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BIG ERICS
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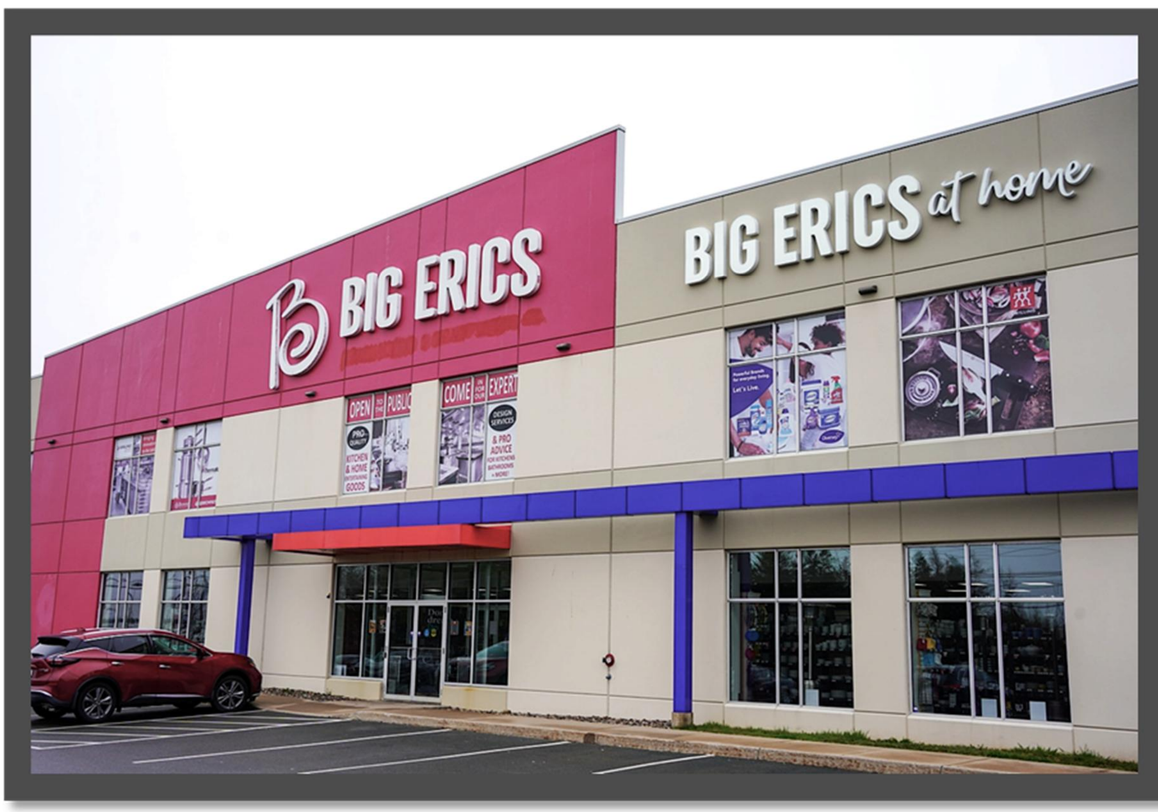
BIG ERICS INC.
(“BEI” or the “Company”)
OPPORTUNITY FOR
INVESTMENT, RESTRUCTURING, RECAPITALIZATION, REFINANCING, REORGANIZATION or SALE
Solicitation of Interest
October 25, 2023



Prepared by Noseworthy Chapman in its capacity as the SISP Advisor to Big Erics Inc. and not in its personal or corporate capacity.

THE OPPORTUNITY

BEI is undertaking a Sale and Investment Solicitation Process (“**SISP**”) for the investment, restructuring, recapitalization, refinancing, reorganization or sale of all or portions of BEI’s various sales channels, operations, business, assets and undertakings or some combination thereof, as a going concern.

Noseworthy Chapman (NC) has been engaged by the Company as its SISP Advisor and is managing the transaction process to solicit proposals from qualifying parties to be submitted to the Company.

The SISP is intended to solicit interest in, and opportunities for: (i) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of BEI or its Business; and (ii) one or more sales or partial sales of all, substantially all, or certain portions of the Business.

The SISP provides an opportunity to obtain an interest in a well-recognized Atlantic Canadian based brand with Canada wide and long-standing key customer and key supplier relationships, a skilled team, and many avenues for continued growth, efficiencies, and a broad-based business primed for investment and expansion.

