

## **CREDIT FACILITY AGREEMENT**

This Credit Facility Agreement (“Agreement”) is dated this 15<sup>th</sup> day of March 2021, by and between SOPHIE’S KITCHEN, INC, a California corporation (“Borrower”), and BILLY GOAT BRANDS, LTD., a British Columbia corporation (“Lender”).

### **BACKGROUND**

A. Borrower desires to establish a credit facility in the principal amount of up to US\$3,000,000.00 (the “Credit Facility”) with Lender and Lender is willing to extend the Credit Facility to Borrower under the terms and provisions hereinafter set forth.

B. The parties desire to define the terms and conditions of their relationship in writing.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Credit Facility. The Credit Facility shall permit short-term loans for general working capital purposes of the Borrower (each, a “Loan” and collectively, the “Loans”). The Loans shall be extended pursuant to the terms of Section 2 hereof. Each Loan shall be evidenced by and be further subject to the terms and conditions of, a convertible promissory note substantially in the form of Exhibit A attached hereto (the “Note”). The Borrower may borrow up to US\$3,000,000.00 subject to the terms hereof. However, the Lender reserves the right to decline any request for an advance if the aggregate amount of all amounts advanced under the Credit Facility plus the amount being advanced shall exceed US\$3,000,000.00.

2. Extension of Loans. Each Loan shall be extended by Lender and required to be made to Borrower upon the Borrower making a written request for funding (duly executed by an authorized officer of Borrower), which may be accomplished by electronic mail, and which will be subject to the limitations prescribed Section 4(b) of this Agreement.

3. Maturity Date. The Credit Facility shall be available for the period commencing with the date of the Borrower’s acceptance and satisfaction of the terms hereof and ending March 15, 2022 (the “Maturity Date”). All Loans shall mature on the Maturity Date.

4. Interest and Fees. In respect of the Loans, the Lender shall be entitled to receive the following:

(a) Each Loan shall be subject to the terms and conditions of the applicable Note evidencing such Loan and shall bear interest at a fixed rate per annum equal to six percent (6.00%) (the “Interest Rate”). Interest shall be computed on the basis of a 360-day year for actual days elapsed and shall be payable as set forth in the applicable Note. For avoidance of doubt, the Interest Rate shall solely accrue on the Loans advanced and outstanding from the Credit Facility and calculated from and after the date of each applicable Loan and until the Maturity Date. Interest payable on the Loans shall be Payable In Kind (“PIK”) interest and shall be convertible into common stock of the Borrower pursuant to the terms of the Notes and Section 6 hereof.

(b) All Loans requested by Borrower under the Credit Facility shall be in the maximum amount of Five Hundred Thousand Dollars (US\$500,000.00) per month; provided Borrower may request an amount that exceeds US\$500,000.00 per month and Lender may, in its sole discretion, agree to extend such additional requested amount; provided further that such request does not exceed the US\$3,000,000.00 limit on the Credit Facility. Lender acknowledges that is obligated, subject to the terms of this Agreement, (i) to extend the full principal amount of any Loan (up to the monthly limit) requested by Borrower; and (ii) to extend the full principal amount of the Credit Facility to the Borrower on or before the Maturity Date. Borrower acknowledges that it shall be required to accept the full principal amount of the Credit Facility on or before the earlier to occur of (i) the Maturity Date or (ii) Borrower achieving a public listing on a North American stock exchange and having a market capitalization of at least CDN\$20,000,000.00.

5. February 8<sup>th</sup> Loan Agreement. The Borrower and Lender hereby acknowledge and confirm that Lender had previously extended a loan in the principal amount of \$500,000.00 (the “Advance Loan”) to Borrower pursuant to the terms of a loan agreement between Borrower and Lender dated as of February 8, 2021 (the “February 8<sup>th</sup> Loan Agreement”). The parties hereby agree that (i) the outstanding principal under the February 8<sup>th</sup> Loan Agreement is hereby incorporated into this Agreement, deemed a “Loan” for purposes of this Agreement and made a part of the Credit Facility hereunder; (ii) any accrued interest under the February 8<sup>th</sup> Loan Agreement shall be governed by the provisions of Section 4(a) of this Agreement and the “February 8<sup>th</sup> Note” (as defined herein); and (iii) the Borrower shall issue to the Lender a Note hereunder evidencing the Advance Loan (the “February 8<sup>th</sup> Convertible Note”). The Lender and the Borrower acknowledge and agree that while the full principal amount of the Advance Loan shall be evidenced by the February 8<sup>th</sup> Convertible Note, the Borrower has not received written confirmation that the Wells Fargo credit facility (the “Wells Fargo Loan”) has been paid off pursuant to the terms of the February 8<sup>th</sup> Loan Agreement. Accordingly, the February 8<sup>th</sup> Convertible Note shall remain subject to the February 8<sup>th</sup> Loan Agreement until such time as written confirmation shall have been received by the Borrower that the Wells Fargo Loan has been paid in full and the remainder of the balance of the Advance Loan is received by Borrower. Upon confirmation of repayment of the Wells Fargo Loan and the receipt of the balance of the Advance Loan by Borrower, Borrower and Lender confirm that the February 8<sup>th</sup> Loan Agreement is terminated and is of no further force and effect.

6. Conversion.

(a) Prior to the Maturity Date, at the option of the Lender, the Lender may, by providing written notice to the Borrower, convert all of the outstanding principal and PIK Interest due and owing under this Agreement and each outstanding Note into common stock of the Borrower (the “Converted Stock”).

(b) Prior to the Maturity Date, if Lender fails to make a Loan, at the Option of the Borrower, Borrower may, by providing written notice to the Borrower, convert all of the outstanding principal and PIK Interest due and owing under this Agreement and each outstanding Note into Converted Stock.

(c) The outstanding principal and PIK Interest due and owing under this Agreement and the outstanding Notes shall automatically convert into Converted Stock on (i) the Maturity Date or (ii) upon an Event of Default.

(d) The conversion provided for under Section 6(a), (b) and (c) and the Notes into Converted Stock shall be at an effective price based upon a valuation of the Borrower of US\$10,000,000.00.

(e) All other terms and conditions with respect to a conversion of the outstanding principal and PIK Interest shall be governed by the Notes.

7. Warrants. As consideration for the provision of the Credit Facility and upon the initial advance of Loans hereunder, Borrower shall issue to Lender share purchase warrants in the form attached hereto as Exhibit B (the “Warrants”).

8. Advisory Services. During the term of this Agreement, Lender shall provide capital market advisory and mentorship services to Borrower at no additional expense to Borrower. The advisory services shall include assisting Borrower with the review of the structure and the process for achieving a public listing on a North American stock exchange.

9. Subscription. At the option of the Lender, on or before the Maturity Date, the Lender, or Lender’s principals (collectively “the Lender Group”) may elect by providing written notice to the Borrower, to subscribe (the “Subscription”) for and acquire the common stock of the Borrower with an aggregate value of US\$2,618,500.00 less the accrued amount of any PIK Interest on the Credit Facility (if such PIK Interest has not been converted pursuant to the Note and Section 6) (the “Subscription Stock”), based upon a pre-Subscription valuation of the Borrower of US\$12,000,000.00. Such subscription shall be in the form of (a) an additional cash investment made by Lender in Borrower in the amount of US\$2,400,000.00 (the “Cash Subscription Payment”) and (b) an in-kind investment in the amount of US\$218,500.00 in the form of common shares of the Lender based upon a price of CDN\$0.25 per share and prevailing exchange rates (the “Lender Stock Subscription Payment”). Borrower, Lender and Miles Woodruff (“Woodruff”) acknowledge and agree that the US\$218,500.00 amount represents an outstanding liability owed to him by the Borrower (the “Woodruff Liability”). Borrower, Lender and Woodruff further acknowledge and agree that upon its receipt of the Lender Stock Subscription Payment, it shall immediately transfer the Lender Stock Subscription Payment to Woodruff in full payment and satisfaction of the Woodruff Liability. If Lender elects to make the Subscription, Lender, or Lender’s Principals as the case may be, and Borrower shall enter into a stock purchase agreement with respect to the Subscription Stock substantially in the form attached hereto as Exhibit C (the “Subscription Agreement”).

