

# PODA Completes Multiparty Sale of Intellectual Property Assets for US\$100.5 Million

VANCOUVER, BC, June 24, 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, the Company, together with Ryan Selby and Ryan Karkairan (the "**Owners**"), has completed the sale of substantially all of the assets and properties used in the Company's business (the "**Purchased Assets**") to Altria Client Services LLC ("**ALCS**"), a subsidiary of Altria Group, Inc. (NYSE:MO), for a total purchase price of US\$100.5 million ("**Purchase Price**"), subject to certain adjustments and holdbacks (the "**Transaction**"), pursuant to a definitive agreement dated May 13, 2022 (the "**Asset Purchase Agreement**").

Pursuant to the Asset Purchase Agreement, PODA will change its name to Idle Lifestyle Inc. and its trading symbol to IDLE.X, and expects to trade as an inactive issuer under the policies of the Canadian Stock Exchange.

Ryan Selby, PODA's Chief Executive Officer, Director and Chairman of the Company's board of directors (the "**Board**"), commented, "The completion of this sale represents the culmination of a tremendous amount of effort from the entire Poda team, and I am extremely proud of what we have accomplished. I believe this Transaction provides maximum value for the Company and its shareholders, and I know our innovative technology is now in good hands with Altria."

## The Transaction

PODA and the Owners sold 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**").

Pursuant to the Asset Purchase Agreement, as consideration for the Purchased Assets, ALCS paid the aggregate sum of US\$100,500,000, as follows:

- (a) US\$55,275,000 to the Company on closing of the Transaction (the "Closing"); and
- (b) Up to US\$45,225,000 to the Owners, US\$22,675,000 of which was paid to the Owners on Closing (with the remaining US\$22,550,000 subject to escrows and holdbacks).

No portion of the Purchase Price paid to the Company is subject to holdbacks or escrow.

As a result of the completion of the Transaction, the Company no longer has any material property or assets other than cash-on-hand plus the cash proceeds of the Transaction, which are expected to amount to approximately CDN\$69.65 million after satisfying the Company's obligations and liabilities. PODA anticipates it will make a cash distribution to holders of PODA's shares (the "**Shareholders**") equal to approximately CDN\$0.40 per subordinate voting share and CDN\$400 per multiple voting share (the "**Distribution**"), representing a 167% premium to the closing share price of PODA as of May 12, 2022, the day prior to announcement of the transaction. PODA will provide further information in this regard, and the record date for the Distribution, in a subsequent news release.

PODA expects to retain approximately CDN\$1 million in cash to explore new business opportunities for the economic benefit of its Shareholders, subject to the terms of the Asset Purchase Agreement.

It is anticipated that: (i) Messrs. Selby and Karkairan will resign from the Board within 60 days of the Closing; (ii) Aaron Bowden and Patrick Gray will remain on the Board; (iii) Mr. Bowden and Mr. Gray will appoint a third member to the Board to hold office until the next annual general meeting of shareholders; and (iv) Mr. Gray will serve as the Chief Executive Officer of the Company, and will likely be the only employee of the Company until a new Chief Executive Officer is identified.

## Advisors and Counsel

Stifel Nicolaus Canada Inc. acted as financial advisor to PODA, and DLA Piper (Canada) LLP and DLA Piper LLP acted as PODA's Canadian and United States legal counsel. Farris LLP acted as the Owner's legal counsel. Blake, Cassels & Graydon LLP acted as legal counsel to the Special Committee. McGuireWoods LLP and Goodmans LLP acted as ALCS's United States and Canadian legal counsel.

## Additional Information

Further details regarding the Transaction and the anticipated timing and amount of the Distribution are set out in the Asset Purchase Agreement and the management information circular (the "**Circular**") sent to Shareholders in connection with the special meeting held on June 22, 2022, which are available under PODA's profile at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board,  
Ryan Selby  
CEO, Director, and Chairman of the Board

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## 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 estimated funds that will be available to the Company upon completion of the Transaction and satisfaction of the Company's obligations and liabilities, the membership of the Board and management of the Company following the completion of the Transaction, the anticipated Distribution of CDN\$0.40 per share, the anticipated amount of the proceeds to be retained by the Company to explore new business opportunities, and the Company's ability to identify such opportunities. 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 proposed Distribution will be made; or (ii) if the proposed 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, unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for the Distribution 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 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. 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.*

*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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