

Buzz Capital 2 Inc. Provides Further Details of Its Qualifying Transaction with Heliene Inc.

Toronto, Ontario--(Newsfile Corp. - November 8, 2021) - Further to its press release dated October 5, 2021, Buzz Capital 2 Inc. (TSXV: BUZH.P) (the "**Corporation**" or "**Buzz2**") is pleased to provide further details of its proposed qualifying transaction (the "**Proposed Transaction**") with Heliene Inc. ("**Heliene**").

Heliene, an Ontario private company incorporated under the *Business Corporations Act* (Ontario) and based in Sault Ste. Marie, is one of North America's fastest-growing domestic module manufacturers serving the utility-scale, commercial, and residential markets. With an in-house logistics team and remarkably responsive support staff, Heliene delivers competitively priced, high performance solar modules precisely when and where customers need them to accelerate North America's clean energy transition. Founded in 2010, Heliene consistently ranks as a Bloomberg New Energy Finance Tier 1 module manufacturer and has production facilities located in Canada, Minnesota and Florida. Further information on Heliene may be found on its website at: <https://heliene.com>.

THE PROPOSED TRANSACTION

On October 1, 2021, the Corporation entered into a non-binding letter of intent with Heliene setting forth the principal terms upon which the Corporation shall acquire all of the issued and outstanding shares in the capital of Heliene (the "**Heliene Shares**") by way of amalgamation, carried out pursuant to a business combination agreement to be entered into among the parties (the "**Definitive Agreement**"). It is intended that the Proposed Transaction will constitute a reverse take-over of the Corporation by Heliene inasmuch as the former shareholders of Heliene will own, assuming completion of the Concurrent Financing (as defined below) for minimum gross proceeds of \$35,000,000, 69.17% of the then outstanding non-diluted common shares in the capital of the Corporation (the "**Buzz2 Shares**") and 98.81% together with the subscribers in the Concurrent Financing. The Corporation following the completion of the Proposed Transaction is herein referred to as the "**Resulting Issuer**".

The Proposed Transaction will constitute the "Qualifying Transaction" of the Corporation as such term is defined in Policy 2.4 - Capital Pool Companies (the "**CPC Policy**") of the TSX Venture Exchange (the "**Exchange**") and it is anticipated that the Buzz2 Shares will trade under the stock symbol "HELN", subject to Exchange approval.

To the knowledge of the directors and executive officers of the Corporation, the only persons who currently beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Heliene Shares are as follows: (i) Mr. Denis Turcotte, an individual resident in Toronto, Ontario who currently owns approximately 44.57% of the outstanding Heliene Shares individually and through Northern Lights Trust, an entity beneficially owned and controlled by Mr. Turcotte; (ii) Mr. Martin Pochtaruk, an individual resident in Sault Ste. Marie, Ontario who currently has voting control over approximately 55.43% of the outstanding Heliene Shares individually and through 2208843 Ontario Limited, a corporation beneficially owned and controlled by Mr. Pochtaruk.

On or immediately prior to the closing of the Proposed Transaction, the Corporation will consolidate its outstanding share capital (the "**Consolidation**") on the basis of 1 new Buzz2 Share for each 5.8714 existing Buzz2 Shares. There are currently 8,220,000 Buzz2 Shares outstanding which will result in 1,400,000 post-Consolidation Buzz2 Shares issued and outstanding. The Consolidation will also affect the holders of the Corporation's outstanding warrants and options, as described below, on the same basis.

Prior to the closing of the Proposed Transaction, Heliene will split its outstanding share capital (the "**Split**") on the basis of 2,189,828 Heliene Shares for each of 1 existing Heliene Share and there will be 79,381,265 Heliene Shares outstanding at such time (prior to the issuance of 2,296,080 Lender Shares (as defined below)).

In connection with the Proposed Transaction, the Corporation will continue into Ontario as a corporation existing under the *Business Corporations Act* (Ontario) (the "**OBCA**") and will incorporate a wholly-owned subsidiary under the OBCA which will amalgamate with Heliene to form a new amalgamated corporation which will subsequently amalgamate with the Corporation to form the Resulting Issuer. In connection with the amalgamations, holders of Heliene Shares (including prior holders of subscription receipts purchased in the Concurrent Financing) will ultimately receive one Resulting Issuer Share in exchange for each Heliene Share held.

Following the completion of the Proposed Transaction, the Consolidation, the Split and the Concurrent Financing (collectively, the "**Transactions**"), there will be approximately 118,077,346 common shares of the Resulting Issuer ("**Resulting Issuer Shares**") outstanding assuming completion of the Concurrent Financing for gross proceeds of \$35,000,000 (or 128,077,346 Resulting Issuer Shares outstanding assuming completion of the Concurrent Financing for gross proceeds of \$45,000,000).