10. Share Exchange. At the option of the Borrower, on or before the Maturity Date, the Borrower may, through written notice to the Lender, cause the Lender to subscribe for and acquire additional common stock of the Borrower with a value of US\$2,000,000.00 less he accrued amount of any PIK Interest on the Credit Facility (if such PIK Interest has not been converted pursuant to the Note and Section 6) (the “Share Exchange Stock”) based upon a pre-Subscription valuation of the Borrower of US\$12,000,000.00. The consideration paid by Lender pursuant to such subscription shall be in the form of common shares of the Lender based upon a price of

CDN\$0.25 per share and prevailing exchange rates. If Borrower elects to cause such subscription, Lender and Borrower shall enter into a share exchange agreement with respect to the Share Exchange Stock.

11. Antidilution.

(a) General. If at any time the Borrower proposes to offer New Securities to any Persons (“Prospective Purchasers”), regardless of whether the Borrower proposes to originally issue the New Securities or to sell New Securities from its treasury, the Borrower shall, prior to the offering of New Securities, give written notice (the “Offering Notice”) to Lender. The Offering Notice shall describe in reasonable detail the proposed issuance and sale, including, without limitation, the number of New Securities to be issued and sold and the consideration to be paid by Prospective Purchasers.

(b) Exercise of Preemptive Right. Lender, subject to compliance with applicable securities laws, shall be entitled to purchase Lender's pro rata portion of the New Securities based on Lender's ownership of Borrower's common stock upon the same terms and conditions as those set forth in the Offering Notice, by giving written notice of such election to the Borrower within 30 days after the Offering Notice has been given to him, her or it (the “Exercise Period”). If the Lender elects to purchase all its pro rata portion of the New Securities specified in the Offering Notice, then the closing of the issuance and sale of such New Securities from the Borrower shall be held at the principal offices of the Borrower on a business day during the 30-day period immediately following the last date that the Lender may elect to purchase New Securities pursuant to this paragraph or at such other time and place as the parties to the transaction may agree.

(c) Issuance to Prospective Purchasers. After the Exercise Period, the Borrower may issue and sell all or any portion of the New Securities other than the New Securities the Lender has elected to purchase to the Prospective Purchasers at a price and on terms and conditions no more favorable to the Prospective Purchasers than those specified in the Offering Notice during the 90-day period immediately following the last date that the Lender may elect to purchase New Securities pursuant to Section 11(b) and (ii) the closing of the issuance and sale of such New Securities from the Borrower to the Lender shall be held concurrently with the closing of the issuance and sale of New Securities to the Prospective Purchasers; provided that Lender shall not be required to exercise its preemptive rights hereunder in the event that the issuance of New Securities to the Prospective Purchasers is not consummated. Any New Securities not issued and sold to the Prospective Purchaser during such 90-day period will be subject to the provisions of this Section 12 upon subsequent issuance

(d) “New Securities” means any equity interests in the Borrower (including any rights, options or warrants to purchase, and any indebtedness of the Borrower that is convertible into, equity interests in the Borrower) other than (i) equity interests, options or warrants to purchase equity, issued or granted, as the case may be, to employees of the Borrower pursuant to a stock equity plan approved by the shareholders and the Board of Directors of the Borrower; (iv) equity interests, options or warrants to purchase equity issued or granted, as the case may be, to providers of services and other non-cash resources with the approval of the Board of Directors of the Borrower, (iii) equity interests, options, warrants and convertible securities issued by the Borrower

in exchange, directly or indirectly, for assets of, or equity interests in, any other entity, (iv) equity interests, options, warrants and convertible securities issued in connection with the entry by the Borrower into any joint development arrangement or strategic partnership with any other entity, (v) equity interests, warrants and convertible securities issued in connection with any external debt financing of the Borrower by, or credit arrangement of the Borrower with, any bank or other commercial lender, and (vi) equity interests offered or sold by the Borrower for its own account in a public offering pursuant to an effective registration statement under the Securities Law of 1933, as amended. For the avoidance of doubt, any conversion of the Borrower Convertible Notes (as defined herein) shall be deemed the issuances of “New Securities” for the purpose of this Section 11).

12. Other Conditions and Covenants. In addition to the foregoing, at all times during the term of the Credit Facility and as long as any Loan remains outstanding, the Borrower shall:

(a) except for liens in favor of the Lender and the permitted liens listed on Schedule 12(a) hereof, not allow the mortgage or pledge of, or creation of a security interest in, any of the Borrower’s assets;

(b) except for indebtedness owing to the Lender and the permitted indebtedness listed on Schedule 12(b) (including without limitation, the convertible notes listed on Schedule 12(b) (the “Borrower Convertible Notes”)), not incur or permit to exist any indebtedness for borrowed money;

(c) except for obligations owing to the Lender, not assume, endorse, be or become liable for or guarantee the obligations of any corporation, partnership, limited liability company, individual or other entity excluding the endorsement of negotiable instruments for deposit or collection in the ordinary course of business;

(d) ensure that all payments required shall be in lawful money of the United States of America in immediately available funds;

(e) promptly notify Lender of any proposal to issue common stock of the Borrower to a third-party, and ensure that no such issuance of common stock are processed in the records of Borrower, until such time as the common stock has first been offered to Lender pursuant to the terms of Lender’s anti-dilution rights under Section 11 of this Agreement.

(f) provide Lender with quarterly financial statements prepared by management of Borrower.

(g) Borrower and Lender acknowledge that Borrower is in the process “converting” Borrower, a California corporation, into a Delaware corporation through the creation of a new Delaware corporation, Sophie’s Kitchen Food, Inc. (“Newco”) and the merger of Borrower into Newco (with Newco being the surviving entity), which merger shall, in addition to effecting the change of the Borrower to a Delaware corporation, increase the number of authorized shares of common stock to accommodate, among other things, the various conversions contemplated by this Agreement. Borrower and Lender further acknowledge that while the formation of Newco and filing of the merger document in Delaware are complete, the filing of the applicable merger confirmation documents in California is still currently pending. Borrower

agrees that it shall provide confirmation of the California filing to Lender as soon as it receives notice of its acceptance and completion (the "Merger Confirmation"). Until such time as Lender receives notice of the Merger Confirmation, Lender agrees that it shall not (i) exercise its rights to convert any Convertible Note; (ii) exercise its rights under the Warrants; or (iii) exercise the Subscription.

13. Closing. At the closing, the Lender shall have received:

(a) copies of the resolutions of the shareholders and directors of the Borrower authorizing the execution, delivery and performance of this Agreement and the agreements, instruments and documents executed pursuant to or in connection with the Credit Facility certified by the secretary of the Borrower;

(b) a certificate of the secretary of the Borrower certifying the names and true signatures of the directors or officers of said corporation authorized to sign any and all documents to be delivered by said corporation or as required or contemplated hereunder;

(c) a copy of the organizational documents of the Borrower, with all amendments thereto as well as applicable filing receipt(s) and a certificate of good standing issued by the State of Borrowers' incorporation.

(d) a complete and duly executed and delivered original of each of the following, each in form and substance satisfactory to Lender (the "**Loan Documents**"):

- (i) this Agreement;
- (ii) the February 8<sup>th</sup> Convertible Note;
- (iii) the Warrant;
- (iv) the Investor's Questionnaire;
- (v) any other documents related to the foregoing.

(e) All other documents and legal matters in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Lender and its counsel and the Lender and its counsel to be satisfied as to all legal matters.

