Stack Capital Group Inc. Files Final Prospectus for Initial Public Offering of Units

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TORONTO, June 10, 2021 /CNW/ - Stack Capital Group Inc. ("Stack Capital") is pleased to announce that it has filed a (final) prospectus (the "Final Prospectus") with the securities regulatory authorities in each of the provinces and territories of Canada in connection with Stack Capital's proposed public offering (the "Offering") of 8,335,000 units of Stack Capital ("Units") at a price of $12.00 per Unit (the "Offering Price"). Each Unit consists of one common share (a "Common Share") in the capital of Stack Capital and one-half of a Common Share purchase warrant (an "IPO Warrant"). Each IPO Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price per share of $15.00, at any time prior to 4:00 p.m. (Toronto, Ontario time) on the date that is three years following the closing of the Offering (the "Closing"). The Units will immediately separate into Common Shares and IPO Warrants upon issuance.

The Offering is being conducted on a best efforts basis by a syndicate of agents (the "Agents") bookrun by TD Securities Inc., RBC Capital Markets, and Scotiabank pursuant to the terms and conditions of an agency agreement between Stack Capital, SC Partners Ltd., the manager of Stack Capital (the "Manager"), and the Agents. Stack Capital has granted the Agents an over-allotment option, exercisable in whole or in part at any time for a period of 30 days after the Closing, to purchase up to an additional 15% of the aggregate number of Units (or Common Shares and/or IPO Warrants comprising such Units) issued at Closing pursuant to the Offering to cover over-allotments, if any, and for market stabilization purposes.

Concurrent with the Closing, certain directors and officers of the Manager (the "Management Investors") have agreed to purchase an aggregate of 583,334 Units, for total gross proceeds of $7 million, on a non-brokered, private placement basis at the Offering Price (the "Management Investment"). Closing of the Offering is conditional on the closing of the Management Investment. As part of the terms of the Management Investment, each Management Investor will agree to a five-year voluntary lock-up and will retain all of the Units acquired in the Offering and the Management Investment during such period, subject to certain customary exceptions.

Closing of the Offering and commencement of trading of the Common Shares and the IPO Warrants on the Toronto Stock Exchange ("TSX") is expected to occur on or about June 16, 2021, subject to customary closing conditions and the fulfillment of the listing conditions of the TSX, as well as the closing of the Management Investment.

Stack Capital has received conditional approval for the listing of the Common Shares and the IPO Warrants (including the Common Shares issuable upon the exercise of the IPO Warrants) on the TSX under the symbols "STCK" and "STCK.WT", respectively. As Stack Capital does not meet the original listing requirements of the TSX set out in Section 309(a) of the TSX Company Manual, the TSX has exercised its discretion to waive the requirements for historical earnings and pre-tax cash flow, and has agreed to list Stack Capital pursuant to the TSX Sandbox. Listing on the TSX is subject to Stack Capital fulfilling all of the listing requirements of the TSX (save for those requirements for which an exemption or waiver is provided through the TSX Sandbox) including, among other things, raising minimum gross proceeds of $100 million under the Offering. Stack Capital will remain listed pursuant to the TSX Sandbox until such time as it has: (i) deployed 50% of the net proceeds raised pursuant to the Offering and the Management Investment; and (ii) publicly filed interim financial statements reflecting a full quarter of operating history subsequent to listing on the TSX. As disclosed under "Risk Factors" in the Final Prospectus, Stack Capital lacks an operating history and there is a very limited basis upon which a potential investor can evaluate Stack Capital's ability to achieve its stated investment objective. Investors are referred to the risk factors set out in the Final Prospectus for further details.

Important Notice

The Final Prospectus contains important information relating to the Units and the Offering and has been filed with securities commissions or similar authorities in each of the provinces and territories of Canada. This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities. Copies of the Final Prospectus may be obtained from one of the Agents or under Stack Capital's profile on SEDAR at www.sedar.com. Investors should read the Final Prospectus before making an investment decision.

None of the Units, the Common Shares and the IPO Warrants have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. Accordingly, the Units may not be offered, sold or delivered, directly or indirectly, in the United States or to United States persons unless registered under the U.S. Securities Act and applicable state securities laws, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Stack Capital in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Stack Capital

Stack Capital is a newly formed investment holding company. Its business objective is to maximize its long-term capital appreciation by seeking to achieve superior risk-adjusted investment performance. Stack Capital intends to invest in equity, debt and/or other securities of growth to late stage private businesses ("Portfolio Companies") in furtherance of Stack Capital's business objective, with such investment tailored to the specific needs and opportunities of the Portfolio Company. Depending on the circumstances of any particular investment opportunity and subject to compliance with applicable law, Stack Capital's investment in a Portfolio Company may range from a minority ownership position to a significant influence position, including control.

The Manager has taken the initiative in creating Stack Capital. The Manager will act as Stack Capital's exclusive manager to source and advise with respect to all investments for Stack Capital. The Manager will also manage such investments and otherwise direct Stack Capital's affairs and manage Stack Capital's business.

Cautionary Note Regarding Forward-Looking Information

This press release contains forward-looking information. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "proposed", "expects", "intends", "may", "will", and similar expressions. Forward-looking information contained or referred to in this press release includes, but may not be limited to, the completion of the Offering and the Management Investment and the expected closing date thereof; the exercise of the over-allotment option by the Agents; fulfillment of the listing conditions of the TSX and the exit conditions of the TSX Sandbox; trading of the Common Shares and the IPO Warrants on the TSX; and the business of Stack Capital and the risks associated therewith, including those identified in the Final Prospectus under the heading "Risk Factors".

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although Stack Capital believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Stack Capital can give no assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, satisfaction of the regulatory, stock exchange and commercial closing conditions of the Offering and the Management Investment and the success of the Offering. The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of Stack Capital based on information currently available to Stack Capital.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Stack Capital disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. The forward-looking statements or information contained in this press release are expressly qualified by this cautionary statement.

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