TPCO HOLDING CORP.

THE PARENT COMPANY

ANNUAL INFORMATION FORM

For the year ended December 31, 2020

DATED: March 25, 2021

TABLE OF CONTENTS

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, in this Annual Information Form (this "**AIF**") the "Company", "The Parent Company", "we", "us" and "our" refer to TPCO Holding Corp. and its subsidiaries and joint ventures to which it is a party.

References in this AIF to "cannabis" mean all parts of the plant *cannabis sativa L.* containing more than 0.3 percent *tetrahydrocannabinol* ("**THC**"), including all compounds, manufactures, salts, derivatives, mixtures, or preparations.

All currency amounts in this AIF are stated in United States dollars, unless otherwise noted. All references to "dollars" or "$" are to United States dollars and all references to "C$" are to Canadian dollars.

All information in this AIF is given as of the date hereof, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This AIF contains certain information that may constitute forward-looking information and forward-looking statements (collectively, "**Forward-Looking Statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-Looking Statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-Looking Statements in this AIF include, but are not limited to, statements with respect to:

- the performance of the Company's business and operations;
- the Company's expectations regarding revenues, expenses and anticipated cash needs;
- the Company's ability to complete future strategic alliances and the expected impact thereof;
- the Company's ability to source investment opportunities and complete future acquisitions, including in respect of entities in the United States, the ability to finance such acquisitions, and the expected impact thereof;
- the expected future business strategy, competitive strengths, goals, expansion and growth of the Company's business, including operations and plans, new revenue streams and cultivation and licensing assets;
- the implementation and effectiveness of the Company's distribution platform;
- expectations with respect to future production costs;
- the expected methods to be used by the Company to distribute cannabis;
- the competitive conditions of the industry;
- laws and regulations and any amendments thereto applicable to the business and the impact thereof;
- the competitive advantages and business strategies of the Company;
- the application for additional licenses and the grant of licenses or renewals of existing licenses that have been applied for;

- the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;
- the Company's future product offerings;
- the anticipated future gross margins of the Company's operations;
- the Company's ability to source and operate facilities in the United States;
- expansion into additional U.S. and international markets;
- expectations of market size and growth in the U.S. and the states in which the Company operates or contemplates future operations;
- expectations for regulatory and/or competitive factors related to the cannabis industry generally; and
- general economic trends.

Certain of the Forward-Looking Statements contained herein concerning the cannabis industry and the general expectations of the Company concerning the cannabis industry are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the cannabis industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein or information presented herein which is based on such data, the cannabis industry involves risks and uncertainties that are subject to change based on various factors, which factors are described further below.

Forward-Looking Statements contained in this AIF reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the Forward-Looking Statements contained in this AIF, the Company has made assumptions regarding, among other things: (i) its ability to generate cash flows from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Company operates; (iii) the output from the Company's operations; (iv) consumer interest in the Company's products; (v) competition; (vi) anticipated and unanticipated costs; (vii) government regulation of the Company's activities and products and in the areas of taxation and environmental protection; (viii) the timely receipt of any required regulatory approvals; (ix) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (x) the Company's ability to conduct operations in a safe, efficient and effective manner; (xi) that the Company will meet its future objectives and priorities; (xii) that the Company will have access to adequate capital to fund its future projects and plans; (xiii) that the Company's future projects and plans will proceed as anticipated; (xiv) industry growth rates; and (xv) currency exchange and interest rates.

Readers are cautioned that the above list of cautionary statements is not exhaustive. Known and unknown risks, many of which are beyond the control of the Company, could cause actual results to differ materially from the Forward-Looking Statements in this AIF. Such lists include, without limitation, those discussed under the heading "*Risk Factors*" in this AIF. The purpose of Forward-Looking Statements is to provide the reader with a description of management's expectations, and such Forward-Looking Statements may not be appropriate for any other purpose. You should not place undue reliance on Forward-Looking Statements contained in this AIF. Although the Company believes that the expectations reflected in such Forward-Looking Statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Forward-Looking Statements contained herein are made as of the date of this AIF and are based on the beliefs, estimates, expectations and opinions of management on the date such

Forward-Looking Statements are made. The Company undertakes no obligation to update or revise any Forward-Looking Statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such Forward-Looking Statements, except as required by applicable law. The Forward-Looking Statements contained in this AIF are expressly qualified in their entirety by this cautionary statement.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on June 17, 2019 under the name Subversive Capital Acquisition Corp. ("**SCAC**") as a special purpose acquisition corporation for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization or any other similar business combination. On July 15, 2019, SCAC amended its notice of articles and articles (the "**Articles**") to increase the authorized capital to create an unlimited number of Class A restricted voting shares, an unlimited number of common shares and an unlimited number of proportionate voting shares.

On November 24, 2020, the Company announced that it had entered into definitive transaction agreements to acquire all of the equity of each of CMG Partners, Inc. ("**Caliva**") and Left Coast Ventures, Inc. ("**LCV**"). The acquisition of Caliva and LCV constituted the Company's qualifying transaction (the "**Qualifying Transaction**").

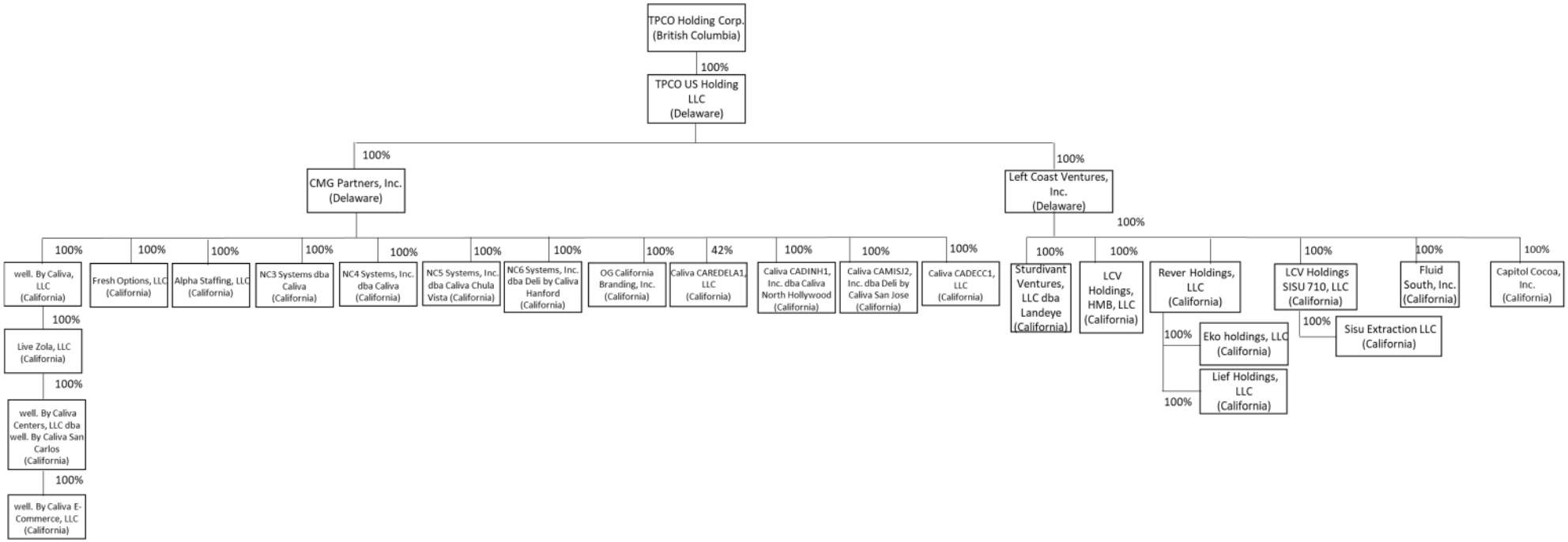
The Qualifying Transaction was completed on January 15, 2021, at which point each of Caliva and LCV became wholly-owned subsidiaries of the Company. In connection with the closing of the Qualifying Transaction, the Company amended its Articles to change its name to "TPCO Holding Corp."