14. Representations and Warranties of Borrower. As of the date hereof, the Borrower represents and warrants to the Lender that the following statements are true and correct:

(a) Organization, Existence, Qualification. Borrower is duly organized and validly existing in the state of Borrower's formation, and except where the failure to do so would not have a material adverse effect on Borrower or its business (i) Borrower has obtained and maintained all licenses or permits required in the operation of its business, and (ii) Borrower is duly qualified or licensed to do business in all jurisdictions where the nature of Borrower's activities requires such qualification or licensing;

(b) Authority. Borrower has full right, power and authority to enter into, execute and deliver this Agreement, the Note, the Loan Documents, and any officer's certificate and other documents executed and/or delivered by Borrower to Lender in connection with this Agreement or the other Loan Documents to which Borrower is a party, and Borrower has and shall

have full right, power and authority to perform each and all matters and things required to be performed under this Agreement and the other Loan Documents to which Borrower is a party; each of this Agreement and the other Loan Documents to which Borrower is a party have been duly authorized, executed and delivered and constitutes the legal, valid and binding contract of Borrower, enforceable in accordance with its terms (subject to bankruptcy and other laws of general application affecting the rights of creditors);

(c) Compliance. The Borrower conducts its business and operations and the ownership of its assets in material compliance with each applicable statute, regulation, and other law. All material approvals, including authorizations, permits, consents, franchises, licenses, registrations, filings, declarations, reports, and notices (the “Approvals”) necessary for the conduct of the Borrower’s business have been duly obtained and are in full force and effect. The Borrower is in material compliance with the Approvals. The Borrower is in compliance with its certificate of incorporation, bylaws and other applicable organizational or governing document as may be applicable to the Borrower depending on its organizational structure (“Governing Documents”). The Borrower is in compliance in all material respects with each material agreement to which it is a party or by which it or any of its assets is bound;

(d) Legality. The execution, delivery and performance by the Borrower of this Agreement and all related documents, including the Loan Documents to which Borrower is a party, (i) are in furtherance of the Borrower’s purposes and within its power and authority; (ii) do not (A) violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator with respect to the Borrower or (B) violate the Borrower’s Governing Documents, constitute a default under any agreement binding on the Borrower or result in a lien or encumbrance on any assets of the Borrower; and (iii) have been duly authorized by all necessary organizational actions.

(e) Capitalization. The authorized share capital of the Borrower consists of 12,000,000 shares of common stock of the Borrower with no par value, of which 10,128,074 shares are issued and outstanding (the “Shares”). The current holders of the Shares of the Borrower are listed on Schedule 14(e) and are the sole owners of the Shares. All the Shares have been duly authorized, are validly issued, fully paid, and non-assessable, and are owned of record and beneficially free and clear of all Encumbrances. All the Shares were issued in compliance with applicable laws. None of the Shares were issued in violation of any agreement, arrangement, or commitment to which the Borrower is a party or is subject to or in violation of any preemptive or similar rights of any party. Except as listed on Schedule 14(e), there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements, or commitments of any character relating to the share capital of the Borrower or obligating the Borrower to issue or sell any shares of, or any other interest in, the Borrower. The Borrower does not have outstanding or authorized any stock appreciation, phantom stock, profit participation, or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

(f) No Defaults. No Event of Default (as hereinafter defined) or event which, with the giving of notice or the passage of time or both, would be an Event of Default, has occurred

or continues or will occur as a result of Borrower's entering into or performing its obligations pursuant to this Agreement or the other Loan Documents;

(g) No Claims. Except as provided on Schedule 14(g), there is no action, suit, to Borrower's knowledge investigation or proceeding pending or to Borrower's knowledge threatened against Borrower in or before any court or any administrative or governmental authority, or any arbitration forum, which could reasonably be expected to impair Borrower's ability to enter into this Agreement or the other Loan Documents or materially prejudice in any way Borrower's ability to fulfill the obligations set forth in this Agreement or the other Loan Documents;

(h) Taxes. All tax and information returns required to be filed by or on behalf of Borrower have been properly and timely prepared, executed and filed or appropriate extensions have been properly obtained and remain in effect, except as could not reasonably be expected to have a material adverse effect on Borrower. Except as could not reasonably be expected to have a material adverse effect on Borrower, all taxes, assessments, fees and other governmental charges upon Borrower or upon any of its properties, incomes, sales, use or franchises (collectively, "Taxes") which are due and payable have been paid other than those not yet delinquent and payable without premium or penalty, and except for those being diligently contested in good faith by appropriate proceedings, and in each case adequate reserves and provisions for Taxes have been made on the books of Borrower;

(i) Accuracy of Financial Statements; No Undisclosed Liabilities. Attached hereto as Schedule 14(i) is the unaudited draft management report of the Borrower, setting forth the balance sheet and profit and loss statement of the Borrower as of the date set forth therein (the "Financials"). The Financials were prepared based on the books and records of the Borrower and are complete and correct in all material respects for the relevant period then ended and present fairly in all material respects the financial condition of the Borrower as of the date set forth therein;

(j) No Material Adverse Change. There has been no development or event which has had or could reasonably be expected to have a material adverse effect on the Borrower or its financial condition;

(k) Ownership of Property; Liens. The Borrower has good record and marketable title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property except for the liens or encumbrances specified on Schedule 12(a) hereof;

(l) Inventory. Listed on Schedule 14(l) is a true, correct, and complete itemization of the inventory of the Borrower as of the date of this Agreement (the "Inventory"). All Inventory (a) has been valued in accordance with the normal valuation policy of the Borrower, consistently applied and in accordance with generally accepted accounting principles; and (b) is of good and merchantable quality and is usable and saleable in the ordinary course of business. The Inventory does not include any items which are obsolete, damaged, or defective.



(m) Material Agreements. Each of the purchase orders, invoices and material agreements available to Borrower as of the date hereof is listed on Schedule 14(m) hereof (the “Material Agreements”) and represents a valid agreement enforceable against the Borrower in accordance with their respective terms. The Borrower is not, and, to the knowledge of Borrower, no other party thereto is, in default in any material respect with respect to the performance, observation or fulfillment of any material obligation, thereunder. As used in this Agreement, “knowledge” of the Borrower shall mean the actual knowledge of Borrower.

(n) Intellectual Property. The Borrower owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise) business or operation of the Borrower;

(o) Finders. Except for the Finder’s Fee Agreement, neither the Borrower nor any of its officers or directors has made any agreement with any person or entity or taken any action which would cause any person or entity to become entitled to any agent’s, broker’s or finder’s fee or commission in connection with the transactions contemplated hereby; and

(p) Full Disclosure. Neither this Agreement nor any certificate, financial statement or other writing provided to the Lender by or on behalf of the Borrower contains any statement of fact that is incorrect or misleading in any material respect or omits to state any fact necessary to make any such statement not incorrect or misleading. The Borrower has not failed to disclose to the Lender any fact that might have a material adverse effect on the Borrower.

15. Representations and Warranties of Lender. As of the date hereof, the Lender represents and warrants to the Borrower that the following statements are true and correct:

(a) Organization, Existence, Qualification. Lender is duly organized and validly existing in the jurisdiction of Lender's formation, and except where the failure to do so would not have a material adverse effect on Lender or its business (i) Lender has obtained and maintained all licenses or permits required in the operation of its business, and (ii) Lender is duly qualified or licensed to do business in all jurisdictions where the nature of Lender's activities requires such qualification or licensing;

(b) Authorization. This Agreement constitutes Lender’s valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors’ rights, and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies. Lender represents that it has full power and authority to enter into this Agreement.

(c) Compliance. The Lender conducts its business and operations and the ownership of its assets in material compliance with each applicable statute, regulation, and other law. All Approvals necessary for the conduct of the Lender’s business have been duly obtained and are in full force and effect. The Lender is in material compliance with the Approvals. The Lender is in compliance with its certificate of incorporation, bylaws and other applicable

Governing Documents. The Lender is in compliance in all material respects with each material agreement to which it is a party or by which it or any of its assets is bound;

(d) Legality. The execution, delivery and performance by the Lender of this Agreement and all related documents, including the Loan Documents to which Lender is a party, (i) are in furtherance of the Lender's purposes and within its power and authority; (ii) do not (A) violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator with respect to the Lender or (B) violate the Lender's Governing Documents, constitute a default under any agreement binding on the Lender or result in a lien or encumbrance on any assets of the Lender; and (iii) have been duly authorized by all necessary organizational actions

(e) Organization and Management of Lender. Attached hereto as Schedule 15(e), is (i) a list of the directors and officers of Lender; and (ii) a copy of the organizational documents of the Lender, with all amendments thereto as well as applicable filing receipt(s).

