



# Vejii Announces Definitive Purchase Agreement to Acquire VEDGEco USA Inc.

*This acquisition will enable Vejii to expand its offerings to include B2B wholesale distribution through grocery and foodservice channels for plant-based brands through VEDGEco.com.*

VANCOUVER, BC, Dec. 23, 2021 /CNW/ - [Vejii Holdings Ltd.](#) (CSE: VEJI) ("**Vejii**" or the "**Company**"), a North American online marketplace for plant-based and sustainable products, is pleased to announce that it has entered into a share purchase agreement (the "**Purchase Agreement**") to acquire VEDGEco USA Inc. ("**VEDGEco**"), a leading online business-to-business ("**B2B**") wholesale platform for plant-based products.

"VEDGEco launched as one of the first online wholesale platforms dedicated to providing restaurants and independent grocers with a large selection of high-quality plant-based options," said Kory Zelickson, CEO of Vejii. "This meant that small business owners could at last gain access to a large selection of plant-based products and ingredients without the requirements that typical larger national distributors have in place, such as large minimum order sizes."

Pursuant to the terms of the Purchase Agreement, the Company will acquire 100% of the issued and outstanding shares (the "**Purchased Shares**") of VEDGEco (the "**Transaction**") from the shareholders of VEDGEco (the "**Vendors**"). The total purchase price for the Purchased Shares will be US\$6,250,000, payable as follows: (a) on the date of the closing of the Transaction (the "**Closing**"), the Company will issue such number of common shares of the Company (each, a "**Common Share**") with a deemed value of \$3,500,000 (the "**Consideration Shares**") to the Vendors, as determined based on a price per Consideration Share of the greater of (i) C\$0.35 per Consideration Share and (ii) the closing price of the Common Shares on the Canadian Securities Exchange on the date immediately preceding the announcement by the Company of the Transaction, converted into United States dollars at the Bank of Canada exchange rate on such date; and (b) earn-out payments up to a maximum of US\$2,750,000, payable in Common Shares (the "**Earn-Out Shares**"), priced in the context of the market, to be issued to the Vendors upon VEDGEco meeting certain milestones as more particularly set out in the Purchase Agreement.

The Consideration Shares and the Earn-Out Shares issued under the Purchase Agreement are subject to a statutory hold period of four months and one day, restrictions on transfer under applicable United States ("**U.S.**") securities laws and a contractual lock-up as set out in the Purchase Agreement (the "**Voluntary Lock Up**"). Subject to compliance with applicable securities laws, 12.5% of the Consideration Shares and the Earn-Out Shares will be released from the Voluntary Lock Up on a quarterly basis for a period of 24 months from the date of issuance.

VEDGEco's key personnel are expected to continue to run the operations of VEDGEco following closing of the Transaction. The Transaction is expected to close on or around December 31, 2021. Closing of the Transaction is subject to customary closing conditions.

The Transaction will significantly augment Vejii's offering of plant-based brands, which have, to date, through ShopVejii.com and VeganEssentials.com, leveraged Vejii's platform for sales, marketing and order fulfillment and distribution across the U.S. and Canada via Vejii Fulfillment Services.

"We heard consistently from the brands that we serve that they were seeking to make the leap from e-commerce, to grocery and foodservice distribution. This could mean shipping samples, managing broker relationships, or gaining access to those restaurants and grocers not served by the larger wholesalers," added Zelickson. "We already work with our brand partners on a business-to-consumer ("**B2C**") strategy through our marketplace, but now we can also help our brand partners get access to distribution in local restaurants and grocers, expanding Vejii's capabilities from just B2C to also include B2B and food service."

"I built VEDGEco out of a necessity, given the limited plant-based options available in the small and local grocers and restaurants where I live in Kailua, Hawaii," said Trevor Hitch, CEO of VEDGEco. "Most of us are likely to have our first experience trying new plant-based products at a restaurant before purchasing those items to enjoy at home. With VEDGEco, our mission is to make plant-based options more broadly available by making them accessible to thousands of local restaurants across America. This access gives owners the ability to test products on their menu through our easy-to-use platform, without the need for long-term commitments or high, minimum order volumes. Owners can then see what works for their customer base and then return to re-order or test new options."

The Transaction is expected to drive synergies across purchasing, customer service, technology, and logistics for Vejii and VEDGEco. Vejii will also be able to leverage VEDGEco's existing facilities in Hawaii, Northern California and Georgia, while providing VEDGEco with access to its facilities in Texas, Wisconsin, and its soon-to-be operational third-party logistics operation in Southern California.