The Company's head office is located at 1550 Leigh Avenue, San Jose, CA 95125 and the registered office is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, BC, V7X 1L3, Canada.

The Company's common shares ("**Common Shares**") and share purchase warrants ("**Warrants**") are listed on the Neo Exchange Inc. (the "**Exchange**") under the trading symbols "GRAM.U" and "GRAM.WT.U", respectively. The Common Shares and Warrants also trade over the counter in the United States on the OTCQX Best Market tier of the electronic over-the-counter marketplace operated by OTC Markets Group Inc. under the trading symbols "GRAMF" and "GRMWF", respectively.

Intercorporate Relationships

The following chart illustrates, as of the date of this AIF, the Company's subsidiaries, including their respective jurisdictions of incorporation and the percentage of voting securities of each that are beneficially owned, controlled or directed by the Company. The Company does not beneficially own, control or direct, directly or indirectly, any restricted securities in any of its subsidiaries.



Notes:

(1) Other than these subsidiaries, no other subsidiary of the Company has total assets that exceed 10% of the consolidated assets of the Company or revenue that exceeds 10% of the consolidated revenue of the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering

On July 16, 2019, the Company closed its initial public offering of 57,500,000 Class A restricted voting units of the Company (the "**Class A Restricted Voting Units**"), including the exercise of the over-allotment option, at a price of $10.00 per Class A Restricted Voting Unit for gross proceeds of $575,000,000 (the "**IPO**"). Each Class A Restricted Voting Unit consisted of one Class A restricted voting share of the Company (a "**Class A Restricted Voting Share**") and one-half of a Warrant. The Class A Restricted Voting Units commenced trading on the Exchange on July 16, 2019 and traded until August 23, 2019. Effective August 26, 2019, the Class A Restricted Voting Units separated. Upon separation, the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units commenced trading separately on the Exchange. The gross proceeds of the IPO were placed in an escrow account with Olympia Trust Company (the "**Escrow Agent**") and released upon consummation of the Qualifying Transaction in accordance with the terms of the escrow agreement.

Prior to July 16, 2019, Subversive Capital Sponsor LLC (the "**Sponsor**") and four of the Company's directors, Jay Tucker, Adam Rothstein, Ethan Devine and Mussadiq Lakhani (collectively with the Sponsor, the "**Founders**"), purchased 14,543,750 Class B shares of the Company ("**Class B Shares**") (such Class B Shares issued to the Founders referred to as the "**Founders' Shares**"), for an aggregate price of $25,000, or approximately $0.0017 per Founder's Share. In addition, concurrent with closing of the IPO, the Sponsor purchased 6,750,000 Warrants (the "**Sponsor's Warrants**") at an offering price of $1.00 per Sponsor's Warrant (for an aggregate purchase price of $6,750,000) and 675,000 Class B units of the Company ("**Class B Units**") (each consisting of one Class B Share and one-half of a Warrant) for a purchase price of $10.00 per Class B Unit (for an aggregate purchase price of $6,750,000), resulting in aggregate proceeds of approximately $13,500,000 to the Company.

The IPO was undertaken by the Company pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated July 10, 2019 among the Corporation, the Sponsor and Canaccord Genuity Corp. (the "**Underwriter**"). Pursuant to the Underwriting Agreement, the Company paid $11,500,000 to the Underwriter on the closing of the IPO, being part of the Underwriter's fee. The balance of the Underwriter's fee, being $20,125,000, was deferred and paid to the Underwriter upon the closing of the Qualifying Transaction from the funds held in the escrow account.

Qualifying Transaction

On January 15, 2021, the Company completed its Qualifying Transaction comprised of (i) the acquisition of all of the equity of Caliva pursuant to a definitive transaction agreement by and among the Company, Caliva, TPCO CMG Merger Sub, Inc. and GRHP Management, LLC ("**GRHP**"), as shareholders' representative for Caliva's shareholders (the "**Caliva Agreement**"); and (ii) the acquisition of all of the equity of LCV pursuant to a definitive agreement by and among the Company, LCV, TPCO LCV Merger Sub Inc. and Shareholder Representative Services LLC, as shareholders' representative for LCV's shareholders (the "**LCV Agreement**").

Pursuant to the Company's Articles, upon closing of the Qualifying Transaction (i) all outstanding Class A Restricted Voting Shares of the Company not submitted for redemption were converted into Common Shares on a one for one basis, and (ii) all outstanding Class B Shares of the Company were converted into Common Shares on a one for one basis. Additionally, in connection with the closing of the Qualifying Transaction, the outstanding Warrants now represent a share purchase warrant to acquire a Common Share. Trading in the Common Shares and the Warrants commenced on the Exchange under the symbols "GRAM.U" and "GRAM.WT.U", respectively, on January 15, 2021.

Pursuant to the terms of the Caliva Agreement, the Company directly purchased each share of capital stock of Caliva owned by its Canadian shareholders and, immediately thereafter, Caliva merged with and into a newly-formed wholly-owned Delaware subsidiary of the Company, with Caliva continuing as the surviving entity and becoming a wholly-owned subsidiary of the Company. In connection with the closing, Caliva shareholders received aggregate consideration of approximately $282.9 million (subject to certain adjustments and holdbacks). Caliva shareholders received consideration in the form of newly issued Common Shares at a price of $10.00 per Common Share (the "**Initial Caliva Share Consideration**"), subject to exceptions for certain U.S. persons that received consideration in cash. In addition, Caliva shareholders received a contingent right for up to approximately 17.4 million additional Common Shares (the "**Caliva Earnout Shares**") in the event the 20-day volume weighted average trading price ("**VWAP**") of the Common Shares reaches $13.00, $17.00 and $21.00 within three years of closing, with one-third of such 17.4 million Common Shares issuable upon the achievement of each price threshold, respectively.

Pursuant to the terms of the LCV Agreement, on closing a newly-formed wholly-owned subsidiary of the Company merged with and into LCV, with LCV continuing as the surviving entity and becoming a wholly-owned subsidiary of the Company. In connection with the closing, the LCV shareholders received aggregate consideration of approximately $70.0 million (subject to certain adjustments and holdbacks). LCV shareholders received consideration in the form of newly issued Common Shares at a price of $10.00 per Common Share (the "**Initial LCV Share Consideration**" and, together with the Initial Caliva Share Consideration, the "**Initial Share Consideration**"), subject to exceptions for certain U.S. persons that received consideration in cash. In addition, LCV shareholders received a contingent right for up to approximately 3.9 million additional Common Shares in the event the 20-day VWAP of the Common Shares reaches $13.00, $17.00 and $21.00 within three years of closing, with one-third of such 3.9 million Common Shares issuable upon the achievement of each price threshold, respectively.