(f) Financing. The Lender has adequate funds in its own accounts and/or has commitments from third-party financiers to provide all funds necessary to consummate all the transactions contemplated by this Agreement and the ancillary agreements hereto, including, without limitation, the Credit Facility and the Subscription;

(g) Compliance With Anti-Terrorism Laws. The Lender and its respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement are not (i) in violation of any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by the U.S. Department of Treasury Office of Foreign Assets Control (such laws collectively, the "Anti-Terrorism Laws"), (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law; or (iii) under any list of known or suspected terrorists or terrorist organizations issued by any federal government agency and designated as such by Treasury in consultation with the federal functional regulators, or under any statute, executive order, or other governmental action;

(h) Purchase Entirely for Own Account. Lender acknowledges that this Agreement is made with Lender in reliance upon Lender's representation to and covenant with the Borrower that the Notes and the Conversion Stock (collectively, the "Securities") will be acquired for investment for such Lender's own account, not as a nominee or agent for the account or benefit of another person or entity, and not with a view to the resale or distribution of any part thereof. Lender represents that it has no present intention of selling, granting any participation in, or otherwise distributing the Securities. By executing this Agreement, Lender further represents that Lender does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person or to any third person with respect to the Securities.

(i) Disclosure of Information. Lender acknowledges that it has received all information it considers necessary or appropriate for deciding whether to acquire the Securities. Lender further represents that it has had an opportunity to ask questions and received answers from the Borrower regarding the terms and conditions of the offering of the Securities and the Borrower.

(j) Accredited Investor. Lender is an “accredited investor” within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission (the “SEC”), as presently in effect. Lender has completed, signed, and returned the questionnaire and certification attached hereto as Exhibit D, and Lender’s responses in such questionnaire are correct and complete with respect to the purchase and sale of the Notes.

(k) Investment Experience. Because of Lender’s knowledge and experience in financial and business matters, Lender is able to evaluate the merits, risks, and other factors bearing upon the suitability of the Notes and the Conversion Stock as an investment for Lender, and Lender has been afforded adequate opportunity to evaluate this proposed investment in light of those factors, Lender’s financial condition, and Lender’s investment knowledge and experience.

(l) Absence of Disqualifying Events. Lender is not subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (each, a “Disqualification Event”). Lender will notify the Borrower of any Disqualification Event relating to Lender and any event that would, with the passage of time, become a Disqualification Event relating to Lender.

(m) Restricted Securities. Lender understands that the Note is, and the Conversion Stock when issued upon conversion of such Note will be, characterized as “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Borrower in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act, only in certain limited circumstances. Lender represents that it is familiar with SEC Rule 144, as presently in effect, understands the resale limitations imposed thereby and by the Securities Act and understands that a liquidation of this investment may be impossible for the indefinite future.

(n) No Public Solicitation. The offer to sell the Securities was directly communicated to the Lender by the Borrower in such a manner that the Lender was able to ask questions of and receive answers from the Borrower or a person acting on its behalf concerning the terms and conditions of the offering and the Securities. At no time was the Lender presented with or solicited by or through any leaflet, public promotional meeting, article, notice, internet site, television or radio advertisement or any other form of general advertising or solicitation in connection with such communicated offer

(o) Finders. Neither the Lender nor any of its officers or directors has made any agreement with any person or entity or taken any action which would cause any person or entity to become entitled to any agent’s, broker’s or finder’s fee or commission which would be payable by the Borrower in connection with the transactions contemplated hereby.

16. Events of Default. Upon the occurrence of any of the following events (each an “Event of Default” and collectively the “Events of Default”):

(a) default by the Borrower in making any payment of principal, interest, or any other sum payable under this Agreement or the Note when due; or

(b) the Borrower failing to perform any other condition, obligation or covenants described in this Agreement or in any other agreement, document or instrument executed and delivered pursuant to or in connection with this Agreement within the time periods specified, including without limitation the Loan Documents; or

(c) the Borrower defaulting under any non-payment covenants of any agreement, document or instrument executed and delivered pursuant to or in connection with this Agreement (whether executed prior or subsequent to the date hereof) or in connection with any obligation then outstanding with the Lender; or

(d) any representation or warranty made by the Borrower in the Note, the Loan Documents, or in any certificate furnished by the Borrower in connection with the extensions of credit made or to be made to the Borrower by the Lender, proves untrue in any material respect; or

(e) if the Borrower becomes insolvent or bankrupt, is generally not paying its debts as they become due, or makes an assignment for the benefit of creditors, or a trustee or receiver is appointed for the Borrower or for the greater part of the properties of Borrower with the consent of said Borrower, or if appointed without the consent of said Borrower, such trustee or receiver is not discharged within thirty (30) days, or bankruptcy, reorganization, liquidation or similar proceedings are instituted by or against Borrower under the laws of any jurisdiction, and if instituted against Borrower are consented to by it or remain undismissed for thirty (30) days, or a writ or warrant of attachment or similar process shall be issued against a substantial part of the property of Borrower and shall not be released or bonded within thirty (30) days after levy; or

(f) Prior to the Maturity Date if Lender fails to make a Loan.

then, in any such event, Lender's sole remedy with respect to an Event of Default shall be the conversion of any and all Notes pursuant to the terms of such Notes and Section 7 hereof. Borrower's remedy with respect to an Event of Default under Section 17(f) shall consist, at its option, either to convert the outstanding Notes pursuant to Section 7(b), or to pay back all of the Principal Amount of each outstanding Note prior to the Maturity Date.

17. Governing Law; Severability. This Agreement and the rights and duties of the parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of Delaware without regard to conflict of law principles or laws. The provisions of this Agreement are severable and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision in this Agreement in any jurisdiction.

18. Jurisdiction. The parties hereby consent and submit to the jurisdiction of the state courts of the State of New York located in Nassau County, New York or the United States District

Court for the Eastern District of New York for the adjudication of any rights or claims arising under this Agreement, the Note or any Loan Document.

19. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND THE NOTES IN CONNECTION HERewith OR ANY OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF, DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY.

20. Expenses. Each of Borrower and Lender will be responsible for its own expenses in connection with the Credit Facility, including any professional fees and due diligence expenses incurred.

21. Further Assurances. At any time after the date hereof, at the reasonable request of the Lender, the Borrower shall do or cause to be done all such further acts, and shall execute and deliver such further instruments, assignments, transfers, conveyances, or documents, as may reasonably be required in order to implement and carry out the intent and purpose of this Agreement and any documents executed in connection herewith.

22. Notices. All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed to have been duly given or made: (i) if delivered in person, immediately upon delivery, (ii) if by facsimile or electronic mail transmission, immediately upon sending and upon confirmation of receipt, (iii) if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending, and (iv) if mailed by certified mail, return receipt requested, five (5) days after mailing, postage prepaid. All notices, requests and demands are to be given or made to the respective parties at their addresses set forth below, or to such other addresses as either party may designate by notice in accordance with the provisions of this Section:

If to Lender:

[REDACTED]

With a courtesy copy to:

[REDACTED]

If to Borrower:

[REDACTED]

With a courtesy copy to:

[REDACTED]

23. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective heirs, personal representatives, successors and permitted assigns, except that the Borrower may not assign or transfer any of its rights under this Agreement or any Loan Document to which the Borrower is a party without the prior written consent of the Lender.

24. Integration. This Agreement and the Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and supersede all oral statements and prior writings with respect thereto.

25. Headings. Article, Section and Paragraph headings in this Agreement and in the Loan Documents are included in such documents for the convenience of reference only and shall not constitute a part of the applicable documents for any other purpose.

