

# SALTIRE CAPITAL LTD. ANNOUNCES SUCCESSFUL COMPLETION OF THE ACQUISITION OF SANSTONE INVESTMENTS LIMITED AND SUCCESSFUL FUNDING OF THE CREDIT FACILITY WITH SAGARD CREDIT PARTNERS II, LP

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TORONTO, Aug. 5, 2025 /CNW/ - **Saltire Capital Ltd.** ("**Saltire**" or the "**Company**") (TSX: SLT) (TSX: SLT.U) (TSX: SLT.WT.U) is pleased to announce the successful closing (the "**Acquisition Closing**") of its previously announced acquisition (the "**Acquisition**"), indirectly through a wholly-owned subsidiary, of 100%, directly and indirectly, of the issued and outstanding shares of SanStone Investments Limited ("**SanStone**") pursuant to a share purchase agreement dated July 24, 2025, as amended (the "**Purchase Agreement**"). SanStone is a leading owner and operator of heavy equipment dealerships and agricultural equipment dealerships in Eastern Canada that owns and operates the Wilson Equipment and Tidal Tractor dealership brands. The Acquisition valued SanStone at C\$70 million (subject to customary adjustments, the "**Purchase Price**"). Saltire satisfied C\$10 million of the Purchase Price and an Acquisition Closing working capital adjustment that was payable in common shares of the Company ("**Common Shares**") by issuing an aggregate of 1,246,071 Common Shares to the vendors at a deemed price of C\$11.78 per Common Shares upon the Acquisition Closing. Certain other Common Shares are issuable to certain vendors pursuant to the Acquisition in specific circumstances.

## **Sagard Credit Facility**

The Company is also pleased to announce funding of US\$50.1 million (the "**Initial Draw**") pursuant to its previously announced loan agreement (the "**Loan Agreement**") between, among others, Sagard Holdings Manager LP, as administrative agent and collateral agent, and Sagard Credit Partners II, LP ("**Sagard**") and the other lenders party thereto from time to time (collectively with Sagard, the "**Lenders**"), pursuant to which the Lenders have, subject to the satisfaction of certain conditions and covenants, made available certain credit facilities to Saltire up to an aggregate principal amount of US\$100 million (inclusive of the Initial Draw) (the "**Credit Facility**"). In addition to the Initial Draw and subject to certain conditions contained in the Loan Agreement, Saltire may make additional draw requests ("**Additional Draws**") up to an aggregate principal amount of US\$49.1 million.

The proceeds from the Initial Draw have been used (i) to refinance Saltire's existing credit facilities with National Bank of Canada, (ii) to refinance Saltire's issued and outstanding preferred equity, (iii) to refinance SanStone's existing debt, to the extent it was assumed, (iv) to finance a portion of the cash Purchase Price payable under the Acquisition, and (v) for the payment of fees and expenses incurred in connection with the Loan Agreement and the Acquisition. Proceeds from the Additional Draws will be available to Saltire to finance certain permitted acquisitions under the Loan Agreement and for the payment of fees and expenses incurred in connection with such permitted acquisitions. The Credit Facility will mature on the fifth anniversary of the Loan Agreement.

As consideration for the entering into of the Loan Agreement and provision of the Credit Facility,

Saltire has issued 1,504,812 Common Share purchase warrants to Sagard (the "**Sagard Warrants**"). Each Sagard Warrant entitles the holder thereof to purchase one Common Share at a price of C\$14.5228 per Common Share for a period expiring at 5:00 p.m. (Toronto time) on December 1, 2030.

### **Private Placement**

As previously disclosed, the Company has also launched a brokered private placement (the "**Private Placement**") and, together with the Acquisition and the provision of the Credit Facility, the "**Transactions**") with Paradigm Capital Inc. ("**Paradigm**") as sole agent and sole book runner of up to 424,448 Common Shares at a price of C\$11.78 per Common Share for aggregate gross proceeds of up to C\$5,000,000, with an over-allotment option for up to an additional 63,667 Common Shares for further proceeds of up to C\$749,997.26. The Private Placement is expected to close on or about August 12, 2025 and the proceeds of the Private Placement will be used to indirectly fund a portion of the cash Purchase Price payable under the Acquisition.

### **TSX Approval and Written Shareholder Approval**

The Company has received conditional approval from the Toronto Stock Exchange (the "**TSX**") in respect of the Transactions and the listing of the Common Shares issued and issuable in connection with the Transactions.