Concurrent with the completion of the Qualifying Transaction, LCV acquired SISU Extraction, LLC ("**SISU**") pursuant to an agreement and plan of merger dated November 24, 2020 (the "**SISU Agreement**"). Pursuant to the terms of the SISU Agreement, the transaction was structured as a merger of a newly-formed wholly-owned subsidiary of LCV with and into SISU, with SISU continuing as the surviving entity. Under the terms of the SISU Agreement, upon closing the SISU members received aggregate consideration of approximately $81.0 million (subject to certain adjustments and holdback, the "**SISU Consideration**"). SISU members received the SISU Consideration in the form of $15.0 million in cash and the remainder in newly issued Common Shares at a price of $10.00 per Common Share, subject to exceptions for certain U.S. persons that received consideration in cash.

As of the date hereof, up to approximately 0.6 million Common Shares remain available for issuance in connection with the Initial Share Consideration.

In connection with the completion of the Qualifying Transaction, the Company amended its Articles to change its name to "TPCO Holding Corp." and does business as "The Parent Company".

Effective on closing of the Qualifying Transaction, the senior management team and board of directors of the Company (the "**Board**") were reconstituted as follows:

- Steve Allan as Chief Executive Officer
- Brett Cummings as Chief Financial Officer and President of LCV
- Dennis O'Malley as Chief Operating Officer and President of Caliva
- Shawn "JAY-Z" Carter as Chief Visionary Officer

- Desiree Perez as Chief Social Equity Officer
- Drew Kornreich as Chief M&A Officer
- Colin Brown as Chief Legal Officer
- John Figueiredo as President of SISU

Board of Directors:

- Carol Bartz, former CEO of Yahoo! and Autodesk
- Al Foreman, Partner of Tuatara Capital
- Daniel Neukomm, CEO of La Jolla Group
- Jeffry Allen, Director of Barracuda and former Director of NetApp
- Leland Hensch, former CEO of SCAC
- Michael Auerbach, General Partner of Subversive Capital LLC

Concurrently with the entry into the Caliva Agreement and LCV Agreement, certain shareholders of Caliva and LCV entered into support and lock-up agreements (the "**Shareholder Support and Lock-Up Agreements**") whereby such holders have agreed not to sell any Common Shares received under the Caliva Agreement or the LCV Agreement, as applicable, for a period of 6 months after closing of the Qualifying Transaction, subject to certain customary exceptions.

A material change report and Form 51-102F4 Business Acquisition Report in connection with the Qualifying Transaction were filed on January 25, 2021 and March 12, 2021, respectively.

Private Placement

On November 24, 2020, the Company announced that it had received executed subscription agreements in respect of private placement commitments for approximately $36.5 million of non-voting shares ("**Non-Voting Shares**") and subscription receipts ("**Subscription Receipts**") of SCAC Capital Acquisition Inc. ("**SCAI**"), a wholly-owned subsidiary of SCAC, at a price of $10.00 per Non-Voting Share or Subscription Receipt (the "**Private Placement**"). On January 8, 2021, the Company announced the upsize of the Private Placement resulting in aggregate commitments of approximately $63 million in Subscription Receipts and Non-Voting Shares.

Upon closing of the Qualifying Transaction, investors in the Private Placement received one Common Share in respect of each Subscription Receipt or Non-Voting Share purchased under the Private Placement. Certain purchasers under the Private Placement also received, for no additional consideration, in aggregate approximately 466,000 Common Shares from the Sponsor upon closing of the Qualifying Transaction in consideration of their purchase of the Subscription Receipts. The proceeds from the Private Placement were used in connection with the Qualifying Transaction and to fund the growth of the Company following closing of the Qualifying Transaction.

OG Enterprises Transaction

On January 19, 2021, the Company acquired all of the outstanding equity interests of OG Enterprises Branding, Inc. ("**OG Enterprises**") not held by Caliva and the Company pursuant to an agreement among the Company, Caliva, OG Enterprises, SC Branding, LLC and SC Vessel 1, LLC dated November 24, 2020 (the "**OG Enterprises Agreement**"). Upon closing, OG Enterprises merged with and into Caliva, with Caliva continuing as the surviving entity. Pursuant to the terms of the OG Enterprises Agreement, upon closing SC Vessel 1, LLC received 3.0 million Common Shares and the contingent right to receive up to an additional 1.0 million Common Shares post-closing in the event the VWAP of the Common Shares reaches $13.00, $17.00 and $21.00 within three years of closing, with one-third of such 1.0 million Common Shares issuable upon the achievement of each price threshold, respectively. SC Vessel 1, LLC also entered into a lock-up agreement upon closing restricting sales of Common Shares for six months after the closing.

Brand Strategy Agreement

On November 24, 2020, concurrently with entering into the Caliva Agreement, LCV Agreement and OG Enterprises Agreement, the Company also entered into a brand strategy agreement with SC Branding, LLC (the "**Brand Strategy Agreement**") for the services of Shawn C. Carter p/k/a JAY-Z pursuant to which, during the BSA Term (as defined below), (a) SC Branding, LLC grants the Company the right and license to use JAY-Z's approved name, image and likeness rights in approved content for the purposes of advertising, promoting, marketing, publicizing and otherwise commercializing the Company's products and brands, (b) JAY-Z will serve as the Chief Visionary Officer of the Company and (c) SC Branding, LLC and JAY-Z will promote the Company's brand portfolio and provide the various services specifically described therein, which include certain enhanced obligations with respect to the Company's "MonoGram" brand. The license of rights and services to be provided by SC Branding, LLC and JAY-Z will be provided to the Company on an exclusive basis with respect to the market for cannabis and related products and include obligations of SC Branding, LLC and JAY-Z to present any business opportunities within the categories of cannabis and related products to the Company on the terms specifically described therein.

As part of this arrangement, the Company will also organize and fund a new social equity fund with an initial minimum of $10 million investment and a planned annual contribution of at least 2% of net income from the Company, which will invest as a wholly integrated division of the Company under management of employees of the Company, with a goal of supporting efforts to dismantle structural racism in corporate America.

The Brand Strategy Agreement (a) became effective as of consummation of the Qualifying Transaction and shall remain in effect for a period of ten (10) years therefrom (the **"BSA Term**"); provided, that either the Company or SC Branding, LLC shall be permitted to terminate the Brand Strategy Agreement without any further liability to either party at any time after the date that is six (6) years after the consummation of the Qualifying Transaction and (b) includes customary representations and warranties and indemnification obligations of the parties.

Pursuant to the terms of the Brand Strategy Agreement, subject to SC Branding, LLC's and JAY-Z's compliance therewith, the Company has issued to JAY-Z 2,000,000 Common Shares in respect of rights and services provided in the period prior to closing of the Qualifying Transaction and will pay SC Branding, LLC an aggregate amount of $38,500,000 over the full BSA Term, payable either in cash or, at SC Branding, LLC's election with respect to any individual payment period, Common Shares.

SC Branding, LLC has the right to terminate the Brand Strategy Agreement (a) in the event the Company is involuntarily delisted from the Exchange, (b) in the event the enterprise value of the Company and its subsidiaries is less than an agreed upon threshold for a period of ninety (90) days, (c) upon the occurrence of a change in control of the Company (a "**BSA Change of Control**") and (d) for certain other customary bases specified therein. In the event that the Brand Strategy Agreement is properly terminated by SC Branding, LLC, the Company shall pay to SC

Branding, LLC the amount of the shortfall, if any, between $18,500,000 and any amounts previously paid to SC Branding, LLC under the Brand Strategy Agreement.