26. Effectiveness and Survival. This Agreement and the other Loan Documents contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior oral or written agreements or statements relating to such subject matter. None of the terms and provisions hereof or of the other Loan Documents may be changed, waived, discharged or terminated nor may any material departure from the provisions hereof or thereof be consented to, except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, termination or consent is sought. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the foregoing, acceptance by the Lender of any sum required to be paid pursuant hereto or any other Loan Document after its due date, or in an amount less than the sum then due, shall not constitute a waiver by the Lender of its right to require prompt payment when due of all other such sums or to declare a default or to exercise such other rights provided herein or in the other Loan Documents for such late or reduced payment.

This Agreement shall become effective on the date on which all parties hereto shall have signed a counterpart copy hereof and shall have delivered the same to the Lender. All representations and warranties made herein and in the other Loan Documents and in the certificates delivered pursuant hereto or thereto shall survive the making by the Lender of the Loans as herein contemplated and the execution and delivery to the Lender of the Note evidencing the Loans and

shall continue in full force and effect so long as any of the obligations hereunder are outstanding and unpaid or the Credit Facility is in effect.

27. Construction. This Agreement is the result of negotiations between, and has been reviewed by the Borrower, the Lender, and their respective counsel. Accordingly, this Agreement shall be deemed to be the product of each party hereto, and no ambiguity shall be construed in favor of or against either the Borrower or the Lender.

28. Counterparts. This Agreement may be executed in counterparts and each such counterpart, when taken together, shall constitute a single and binding agreement. Execution of this Agreement may be effected by delivery of facsimiles of signature pages, signature pages delivered in PDF format, or other electronic means, each of which shall be deemed originals in all respects.

**[SIGNATURES TO FOLLOW ON SEPARATE PAGE]**

**WITNESS** the due execution of this Agreement as a document under seal as of the date first written above.

**SOPHIE'S KITCHEN, INC.**

By: /s/ "Miles Woodruff"  
Name: Miles Woodruff  
Title: President and Chief Executive Officer

**BILLY GOAT BRANDS LTD.**

By: /s/ "Tony Harris"  
Name: Tony Harris  
Title: Chairman

*(Signature Page to Credit Facility Agreement)*



**EXHIBIT A**

**CONVERTIBLE NOTE**

**EXHIBIT B**  
**WARRANTS**

**EXHIBIT C**

**SUBSCRIPTION AGREEMENT**

**EXHIBIT D**

**INVESTORS QUESTIONNAIRE**

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION STATEMENT IS NOT REQUIRED UNDER THE SECURITIES ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER OR UNDER APPLICABLE STATE SECURITIES LAWS. THIS WARRANT PURSUANT TO ITS TERMS IS NOT TRANSFERABLE.

### **WARRANT CERTIFICATE**

To Purchase 2,155,855 shares of Common Stock of:

**SOPHIE’S KITCHEN, INC.**

March 15, 2021

THIS IS TO CERTIFY THAT, for value received, Billy Goat Brands, Inc., a British Columbia corporation (the “Holder”), is entitled to purchase from Sophie’s Kitchen, Inc., a California corporation (the “Company”), 2,155,855 shares of the Company’s Common Stock, no par value per share (the “Common Stock”), on the terms and conditions hereinafter set forth.

This Warrant Certificate is issued in connection with that certain Credit Facility Agreement of even date herewith (the “Credit Facility Agreement”). Defined terms used but not defined herein shall have the same definitions as provided such terms in the Credit Facility Agreement.

#### 1. Grant of Warrants

1.1 Grant; Exercisability Schedule. The Company hereby grants to the Holder warrants to purchase an aggregate of up to 2,155,855 shares of Common Stock (the “Warrants”), as adjusted as provided herein, at a purchase price equal to US\$.70 per share of Common Stock, as adjusted as provided herein (the “Exercise Price”). The shares of Common Stock, or other securities for which the Warrants may be exercised as a result of transactions contemplated by Section 2, are referred to as the “Warrant Shares.” This Warrant pursuant to its terms is not transferable.

1.2 Exercise Period. Subject to the terms and conditions of this Warrant Certificate the Warrants shall be exercisable until 5:00 p.m., Eastern Standard Time, on March 15, 2031 (the “Exercise Period”).

1.3 Shares To Be Issued; Reservation of Shares. The Company covenants and agrees that (a) all of the securities issuable upon the exercise of the Warrants in accordance with the terms hereof will, upon issuance in accordance with the terms hereof and payment of the Exercise Price therefor, be duly authorized, validly issued and outstanding, fully paid and non-assessable shares of Common Stock, and (b) subject to the terms of the Credit Facility, the Company will cause

during the Exercise Period there to be authorized and reserved a sufficient number of shares of Common Stock to provide for the exercise of the Warrants in full.

## 2. Adjustments to Warrants

2.1 Assumptions. The current Exercise Price of this Warrant and the number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of this Warrant) is based upon the Holder being entitled to acquire Warrant Shares with a value of US\$1,500,000.00 based on the assumptions of either (a) a twenty percent (20%) discount from the value of the Company immediately prior to a public listing of the Company on a North American stock exchange (the “Public Listing Pricing Assumption”); or (b) if no Public Listing is achieved by Company within twenty-four (24) months of the date of this Warrant, an effective price based upon a valuation of the Company of US\$12,000,000.00 (the “Non-Public Listing Pricing Assumption”). At the time of either the Public Listing or twenty-four (24) months from the date of this Warrant, The Holder and the Company shall confirm the Exercise Price and the number of Warrant Shares against the Public Listing Pricing Assumption and the Non-Public Listing Pricing Assumption. If the Exercise Price of this Warrant and the number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of his Warrant) do not conform to either the Public Listing Pricing Assumption or the Non-Public Listing Pricing Assumption, as applicable, each shall be appropriately adjusted to bring both the Exercise Price and the number of Warrant Shares into conforming with the applicable pricing assumption.

2.2 Stock Splits and Stock Dividends. The Exercise Price of this Warrant and the number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of this Warrant) shall each be proportionally adjusted to reflect any stock dividend, stock split or reverse stock split, or other similar event affecting the number of outstanding shares of Common Stock (or such other stock or securities). Each adjustment under this Section 2.1 shall become effective on the close of business on the date such dividend, stock split or reverse stock split, or other similar event becomes effective.

2.3 Other Dividends and Distributions. If the Company shall fix a record date for the holders of Common Stock entitled to receive a dividend or other distribution payable in securities of the Company other than shares of Common Stock, then lawful and adequate provision shall be made so that the Holder of the Warrants shall be entitled to receive upon exercise of the Warrants, in addition to the number of Warrant Shares immediately theretofore issuable upon exercise of the Warrants, the kind and number of securities of the Company which the Holder would have owned and been entitled to receive had the Warrants been exercised immediately prior to that date.

2.4 Reclassification, Exchange and Substitution. If the Common Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than by a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 2), then the Holder of the Warrants shall be entitled to receive upon exercise of the Warrants, in lieu of the Warrant Shares immediately theretofore issuable upon exercise of the Warrants, the kind and amount of stock receivable upon such recapitalization, reclassification or other change, by the holders of the number of shares of Common Stock for

which the Warrants could have been exercised immediately prior to such recapitalization, reclassification or other change.

2.5 Reorganizations, Mergers, Consolidations or Sales of Assets. If any of the following transactions (each, a “Special Transaction”) shall become effective: (a) a capital reorganization, share exchange or exchange offer (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 2), (b) a consolidation or merger of the Company with and into another entity (other than a consolidation or merger in which the Company is the continuing entity), (c) a sale or conveyance of all or substantially all of the Company’s assets (other than a sale/leaseback, mortgage or other financing transaction) or (d) the dissolution, liquidation, or winding up of the Company’s affairs; then as a condition of any Special Transaction, the Company shall mail to the Holder, as the holder of the Warrant, at least five (5) business days prior to the anticipated date of consummation (or such shorter period, if five business days is not reasonable or permissible under the circumstances) of any such Special Transaction (the “Transaction Date”), a notice specifying the Transaction Date so that the Holder may determine whether it wishes to exercise the Warrants prior to the Transaction Date. If the Holder does not exercise the Warrants prior to the Transaction Date, the Company shall cause effective provision to be made so that the Holder of the Warrants, in exchange for the cancellation of the Warrants, shall receive upon such Special Transaction the same cash amount or securities or other property per Warrant Share, if any, the Holder would have received if the Warrants were exercised immediately prior to the Special Transaction.

