

RECIPE UNLIMITED ANNOUNCES RECEIPT OF INTERIM ORDER AND FILING OF SPECIAL MEETING MATERIALS IN RESPECT OF ARRANGEMENT WITH FAIRFAX

TORONTO, Sept. 26, 2022 /CNW/ - Recipe Unlimited Corporation ("Recipe" or the "Company") (TSX: RECP) announced today that it has filed and is in the process of mailing the management information circular (the "Circular") and related materials in connection with the special meeting (the "Meeting") of its shareholders (the "Shareholders") to be held virtually on October 21, 2022. The Meeting has been called for the Shareholders to consider and, if deemed advisable, to pass a special resolution (the "Arrangement Resolution") approving a previously announced statutory plan of arrangement involving the Company and 1000297337 Ontario Inc. (the "Purchaser"), a newly-formed subsidiary of Fairfax Financial Holdings Limited ("FFHL"), pursuant to which the Purchaser will acquire all of the issued and outstanding multiple voting shares ("MVS") and subordinate voting shares ("SVS", and together with "MVS", the "Shares") in the capital of the Company (other than those Shares owned by FFHL and its affiliates (collectively, "Fairfax") and 9,398,729 MVS owned by Cara Holdings Limited ("CHL", and together with Fairfax, the "Buying Group")) at a price of \$20.73 in cash per Share (the "Consideration"), subject to the terms and conditions of the arrangement agreement dated August 31, 2022 (the "Arrangement Agreement") among the Company, the Purchaser and FFHL (the "Arrangement").

Board Recommendation

The board of directors of the Company (the "Board") having taken into account such factors and matters as it considered relevant including, among other things, the recommendation of the independent special committee of the Board (the "Special Committee"), unanimously determined that the Arrangement is in the best interests of the Company and fair, from a financial point of view, to the holders of Shares (other than the Buying Group). Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the Arrangement Resolution at the Meeting.

Reasons for the Recommendation

In making its recommendation to the Board, the Special Committee considered and relied upon a number of substantive and procedural factors as set out in the Circular, including, among others, the following:

- **Significant Premium to Unaffected Market Price.** The value of the Consideration offered to Shareholders under the Arrangement represents a premium of 53.4% to the closing price on August 8, 2022, being the last trading day prior to the announcement of a letter of intent between Fairfax and the Company, and a premium of 59.2% and 58.1% to the 30- and 60-trading-day volume weighted average price, respectively, as of the close of trading on August 8, 2022.
- **Certainty of Value and Immediate Liquidity.** The Consideration being offered to Shareholders under the Arrangement is all cash, which provides immediate liquidity and certainty of value, especially given the thin trading volume of the SVS.
- **Independent Valuation and Fairness Opinion.** The Special Committee's independent financial advisor, Greenhill & Co. Canada Ltd. ("Greenhill"), prepared a formal valuation of the Shares in accordance with Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transactions, concluding that, as of August 8, 2022, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Shares was in the range of \$16.67 to \$21.85 per Share. The Consideration being offered to the holders of the Shares under the Arrangement is in the upper half of Greenhill's valuation range. In addition, on August 8, 2022, Greenhill delivered a fairness opinion to the Special Committee, pursuant to which it concluded that, as of August 8, 2022, the Consideration to be received by the holders of the Shares (other than the Buying Group) under the Arrangement is fair, from a financial point of view, to the holders of the Shares (other than the Buying Group). Further, on August 31, 2022, Greenhill confirmed that its views with respect to the fair market value of the Shares and the fairness of the Consideration to be received by the Shareholders pursuant to the Arrangement, as expressed in its formal valuation and fairness opinion, had not changed as at that date.
- **Special Committee Oversight.** The Special Committee, which is comprised entirely of independent directors and was advised by experienced and qualified independent financial and legal advisors, oversaw, reviewed and considered, and directly participated in the negotiation of, the Arrangement Agreement.

Interim Order

The Company also announced today that the Company has been granted an interim order (the "Interim Order") from the Ontario Superior Court of Justice (Commercial List) authorizing various matters, including the holding of the Meeting and the mailing of the Circular.

Meeting and Circular

The Meeting is scheduled to be held as a virtual-only meeting conducted via live audio webcast at <https://meetnow.global/MQAN95T> on October 21, 2022 at 10:00 a.m. (Toronto time). It is recommended that the Shareholders join at least fifteen minutes before the start of the Meeting. The Shareholders, regardless of geographic location, will have an equal opportunity to participate in the Meeting online, but will not be able to attend the Meeting in person. The Shareholders of record as on the close of business on September 14, 2022 are entitled to receive notice of and vote at the Meeting.