The Proposed Transaction will not constitute a "Non-Arm's Length Qualifying Transaction" (as such term is defined by the Exchange). In addition, the Proposed Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* and is not subject to Policy 5.9 of the Exchange. As a result, approval of the Proposed Transactions is not required pursuant to Policy 2.4 of the Exchange or applicable securities laws. However, the Consolidation, the approval of new stock option plan for the Resulting Issuer and the appointment of the new directors of the Resulting Issuer, will require the approval of Buzz shareholders at a special meeting of meeting of Buzz shareholders to be held prior to the completion of the Proposed Transaction.

There are no finder's fees payable to any person in connection with the Proposed Transaction.

CONCURRENT FINANCING

In conjunction with the Proposed Transaction, Heliene anticipates completing a concurrent financing of subscription receipts of Heliene ("**Subscription Receipts**") at a price of \$1.00 per Subscription Receipt for aggregate gross proceeds of a minimum of \$35,000,000 and a maximum of \$45,000,000 (the "**Concurrent Financing**"). Heliene will also grant the agents an option to sell such number of additional

Subscription Receipts as is equal to 15% of the number of Subscription Receipts sold under the Concurrent Financing. If the agents exercise such option, the aggregate gross proceeds of the Concurrent Financing will be \$51,750,000, assuming the maximum Concurrent Financing size. Each Subscription Receipt will automatically be exchanged into one unit of Heliene (each, a **"Unit"**) upon the satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement (the **"Release Conditions"**), without the payment of additional consideration or the taking of further action on the part of the subscriber. Each Unit will consist of one common share of Heliene (a **"Unit Share"**) and one common share purchase warrant (a **"Unit Warrant"**). Each Unit Warrant will be exercisable to acquire one common share of Heliene at an exercise price of \$1.25 for a period of 24 months from the date of the satisfaction of the Release Conditions.

Upon completion of the Proposed Transaction, each Unit Share will automatically be exchanged for one Resulting Issuer Share and each Unit Warrant will automatically be exchanged for one common share purchase warrant exercisable to acquire one Resulting Issuer Share at an exercise price of \$1.25 for a period of 24 months from the date of issuance of the Unit Warrants.

In connection with the Concurrent Financing, the agents will be entitled to a cash commission (the **"Commission"**) equal to 7.0% of the aggregate gross proceeds raised in the Concurrent Financing, which shall be reduced to 3.5% in respect of sales of Subscription Receipts to purchasers on a president's list and will be issued non-transferrable agent options (each, an **"Agent Option"**) exercisable for that number of Units equal to 7.0% of the number of Subscription Receipts issued pursuant to the Concurrent Financing, which shall be reduced to 3.5% in respect of the number of Subscription Receipts issued to purchasers on a president's list, at a price of \$1.00 per Unit for a period of 24 months from the date of satisfaction of the Release Conditions. In connection with the closing of the Proposed Transaction, the Agent Options will be exchanged for options of the Resulting Issuer on equivalent terms.

In connection with the Concurrent Financing, Heliene has entered into an engagement letter dated September 29, 2021 with Stifel GMP, Roth Canada ULC and Echelon Wealth Partners Inc. as lead agents and bookrunners.

The following table summarizes the proposed pro forma capitalization of the Resulting Issuer following completion of the Proposed Transaction, the Consolidation, the Split and the Concurrent Financing:

	Assuming the Minimum Concurrent Financing Amount (\$35,000,000)			Assuming the Maximum Concurrent Financing Amount (\$45,000,000)		
Designation of Security	Number	Percentage (undiluted)	Percentage (fully-diluted)	Number	Percentage (undiluted)	Percentage (fully-diluted)
Resulting Issuer Shares						
Shares Issued						
Buzz2 Shares	1,400,000	1.19%	0.89%	1,400,000	1.09%	0.78%
Heliene Shares	79,381,265	67.23%	50.20%	79,381,265	61.98%	44.22%
Issued to Investors in the Concurrent Financing	35,000,000	29.64%	22.14	45,000,000	35.14%	25.07%
Lender Shares ⁽¹⁾	2,296,080	1.94%	1.45	2,296,080	1.79%	1.28%
Subtotals	118,077,345	100%	74.68%	128,077,345	100%	71.35%
Reserved for issuance under the:						
Buzz2 Options	139,660	n/a	0.09%	139,660	n/a	0.08%
Agent Options (as defined below)						
issued pursuant to the Concurrent Financing ⁽²⁾	4,900,000	n/a	3.10%	6,300,000	n/a	3.51%
Warrants issued pursuant to the Concurrent Financing	35,000,000	n/a	22.14%	45,000,000	n/a	25.07%
Total (fully-diluted)	158,117,005		100%	179,517,005		100%

Notes:

(1) Pursuant to the terms of a credit agreement, Heliene has agreed to issue immediately prior to completion of the Proposed Transaction such 2,296,080 common shares of Heliene (on a post-Split basis) to Cortland Credit Group Inc. (the **"Lender Shares"**).

