



## INITIAL PUBLIC OFFERING OF SUBORDINATE VOTING SHARES

Term Sheet

November 11, 2024

### Groupe Dynamite Inc.

#### Initial Public Offering of Subordinate Voting Shares

An amended and restated preliminary base PREP prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada and is accessible through SEDAR+. A copy of the amended and restated preliminary base PREP prospectus, and any amendment, may be obtained from Goldman Sachs Canada Inc., Attention: Prospectus Department, 77 King Street West, Suite 3400, Toronto, Ontario M5K 1B7, telephone: 1-866-471-2526, or by emailing [prospectus-ny@ny.email.gs.com](mailto:prospectus-ny@ny.email.gs.com); BMO Nesbitt Burns Inc., by mail at Brampton Distribution Centre c/o The Data Group of Companies, 9195 Torbram Road, Brampton, ON, L6S 6H2, by telephone at 1-905-791-3151 Ext 4312, or by emailing [torbramwarehouse@datagroup.ca](mailto:torbramwarehouse@datagroup.ca); RBC Dominion Securities Inc., Attention: Distribution Centre, 180 Wellington Street West, 8th Floor, Toronto, ON M5J 0C2, or by e-mailing [Distribution.RBCDS@rbccm.com](mailto:Distribution.RBCDS@rbccm.com); or TD Securities Inc., Attention: Symcor, NPM, 1625 Tech Avenue, Mississauga, Ontario L4W 5P5, by telephone at 1-289-360-2009, or by e-mailing [sdconirms@td.com](mailto:sdconirms@td.com). The amended and restated preliminary base PREP prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final base PREP prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the amended and restated preliminary base PREP prospectus, the final base PREP prospectus, the supplemented PREP prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the amended and restated preliminary base PREP prospectus. All references to "\$" or "dollars" in this document are to Canadian dollars, unless indicated otherwise.

The amended and restated preliminary base PREP prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The offered shares 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 are being offered and sold in the United States exclusively to qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act. Each offeree in the United States is hereby notified that the offer and sale of offered shares to it is being made in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder.

- Issuer:** Groupe Dynamite Inc. ("Groupe Dynamite" or the "Company").
- Selling Shareholders:** 16084893 Canada Inc., 16084915 Canada Inc., 16084940 Canada Inc., 16084958 Canada Inc., 16086349 Canada Inc., 16084800 Canada Inc. and 16084834 Canada Inc., which are all entities owned or controlled, directly or indirectly, by Andrew Lutfy (collectively, the "Selling Shareholders")
- Offering:** Offering of 14,285,715 Subordinate Voting Shares (16,428,572 Subordinate Voting Shares assuming the Over-Allotment Option is exercised in full).
- Offering Price:** It is anticipated that the offering price will be between \$19.00 and \$23.00 per Subordinate Voting Share.
- Offering Size:** Approximately \$300 million (before giving effect to the Over-Allotment Option).



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<b>Over-Allotment Option:</b>	The Selling Shareholders have granted to the Underwriters an option, exercisable in whole or in part, at any time and from time to time for a period of 30 days after the closing date to purchase up to an additional 15% of the aggregate number of Subordinate Voting Shares issued under the offering at the offering price solely to cover over-allocations, if any (the “Over-Allotment Option”).
<b>Use of Proceeds:</b>	The Company will not receive any proceeds from the offering.  The Selling Shareholders will use a portion of the net proceeds of the offering to repay the 10644579 Canada Note.  The Company intends to use the repayment proceeds to repay certain indebtedness outstanding under its Credit Agreement.
<b>Shares Outstanding:<sup>1</sup></b>	Upon completion of the offering and the Pre-Closing Reorganization, an aggregate of 14,285,715 Subordinate Voting Shares, 93,287,588 Multiple Voting Shares (16,428,572 Subordinate Voting Shares and 91,144,731 Multiple Voting Shares if the Over-Allotment Option is exercised in full) and no preferred shares will be issued and outstanding.
<b>Voting Rights:</b>	The Subordinate Voting Shares will have one vote per share and the Multiple Voting Shares will have 10 votes per share. After giving effect to the offering and the Pre-Closing Reorganization, the Subordinate Voting Shares will collectively represent 13.3% of the Company’s issued and outstanding shares and 1.5% of the voting rights attached to all of the issued and outstanding shares (15.3% and 1.8%, respectively, if the Over-Allotment Option is exercised in full) and the Multiple Voting Shares will collectively represent 86.7% of the Company’s issued and outstanding shares and 98.5% of the voting rights attached to all of the issued and outstanding shares (84.7% and 98.2%, respectively, if the Over-Allotment Option is exercised in full).
<b>Conversion Rights:</b>	The Subordinate Voting Shares are not convertible into any other class of shares. The Multiple Voting Shares are convertible into Subordinate Voting Shares on a one- for-one basis at the option of the holder. In addition, the Company’s articles will provide that Multiple Voting Shares will automatically convert into Subordinate Voting Shares in certain other circumstances.
<b>Dividend Policy:</b>	The Company currently intends to retain any future earnings to fund the development and growth of its business. However, in due course, the Company intends to declare and pay dividends and potentially introduce a share repurchase program. No specific timing has been established and any determination to pay dividends or effect share repurchases in the future will be at the discretion of the Company’s board of directors and will depend on many factors, as further described in the amended and restated preliminary base PREP prospectus.
<b>Principal and Selling Shareholders:</b>	Upon completion of the offering and the Pre-Closing Reorganization, all of the issued and outstanding Multiple Voting Shares will be owned or controlled, directly or indirectly, by the Selling Shareholders and certain of their affiliates and certain of Mr. Lutfy’s family members (representing 98.5% of the total voting rights attached to all of the Company’s issued and outstanding shares).

<sup>1</sup> Assuming an offering price of \$21.00 per Subordinate Voting Share (midpoint of marketing range). The number of issued and outstanding shares is based on the same midpoint, with the total number of issued and outstanding shares varying by approximately 5,000 between the top and bottom of the range.



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<b>Lock-up Agreements:</b>	In connection with the completion of the offering, the Company's executive officers and directors, the Principal Shareholders and certain other securityholders, will be, subject to certain exceptions, subject to customary lock-up restrictions for a period of 180 days after the closing of the offering. All current securityholders will be subject to these lock-up restrictions.
<b>Listing:</b>	The Company has applied to list the Subordinate Voting Shares on the Toronto Stock Exchange (the "TSX") under the trading symbol "GRGD". Listing is subject to the approval of the TSX in accordance with its original listing requirements.
<b>Eligibility for Investment:</b>	Eligible for RRSPs, RRIFs, RESPs, RDSPs, TFSAs or FHSAs.
<b>Form of Offering:</b>	Marketed initial public offering by way of a long-form PREP prospectus filed in all provinces and territories of Canada. Offering to "qualified institutional buyers" pursuant to Rule 144A of the United States Securities Act of 1933, and internationally as permitted by law.
<b>Joint Lead Bookrunners:</b>	Goldman Sachs Canada Inc., BMO Capital Markets, RBC Dominion Securities Inc. and TD Securities Inc.
<b>Underwriting Fee:</b>	●%
<b>Pricing:</b>	Expected the week of November 18, 2024.
<b>Closing:</b>	Expected the week of November 25, 2024.



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