2.6 Notice. Whenever the Warrants, the Exercise Price or the number of Warrant Shares is to be adjusted as provided herein, the Company shall forthwith as soon as reasonably practicable, cause to be sent to the Holder a notice stating in reasonable detail the relevant facts and any resulting adjustments and the calculation thereof.

2.7 Fractional Interests. The Company shall not be required to issue fractions of shares of Common Stock upon the exercise of the Warrants. If any fraction of a share of Common Stock would be issuable upon the exercise of the Warrants, the Company shall, upon such issuance, purchase such fraction for an amount in cash equal to the current value of such fraction, computed on the basis of the last reported closing price of the Common Stock on the securities exchange or quotation system on which the shares of Common Stock are then listed or traded, as the case may be, if any, on the last business day prior to the date of exercise upon which such a sale shall have been effected, or, if the Common Stock is not so listed or traded on an exchange or quotation system, as the Board of Directors of the Company may in good faith determine.

2.8 Effect of Alternate Securities. If at any time, as a result of an adjustment made pursuant to this Section 2, the Holder of the Warrants shall thereafter become entitled to receive any securities of the Company other than shares of Common Stock, then the number of such other securities receivable upon exercise of the Warrants shall be subject to adjustment from time to time on terms as nearly equivalent as practicable to the provisions with respect to shares of Common Stock contained in this Section 2.

2.9 Successive Application. The provisions of this Section 2 shall apply from time to time to successive events covered by this Section 2. Upon the occurrence of any event

contemplated by this Article II, all references to Common Stock, to the Company and to other defined terms shall be equitably adjusted to protect the interests of the Holder.

2.10 Calculations. All calculations under this Section 2 shall be made to the nearest cent or the nearest 1/100<sup>th</sup> of a share as applicable.

2.11 No Change Necessary. The form of this Warrant need not be changed because of any adjustment to the Exercise Price or the Warrant Shares.

### 3. Exercise

3.1 Exercise of Warrants. This Warrant may not be exercised if the issuance of the Warrant Shares upon exercise would constitute a violation of any applicable federal or state securities laws or other laws or regulations. This Warrant may not be exercised until the restrictions against such exercise provided under the Credit Facility Agreement have lapsed. The Holder may exercise the Warrants only by (a) surrendering this Warrant Certificate with the form of exercise notice attached hereto as Exhibit A duly executed by the Holder, and (b)(i) making payment to the Company of the aggregate Exercise Price for the applicable Warrant Shares in cash or by certified check or wire transfer of immediately available funds to an account designated by the Company or (ii) by cashless exercise as set forth in Section 3.2.

Upon any partial exercise of the Warrants, the Company shall issue to the Holder, for its surrendered Warrant Certificate, a replacement Warrant Certificate identical in all respects to this Warrant Certificate, except that the number of Warrant Shares shall be reduced accordingly.

3.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment pursuant to Section 3.1, but otherwise in accordance with the requirements of this Section 3, the Holder may elect to receive Warrant Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Warrant Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares with respect to which this Warrant is being exercised (inclusive of the Warrant Shares surrendered to the Company in payment of the aggregate Exercise Price);

A = the Fair Market Value (as determined pursuant to the terms hereof) of one share of Common Stock of the Company; and

B = the Exercise Price per Warrant Share.

Fair Market Value. If the Company's Common Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-



counter market (a “Trading Market”), the “Fair Market Value” of a Warrant Share shall be the closing price or last sale price of a share of Common Stock reported for the business day immediately before the date on which Holder delivers this Warrant together with its form of exercise notice to the Company. If the Company’s Common Stock is not traded in a Trading Market, the board of directors of the Company (the “Board”) shall determine the Fair Market Value of one share of Common Stock of the Company in its reasonable good faith judgment.

3.3 Issuance of Warrant Shares. The Warrant Shares purchased shall be issued to the Holder exercising the Warrants as of the close of business on the business day on which all actions and payments required to be taken or made by the Holder hereunder shall have been so taken or made, and all documents and payments have been received by the Company. Each person in whose name any Warrant Share certificate is issued upon exercise of the Warrants shall for all purposes be deemed to have become the holder of record of the Warrant Shares for which the Warrants were exercised as of the date of exercise. Certificates for the Warrant Shares so issued, representing the aggregate number of shares specified in the form of exercise notice, shall be delivered to the Holder within a reasonable time. The Holder agrees to execute and deliver to the Company any and all documentation reasonable requested by the Company in connection with the exercise of the Warrants.

3.4 Payment of Taxes. The Company will pay any documentary stamp taxes attributable to the initial issuance of Warrant Shares issuable upon the exercise of the Warrant. The Holder shall be responsible for all other taxes, including income taxes due under federal, state or other law, if any such tax is due.

4. No Shareholder Rights for the Holder

Except as provided herein, the Holder shall not, solely by virtue of the Warrants and prior to the issuance of the Warrant Shares upon due exercise hereof, be entitled to any rights as a shareholder of the Company. No provision of the Warrants, in the absence of affirmative action by the holder hereof to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of the holder hereof, shall give rise to any liability of such holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

5. Loss

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant Certificate, and (in the case of loss, theft or destruction) reasonably satisfactory indemnification (including the posting of any surety bond, in form and substance, as reasonably requested by the Company); and upon surrender and cancellation of this Warrant Certificate, if mutilated, the Company shall promptly execute and deliver a replacement Warrant Certificate of like tenor and date.

6. Representations of the Holder

The Holder further understands that the Holder of the Warrants represents to the Company that it is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Warrants and the shares issuable upon exercise of the Warrants, and that the Warrants are not transferrable. The holder of the Warrants further represents that it is acquiring the Warrants and the right to acquire the shares issuable upon exercise of the Warrants for investment purposes only, for its own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act. The Holder further agrees and acknowledges that the issuance of the Warrant Shares upon any exercise of this Warrants will not be effectuated through a registration statement filed with and declared effective with the Securities and Exchange Commission, and accordingly, the Warrant Shares will be deemed restricted securities under the Securities Act. The certificates representing the Warrant Shares shall bear a legend substantially similar to the following:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under applicable state securities laws, and may not be offered or sold except (1) pursuant to an effective registration statement under the Securities Act or (2) upon the delivery by the holder to the Company of an opinion of counsel reasonably satisfactory to the Company that such registration statement is not required under the Securities Act and the rules and regulations promulgated thereunder or under applicable state securities laws.

The securities represented by this certificate are subject to a repurchase right in favor of the Company set forth in a written agreement, a copy of which is available from the Company upon written request."

7. Miscellaneous

7.1 Assignment.

(a) The Warrants and the rights, obligations and duties of the Company or the Holder hereunder shall not be assignable or otherwise transferable by either party.

(b) Notwithstanding anything to the contrary contained herein, in the event that the Company is acquired by another entity and becomes a wholly-owned subsidiary of that entity, then all references herein to the Company shall then be applicable to its shareholder and such shareholder shall be bound by the terms hereof as if it were the Company.

7.2 Modification. This Warrant Certificate may be amended only with the written consent of each of the Company and the Holder.

7.3 Binding Effect and Benefit. The Warrants shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, executors, administrators and personal representatives.

7.4 Further Assurances. The Company and Holder agree that from time to time hereafter, upon request, each party will, at such party's sole expense, execute and deliver such other instruments and documents and take such further action as may be reasonably necessary to carry out the intent of the Warrants.

7.5 Governing Law; Waiver of Jury Trial; Attorney's Fees. The Warrants shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Delaware. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the Federal or state courts located in the County of Nassau in the State of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Warrant Certificate, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Warrant Certificate except in the Federal or state courts located in the County of Nassau, in the State of New York, (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

7.6 Incorporation by Reference. All exhibits and documents referred to in the Warrants shall be deemed incorporated herein by any reference thereto as if fully set out herein.

7.7 Headings and Captions. Subject headings and captions are included for convenience purposes only and shall not affect the interpretation of this Warrant Certificate.