(2) It is anticipated that the agents in the Concurrent Financing will be issued agent options (each, a **"Agent Option"**), exercisable to purchase that number of units of Heliene equal to 7.0% of the number of subscription receipts issued pursuant to the Concurrent Financing, reduced to 3.5% in respect of the number of subscription receipts issued to purchasers on a president's list. Each unit of Heliene will consist of one Heliene Share and one Warrant, to be exchanged for equivalent units of the Resulting Issuer following completion of the Proposed Transaction. These figures include: (i) the Resulting Issuer Shares partially comprising the units issuable upon the exercise of the Agent Options; and (ii) the Resulting Issuer Shares issuable upon exercise of the Warrants underlying the Agent Options.

SELECTED FINANCIAL STATEMENT INFORMATION

The following tables present selected financial statement information on the financial condition and results of operations for the Corporation and Heliene. Such information is derived from the unaudited financial statements of Heliene for the period ended December 31, 2020 and the audited financial statements of the Corporation for the year ended December 31, 2020. The information provided herein should be read in conjunction with the financial statements of Heliene for the period ended December 31, 2020, which will subsequently be audited and

which have been prepared in accordance with IFRS, and which will be filed on SEDAR when the Corporation files its Filing Statement with respect to the Proposed Transaction. The Corporation's financial statements have been filed on SEDAR.

	<u>Heliene</u> <u>December 31, 2020</u> (audited) (Expressed in thousands of USD)	<u>Buzz2</u> <u>December 31, 2020</u> (audited) (CAD)
Revenue	\$67,408	\$0
Expenses	\$6,846	\$46,317
Gross profit	\$6,265	\$0
Net income (loss)	\$(581)	\$(46,317)
Total assets	\$25,340	\$400,971
Total liabilities	\$58,331	\$4,588
Shareholders' Equity	\$25,340	\$396,383

PROPOSED MANAGEMENT AND DIRECTORS OF THE RESULTING ISSUER

It is the intention of the Corporation and Heliene to establish and maintain a board of directors of the Resulting Issuer with a combination of appropriate skill sets that is compliant with all regulatory and corporate governance requirements, including any applicable independence requirements. Upon completion of the Proposed Transaction, the board of the Resulting Issuer is expected to be comprised of six (6) individuals. The following are brief descriptions of the proposed management and directors of the Resulting Issuer:

Martin Pochtaruk: *President, Chief Executive Officer and Director.* Mr. Pochtaruk has over 30 years of experience managing manufacturing and innovation businesses across Europe and America. Since founding the Company in 2010, Mr. Pochtaruk works for Heliene on a full-time basis. Prior to founding Heliene, he was the Vice President of business development at Algoma Steel Inc., a Canadian public company, where he was responsible for driving the company's value-chain integration strategy, creating and increasing value to shareholders. Mr. Pochtaruk holds a graduate degree (Licenciatura) in Physics from the University of Buenos Aires.

Brad Simard: *Chief Financial Officer and Corporate Secretary.* Mr. Simard's experience lies in the areas of finance, accounting, supply chain and management consulting. Mr. Simard also works a full-time position as the owner and operator of the TEN SPOT beauty bar and Simard Solutions. He holds a Bachelors of Mathematics (Honours) from the University of Waterloo and is also a Certified Management Accountant and Chartered Practitioner Accountant.

Gustavo Loureiro: *Chief Operating Officer.* Mr. Loureiro is an engineer and brings with him over 30 years of managerial and technical experience with a focus in manufacturing operations. Mr. Loureiro has worked in various capacities ranging from maintenance, production, quality and continuous improvement roles to project management in Canada, the USA, Argentina and Indonesia.

Nadeem Haque: *Chief Technology Officer.* Mr. Haque is an engineering & technology professional with 25+ years of experience in renewables and semiconductors. Prior to joining Heliene, Mr. Haque led the engineering of high efficiency solar, BIPV, and LCPV products and systems at Solaria Corporation. He previously led cutting edge work in the semi conductor industry, leading the design and delivery of state-of-the-art microelectronic products at LSI Logic Corporation (now Broadcom Inc.).

