

# PODA Announces Filing of Information Circular for Special Meeting

VANCOUVER, BC, June 1, 2022 /CNW/ - **PODA HOLDINGS, INC. ("PODA" or the "Company")** (CSE: PODA) (FSE: 99L) (OTC: PODAF) is pleased to announce that, further to its news release dated May 13, 2022 in respect of the proposed sale of all or substantially all of the Company's assets to Altria Client Services LLC ("**ALCS**"), a subsidiary of Altria Group, Inc. (NYSE: MO), it has filed a management information circular (the "**Circular**") in connection with the upcoming meeting of the holders of the Company's shares (the "**Shareholders**") called for June 22, 2022 (the "**Meeting**"). The Circular is available on the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) well as on the Company's website at [poda-holdings.com](http://poda-holdings.com).

## Meeting Details

The Company's board of directors (the "**Board**") has set May 18, 2022 as the record date for determining the Shareholders entitled to receive notice and vote at the Meeting. The Meeting will be held at 1:30 p.m. (Pacific time) at the offices of DLA Piper (Canada) LLP, Suite 2800, Park Place 666 Burrard St, Vancouver, British Columbia. The deadline for returning proxies for the Meeting is Monday June 20, 2022 at 1:30 p.m (Pacific Time).

## The Transaction

As previously announced, the Company, Ryan Selby and Ryan Karkairan (together, the "**Owners**"), and ALCS entered into an asset purchase agreement dated May 13, 2022 (the "**Asset Purchase Agreement**"), pursuant to which the Company and the Owners have each agreed to sell to ALCS substantially all of the assets and properties used in the Company's business of developing, manufacturing and marketing multi-substrate heated capsule technology, including, without limitation, the Owners' patents related to such technology and the Company's exclusive, perpetual license of certain of those patents pursuant to an amended and restated royalties agreement dated April 12, 2019 (the "**Royalties Agreement**"), for a total purchase price of US\$100.5 million ("**Purchase Price**"), subject to certain adjustments and holdbacks (the "**Transaction**"). The Company carries on its business pursuant to the Royalties Agreement and the Company and the Owners have agreed to allocate US\$55,275,000 of the Purchase Price to the Company (being 55% of the Purchase Price), with the balance to the Owners. Provided the Transaction is completed, the Company expects to make a cash distribution to Shareholders (the "**Distribution**") equal to approximately CDN\$0.40 per subordinate voting share of the Company ("**SVS**") and CDN\$400 per multiple voting share of the Company ("**MVS**"), representing a 167% premium to the closing share price of the Company's SVS as of May 12, 2022, being the day prior to the announcement of the proposed Transaction.

The Transaction has been unanimously recommended by a special committee of the Board, comprised entirely of independent directors (the "**Special Committee**"). The Board, after receiving the unanimous recommendation of the Special Committee, has unanimously determined that the Transaction is in the best interests of the Company and that the consideration to be received by the Company pursuant to the Asset Purchase Agreement is fair to the Company. Accordingly, the Board approved the Asset Purchase Agreement and recommended that Shareholders vote in favour of the resolution approving the Transaction, with the Owners having declared their interests and abstaining.

## Matters to Be Considered at the Meeting

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, special resolutions approving the following:

1. the sale of all or substantially all of the undertaking of the Company in accordance with the *Business Corporations Act* (British Columbia) pursuant to the Transaction, as contemplated by the Asset Purchase Agreement;
2. the alteration of the Company's Articles to vary the special rights and restrictions with respect to participation in returns of capital and dividends attached to the SVS to facilitate matters in connection with the Distribution (the "**SVS Amendment**");
3. the reduction in the capital of the SVS to facilitate the distribution of a portion of the net proceeds received by the Company from the Transaction as a return of capital in connection with the Distribution (the "**SVS Capital Reduction**");
4. the alteration of the Company's Articles to vary the special rights and restrictions with respect to participation in returns of capital and dividends attached to the MVS to facilitate matters in connection with the Distribution (the "**MVS Amendment**"); and
5. the reduction in the capital of the MVS to facilitate the distribution of a portion of the net proceeds received by the Company from the Transaction as a return of capital in connection with the Distribution (the "**MVS Capital Reduction**").

