



## PRIME DRINK GROUP ENTERS INTO LETTER OF INTENT TO ACQUIRE BEACH DAY EVERY DAY

- *Beach Day Every Day is a leading player in Québec's ready-to-drink beverage sector, and is rapidly expanding in Canada and the United States, with unaudited annual sales of more than \$30 million for the year ended in 2023.*

**Montreal, Québec, November 26, 2024** – Prime Drink Group Corp. (CSE: PRME) (“Prime” or the “Company”) is pleased to announce that it has entered into a non-binding letter of intent dated November 18, 2024 with Champlain Prime Investments S.E.C. (“Champlain”) and Prime Affichage Inc. (“Prime Affichage” and together with Champlain, the “Target Shareholders”) to acquire all the issued and outstanding common shares of Prime Capital Investments Inc. (“Target”), a company incorporated under the laws of Québec that owns the all the rights and assets of the Beach Day Every Day brand.



“The acquisition of Beach Day Every Day, a leading brand in the Québec ready-to-drink beverage market, was a no-brainer for Prime. Notably, this acquisition will enable Prime to add a premium, fast-growing brand to its portfolio. In addition, Prime will have access to the positive benefits of Beach Day Every Day's recent expansion activities in the rest of Canada and the United States, where the potential market is about 30 times larger than Québec's,” said Olivier Primeau, Founder and President of Prime Capital Investments and Prime's Chief Brand and Innovation Officer.

Alexandre Côté, President and CEO of Prime, added: “This acquisition fits perfectly with Prime's strategy of expansion through acquisitions, and provides us with a high-quality asset that will contribute immediately to our revenues, with high growth potential. What's more, this acquisition, combined with that of Triani Canada, brings us even closer to our goal of \$100 million in annual revenues.”

## Summary of Transaction

In consideration for the proposed acquisition (the “**Transaction**”) of all the common shares in the capital of Target (the “**Target Shares**”), Prime will pay an aggregate amount of \$22,500,000 as follows:

- (a) \$12,500,000 to Champlain via a lump sum cash payment on the closing date of the proposed Transaction; and
  - (b) \$10,000,000 to Prime Affichage, to be paid via the issuance of common shares in the capital of the Company (the “**Common Shares**”) at a deemed price of \$0.25 per share.
- (collectively, the “**Consideration**”).

All dollar figures provided herein are in Canadian dollars unless otherwise stated.

The Common Shares being issued pursuant to the Consideration will be issued under prospectus exemptions pursuant to National Instrument 45-106 – *Prospectus and Registrations Exemptions* (“**NI 45-106**”) and may be subject to an applicable statutory hold period along with any other resale restrictions imposed under applicable securities laws or the policies of the Canadian Securities Exchange (the “**CSE**”).

Prime and the Target Shareholders will be working towards entering into a definitive agreement (the “**Definitive Agreement**”), subject to the satisfaction of the completion of due diligence by Prime of Target, on or before January 31, 2025. The Definitive Agreement will include certain conditions, including the completion of the Concurrent Financing (as defined herein), the Company obtaining an independent valuation of Target acceptable to Prime and the CSE, Target having an aggregate debt no greater than \$5,200,000, and customary conditions for a transaction of this nature.

The Transaction will be subject to the approval of the CSE but is not expected to constitute a Fundamental Change (as defined in the policies of the CSE) of the Company, nor is it expected to result in a Change of Control (as defined in the policies of the CSE) of the Company.

As Raimondo Messina is a director and shareholder of both the Company and Target, and Olivier Primeau is both an executive and shareholder of both the Company and Target, it is anticipated that the Transaction would constitute a “related party transaction” as defined under Multilateral Instrument 61-101 *Protection of Minority Securityholders* (“**MI 61-101**”). The Company expects the Transaction would be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities being issued to such insider in connection with the Transaction, nor the consideration for the securities being paid to such insider would exceed 25% of the Company's market capitalization.

## Concurrent Financing

Prior to or concurrently with the closing of the Transaction, the Company will complete a private placement offering to raise minimum gross proceeds of \$12,500,000 (the “**Concurrent Financing**”). The Concurrent Financing will be completed by way of a private placement of common shares, subscription receipts or units of the Company in reliance on applicable prospectus exemptions pursuant to NI 45-106. The proceeds from the Concurrent Financing will be used to satisfy the cash consideration portion of the Transaction. Such final terms as pricing, structure, commission and/or finder’s fees in connection with the Concurrent Financing will be determined by the Company. The Company will provide further details regarding the Concurrent Financing in a subsequent news release.

## About Prime Capital Investments

Prime Capital Investments Inc. is a company incorporated under the laws of Québec that owns the all the rights and assets of the Beach Day Every Day brand.

## About Prime Drink Group

Prime Drink Group Corp (CSE: PRME) is a Québec-based corporation focused on becoming a leading diversified holding company in the beverage, influencer media and hospitality sectors.

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### **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: (i) the completion of the Transaction, the timing thereof, and on the terms described herein; (ii) the entry into a Definitive Agreement with respect to the Transaction; (iii) the anticipated benefits of the combined companies; (iv) the projection to reach \$100 million in revenue for the Company; (v) the anticipated launch of the Concurrent Financing; (vi) the availability of an exemption under MI 61-101; and (vii) the completion of satisfactory due diligence of Target by the Company.

These statements are based upon assumptions that are subject to significant risks and uncertainties, including risks regarding the beverage industry, management's ability to integrate Target's business into the Company's business and execute its business plan, market conditions, general economic factors, management's ability to execute its business plan, sufficient due diligence being provided by Target, no adverse change in applicable regulations, 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 Prime 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 Prime 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 disclaims any intention and assumes 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.

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