7.8 Notice. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, or (iii) mailed by certified or registered mail, postage prepaid, return receipt requested as follows:

**If to Company,  
addressed or delivered in  
person to:**

[REDACTED]

**If to the Holder,  
addressed or delivered in  
person to:**

[REDACTED]

or to such other address as either party may designate by notice in accordance with this Section.

Any such notice or communication, if given or made by prepaid, registered or certified mail or by recorded express delivery, shall be deemed to have been made when actually received.

7.9 Gender and Pronouns. Throughout this Warrant Certificate, the masculine shall include the feminine and neuter and the singular shall include the plural and vice versa as the context requires.

7.10 Entire Agreement. This Warrant Certificate constitutes the entire agreement of the parties and supersedes any and all other prior agreements, oral or written, with respect to the subject matter contained herein. There are no representations or warranties with respect to the subject matter of this Warrant Certificate other than as expressly set forth herein.

**[SIGNATURE ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the Company has caused this Warrant Certificate to be duly executed and delivered as of the 15<sup>th</sup> day of March 2021.

**SOPHIE'S KITCHEN, INC.**

By: /s/ "Miles Woodruff"

Name: Miles Woodruff

Title: President and Chief Executive Officer

**EXHIBIT A**

**EXERCISE NOTICE**

[To be executed only upon exercise of the Warrants]

The undersigned owner of the Warrants irrevocably exercises the Warrants for the purchase of the number of shares of Common Stock of Sophies Kitchen, Inc. as is set forth below, and herewith makes payment therefor, all at the price and on the terms and conditions specified in the attached Warrant Certificate.

1. The Warrant is currently exercisable to purchase a total of \_\_\_\_\_ Warrant Shares.
2. The undersigned Holder hereby exercises its right to purchase \_\_\_\_\_ Warrant Shares pursuant to the Warrant.
3. The Holder shall pay the sum of \$ \_\_\_\_\_ to the Company in accordance with the terms of the Warrant.
4. Pursuant to this exercise, the Company shall deliver \_\_\_\_\_ Warrant Shares in accordance with the terms of the Warrant.
5. Following this exercise, the Warrant shall be exercisable to purchase a total of \_\_\_\_\_ Warrant Shares.

Printed Name of Holder: \_\_\_\_\_

Signature of Holder: \_\_\_\_\_

Address of Holder: \_\_\_\_\_

Date: \_\_\_\_\_

**NOTICE:** The signature on this Exercise Notice must correspond with the name as written upon the face of the attached Warrant Certificate in every particular, without alteration or enlargement or any change whatsoever.

**THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF (COLLECTIVELY, THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE BORROWER AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.**

## **CONVERTIBLE PROMISSORY NOTE**

\$500,000.00

March 15, 2021

**FOR VALUE RECEIVED**, Sophie's Kitchen, Inc., a California corporation (the "Borrower") promises to pay to the order of Billy Goat Brands, Ltd., a British Columbia corporation (the "Lender"), the principal sum of Five Hundred Thousand and 0/100 Dollars (\$500,000.00) (together with all PIK Interest added to the principal amount hereof, the "**Principal Amount**"), together with accrued interest on the Principal Amount on this convertible promissory note (the "Note") at six percent (6.00%) per annum ("**PIK Interest**"), to accrue annually based on 360 days per year but charged for the actual number of days elapsed. On the annual anniversary of this Note, accrued PIK Interest shall, without action by any person, be added to the Principal Amount of this Note. Payment shall be made in lawful tender of the United States. This Note is issued pursuant to the terms of the Credit Facility Agreement dated March 15, 2021 (the "Credit Facility Agreement") between the Borrower and the Lender. Defined terms not defined herein, shall have the meaning provided them in the Credit Facility Agreement.

1. Maturity. Unless converted by the Borrower pursuant to this Note and the terms of the Credit Facility Agreement, the Principal Amount of this Note shall be payable on February 8, 2022, when the Principal Amount shall become due and payable (the "**Maturity Date**").

2. Mandatory Conversion.

2.1. Immediately prior to the occurrence of any of the events set forth in Section 2.2 (each, a "**Conversion Event**"), the outstanding Principal Amount of the Note will convert (the "Conversion"), into common stock of the Borrower based upon section 4 hereof.

2.2. The foregoing shall constitute Conversion Events under this Note: (i) upon the Maturity Date; or (ii) upon an Event of Default under the Note and/or the Credit Facility Agreement.

3. Optional Conversion.

3.1. Lender's Optional Conversion of Principal and Interest. The Lender may at any time convert all or any portion of the outstanding Principal Amount of this Note into common stock of the Borrower based upon Section 4 hereof.

3.2. Borrower's Optional Conversion of Principal and Interest. Prior to the Maturity Date, if Lender fails to make a Loan, at the Option of the Borrower, Borrower may, by providing written notice to the Borrower, convert all of the outstanding principal and PIK Interest due and owing under this Note into common stock of the Borrower.

3.3. Mechanics of Lender's Optional Conversion. To effect an optional conversion of this Note, the Lender will: (a) deliver a written notice of its intention to convert all or any portion of the amounts due under this Note (a "Notice of Conversion") to the Borrower and (b) deliver to the Borrower or its transfer agent this Note duly endorsed, or a notice that this Note has been lost, stolen, or destroyed and an agreement reasonably satisfactory to the Borrower to indemnify the Borrower from any loss incurred by it in connection with the loss, theft, or destruction of this Note. The Borrower will, as soon as practicable but in no event later than five (5) Business Days after the delivery of the Note, or the notice and indemnification agreement, issue and deliver at the office to the Lender, a certificate or certificates for the number of shares of common stock of the Borrower to which the Lender will be entitled on conversion. The conversion will be deemed to have been made on the business day the Notice of Conversion and Note or agreement and indemnification are received by the Borrower. The Lender will be treated for all purposes as the record holder or holders of such common stock of the Borrower on the date of such Notice of Conversion.

3.4. Mechanics of Borrower's Optional Conversion. To effect an optional conversion of this Note, the Borrower will: (a) deliver a written notice of its intention to convert all or any portion of the amounts due under this Note (a "Notice of Conversion") to the Lender and (b) request in the Notice of Conversion that Lender deliver to the Borrower or its transfer agent this Note duly endorsed, or a notice that this Note has been lost, stolen, or destroyed and an agreement reasonably satisfactory to the Borrower to indemnify the Borrower from any loss incurred by it in connection with the loss, theft, or destruction of this Note. The Borrower will, as soon as practicable but in no event later than five (5) Business Days after the delivery of the Note, or the notice and indemnification agreement, issue and deliver at the office to the Lender, a certificate or certificates for the number of shares of common stock of the Borrower to which the Lender will be entitled on conversion. The conversion will be deemed to have been made on the business day the Notice of Conversion and Note or agreement and indemnification are received by the Borrower. The Lender will be treated for all purposes as the record holder or holders of such common stock of the Borrower on the date of such Notice of Conversion.

4. Determination Amount of Conversion Stock.

4.1. The conversion provided for under Sections 2 and 3 hereof and the Notes into Converted Stock shall be at an effective price based upon a valuation of the Borrower of US\$10,000,000.00 (the "Conversion Price").

4.2. Lender shall receive a number of shares of common stock of the Borrower equal to the outstanding Principal Amount of the Note at the time of conversion divided by the Conversion Price.

5. Non-Transferable. This Note may not be sold, assigned, pledged, hypothecated or otherwise transferred (each, a "Transfer") without the prior written consent of the Borrower,



which may be granted or withheld in the Borrower's sole and absolute discretion. Any consent to a Transfer of this Note may be conditioned upon, among other things, delivery to the Borrower an opinion of counsel reasonably satisfactory to the Borrower that the proposed Transfer will not result in a violation of the Act or any applicable state securities laws, and specifying the exemption upon which the Lender is relying in making such Transfer. Any transfer of the Note except in accordance with the provisions of this Section 5 shall be *void ab initio*.

