

Vegano Foods Expands Its Beverage Division and In-House Brand Portfolio with Proposed Acquisition of Tality Kombucha

Vancouver, British Columbia--(Newsfile Corp. - June 28, 2022) - **Vegano Foods Inc.** (CSE: VAGN) (OTCQB: VAGNF) ("Vegano" or the "Company") is pleased to announce that it has entered into a non-binding Letter of Intent ("LOI"), dated June 28th, 2022, pursuant to which Vegano will complete a share purchase transaction (the "Transaction") to acquire all of the outstanding share capital of Tality Kombucha ("Tality").

Brewing authentic kombucha using real roots, fruits, herbs and a well-balanced formulation, Tality has amassed a loyal and growing following for its product in Western Canada. To date, over 500 wholesale customers and restaurants across the country have sold a variety of Tality's four kombucha flavors, and the brand has recently added healthy teas to their product offerings.

According to Grandview Research, the global kombucha market size was valued at USD 4.23 billion in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 12.2% from 2022 to 2030¹. This positive trend is fueled by a dramatic shift toward consumers taking a proactive approach to improving their health, wellbeing and overall longevity.

If successful, Tality will represent Vegano Foods' second acquisition and mark a pivotal step in the evolution of the Company's healthy beverage division which includes its recent acquisition of oat milk brand SMPL and its other in-house branded products such as its Greens Blend and protein powder drink mixes.

Vegano has continued to shape itself as a purveyor of healthy food and beverage offerings with a unique emphasis on its beverage division. To maintain forward momentum, Vegano will remain focused on the development of a vertical distribution model to centralize costs while maximizing gross margin. This will also enable them to scale through the acquisition of popular consumer products, specifically beverages that integrate seamlessly in the marketplace.

Vegano CEO Conor Power says, "First and foremost, Tality makes an ethical and incredibly tasty product. Beyond that, their consistent year-over-year growth and expanding distribution make them a fantastic addition to the growing Vegano family of brands. We look forward to introducing them to our loyal customers and widening their distribution throughout North America."

Transaction Terms

The Transaction is an arm's length transaction and pursuant to the terms of the LOI the parties intend to sign a definitive agreement (the "Definitive Agreement") in respect to the Transaction on or before July 15, 2022, with an expected closing by the end of August 2022.

The Agreement is subject to a number of conditions precedent, including but not limited to: (i) the acquisition being approved by a special majority of the Tality Shareholders; (ii) the receipt of all consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the acquisition; (iii) completion of due diligence by Vegano; (iv) compliance with applicable securities laws; (v) the acquisition becoming effective prior to August 31, 2022; and (vi) the satisfaction of other customary closing conditions for transactions of a similar nature to the acquisition.

The acquisition of Tality is not expected to constitute a fundamental change for the Company, nor is it expected to result in a change of control of the Company, within the meaning provided by the policies of the Canadian Securities Exchange.

ABOUT VEGANO FOODS INC.

Vegano Foods Inc. is Canada's premier 100% plant-based online marketplace company operating in Vancouver. Founded in March of 2020, Vegano helps make healthy plant-based eating more accessible to Canadians, allowing them to take veganism beyond Meatless Mondays and Veganuary. Vegano sources high-quality products to make for easy plant-based shopping all on one website. For more information, visit www.veganofoods.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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The CSE has neither approved nor disapproved the contents of this news release. The CSE does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, but not limited to, the statements relating to the Company's financial performance, business development and results of operations. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

¹ <https://www.grandviewresearch.com/industry-analysis/kombucha-market>

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/129394>