In the event of a BSA Change of Control, SC Branding, LLC shall have the right to purchase the MonoGram brand and all related MonoGram brand assets (the "**MonoGram Assets**") for the fair market value thereof. In addition, in the event that the Company proposes to sell the MonoGram Assets or OG Enterprises (the subsidiary of the Company that owns the MonoGram Assets) to a third-party in a transaction that does not constitute a BSA Change of Control, SC Branding, LLC shall have a right of first refusal with respect to such sale, subject to certain conditions.

Roc Nation Agreement

On November 24, 2020, the Company entered into a binding heads of terms agreement (the "**Roc Binding Heads of Terms**") with Roc Nation, LLC ("**Roc Nation**"), pursuant to which, during the Roc Term (as defined below), (a) the Company shall become Roc Nation's "Official Cannabis Partner," and (b) Roc Nation will provide strategic and promotional services to the Company and its brands including the promotion of the Company's brand portfolio, and the provision of artist and influencer relationship services, as well as various other services specifically described therein. The Roc Binding Heads of Terms is structured as a binding "Heads of Terms" which will ultimately be replaced by a long-form Partnership Agreement between the Company and Roc Nation which will reflect substantially all of the commercial terms included in the Roc Binding Heads of Terms as well as additional terms to be negotiated between the parties. Roc Nation's services and obligations under the Roc Binding Heads of Terms will be provided to the Company on an exclusive and non-competition basis with respect to the market for cannabis and related products and include the obligation of Roc Nation to present any business opportunities within the categories of cannabis and related products to the Company, certain rights of negotiation with respect to Roc Nation's roster of talent and other rights on the terms specifically described therein.

The Roc Binding Heads of Terms became effective as of consummation of the Qualifying Transaction and shall remain in effect for an initial period of three (3) years therefrom (the "**Roc Term**"); provided, that following the expiration of the Roc Term, Roc Nation's exclusivity and non-competition obligations shall continue to remain in effect for a period of six (6) months (the "**Roc Tail Period**") during which period the parties may elect to extend the period of the Roc Binding Heads of Terms upon terms to be mutually agreed.

Pursuant to the terms of the Roc Binding Heads of Terms, the Company issued to Roc Nation $25,000,000 in Common Shares following consummation of the Qualifying Transaction and will pay Roc Nation additional consideration of $15,000,000 in Common Shares, payable in quarterly issuances over the second and third years of the Roc Term.

Registration Rights Agreement

Upon closing of the Qualifying Transaction, the Company entered into a registration rights agreement with certain former securityholders of Caliva, LCV and the Sponsor (the "**Registration Rights Agreement**"). Pursuant to the Registration Rights Agreement, if at any time after the earlier of (i) 365 days after the closing date of the Qualifying Transaction and (ii) the date on which net cash proceeds of the Company as of the closing date of the Qualifying Transaction, plus cash proceeds received or deemed received under the Caliva Agreement, meet or exceed $225,000,000 (but subject to applicable lockup restrictions in the Shareholder Support and Lockup Agreements, the "**Qualifying Capital Date**"), the Company receives a written notice (a "**Demand Notice**") from Holders (as defined in the Registration Rights Agreement) (the "**Initiating Holders**") with the right to deliver a Demand Notice that (i) the Company file (A) a Form S-1 Registration Statement (if at such time the Company has registered an offering of securities in the United States pursuant to the Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (B) a Canadian long-form prospectus or (C) both a Form S-1 Registration Statement and a Canadian long-form prospectus (in each case, a "**Long- Form Demand**"), or (ii) at any time when the Company is eligible to do so, that the Company file (A) a Form S-3 Registration Statement, (B) a Canadian short-form prospectus or (C) both a Form S-3 Registration

Statement and a Canadian short-form prospectus (in each case, a "**Short-Form Demand**"), then the Company shall (x) promptly (and no later than within five (5) days) after the date such request is given, give written notice thereof to all Holders other than the Initiating Holders and (y) subject to certain limited deferral rights, as soon as practicable, and in any event within 90 days after the date the Demand Notice is delivered (in the case of a request for a Form S-1 Registration Statement or a Canadian long-form prospectus) and within 30 days after the date the Demand Notice is delivered (in the case of a request for a Form S-3 Registration Statement or Canadian short-form prospectus) file the applicable registration statement (the "**Registration Statement**") (and thereafter use its commercially reasonable efforts to cause such Registration Statement to be declared effective by the SEC as soon as practicable thereafter, if applicable), and alternatively or additionally file the applicable Canadian prospectus (and thereafter use its commercially reasonable efforts to obtain a final receipt for such Canadian prospectus to be issued by the applicable Canadian securities regulatory authorities as soon as practicable thereafter) covering all Common Shares required to be registered (the "**Registrable Securities**") that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within 10 days after notice of such Demand Notice was given to the other Holders.

The (x) Caliva shareholders party to the Registration Rights Agreement shall have the right to make two Demand Notices, (y) the Sponsor shareholders party to the Registration Rights Agreement shall have the right to make one Demand Notice, and (z) the LCV shareholders party to the Registration Rights Agreement shall have the right to make one Demand Notices, in each case, with respect to each of Long-Form Demands and Short-Form Demands; provided that, in each case, a Demand Notice may only be made by such group of shareholders if the Registrable Securities requested to be registered by such shareholder group in such Demand Notice either comprise at least 20% of the Registrable Securities or are reasonably expected to result in aggregate gross cash proceeds in excess of $75,000,000 or the foreign currency equivalent thereof.

The Company shall use its commercially reasonable efforts to qualify to be able to register securities on Form S-3. At any time after the earlier of (i) 365 days after the closing date of the Qualifying Transaction and (ii) a Qualifying Capital Date, at any time following the time when the Company is eligible to use a Form S-3 or a Canadian short-form prospectus, an Initiating Holder may use its right to make a Demand Notice to request that the Company file a Registration Statement that is a "shelf" Registration Statement, including as an automatic shelf registration, or to file a Canadian shelf prospectus, if eligible to use a Canadian short-form prospectus, providing for the offer and sale of Registrable Securities by the Holders on a delayed or continuous basis as permitted by the U.S. Securities Act (a "**Shelf Registration Statement**"). At any time that such a Shelf Registration Statement covering Registrable Securities is effective, if a Holder delivers a notice to the Company (a "**Take-Down Notice**") stating that they intend to sell all or part of their Registrable Securities included on the Shelf Registration Statement or a Canadian shelf prospectus (a "**Shelf Offering**"), then the Company shall amend or supplement the Shelf Registration Statement or Canadian shelf prospectus as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering. Holders shall have an equal number of Take-Down Notices as they have Demand Notices, subject to the same limitations. If any Holder delivers a Take-Down Notice for a Shelf Offering that is underwritten or a marketed offering, the Company (or the Initiating Holder, at its election) shall also promptly deliver the Take-Down Notice to all other Holders of Registrable Securities included on such Shelf Registration Statement and permit each such other Holder to include its Registrable Securities already included on the Shelf Registration Statement in such Shelf Offering by notifying the Initiating Holder and the Company within 48 hours after delivery of the Take-Down Notice to such other Holder in connection with an overnight "block trade" or similar transaction.