Pursuant to Section 611(c) of the TSX Company Manual, securityholder approval of the Transactions was required as the number of Common Shares to be issued or issuable in connection with the Private Placement and payment of the Purchase Price (together with the Common Shares issuable in connection with the Sagard Warrants and Compensation Warrants) exceeds 25% of the currently issued and outstanding Common Shares. The TSX permitted the Company, pursuant to Section 604(d) of the TSX Company Manual, to provide written evidence that holders of more than 50% of the issued and outstanding Common Shares who are familiar with the terms of the Transactions are in favour of them. The Company is pleased to announce it has obtained such written evidence.

### **Advisors**

National Bank of Canada acted for Saltire as transaction advisor on the Acquisition, Raymond James acted as advisor for Saltire on the Credit Facility, and Paradigm is acting for Saltire on the Private Placement.

Goodmans LLP acted as legal counsel to the Company on the Credit Facility and Private Placement. Torys LLP acted as legal counsel to Sagard on the Credit Facility. Borden Ladner Gervais LLP is acting as legal counsel to Paradigm on the Private Placement. McInnes Cooper acted as legal counsel to the Company and Cox & Palmer acted as legal counsel to SanStone on the Acquisition.

A copy of the Loan Agreement will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval Plus ("**SEDAR+**") and will be available for viewing on Saltire's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### **About Saltire Capital Ltd.**

Saltire is a long-term capital partner that allocates capital to equity, debt and/or hybrid securities of high-quality private companies. Investments made by Saltire consist of meaningful and influential stakes in carefully selected private companies that it believes are under-valued businesses with the potential to significantly improve fundamental value over the long-term. These businesses will generally have high barriers to entry, predictable revenue streams and cash flows and defensive characteristics. Although Saltire primarily allocates capital to private companies, Saltire may, in

certain circumstances if the opportunity arises, also pursue opportunities with orphaned or value challenged small and micro-cap public companies. Saltire provides investors with access to private and control-level investments typically reserved for larger players, while maintaining liquidity.

### **About SanStone Investments Ltd.**

SanStone Investments is a private equity firm established in 2013 by Bill Sanford and likeminded investors with a mission to purchase and grow strong Maritime Canadian companies by focusing on its customers and employees. SanStone's operating companies are Wilson Equipment Limited, a heavy equipment sales and service industry leader based in Bible Hill/Truro and Dartmouth, Nova Scotia, and Tidal Tractor, a top agricultural and construction equipment supplier with locations in Port Williams, Dartmouth, and Onslow/Truro, Nova Scotia, and in Moncton, New Brunswick.

### **About Sagard Credit Partners**

Sagard Credit Partners is a direct lending strategy focused on middle-market public and private companies in North America. It provides bespoke debt solutions across the credit spectrum in first and second lien loans, such as unsecured and mezzanine financings, tailored to a company's specific needs.

### **Forward Looking Information**

This press release may contain forward-looking information and forward-looking statements within the meaning of applicable securities laws ("**Forward-Looking Statements**"). The Forward-Looking Statements contained in this press release relate to future events or Saltire's future plans, operations, strategy, performance or financial position and are based on Saltire's current expectations, estimates, projections, beliefs and assumptions, including, among other things, in respect of the closing of the Private Placement, the Transactions, Saltire's ability to satisfy the conditions to funding Additional Draws under the Loan Agreement (including the final approval of the TSX), completion of the Private Placement, and Saltire's ability to maintain compliance with covenants under the Loan Agreement. In particular, there is no assurance that Saltire will satisfy any or all of the conditions for Closing of the Private Placement. Such Forward-Looking Statements have been made by Saltire in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be Forward-Looking Statements. Such Forward-Looking Statements are often, but not always, identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", "continue", "expect", "potential", "proposed" and other similar words and expressions.

Forward-Looking Statements are based on certain expectations and assumptions and are subject to known and unknown risks and uncertainties and other factors, many of which are beyond Saltire's control, that could cause actual events, results, performance and achievements to differ materially from those anticipated in these Forward-Looking Statements. Forward-Looking Statements are provided for the purpose of assisting the reader in understanding Saltire and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-Looking Statements should not be read as guarantees of future performance or results. Readers are cautioned not to place undue reliance on Forward-Looking Statements, which speak only as of the date of this press release. Unless otherwise noted or the context otherwise indicates, the Forward-Looking Statements contained herein are provided as of the date hereof, and Saltire disclaims any intention or obligation, except to the extent required by law, to update or revise any Forward-Looking Statements as a result of new information or future events, or for any other reason.

This press release should be read in conjunction with the management's discussion and analysis and

unaudited condensed consolidated interim financial statements and notes thereto as at and for the three months ended March 31, 2025 and Saltire's Annual Information Form for the year ended December 31, 2024 dated March 28, 2025. Additional information about Saltire, including with respect to the risk factors that should be taken into consideration when reading this press release and the Forward-Looking Statements, is available on Saltire's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

[www.saltirecapitaltd.com](http://www.saltirecapitaltd.com)

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