Denis Turcotte: *Chairman of the Board of Directors.* Mr. Turcotte has been involved in the energy industry in various capacities for over the past 15 years. He previously acted as a director of Heliene for a collective term of 4 years and has recently been re-elected as Chairman of the Board of Directors in January 2021. Mr. Turcotte is currently the Managing Partner and Chief Operating Officer of Brookfield Asset Management, where he has worked for almost 5 years. He is also a Board Chairman for Westinghouse Electric, Gaftech International and a Lead Director of Teekay Offshore. After resigning as President and CEO of Algoma Steel Inc., he became the Principal and Chief Executive Officer of North Channel Management/Capital Partners where he worked to support organizations focusing on improving governance, elevating strategy, business planning and implementing organizational redesign and change initiatives to achieve critical objectives. Mr. Turcotte holds a Bachelor of Engineering (Mechanical) from Lakehead University and a Master of Business Administration from the Western University.

Michel Dumas: *Independent Director.* Mr. Dumas has over 30 years of financial experience including time with companies in the manufacture of forest products. Prior to becoming a director of Heliene, he worked as Executive Vice-President and Chief Financial Officer of Tembec Holdings Inc., a large publicly listed company with its principal place of business in Montreal and was later named to its Board of Directors.

Benjamin Duster: *Independent Director.* Mr. Duster has over 30 years of experience working as a director, professional advisor and partner of businesses throughout the United States. He is the founder of Cormorant IV Corporation, LLC which serves as a strategic advisory and interim executive management firm for companies undergoing or contemplating transformative change. Mr. Duster currently serves as Chairman of the Compensation Committee of Weatherford International and Chairman of the Audit Committee of Chesapeake Energy. Most recently, he served as Chief Executive Officer of the CenterLight Health System where he was responsible for the operation of the largest not-for-profit Program of All-Inclusive Care for the Elderly in the United States. Mr. Duster holds a Bachelor of Arts in Economics from Yale University, a Masters in Business Administration from Harvard University and a Juris Doctorate from Harvard University.

Daniel Shea: *Independent Director.* Mr. Shea has nearly 10 years of experience working as a director in the nano-technology space based on solar cells, energy and solar control. He currently serves as the Chief Executive Officer of QD Solar Inc., Chairman of the Board of 3E Nano Inc. and Principal of Uniworld Communications, which are all Ontario-based companies. Prior to his current roles, he served as Chief

Operating Officer of Infobright, where he was nominated by the Chief Executive Officer of the database analytics company to address and rectify significant challenges. Mr. Shea holds a Bachelor of Applied Sciences from the University of Toronto.

Jonathan Weisz: *Independent Director.* Mr. Weisz has 30 years of legal experience where he worked to become partner at Torys LLP. He has vast experience representing many of North America's most prominent energy companies and project finance lenders on a variety of transactions. Mr. Weisz currently manages the family office of Jonathan Weisz Corporation, an investment and philanthropy company in Toronto, Ontario. Mr. Weisz holds a Juris Doctorate from Osgoode Hall Law School.

Dennis Greene: *Vice President, Sales and Business Development.* Mr. Greene has over 20 years of experience leading commercial teams on sales and business development of solar PV modules and software development and applications in the United States and internationally. Mr. Greene has established a reputation for developing cohesive, customer focused, high performing sales teams while focusing on customer needs and long-term satisfaction. Mr. Greene holds a Bachelor of Science in Business and Marketing from Murray State University.

SIGNIFICANT CONDITIONS TO CLOSING

The completion of the Proposed Transaction is subject to a number of conditions, including but not limited to the entering into of the Definitive Agreement, completion of the Concurrent Financing, satisfactory due diligence reviews, approval by both boards of directors, approval of Heliene's shareholders, obtaining necessary governmental and third-party approvals and Exchange acceptance. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

SPONSORSHIP

The Corporation has applied for a waiver from the sponsorship requirement. There is no guarantee that such waiver can be obtained.

ARM'S LENGTH QUALIFYING TRANSACTION

The control persons of Heliene are not (and their associates and affiliates are not) control persons in the Corporation. Accordingly, the acquisition by the Corporation of all the issued and outstanding shares of Heliene is not a Non-Arm's Length Qualifying Transaction for the purposes of Exchange policies. As a result, the Proposed Transaction will not be subject to approval of the shareholders of the Corporation and therefore no meeting of the shareholders of the Corporation is required as a condition to the completion of the Proposed Transaction.

INSIDERS OF THE RESULTING ISSUER

Other than has been previously referred to in this press release, and to the knowledge of the directors and senior officers of the Corporation or Heliene, no person will become an insider of the Resulting Issuer as a result or upon completion of the Proposed Transaction.

ABOUT BUZZ CAPITAL 2 INC.

Buzz2 is a capital pool company governed by the policies of the Exchange. The principal business of Buzz2 is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements, including statements about the Corporation's future plans and intentions and completion of the Proposed Transaction. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

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

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/102441>