At any time after the earlier of (i) 365 days after the closing date of the Qualifying Transaction and (ii) a Qualifying Capital Date, if the Company proposes to register any of its Common Shares or other shares of the Company under the U.S. Securities Act in connection with the public offering of such securities, or to qualify any securities for

distribution to the public pursuant to a Canadian prospectus, the Company shall, at such time, at least five (5) days prior to the date a registration statement is filed with the SEC, or a Canadian prospectus is filed with Canadian securities regulatory authorities, give each Holder notice of such registration or prospectus filing (a "**Piggyback Notice**"). Upon the request of any Holder given within 10 days after such Piggyback Notice is given by the Company, the Company shall cause to be registered or qualified all of the Registrable Securities that each such Holder has requested to be included in such registration or qualification.

The right of any Holder to make a Demand Notice shall terminate upon the first date on which the number of Common Shares owned by such Holder that qualifies as Registrable Securities represents less than 1% of the number of the then-outstanding Common Shares.

Nomination Rights Agreement

Upon closing of the Qualifying Transaction, the Company entered into a nomination Rights Agreement (the "**Nomination Rights Agreement**") with the Sponsor and GRHP, as Caliva shareholders' representative. Pursuant to the Nomination Rights Agreement, the Sponsor and GRHP agreed to certain rights and provisions regarding the Board. For the three-year period following the closing of the Qualifying Transaction, the Board will consist of seven (7) members. If after the Effective Time the Board determines to appoint the Chief Executive Officer of the Company (the "**CEO**") to the Board, the number of members of the Board shall be increased to nine (9) (a "**CEO Event**").

During the three-year period following the closing of the Qualifying Transaction and prior to a CEO Event, the members of the Board shall be nominated as follows: (i) three (3) directors nominated by GRHP, (ii) two (2) directors nominated by Sponsor and (iii) two (2) directors nominated mutually by GRHP and Sponsor only one of which has been nominated as of the date hereof. After a CEO Event, the members of the Board shall be nominated as follows: (i) four (4) directors nominated by GRHP, (ii) two (2) directors nominated by Sponsor, (iii) two (2) directors nominated mutually by GRHP and Sponsor and (iv) the new CEO, nominated mutually by GRHP and the Sponsor. GRHP and the Sponsor shall be entitled to have a proportionate number of directors, as applicable, serve on each committee of the Board.

Any directors nominated in accordance with the Nomination Rights Agreement shall serve until the first meeting of shareholders of the Company at which directors are to be elected, or their death, resignation, removal or disqualification, and the Board shall take all steps necessary to fill such seat as soon as reasonably practicable with the individual designated by the party with the right to designate such seat. Each director shall be entitled to indemnification protection and liability insurance coverage on the same terms as all other members of the Board. Directors who are not otherwise an employee of the Company or one of its subsidiaries shall be entitled to compensation comparable to other members of the Board who are not employees of the Company or its subsidiaries.

Additionally, the following persons shall initially be entitled to serve as an observer to the board and its committees: one (1) observer appointed by each of the Sponsor and GRHP, who shall initially be Christopher Akelman and Rich Brown, or their respective designees. In addition to the foregoing, the CEO and the executive leadership team to be designated by the CEO will be present at all meetings of the Board, recusing themselves if and as appropriate.

The Nomination Rights Agreement will automatically terminate upon the earliest of (a) the later of (i) the first date on which neither Sponsor, on the one hand, nor the Caliva shareholders in the aggregate, on the other hand, own at least 5% of the outstanding Common Shares or (ii) the third anniversary of the closing of the Qualifying Transaction; (b) the mutual written agreement of GRHP and the Sponsor; and (c) the dissolution or liquidation of the Company.

Sponsor Lockup and Forfeiture Agreement

Upon closing of the Qualifying Transaction, the Company entered into a lockup and forfeiture agreement with the Sponsor and certain of the Founders (the "**Sponsor Lockup and Forfeiture Agreement**") pursuant to which they

have agreed to subject a certain portion of their Common Shares and Warrants to transfer restrictions for six months after closing of the Qualifying Transaction.

In addition, pursuant to the Sponsor Lockup and Forfeiture Agreement the Sponsor agreed to forfeit 5,430,450 Common Shares upon the third anniversary of closing of the Qualifying Transaction, provided that (i) one-third (1/3) of such Common Shares will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $13.00, (ii) an additional one-third (1/3) will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $17.00 and (iii) an additional one-third (1/3) will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $21.00, in each case during the three-year period following closing of the Qualifying Transaction.

Pursuant to the Sponsor Lockup and Forfeiture Agreement, the Sponsor also forfeited 563,203 Common Shares to the Company for cancellation on closing of the Qualifying Transaction and has agreed to forfeit additional Common Shares for cancellation corresponding to the number of Caliva Earnout Shares if and when issued by the Company.

Subsequent Developments

Appointment of New Chief Financial Officer

Effective February 15, 2021, Mike Batesole was appointed Chief Financial Officer of the Company, reporting directly to Chief Executive Officer Steve Allan. Mr. Batesole succeeded Brett Cummings, who will remain with the Company to ensure a smooth transition, advance the hemp CBD business and progress the social equity ventures program.

DESCRIPTION OF THE BUSINESS

The Company is a vertically integrated cannabis company based in the United States focused on the recreational and wellness markets. The Company's portfolio consists of high quality vertically integrated seed-to-sale operations in California, as well as a substantial hemp-derived *cannabidiol* ("**CBD**") product manufacturing and distribution operation, with a focus on differentiated branded products and direct-to-consumer distribution. The Company's platform was designed with the intention to create the largest, most socially responsible and culturally impactful company in California, producing consistently high-quality, well-priced products and culturally relevant brands that are distributed to third-party retailers as well as direct-to-consumer via a delivery service and strategically located retail locations. A full portfolio of products and brands that appeals to a broad range of user groups, need-states and occasions, offered at all price points, and with unique brand value propositions, are produced at low cost and high caliber of quality through vertically integrated cultivation, sourcing and manufacturing. The Company believes its wholly owned delivery and retail outlets will allow it to achieve high gross-margins on many of its products, forge one-on-one relationships between its brands and consumers and collect proprietary consumer data and insights.

The Company's operational footprint spans cultivation, extraction, manufacturing, distribution, brands, retail and delivery. The management team and directors of the Company bring together deep expertise in cannabis, consumer packaged goods, investing and finance from start-ups to publicly traded companies. The Company aims to leverage its collective industry experience to ensure a highly synergistic and strategic transaction is executed. Through a combination of professional leadership, vertical operations, technology and data driven practices, brand and product expertise, as well as social justice and equity advocacy, the Company intends to set the example globally as a best-in-class cannabis operation. In addition, the Company plans to pursue an aggressive M&A strategy to accelerate growth, market share gains and profitability.

Cultivation

The Company operates over 35,000 square feet of indoor cultivation space producing premium flower for product lines on the higher-end of the price spectrum – Monogram, Caliva, Mind Your Head, Mirayo by Santana and others, as well as potential new brands developed in-house, new brands developed as part of the transactions contemplated by the Brand Strategy Agreement, and new brands that will come into the portfolio via future acquisitions. The Company has a procurement network of over 500 cultivators throughout California to purchase everything from low-cost outdoor, high-quality mid-priced greenhouse, and premium indoor flower as required by its portfolio of brands. The Company also holds a 34% ownership interest in a greenhouse cultivation in Half Moon Bay with 134,000 square feet of licensed cultivation.

Extraction

The Company operates two extraction facilities in the Eureka/Arcata area with Type-6 extraction licenses that are currently capable of producing 3,400 kg of crude and 2,700 kg of distillate per month. This extraction capacity is utilized for both the production and sale of bulk crude and distillate as well as the production of the Company's finished goods in the vaporizer and ingestible categories. The Company estimates its extraction business supplies approximately 20% of the distillate sold legally in California.

