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Sustainable Produce Urban Delivery Inc. and Rainy Hollow Ventures Inc. Announce Closing of Subscription Receipt Private Placement

VANCOUVER, British Columbia, December 23, 2020 – Sustainable Produce Urban Delivery Inc. (“**SPUD**”) and Rainy Hollow Ventures Inc. (TSXV: RHV.P) (“**Rainy Hollow**”) are pleased to announce that SPUD has closed its previously-announced private placement of subscription receipts (“**Subscription Receipts**”) by issuing 3,227,500 Subscription Receipts at a price of \$7.50 each, for gross proceeds to SPUD of approximately \$24.2 million, pursuant to an agency agreement dated December 23, 2020 between Canaccord Genuity Corp. and Desjardins Securities Inc., who acted as co-lead agents, Cormark Securities Inc., PI Financial Corp. (collectively, the “**Agents**”), SPUD and Rainy Hollow.

The gross proceeds from the sale of the Subscription Receipts, less the Agents' expenses paid at the closing of the private placement, are being held in escrow by Computershare Trust Company of Canada (“**Computershare**”) in accordance with a Subscription Receipt Agreement dated December 23, 2020 among SPUD, Computershare, Canaccord Genuity Corp. and Desjardins Securities Inc. and will be released to SPUD upon satisfaction and/or waiver of certain escrow release conditions (the “**Escrow Release Conditions**”), including completion of the Arrangement (as defined below). If the Arrangement closes on or before April 22, 2021, the escrowed proceeds from the private placement of Subscription Receipts will be released to SPUD. If the Arrangement fails to close by that date or is terminated prior thereto, the gross proceeds and *pro rata* entitlement to interest earned on the escrowed proceeds will be paid to the holders of the Subscription Receipts. SPUD will use the net proceeds from the private placement: (a) to fund the business plan of SPUD; (b) for Arrangement expenses; and (c) for general corporate purposes and future working capital of the Resulting Issuer (as defined below). Although SPUD intends to use the net proceeds from the private placement as described herein, the actual allocation of proceeds may vary, depending on future operations or unforeseen events or opportunities.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one common share of SPUD (a “**SPUD Share**”). Upon completion of the Arrangement, each underlying SPUD Share issued pursuant to exchange of the Subscription Receipts will be exchanged for one post-consolidation common share of Rainy Hollow.

In connection with the private placement, SPUD paid the Agents a cash commission in an aggregate amount of \$1,446,367.50 and issued an aggregate of 192,849 broker warrants (the “**Subscription Receipt Broker Warrants**”) to the Agents, each entitling its holder to purchase one SPUD Share or one share of the Resulting Issuer, as applicable, at a price of \$7.50 for a period of 24 months following the release of escrow funds. The Agents' cash commission has been deposited in escrow with Computershare and will be released to the Agents upon satisfaction and/or waiver of the Escrow Release Conditions.

As previously announced, on December 21, 2020, SPUD and Rainy Hollow entered into an Arrangement Agreement, which sets out the terms of the reverse take-over of Rainy Hollow by SPUD by way of a statutory plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) involving Rainy Hollow, SPUD and its securityholders (the “**Arrangement**”). It is anticipated that the Arrangement will constitute the Qualifying Transaction (as such term is defined in Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “**TSXV**”)) of Rainy Hollow, which is seeking conditional approval from the TSXV in respect thereof.

Concurrently with the Arrangement, Rainy Hollow intends to consolidate its common shares on an eight-to-one basis and change its name to “Sustainable Produce Urban Delivery Inc.” or such other name as may

be agreed to by SPUD and Rainy Hollow and accepted by the relevant regulatory authorities. Upon completion of the Arrangement, the combined entity (the “**Resulting Issuer**”) will carry on the current business of SPUD and will qualify as a Tier 1 Industrial Issuer pursuant to the policies of the TSXV.

About Rainy Hollow

Rainy Hollow is a Capital Pool Company governed by the policies of the TSXV. Rainy Hollow's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Investors are cautioned that trading in the securities of a Capital Pool Company should be considered highly speculative.

About SPUD

SPUD provides an online grocery shopping platform focused on organic and natural foods through SPUD.ca, where consumers can order and schedule home delivery of groceries and other essentials.

FoodX Technologies is the software behind SPUD.ca's integrated food business eco-system that includes online retail, community retail locations, food preparation services, wholesale and last mile distribution. FoodX Technologies is the only scalable end-to-end eGrocery Management Solution (eGMS) designed to meet the needs of large and small grocery retailers while providing profitable unit economics. FoodX's award winning eGrocery platform is the culmination of 20 years of experience in online grocery and has a proven track record of delivering efficiency, sustainability and profitability. FoodX utilizes Microsoft as its technology partner and has partnered with Canada's Digital Technology Super Cluster in the advancement of its innovation pipeline.

SPUD is headquartered in Vancouver, British Columbia. For more information, please visit <http://spud.ca>.

Investors are cautioned that, except as disclosed in the management information circular of SPUD or filing statement of Rainy Hollow to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of Rainy Hollow should be considered highly speculative.

Neither the TSXV nor the Toronto Stock Exchange has in any way passed upon the merits of the proposed Arrangement and has neither approved nor disapproved 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 of the securities in the United States. The securities 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 and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For further information:

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Notice on Forward Looking Information

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to: the Escrow Release Conditions and the use of net proceeds from the private placement; the terms and conditions of the Arrangement, including receipt of TSXV approval and the consolidation of Rainy Hollow common shares; the Resulting Issuer qualifying as a Tier 1 industrial issuer upon completion of the Arrangement; the details of any securities issuances, conversions; and the closing of the Arrangement. Often, but not always, forward-looking statements or information can be identified by the use of words such as “estimate”, “project”, “belief”, “anticipate”, “intend”, “expect”, “plan”, “predict”, “may” or “should” and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

With respect to forward-looking statements and information contained herein, Rainy Hollow and SPUD have made numerous assumptions including among other things, assumptions about general business and economic conditions of SPUD and the market in which it operates. The foregoing list of assumptions is not exhaustive.

Although management of Rainy Hollow and SPUD believe that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: risks relating to the receipt of all requisite approvals for the Arrangement, including the approval of SPUD shareholders and the TSXV; risks associated with the business of SPUD; business and economic conditions in the eGrocery industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to unanticipated operational difficulties (including failure of technology or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); changes in general economic conditions or conditions in the financial markets; changes in laws; risks related to the direct and indirect impact of COVID-19 including, but not limited to, its impact on general economic conditions, the ability to obtain financing as required; and other risk factors as detailed from time to time. Rainy Hollow and SPUD do not undertake to update any forward-looking information, except in accordance with applicable securities laws.