"The acquisition of VEDGEco will allow us to add a new revenue stream while increasing our buying power and margins with large brands, and also adding tremendous value for the brands on our platform." said Darren Gill, COO of Vejii "As restaurants and grocers expand their plant-based offerings, we will be strategically positioned to serve them while helping plant-based brands scale their businesses by offering those brands access to national distribution through the VEDGEco wholesale platform."

In addition to providing VEDGEco's existing offering of wholesale plant-based products, Vejii will now have the ability to significantly expand VEDGEco's product selection by leveraging its existing case-lot purchasing and expanding the range of products on its platform through VEDGEco. VEDGEco operates its distribution centers from Hawaii and California, which will further expand Vejii's distribution network, reducing shipping costs and expanding the Company's offering of regionalized same-day delivery.

## About VEDGEco USA Inc.

Headquartered in Kailua Hawaii, and launched in 2020 VEDGEco, the first nationwide plant-based foodservice distributor, helps restaurants go vegan by offering a selection of uncompromisingly delicious plant-based options that are easy to prepare. With a goal of bringing the freedom of food choice to all restaurants and businesses, VEDGEco distributes plant-based products in bulk to the restaurant and wholesale food industry, as well as to consumers across the U.S.

Carrying a carefully curated selection of the best plant-based meat, dairy, and egg alternatives, VEDGEco ships frozen and in recyclable and compostable packaging to reduce our carbon footprint.

For more information, visit [VEDGEco.com](https://vedgeco.com)

## About Vejii Holdings Inc.

Headquartered in Kelowna B.C, Vejii is a unified digital marketplace and fulfillment platform featuring thousands of plant-based and sustainable-living products from a growing list of hundreds of vendors. The platform offers an easy-to-use, omnichannel experience for both vendors and buyers, leveraging big data and artificial intelligence to elegantly connect brands with a targeted consumer base, both organically and through specialized marketing programs. Dynamic fulfillment services empower brands to offer tier-one service, with ongoing engagement being driven through features like smart lists, subscription programs, reordering functions, sampling programs, and more.

The Company also owns and operates U.S.-based Veg Essentials LLC ("**Vegan Essentials**"), which operates VeganEssentials.com. A staple of the plant-based community, Vegan Essentials was established in 1997 and contributes more than 20 years of consumer insight, data, and buying power. VeganEssentials.com was awarded best online vegan store from 2005-2018, as well as best online vegan grocer from 2018-2021 by VegNews Magazine.

For more information, visit [VejiiHoldings.com](https://vejiiholdings.com)

VejiiHoldings.com

ON BEHALF OF THE BOARD OF DIRECTORS:

Kory Zelickson, Director and CEO

Find Vejii on Social Media: on Instagram, Facebook, Twitter, and LinkedIn

No securities regulatory authority has either approved or disapproved of the contents of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Vejii in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Consideration Shares and the Earn-Out Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the Consideration Shares and the Earn-Out Shares may not be offered or sold within the U.S. or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements within the meaning of applicable securities laws with respect to the Company. These forward-looking statements generally are identified by words such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," and similar expressions. Forward-looking statements in this press release include statements relating: (i) the Transaction and the timing for its completion; (ii) the satisfaction of closing conditions; and (iii) the expected effects of the Transaction for the Company and VEDGEco, including the expected expansion of Vejii's offerings to include B2B wholesale distribution through VEDGEco.com, the expectation that key personnel of VEDGEco will remain with the Company, the expected augmentation of Vejii's offering of plant-based brands, the expected synergies across purchasing, customer service, technology and logistics for Vejii and VEDGEco, the expected leveraging of VEDGEco's existing facilities, the expected access of VEDGEco to Vejii's facilities, including to Vejii's planned third-party logistics operation in San Diego, California, the expected addition of a new revenue stream, the expected increase of Vejii's buying power and margins, the expected addition of value to brands on Vejii's platform, the expected strategic positioning of Vejii to serve restaurants, grocers and plant-based brands, the expected expansion of VEDGEco's product selection, the expected expansion of Vejii's distribution network, the expected reduction of shipping costs and the expected expansion of Vejii's offering of regionalized same-day delivery. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release including, without limitation, that the Company may not be able to complete the Transactions on the terms expected or at all, that the Transaction may not have the expected effects on the Company and/or on VEDGEco and other factors beyond the Company's control. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements included in this news release are expressly qualified by this cautionary statement. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable laws.

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