Manufacturing

The Company operates seven cannabis manufacturing facilities with a total footprint of 50,000 licensed square feet throughout the State of California that are currently producing many form-factors, including jarred and bagged whole flower, pre-rolls, bulk extracts, vape cartridges, ready-to-use vapes, gummies, chocolate, beverages, tinctures, capsules, lozenges, topicals, and bath bombs. The Company's estimates that its manufacturing facilities have the operating capacity to meet 20% of California market demand for flower, vape and pre-roll. There is also one facility currently producing hemp-derived CBD-infused bath and body care products. These facilities enable the Company to produce a wide range of form-factors for a wide range of differentiated brands, addressing all consumer groups, needs occasions and price points. Having diverse manufacturing capabilities supports a broad range of product and brand strategies including the Company's relationships with JAY-Z and Roc Nation.

Brands

The Company has a portfolio of over 14 owned and licensed brands offering over 250 stock keeping units in over 20 form-factors such as whole flower, pre-rolls, infused pre-rolls, vaporizer cartridges, concentrates, gummies, chocolate, capsules, tinctures, topicals and body care products. According to BDS Analytics, the Company's combined brand portfolio ranks #2 in California over the 12-month period of October 2019 to September 2020 in terms of units sold at retail (5.6 million units) and #6 in terms of dollar value, and according to SPINS, the Company's hemp-derived CBD topical and body care line, *Soul Spring*, currently ranks #1 in the Natural Channel for CBD bath and body care categories. The Company's portfolio of licensed brands leverages intellectual property from well-known cannabis-aligned celebrities such as Mickey Hart of the Grateful Dead, and Carlos Santana. The Company strives to produce high quality products and brands that appeal to both new and experienced cannabis users – such as the High Times Cup-winning Caliva brand of flower. Monogram, the first of a series of new brands the Company anticipates being rolled out in partnership with JAY-Z, was announced in October 2020 and will address the ultra-premium price point for flower and pre-roll.

The Company's brand portfolio addresses a wide range of consumers, need-states and occasions with its wide variety of brands and form-factors, and we believe there are additional opportunities to expand the portfolio through innovation and acquisitions. The Company has appointed JAY-Z, a leading voice in music, culture, entertainment, and business, as its Chief Visionary Officer to oversee the development and promotion of brands that leverage the vision, influence, and social impact mission of the Company. Amidst challenging marketing restrictions in cannabis

that bar brands from leveraging traditional advertising and media channels, the brands developed in collaboration with JAY-Z and Roc Nation are expected to benefit from the significant consumer following and influence of JAY-Z and Roc Nation. The Company's work with JAY-Z will initially focus on products sold at a premium price point but will not be restricted to that price point. Other innovation opportunities that the Company plans to pursue include the development and launch of value price point vaporizer cartridges and ready-to-use vaporizer pens. Based on 2020 market data available through BDS Analytics, the Company believes that there is an opportunity to pursue a retail offering for a 1-gram vape cartridge at a price that is comparable to current retail prices for half-gram vape products.

Distribution

The Company's distribution footprint is comprised of five distribution hubs located throughout California. From these hubs, the Company is currently delivering owned brands to over 450 dispensaries in the state. The Company anticipates its number of active dispensary accounts to increase as the brand portfolios and account bases of LCV and Caliva are integrated, and as the number of operating dispensaries in the state continues to grow. For its hemp CBD products, the Company partners with leading national distributors to reach accounts throughout the United States in both the natural and conventional channels. The Company has distribution partnerships with UNFI, KeHe, and Southern Glazers for its portfolio of hemp CBD-based products, which are currently sold in over 2500 stores nationwide.

Delivery

The Company offers direct-to-consumer delivery of owned brands as well as third-party brands out of six locations; two in Southern California, one in Central California and three in the San Francisco Bay Area. The Company operates its own delivery depots and directly employs its delivery drivers. The Company estimates that its direct-to-consumer delivery is able to reach over 50% of Californians, with the ability to fulfill any dispensary order within 72 hours. The Company's direct-to-consumer offerings include an integrated e-commerce platform offering in-store pickup, curbside pick-up, express delivery, and scheduled delivery, allowing the Company to extend its reach beyond physical retail locations and expand interactions with its customers, while beating the illicit market on convenience and safety during the COVID-19 pandemic. The omnichannel e-commerce platform generates proprietary consumer data which informs product and brand development, corporate development, distribution and personalization. The Company leverages this consumer data and data-driven inventory management practices to refine its menu and inventory management, including offering a menu that is dynamic based on user location. Offering direct-to-consumer delivery allows consumers to access the Company's selection of owned and third-party brands conveniently across a significant portion of Northern, Central and Southern California. The Company strives to prioritize the merchandising and maximize sales of its own portfolio of brands and products on the delivery platform as a means of maximizing overall gross margins. The Company's portfolio of owned brands offered on its delivery platform is expected to significantly expand with the addition of LCV portfolio products to the existing Caliva portfolio of products. The Company expects a significant portion of delivery sales to be of owned brands, considering the combined Caliva and LCV brand portfolio, in addition to planned product innovations, consisting of many form-factors across all price points that address a wide variety of consumer segments, need-states and occasions. The Company will leverage a mix of express and scheduled delivery offerings as a means to maximize the value of product delivered per driver shift and minimize the overall cost-per-delivery.

Retail

The Company operates three retail locations; two in San Jose and one in Bellflower. These retail locations offer consumers a wide variety of owned and third-party brands and products via walk-in, in-store pick-up, and curbside pick-up. The Company plans to add additional retail locations both organically and through acquisition. The Company strives to prioritize the merchandising and maximize sales of its own portfolio of brands and products in retail as a means of maximizing overall gross margins. The Company expects a significant portion of retail sales to be of owned

brands, considering the combined Caliva and LCV brand portfolio, in addition to planned product innovations, consisting of many form-factors across all price points that address a wide variety of consumer segments, need-states and occasions.

E-Commerce

The Company's e-commerce offerings are centered on Caliva.com, a centralized user-centric e-commerce platform. This is a differentiated online platform in cannabis, an industry in which most shopping interactions occur in simple brick-and-mortar retail environments. This platform facilitates seamless orders for in-store or curbside pickup at our retail locations, as well as for delivery to our customers throughout the San Francisco Bay Area and the Los Angeles metropolitan area.

The Company's e-commerce platform offers a wide range of both owned brands and products as well as third-party brands and products. Owned brands and products are prioritized in merchandising and therefore it is anticipated they will make up a substantial portion of total sales, resulting in increased profit margins. The Company's e-commerce platform also enables it to use consumer data to drive personalization and product recommendations to customers, thereby encouraging loyalty and re-orders.

Management Team and Employees

The Company's management team consists of experienced professionals with significant experience as California cannabis market operators but also bringing extensive experience in consumer packaged goods, technology, retail, finance, and venture capital. Members of the Company's management team have previously held positions at firms such as 8VC, Silicon Valley Bank, E&J Gallo, Clorox, Westfield, Dannon, Lagunitas/Heineken, and Hightower.

The Company employs over 600 people across our cultivation, production, retail, distribution, delivery and corporate office facilities across the State of California.

