporate director, he is active on several boards of private and public companies and economic development organizations. Mr. Côté has been a director and member of the ethics and audit committees of subsidiaries of a major Canadian bank. He also was the Founder/President of Groupe Paul Masson, a wine and spirits company successfully established in South America, Europe and China, a Founder/President of two regional venture capital companies, and Chairman of the Board of Directors of the Charles Lemoyne Hospital Foundation and the Orchestre symphonique de Longueuil.

Recognized as an outstanding leader by Commerce magazine as Man of the Month, he has also been recognized on two occasions as one of Canada's top 50 managers.

### ***Samuel Cousineau-Bourgeois – Proposed Director***

Samuel Cousineau-Bourgeois holds a master's degree in business law from Université de Montréal, a law degree from Université de Sherbrooke and an international studies orientation in international law from Université de Montréal. Mr. Cousineau-Bourgeois is a member of the Quebec Bar, and practices with Therrien Couture Joli-Cœur as a lawyer specializing in property assessment, business law and commercial real estate transactions.

An entrepreneur with a passion for real estate and business law, Samuel has worked as a lawyer in global strategic procurement in the aeronautics sector, and gained experience in negotiating contracts and partnerships with government and private organizations. These varied experiences have enabled him to develop his legal versatility and business acumen. He is a director of the Quebec chapter of the Canadian Property Tax Association and of the Caisse Desjardins du Haut-Richelieu.

### ***Shareholder Consent or Meeting***

Prior to the completion of the Transaction, and as required by corporate legislation or the policies of the CSE, Prime intends to seek shareholder approval for the Transaction at a meeting of its shareholders in accordance with applicable corporate and securities laws, to approve: (a) the Name Change; (b) the Consolidation; (c) the size of the board of directors of the Company and the election of the directors to the Board; (d) the fundamental change of the Company in connection with the completion of Transaction; and (e) to the extent required, the adoption of new by-laws, an omnibus equity incentive plan, or such other matters as deemed necessary or desirable by the Company or the Vendors (the "**Prime Meeting**").

### **Other Information relating to the Transaction**

The Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Trading in the Prime Shares has been halted and is expected to remain halted pending the satisfaction of the listing requirements of the CSE. There can be no assurance that the trading of Prime Shares will resume prior to the completion of the Transaction.

The Prime Shares to be issued pursuant to the Transaction will be issued pursuant to exemptions from the prospectus requirements of applicable securities legislation. The Prime Shares to be issued as part of the Consideration are expected to be subject to restrictions on resale under applicable securities legislation or escrow conditions as required by policies of the CSE.

### **Amended and Restated Investor Rights Agreement**

As previously announced on September 20, 2022, the Company is party to an investor rights agreement dated September 19, 2022, whereby 9474 Quebec Inc. ("**9474**") was granted, among other things, customary anti-dilution, top-up, and demand and piggy-back registration rights, and certain negotiated governance and director nomination rights, including the right to elect two new directors to the board of directors of the Corporation (the "**IRA**").

The Company and 9474 have entered into an amended and restated investor rights agreement effective May 10, 2024, whereby the parties have agreed to limit the rights previously granted to 9474 under the IRA to the negotiated governance and director nomination rights, including the right to

elect two new directors to the board of directors of the Corporation, subject to the terms and conditions contained therein.

### **About Prime Drink Group**

Prime Drink Group Corp. (CSE: PRME) is a Québec-based corporation that aims to become a leading diversified beverage holding company. The Company currently owns more than 3.4 billion litres of Québec's fresh groundwater reserves volume under permit and is strategically positioned to increase its holding. Under its new leadership team, the Company will seek to acquire, integrate and grow beverage businesses in diversified sectors, with a focus on sustainable growth.

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

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**Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.**

### ***Forward-Looking Information***

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations (including negative and grammatical variations) of such words and phrases or state that certain acts, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information in this press release may include, without limitation, statements relating to: the completion of the Transaction, the timing thereof, and on the terms described herein, the completion of the Concurrent Financing, completion of the Consolidation, completion of the Bridge Convertible Debenture Offering and on the terms described herein, the execution and terms of the License and Option Agreement and the Property Option Agreement, the proposed directors and officers of the Company, obtaining the appropriate approvals required with respect to the Transaction, the completion of the Name Change, obtaining receipt of all required shareholder and regulatory approvals, the holding of the Prime Meeting and the matters to be approved at such meeting, the issuance of future press releases and disclosure, trading of the Prime Shares, and escrow and trade restrictions to be imposed on the Consideration Shares.

These statements are based upon assumptions that are subject to significant risks and uncertainties, including risks regarding the beverage industry, market conditions, general economic factors, and the equity markets generally. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance of each of Prime and the Vendor may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although each of Prime and the Vendor believes that the expectations reflected in forward-looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, Prime and the Vendor disclaims any intention and assume no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.