To be adopted: (i) the resolution approving the Transaction must be approved by at least 66⅔% of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting, voting together as a single

class, (ii) the resolutions approving the SVS Amendment and the SVS Capital Reduction must each be approved by at least 66⅔% of the votes cast by holders of SVS, and (iii) the resolutions approving the MVS Amendment and the MVS Capital Reduction must each be approved by at least 66⅔% of the votes cast by holders of MVS, in each case present in person or represented by proxy and entitled to vote at the Meeting.

Each of the directors and senior officers of the Company, together with certain other Shareholders, holding shares carrying in aggregate approximately 38.91% of the votes which may be cast at the Meeting, have entered into voting agreements with ALCS pursuant to which they have agreed to cast such votes in favour of the resolution approving the Transaction.

**Your vote is important. Whether or not you plan to attend the Meeting, we encourage you to vote promptly.**

## **Additional Information**

The Circular contains important information regarding the Transaction and the other matters to be put forward to Shareholders at the Meeting, how Shareholders can vote their shares at the Meeting, the background to the Transaction and the rationale for the recommendations made by the Special Committee and the Board. **All Shareholders are urged to read the Circular as it contains important information.**

Further details regarding the terms of Asset Purchase Agreement are set out in the Asset Purchase Agreement, a copy of which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). In addition to Shareholder approval, the Transaction is subject to receipt of consents and approvals from certain governmental authorities and other parties, as well as other closing conditions customary in transactions of this nature.

## **ABOUT PODA HOLDINGS**

PODA has developed a multi-substrate heated capsule technology that uses proprietary biodegradable single-use capsules, which are both consumer and environmentally friendly. The innovative design of the technology prevents cross-contamination between the heating devices and the capsules which eliminates cleaning requirements and provides users with a convenient and enjoyable experience. PODA's technology is fully patented in Canada and is patent pending in over 60 additional countries, covering almost 70% of the global population.

## **FORWARD-LOOKING STATEMENTS**

*This news release contains "forward-looking information" which may include, but is not limited to, information with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future. Such forward-looking information is often, but not always, identified by the use of words and phrases such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Such forward-looking information includes, among other things, information regarding: the anticipated timing of the Meeting, the Company's ability to obtain shareholder approval at the Meeting, the Company's expectations regarding its ability to complete, and the anticipated results of, the Transaction, the anticipated distribution of CDN\$0.40 per share, and the parties' ability to satisfy closing conditions and receive necessary approvals. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. Although such statements are based on assumptions management considers reasonable, there can be no assurance: (i) that the Transaction will be completed; (ii) if the Transaction is completed, that it will be completed on the terms described above; (iii) that the proposed cash distribution will be made; or (iv) if the proposed cash distribution is made, as to the amount or terms of such distribution. .*

*Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the receipt of all necessary governmental and Shareholder approvals and satisfaction of other conditions to the completion of the Transaction and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other risk factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks include risks that the Transaction does not close on the anticipated timeline, or at all, risks related to increased competition and current global financial conditions, access and supply risks, reliance on key personnel, operational risks, regulatory risks, financing, capitalization and liquidity risks, and risks relating to the potential failure to receive all requisite shareholder and regulatory approvals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation, except as otherwise required by law, to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors change.*

*The Transaction cannot close until the required Shareholder and governmental approvals are obtained. There can be no*

*assurance that the Transaction will be completed as proposed or at all. The Transaction could be modified, restructured or terminated. Investors are cautioned that, except as disclosed in the Circular and in the Asset Purchase Agreement itself, copies of each of which are or will be filed under the Company's profile at [www.sedar.com](http://www.sedar.com), any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.*

*The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.*

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