The Company is committed to promoting a culture of inclusion and equal opportunity for employees and in recruiting efforts. Its workforce is comprised of qualified, hardworking, and committed employees who represent the racial, cultural, and ethnic composition of the communities it serves, including people of color, veterans, older workers and persons with disabilities. The Company and its subsidiaries have partnered with local organizations in the communities in which it operates to gain access to underserved talent and particularly those who have been unfairly impacted by non-violent cannabis convictions.

The Company is further committed to:

- A policy and practice of providing equal employment opportunities to all applicants and employees and administer all personnel actions without regard to race, color, creed, religion, sex, sexual orientation, gender identity, marital status, citizenship status, age, national origin, ancestry, disability, veteran status, or any other legally protected status and to affirmatively seek to advance the principles of equal employment opportunity;
- The career advancement of all employees, prioritizing promoting from within whenever possible and investing in its workforce to encourage mobility within the organization;
- Providing a work environment that is free of unlawful harassment, discrimination or retaliation based on any protected characteristics; and
- Providing and maintaining a safe and healthy workplace through ongoing training programs and communication to ensure employees are informed, knowledgeable and able to ensure the safety of themselves and those around them.

The Company is able to tap into some of the most coveted talent pools in the locations that it operates throughout California, allowing a strong mix of cannabis, consumer product, business and technology backgrounds. The

Company's employees are highly talented individuals with distinct professional and educational achievements in a wide range of disciplines, as well as staff who have been trained on the job to uphold the highest standards as set by the Company.

Ongoing Compliance

Overview

The Company is subject to the general licensing and regulatory framework in California set out under the heading "*United States Regulatory Environment – California*". The Company has developed a compliance program designed to achieve its strategic business goals while protecting the organization and operations. The Company's compliance program integrates external regulations with internal rules and procedures to effectively lay out expectations for employee duties and behaviors; this aligns the goals of its employees with those of the Company and helps the Company's operations run smoothly. The Company focuses on upholding policies and procedures that ensure the organization and its employees comply with applicable laws and regulations.

Employee Training

The Company routinely trains employees on the compliance program's objectives, relevant policies and procedures, and the basic components of the compliance program. Additional specialized training also takes place for various policies and procedures that are applicable to specific job functions and/or departments where needed to properly perform their jobs. Training is tracked, attested to, and documented.

Inventory and Security Policies

Maintaining security and inventory control is important to the Company and it has adopted a number of policies, procedures, and practices in these areas:

Security: The Company has taken extensive security measures including implementing professionally vetted policies, procedures, and systems to provide comprehensive protection, not only for its physical plant and inventory, but also for its employees, customers, and the surrounding public. Every licensed facility has strict access control, thorough camera coverage, and burglar alarms. These controls are supported by on-site security in certain instances.

Inventory: The Company maintains inventory control and reporting systems that document the present location, amount, and a description of all cannabis and cannabis products at all facilities. The traceability of cannabis goods is maintained using the California's "Track-and-Trace" system, METRC, and the licensee's integrated enterprise resource planning system ("**ERP**"). Cannabis inventory is regularly manually reconciled against METRC according to the regulations. The Company conducts regular continuous cycle counts in addition to both quarterly and annual manual inventory reconciliations.

Operational Compliance

Internal audits are conducted quarterly. These audits allow us to identify and monitor the Company's strengths and weaknesses, highlighting continuous opportunities for improvement. These internal audits also provide us an opportunity to reinforce best practices and to institute changes in areas that are identified as opportunities for improvement. The information discovered and obtained during these internal audits is used to improve the compliance programs, when necessary, by revising policies, strengthening training, and establishing better reporting processes. The focus of the Company's internal compliance audit is to ensure it is compliant with both state and local laws and regulations and internal policies and procedures.

Big Data Analysis

The Company has invested in a highly scalable data architecture and platform built using leading technologies and tools. By extracting data from its ERP software and the California METRC track and trace system and subsequently organizing it in its data warehouse, the Company has enabled critical data and insights for its compliance efforts. The Company's data warehouse secures and stores all data and transactions at frequent intervals, allowing extensive access and analysis to information that is current. The Company has the ability to understand precise movement of inventory or dollars, past or present, required for review or due diligence as related to compliance requirements or inquiries. The Company is using this data infrastructure proactively to track, monitor and reconcile inventory levels and for ongoing reconciliation with METRC.

Ongoing Compliance

The Company prides itself on a robust internal compliance program encompassing both the compliance measures described above as well as monitoring compliance with U.S. state law on an ongoing basis. Key to those compliance efforts is the employment of individuals dedicated to monitoring California law for changes and updates to statutes and regulations, both at the state level and the local level, that impact business operations. Currently, the Company employs five individuals whose job function includes some aspect of compliance. Further, the Company employs a government relations employee whose primary job function is to monitor the changing landscape of state and local law while employing an external consultant and two external law firms that assist in the monitoring, notification, and interpretation of any changes. Additionally, the Company currently implements and maintains standard operating procedures ("**SOPs**") that are designed for monitoring compliance with California law on an ongoing basis. These SOPs include regular review of current and anticipated statutes, regulations, and ordinances and the training of employees to maintain compliance with California law.

In addition to the internal compliance team and the consultants and law firms described above, the Company also engages local regulatory compliance counsel and consultants in the jurisdictions in which it operates. Such counsel regularly provides legal advice to the Company regarding compliance with state and local laws and regulation and the Company's legal and compliance exposures under United States federal law.

Social Equity

The Company believes in the paramount importance of promoting social equity in the cannabis industry as a core part of its business operations. As such, concurrent with the closing of the Qualifying Transaction, the Company launched a new social equity fund focused on investing in Black and other people-of-color cannabis entrepreneurs. The social equity fund will identify, conduct diligence on, and invest in such entrepreneurs as a means of directly impacting the issues of social equity and diversity in the cannabis industry. The social equity fund was initially seeded with $10 million from the Company's balance sheet, with a planned annual contribution of at least 2% of the Company's net income. The social equity fund will invest as a wholly integrated division of the Company under management of employees of the Company. The social equity fund, where possible, will leverage existing social equity programs as well as not-for-profit organizations engaged in social equity license application support, entrepreneur mentorship, workforce development, and entrepreneurial community-building.

Intellectual Property

The Company has a portfolio of industry leading products and brands. As part of the Company's brand strategy, it strives to protect its proprietary products and brand elements and its brand as California's premier consumer cannabis product company. Intellectual property ("**IP**") protection is pursued both in its ability to sell products and brands through first "Freedom to Operate" searches and subsequently, reviewing proprietary and protectable claims, branding, technology, or design assets. The Company evaluates opportunities for IP protection from cultivation and strain development, in manufacturing and processes, and for its portfolio of finished goods. The Company's IP

protection ranges from trademarks to patents to trade secrets and covers anything from cultivation, genetics, product development, packaging development, claims, operations, information technology, and branding. Additionally, the Company from time to time partners with other companies and pursues further IP protection through licensing and collaboration with those partners.

The Company seeks to protect its proprietary information, in part, by executing confidentiality agreements with third parties and partners and non-disclosure and invention assignment agreements with its employees and consultants. These agreements are designed to protect its proprietary information and ensure ownership of technologies that are developed through its relationship with the respective counterparty. The Company cannot guarantee, however, that these agreements will afford it adequate protection of its intellectual property and proprietary information rights.