THE COMPANY AND INDUSTRY

The Company is a leading business to business (“B2B”) and business to consumer (“B2C”) solutions provider.

Products and Services	
Kitchen and Dining Equipment & Supplies	All aspects and needs of kitchens and dining facilities including large kitchen equipment, appliances, smallwares, glassware, tabletop, furniture, back of house kitchen tools as well as retail-focused appliances, tabletop, and other products.
Cleaning Chemical Supplies	Chemical supplies used in various applications including disinfectants, floor care, ware wash, laundry, car care, as well as eco-friendly cleaning alternatives.
Janitorial Equipment &Supplies	All aspects and needs of cleaning equipment and consumables, including paper towel, toilet paper, microfibers, floor scrubbers, vacuums, mops, brooms, and janitorial carts.
Concession Equipment & Supplies	Complete lineup of concessions requirements including large equipment and appliances, popcorn, coffee, coffee syrups, chicken breading, slushie, candy floss and smoothie and other beverage mixes.
Design & Build Services	Full design and set-in place kitchens including consultation and AutoCAD drawings.

The Company offers its services and products primarily throughout Atlantic Canada, with showrooms and warehouses located in Dartmouth, NS and St. John’s, NL., with specialty design services and related product sales being offered throughout Canada and the United States of America.

Sale Channels

DIRECT SALES:
SALES CONDUCTED BY MOBILE TEAM OF SALES REPRESENTATIVES

DESIGN & BUILD:
FULL DESIGN AND SET-IN PLACE SERVICES FOR NEW BUILDS AS WELL AS MANAGEMENT AND RESPONSE TO RFP AND TENDERS ISSUED.

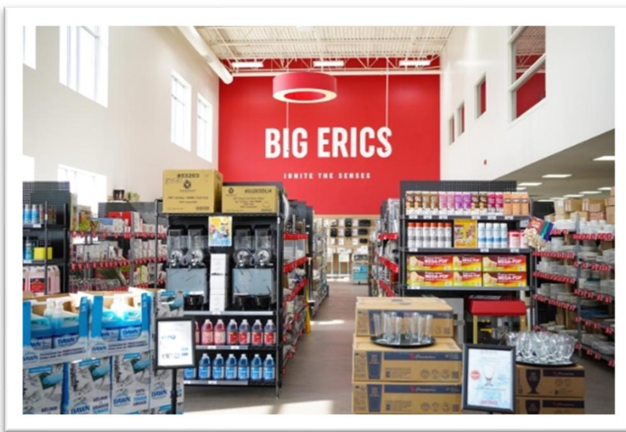
INSIDE SALES:
PROACTIVE OUTBOUND CALLS TO SMALLER CUSTOMERS AND TO AUGMENT SALES PROGRAMS AND CAMPAIGNS AS WELL AS ACTIVE RESPONSE TO CUSTOMER EMAILS AND CALLS.

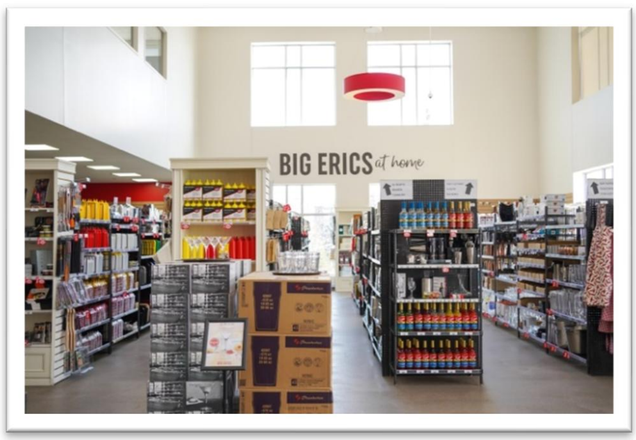
RETAIL SALES:
SALES TO CUSTOMERS IN ONE OF THE COMPANY'S TWO RETAIL LOCATIONS. INCLUDES B2B AND B2C CUSTOMER BASE.