The Shareholders may vote prior to the Meeting by completing a form of proxy and voting information form in accordance with the instructions provided therein, and delivering the executed form of proxy to the Company's transfer agent before 10:00 a.m. (Toronto time) on October 19, 2022 (or if the Meeting is adjourned or postponed, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting) (the "Proxy Deadline"). The Shareholders are urged to vote well before the Proxy Deadline.

The Shareholders may also vote at the Meeting. Registered Shareholders may vote by completing a ballot online. The voting process for Shareholders who hold Shares through a broker, investment dealer, bank, trust company or other intermediary who wish to attend, participate or vote at the Meeting are more particularly described in the Circular.

The Circular provides important information on the Arrangement and related matters, including the background to the Arrangement, the rationale for the recommendation made by the Special Committee and the Board, voting procedures and how to virtually attend the Meeting. The Shareholders are urged to read the Circular carefully and in its entirety, and, if assistance is required, the Shareholders are urged to consult their financial, legal, tax or other professional advisors. The Circular is being mailed to the Shareholders in compliance with applicable laws and the Interim Order. The Circular is available on the SEDAR profile of Recipe at www.sedar.com and Recipe's website at www.recipeunlimited.com under Investors.

Shareholder Questions and Assistance

The Shareholders who have questions regarding the Arrangement or require assistance with the procedure for voting, including to complete their form of proxy, may contact Computershare Trust Company of Canada by telephone at 1-800-564-6253 (toll-free in North America) or 514-982-7555 (outside of North America), or by email at services@computershare.com. The Shareholders who have questions regarding how to complete their letter of transmittal may contact Computershare Investor Services Inc. by telephone at 1-800-564-6253 (toll-free in North America) or 514-982-7555 (outside of North America), or by email at corporateactions@computershare.com.

Forward Looking Information

This press release contains "forward-looking information" as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning our objectives, our strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

The forward-looking statements included in this press release, including statements regarding the Arrangement, are not guarantees of future results and involve numerous risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements. In respect of the forward-looking statements and information concerning the Arrangement, management has provided same based on reliance on certain assumptions it considers reasonable at this time including that any conditions precedent to the closing of the Arrangement can be satisfied. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

Risks and uncertainties related to the Arrangement include, but are not limited to: failure of Recipe and the Purchaser to obtain the required shareholder and court approvals for, or satisfy other closing conditions to effect, the Arrangement; the risk that the Arrangement may involve unexpected costs, liabilities or delays; the risk that, prior to or as a result of the completion of the Arrangement, the business of Recipe may experience significant disruptions, including loss of clients or employees due to transaction related uncertainty, industry conditions or other factors; risks relating to employee retention; the risk that legal proceedings may be instituted against Recipe; and risks related to the diversion of management's attention from Recipe's ongoing business operations.

The forward-looking information contained in this press release is made as of the date of this press release, and should not be relied upon as representing Recipe's views as of any date subsequent to the date of this press release. Except as required by applicable law, Recipe management and the Board undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Recipe

Founded in 1883, Recipe is Canada's 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, Montana's, Kelseys, East Side Mario's, New York Fries, Bier Markt, The Landing Group of Restaurants, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, Blanco Cantina, Añejo, Fresh and Ultimate Kitchens.

Recipe's iconic brands have established the organization as a nationally recognized franchisor of choice. As at June 26, 2022, Recipe had 20 brands and 1,223 restaurants, 82% of which are operated by franchisees and joint venture partners, operating in several countries including Canada, USA, Saudi Arabia, India and the UAE. Recipe's shares trade on the Toronto Stock Exchange under the ticker symbol RECP. More information about the Company is available at www.recipeunlimited.com.

About FFHL

FFHL is a holding company which, through its subsidiaries, is primarily engaged in property and casualty insurance and reinsurance and the associated investment management.

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/2022-09-26-RECIPE-UNLIMITED-ANNOUNCES-RECEIPT-OF-INTERIM-ORDER-AND-FILING-OF-SPECIAL-MEETING-MATERIALS-IN-RESPECT-OF-ARRANGEMENT-WITH-FAIRFAX>