6. Representations, Warranties and Agreements of Lender. Lender understands and acknowledges that after conversion of the Note the common stock of Borrower issued to Lender will not be evidenced by a certificate. If at any time the Borrower determines to issue certificates evidencing the common stock of the Borrower, such certificates shall bear the following legend, including without limitation, any legend required by the laws of the jurisdiction in which Lender resides, and any legend required by any applicable law, including without limitation, any legend that will be useful to aid compliance with Regulation D or other regulations adopted by the SEC under the Act:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED UNLESS (A) SUCH TRANSACTION IS THE SUBJECT OF A REGISTRATION STATEMENT, FILED WITH AND DECLARED EFFECTIVE BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AND QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS, OR (B) AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE"

7. Events of Default.

Each of the following events shall constitute an event of default ("Event of Default"):

7.1. Each of the following events shall constitute an event of default ("Event of Default"):

- 7.1.1. default by the Borrower in making any payment of principal, interest, or any other sum payable under the Credit Facility Agreement or the Note when due; or
- 7.1.2. the Borrower failing to perform any other condition or obligation or covenants described in the Credit Facility Agreement or in any other agreement, document or instrument executed and delivered pursuant to or in connection with the Credit Facility Agreement within the time periods specified, including without limitation the Loan Documents; or
- 7.1.3. the Borrower defaulting under any non-payment covenants of any agreement, document or instrument executed and delivered pursuant to or in connection with the Credit Facility Agreement (whether executed prior

or subsequent to the date hereof) or in connection with any obligation then outstanding with the Lender; or

- 7.1.4. any representation or warranty made by the Borrower in the Credit Facility Agreement, the Note, the Loan Documents, or in any certificate furnished by the Borrower in connection with the extensions of credit made or to be made to the Borrower by the Lender, proves untrue in any material respect; or
- 7.1.5. if the Borrower becomes insolvent or bankrupt, is generally not paying its debts as they become due, or makes an assignment for the benefit of creditors, or a trustee or receiver is appointed for the Borrower or for the greater part of the properties of Borrower with the consent of said Borrower, or if appointed without the consent of said Borrower, such trustee or receiver is not discharged within thirty (30) days, or bankruptcy, reorganization, liquidation or similar proceedings are instituted by or against Borrower under the laws of any jurisdiction, and if instituted against Borrower are consented to by it or remain undismissed for thirty (30) days, or a writ or warrant of attachment or similar process shall be issued against a substantial part of the property of Borrower and shall not be released or bonded within thirty (30) days after levy;

7.2. Rights and Remedies on Default.

(a) In the event of the occurrence of an Event of Default pursuant to the terms of Section 7.1 hereof, Lender's sole remedy with respect to an Event of Default shall be the conversion of this Note pursuant to the terms of Section 2 and Section 4 hereof.

8. Taxes. The Borrower will pay any and all taxes (other than transfer taxes) that may be imposed on it with respect to the issuance and delivery of the common stock of Borrower on the conversion of this Note.

9. No Fractional Shares. No fractional shares of common stock of the Borrower are to be issued on the conversion of this Note, but the Borrower will instead round up to the next whole number the number of shares of common stock of Borrower to be issued on the conversion.

10. No Rights as Stockholder. Prior to the conversion of this Note, the Lender will not be entitled to vote or be deemed the holder of any of the capital stock of the Borrower, nor will anything contained herein be construed to confer on the Lender the rights of a stockholder of the Borrower or the right to vote for the election of directors or on any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders, or to receive dividends or subscription rights or otherwise, by virtue of being a holder of this Note.

11. Miscellaneous.

11.1.1. Governing Law. The laws of the State of Delaware applicable to agreements wholly to be performed therein shall govern the validity of this Note, the

construction of its terms, and the interpretation of the rights and duties arising hereunder. Any legal action, suit or proceeding in equity or law arising out of or relating to this Note shall be instituted in any state or federal court located in Nassau County, New York and each party agrees not to assert in any such action, suit or proceeding, any claim that such party is not subject personally to the jurisdiction of such court, that the action, suit or proceeding is brought in an inconvenient or improper forum or venue, or that the Credit Facility Agreement or the Note may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. THE LENDER AND THE BORROWER EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS NOTE.

11.1.2. Notices. All notices and other communications required or permitted to be given or made pursuant to this Note shall be in writing and shall be deemed to have been duly given and received: (i) upon delivery in the case of personal delivery, (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours and with written verification of successful transmission, and, if not sent during the recipient's normal business hours, then on the recipient's next business day, (iii) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications to a party shall be sent to the address for notice for such party set forth on the signature page hereto.

11.1.3. Presentment. Borrower waives demand, presentment for payment, notice of dishonor, protest and notice of protest of this Note.

11.1.4. Entire Agreement. This Note and the Credit Facility Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

11.1.5. Amendments. No change, modification, amendment, addition or termination of this Note or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

11.1.6. Severability. Every provision of this Note is intended to be severable, and, if any term or provision of this Note is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Note.

11.1.7. No Waiver; Rights Cumulative. No failure or delay by any party in exercising any right, power or privilege under this Note shall operate as a waiver thereof unless in writing and signed by such party nor shall any such waiver, failure or delay be deemed a continuing waiver by such party in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing. The rights and remedies of the parties herein provided shall be cumulative and not exclusive of any rights or remedies provided by law or equity.

11.1.8. Tax Matters. Notwithstanding the characterization of the Note for non-U.S. federal and state income tax purposes, Borrower and Lender hereby intend for the Note to be treated as an equity investment in Borrower for U.S. federal and state income tax purposes and agree to report the Note and any related transactions consistent with that intent for U.S. federal and state income tax purposes.

*[Signature page follows]*

IN WITNESS WHEREOF, the Borrower has executed and delivered this Convertible Promissory Note as of the date first above written.

Borrower:

**SOPHIE'S KITCHEN, INC.**

By: /s/ "Miles Woodruff"  
Name: Miles Woodruff  
Title: President and Chief Executive Officer

Borrower's Address for Notices:

[REDACTED]

Signature Page to Convertible Promissory Note

**CREDIT FACILITY AGREEMENT  
QUESTIONNAIRE AND CERTIFICATION**

The Lender represents that it is an "accredited investor" within the meaning of Regulation D under the Securities Act, and has indicated below which category under which the Lender qualifies as an accredited investor (*please initial the appropriate box(es)*):

- A. A natural person who had an individual income in excess of \$200,000 in each of the two most recent years, or joint income with his or her spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the coming year;
- B. A natural person whose individual worth, or joint net worth with his or her spouse, at the time of this subscription exceeds \$1,000,000, excluding the value of the Investor's primary residence;
- C. In Individual Retirement Account ("IRA") or revocable trust and the individual who established the IRA or each grantor of the trust is an accredited investor on the basis of (A) or (B) above;
- D. A self-directed pension plan and the participant who directed that assets of his or her account be invested in the Borrower is an accredited investor on the basis of (A) or (B) above and such participant is the only participant whose account is being invested in the Fund;
- E. A pension plan which is not a self-directed plan and which has total assets in excess of \$5,000,000;
- F. An irrevocable trust which consists of a single trust (i) with total assets in excess of \$5,000,000, (ii) which was not formed for the specific purpose of investing in the Borrower and (iii) whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment;
- G. A corporation, a partnership or a Massachusetts or similar business trust, that was not formed for the specific purpose of acquiring interest in the Borrower, with total assets in excess of \$5,000,000;
- H. An entity in which all of the equity owners are accredited investors; or
- I. None of the above apply (further information may be required to determine accredited investor status).

## SIGNATURE PAGE TO PURCHASER QUESTIONNAIRE AND CERTIFICATION

### ENTITY SUBSCRIBER SUBSCRIBER

Billy Goat Brands Ltd.

\_\_\_\_\_  
Print Name of Entity

Antony Harris

\_\_\_\_\_  
Name

| /s/ "Antony Harris"

\_\_\_\_\_  
**Signature**

Chairman & CEO

\_\_\_\_\_  
Title

March 15, 2021

\_\_\_\_\_  
Date

### INDIVIDUAL

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date