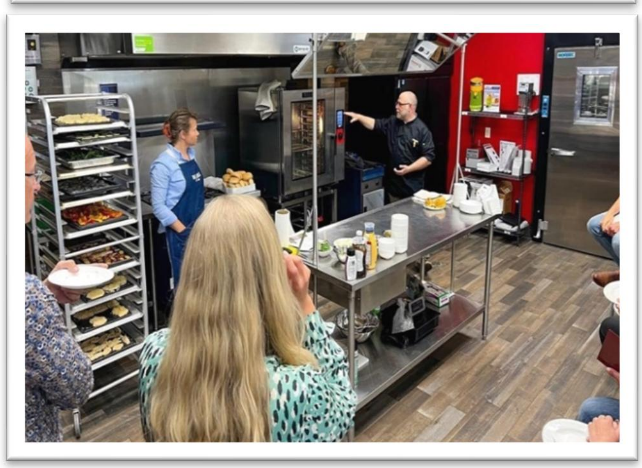
E-COMMERCE SALES:
SHOPIFY SALES PLATFORM SELLING ACROSS CANADA.

Channels are organized from highest to lowest concentration in sales. →

Showrooms & Test Kitchen







BENEFITS FOR COMPLEMENTARY / SYNERGISTIC PARTIES

Prospective investors or acquirors operating in businesses, industries, and markets complementary to BEI may have the opportunity to achieve the following:

- Obtain an interest in, on a going-concern basis, a turnkey B2B and B2C equipment and consumables distribution and retail business with five active sales channels.
- Access to retail stores, and efficient distribution warehouses centrally located in metropolitan city centers near major highways, international ports, and major concentrations of key customers.
- Expansion of sales territory and/or market share into the Atlantic Region, including the Maritime provinces, Newfoundland, and Labrador and/or Ontario, Quebec, and Western Canada.
- Add or diversify product segments, markets, and customer verticals in the B2B or B2C, Restaurant/Bar/Pub, Building Service Contractors, Health and Long-Term-Care, Hospitality, Concession, Convenience, Government, and Education sectors.
- Integration of both generalized commercial kitchen/entertaining/dining/quick-service restaurants, commercial environments, and niche (high and specialized security clearance) Contracts, Design, Build, and Project Management services.
- Expansion into the USA and other markets with contract-design projects, already established as niche service provider for Airport Food Service and Food Court developments.
- Integration and consolidation of supply chain inputs and standard processes, increased volume purchase discounts, deviated pricing and rebates from top vendors.

Additional information about the Company can be found here: www.bigerics.com

FINANCIAL PROFILE AND INVESTMENT

The Company continues to have a significant presence in its market, having the strong support of its customers, vendors and employees. Actual sales year to date September 2023 have exceeded $18.5 million, with projected sales to the end of 2023 to exceed $25 million.

Annual sales, prior to the COVID 19 pandemic, reached as high as $42 million. Sales are projected to materially exceed $50 million by 2027.

A restructured balance sheet or a sale, in whole or in part, will result in the Company's business realizing on its profitability potential through enhanced and accelerated growth and expansion initiatives. These initiatives are already underway and aim to increase sales, streamline inventory, and expand market share both domestically and internationally, building on the design-build projects experience in the USA pre-pandemic.

PROCESS AND CONTACT INFORMATION

The Company is currently under Companies Creditors Arrangement Act ("CCAA") proceedings.

On September 29, 2023, the Supreme Court of Newfoundland and Labrador granted an order authorizing BEI to undertake the SISP.

Parties wishing to participate in the SISP may receive further information, including a Confidential Information Memorandum ("**CIM**"), by executing and a delivering a Non-Disclosure Agreement ("**NDA**") to the SISP Advisor at BigErics@nccpas.ca.

Copies of the SISP procedures, NDA in the Court approved form, and various other documents related to the CCAA proceedings are available at www.GrantThornton.ca/BigErics

The key SISP milestones and timeline is as follows (subject to change):

- December 8, 2023: Phase 1 deadline to deliver non-binding letters of intent
- February 16, 2024: Phase 2 deadline to deliver definitive offers by Phase 2 Qualified Biddders
- April 1, 2024: Deadline to seek Court approval with respect to successful offer

All inquiries should be directed to: David Howe, FCPA, FCA and Jeanette Wade, CPA, CA, CBV via email: BigErics@nccpas.ca

Disclaimer

This document has been prepared from information provided by the Company, none of which has been independently verified by the SISP Advisor.

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