

Recipe Unlimited Announces Completion of Substantial Issuer Bid

VAUGHAN, ON, Sept. 25, 2019 /CNW/ - Recipe Unlimited Corporation (formerly Cara Operations Limited) (TSX: RECP, "Recipe" or the "Company") announces today the completion of its substantial issuer bid initially announced on August 14, 2019 (the "Offer"). Recipe has taken up and paid for 4,629,629 subordinate voting shares ("Shares") at a price of \$27.00 per Share (the "Purchase Price").

The Shares purchased represent an aggregate purchase price of approximately \$125 million and represent 7.6% of the total number of Recipe's issued and outstanding Shares and multiple voting shares as of August 14, 2019, the date the Offer was announced. At such date, Recipe had 26,607,442 Shares and 34,396,284 multiple voting shares issued and outstanding. After giving effect to the Offer, Recipe will have 22,319,265 Shares and 34,054,832 multiple voting shares issued and outstanding.

A total of 4,629,629 Shares were taken up and purchased pursuant to purchase price tenders and auction tenders at or below the Purchase Price. Since the Offer was oversubscribed, shareholders who made auction tenders at or below the Purchase Price and shareholders who made purchase price tenders had approximately 91% of their successfully tendered Shares purchased by the Company (other than "odd lot" tenders, which were not subject to proration).

Fairfax Financial Holdings and its affiliates ("Fairfax") sold Shares in order to purchase an equal number of multiple voting shares from the Phelan family, through Cara Holdings Limited and its affiliates ("Cara Holdings"). As a result of this exchange, Fairfax's voting interest will increase from 56.91% to 61.66% and its equity interest will increase from 44.02% to 48.12%.

Holder of multiple voting shares were entitled to participate in the Offer and Cara Holdings had 341,460 multiple voting shares taken up pursuant to the Offer. Multiple voting shares taken up by Recipe were converted into Shares on a one-for-one basis immediately prior to take up. Upon completion of the Offer and completion of the purchase of multiple voting shares from Cara Holdings, it is expected that Fairfax will hold 5,812,845 Shares and 21,314,713 multiple voting shares, representing approximately 61.66% of the voting rights attached to all of the issued and outstanding Shares and multiple voting shares, and Cara Holdings will hold no Shares and 12,740,077 multiple voting shares, representing approximately 36.45% of the voting rights attached to all of the issued and outstanding Shares and multiple voting shares.

Payment for the purchased Shares will be effected by Computershare Investor Services Inc. (the "Depositary") in accordance with the Offer and applicable law. Any Shares or multiple voting shares not purchased, including Shares tendered pursuant to auction tenders at prices higher than the Purchase Price or invalidly tendered, will be returned to shareholders as soon as practicable by the Depositary.

The full details of the Offer are described in the offer to purchase and issuer bid circular dated August 14, 2019, as well as the related letter of transmittal and notice of guaranteed delivery, copies of which were filed and are available on SEDAR at www.sedar.com.

This press release is for information purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares or multiple voting shares of the Company.

Fairfax Early Warning Disclosure

Prior to the Offer, Fairfax beneficially owned and controlled 7,224,180 Shares and 19,903,378 multiple voting shares, representing approximately 27.5% of the Shares and approximately 57.9% of the multiple voting shares. Pursuant to the Offer, it is expected that Fairfax will have 1,411,369 Shares acquired, representing 6.32% of the outstanding Shares following completion of the Offer, and has agreed to acquire an equal number of multiple voting shares from Cara Holdings at the Purchase Price, representing 4.14% of the outstanding multiple voting shares.

It is expected that Fairfax will beneficially own and control 21,314,743 multiple voting shares, representing approximately 62.59% of the total outstanding multiple voting shares, and 5,812,811 Shares, representing approximately 26.04% of the total outstanding Shares following completion of the Offer and the purchase of multiple voting shares from Cara Holdings.

Fairfax will acquire the multiple voting shares from Cara Holdings pursuant to the private agreement exemption under section 4.2(1) of National Instrument 62-104 – *Take-over Bids and Issuer Bids* ("NI 62104"). Pursuant to the exemption, the purchase price to be paid for the multiple voting shares is equal to the Purchase Price, being less than 115% of the market price of the Shares (calculated in accordance with section 1.11 of NI 62-104) as of the date of the agreement between Fairfax and Cara Holdings. Fairfax is acquiring the multiple voting shares for investment purposes. Fairfax continually reviews its investment alternatives and may purchase or sell securities of Recipe from time to time in accordance with applicable laws. In the future, Fairfax may discuss with management and/or the board of directors of Recipe any of the transactions listed in clauses (a) to (k) of item 5 of Form F1 of National Instrument 62-103 – *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* and it may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of Recipe, in such manner as it deems advisable to benefit from changes in market prices of Recipe securities, publicly disclosed changes in the operations of Recipe, its business strategy or prospects or from a material transaction of Recipe. An early warning report will be

filed by Fairfax in accordance with applicable securities laws and will be available on SEDAR at www.sedar.com or may be obtained directly from Fairfax upon request at 416-367-4941 (Attention: John Varnell) or at Fairfax Financial Holdings Limited, 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7.

About Recipe

Founded in 1883, Recipe is Canada's oldest and largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Milestones, Montana's, Kelsey's, East Side Mario's, New York Fries, Prime Pubs, Bier Markt, Landing, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, and 1909 Taverne Moderne.

Recipe's iconic brands have established the organization as a nationally recognized franchisor of choice. As at June 30, 2019, Recipe had 24 brands and 1,384 restaurants, 85% of which are operated by franchisees and joint venture partners. Recipe's shares trade on the TSX under the ticker symbol RECP. More information about the Company is available at www.recipeunlimited.com.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS Certain statements in this press release about the Offer, including the timing of payment and settlement for Shares purchased under the Offer and the number of Shares and multiple voting shares expected to be issued and outstanding after the completion of the Offer, and other statements that are not historical facts, are "forward-looking statements" within the meaning of Canadian securities laws. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by Recipe in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Recipe believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct or that Recipe's expectations regarding this Offer or Recipe's actual results, level of activity, performance or achievements or future events or developments will be achieved.

Forward looking statements, by their very nature, involve inherent risks and uncertainties and are based on several assumptions, both general and specific. Recipe cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Further details and descriptions of factors that may affect the Offer are disclosed in the Offer and in Recipe's public filings with provincial or territorial securities regulatory authorities, which may be accessed on SEDAR's website at www.sedar.com.

SOURCE Recipe Unlimited Corp.

For further information: Investor relations: Recipe Unlimited Corp., Ken Grondin, (905) 760-2244, Chief Financial Officer, Email: kgrondin@recipeunlimited.com or investorrelations@recipeunlimited.com

<https://recipeunlimited.investorroom.com/2019-09-25-Recipe-Unlimited-Announces-Completion-of-Substantial-Issuer-Bid>