Competitive Conditions

As the Company is vertically integrated it competes on multiple fronts, from manufacturing to retail to delivery, and experience competition in each of these areas. From a retail perspective, the Company competes with other licensed retailers and delivery companies in the geographies where retail and delivery services are located. These other retailers range from small local operators to more significant operators with a presence throughout the State of California and other states in the United States. From a product perspective, the Company competes with other manufactures of brands for shelf space in third-party owned dispensaries throughout California. Similar to certain competitors in the retail space, the Company competes with manufacturers ranging in size from small local operators to significant operators with a larger presence. Indirectly, the Company competes with the illicit market, including many illegal dispensaries.

The Company's platform has been designed with the intention to combine leading operations across the vertical supply chain with a scalable omnichannel e-commerce platform to create one of the largest and most scalable vertically-integrated platforms in the single largest market, California. The Company believe there are many opportunities to leverage its vertical platform and potential balance sheet to further expand its market share and accelerate profitability in California through mergers and acquisitions.

Specialized Knowledge, Skills, Resources & Equipment

Knowledge with respect to cultivating and growing cannabis is important in the medical cannabis industry. The nature of growing cannabis is not substantially different from the nature of growing other agricultural products. Variables such as temperature, humidity, lighting, air flow, watering and feeding cycles are meticulously defined and controlled to produce consistent product and to avoid contamination.

The Company grows or procures the primary component of its finished products, namely cannabis. The Company's cultivation operations are dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other utilities. See "*Risk Factors – General Risks – The Company is dependent on equipment and skilled labour*".

Staff with suitable horticultural and quality assurance expertise are generally available on the open market. The Company also requires client care staff, which will grow as its business grows. Customer care staff are also generally available on the open market.

Equipment used is specialized but is readily available and not specific to the cultivation of cannabis. Subject to available funding, the Company does not anticipate any difficulty in obtaining equipment.

The Company anticipates an increased demand for skilled manpower, energy resources and equipment in connection with the Company's continued growth.

UNITED STATES REGULATORY ENVIRONMENT

Cannabis Industry Regulation

On February 8, 2018, the Canadian Securities Administrators revised their previously released Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities* ("**Staff Notice 51-352**"), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the United States as permitted within a particular state's regulatory framework. All issuers with U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents. As a result of the Company's existing operations in California, the Company is providing the following disclosure pursuant to Staff Notice 51-352.

The Company derives a substantial portion of its revenues from state legalized: (i) cannabis, and products containing cannabis, used as part of the treatment for a specific symptom or disease in accordance with applicable state law, but for which no drug approval has been granted by FDA (where use may include inhalation, consumption, or application) ("**Medical-Use Cannabis**") and (ii) cannabis, and products containing cannabis, used by someone 21 or older that is not part of the treatment for a specific symptom or disease (where use may include inhalation, consumption, or application) ("**Adult-Use Cannabis**") (collectively "**Regulated Cannabis**"). The Regulated Cannabis industry is illegal under U.S. Federal Law. The Parent Company is directly involved (through its licensed subsidiaries) in both the Adult-Use Cannabis and Medical-Use Cannabis industry in the State of California which has regulated such industries.

The United States federal government regulates certain drugs through the Controlled Substances Act (21 U.S.C. §§ 801-971) (the "**CSA**") and through the Food, Drug & Cosmetic Act (21 U.S.C. §§ 301-392) (the "**FDCA**"). The CSA schedules controlled substances, including "marihuana" (defined as all parts of the plant *cannabis sativa L.* containing more than 0.3 percent THC), based on their approved medical use and potential for abuse. Marihuana (also referred to as cannabis) is classified as a Schedule I controlled substance. The Drug Enforcement Administration ("**DEA**"), an agency of the U.S. Department of Justice (the "**DOJ**") defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." The United States Food and Drug Administration (the "**FDA**"), which implements and enforces the FDCA, regulates, among other things, drugs used for the diagnosis or treatment of diseases. The FDA has not approved cannabis as a safe and effective treatment for any medical condition. The FDA has approved drugs containing THC and CBD, individual cannabinoids in the plant *cannabis sativa L.*, for a narrow segment of medical conditions.

State laws that permit and regulate the production, distribution and use of Medical-Use Cannabis or Adult-Use Cannabis are in direct conflict with the CSA, which makes cannabis and THC distribution and possession federally illegal. Although certain states and territories of the U.S. authorize Medical-Use Cannabis or Adult-Use Cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, cultivation, and/or transfer of cannabis and THC is illegal and any such acts are criminal acts under any and all circumstances under the CSA. Additionally, any manufacture, possession, distribution and/or sale of cannabis accessories, in states without laws expressly permitting such activity, are also federally illegal activity under the CSA. Although the Company's activities are believed to be compliant with applicable California state and local law, strict compliance with state and local laws with respect to cannabis does not absolve the Company of liability under United States federal law, nor does it provide a defense to any federal proceeding which may be brought against the Company.

As of the date hereof, 2021, 33 U.S. states, and the District of Columbia and the territories of Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands have legalized the cultivation and sale of Medical-Use Cannabis. In 11 U.S. states, the sale and possession of both Medical-Use Cannabis and Adult-Use Cannabis is legal, and the District of Columbia has legalized Adult-Use Cannabis but is barred from commercial sale. Thirteen states have also enacted low-THC / high-CBD only laws for medical patients. The sale and possession of both Medical-Use Cannabis and Adult-Use Cannabis is legal in the State of California, subject to applicable licensing requirements and

compliance with applicable conditions. Further, ballot initiatives to legalize Adult-Use Cannabis recently passed in Arizona, New Jersey, South Dakota, and Montana, and ballot initiatives to legalize Medical-Use Cannabis passed in South Dakota and Mississippi, with implementation of applicable regulations expected in those states in the near future.

Under President Barack Obama, the U.S. administration attempted to address the inconsistencies between federal and state regulation of cannabis in a memorandum which then-Deputy Attorney General James Cole sent to all United States Attorneys on August 29, 2013 (the "**2013 Cole Memorandum**") outlining certain priorities for the DOJ relating to the prosecution of cannabis offenses. The 2013 Cole Memorandum noted that in jurisdictions that have enacted laws legalizing or decriminalizing Regulated Cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of Regulated Cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the 2013 Cole Memorandum. In light of limited investigative and prosecutorial resources, the 2013 Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis, a non-exhaustive list of which was enumerated therein.

On January 4, 2018, U.S. Attorney General Jeff Sessions formally issued a new memorandum (the "**Sessions Memorandum**"), which rescinded all "previous nationwide guidance specific to marijuana enforcement," including the 2013 Cole Memorandum. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that Cannabis is a dangerous drug and Cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress by following well-established principles when pursuing prosecutions related to cannabis activities. There can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future. As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of State-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active U.S. federal prosecutors will be in relation to such activities.

The Company believes it is still unclear what prosecutorial effects will be created by the rescission of the 2013 Cole Memorandum. The Company believes that the sheer size of the Regulated Cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale enforcement operation would more than likely create unwanted political backlash for the DOJ and the Biden administration in certain states that heavily favor decriminalization and/or legalization. Regardless, cannabis and THC remain a Schedule I controlled substance at the federal level, and neither the 2013 Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the manufacture, distribution, sale and disbursement of Medical-Use Cannabis or Adult-Use Cannabis, even if state law permits such manufacture, distribution, sale and disbursement. The Company believes, from a purely legal perspective, that the criminal risk today remains similar to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered. Additionally, under United States federal law, it is a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of Regulated Cannabis or any other Schedule I controlled substance. Canadian banks are likewise hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to Regulated Cannabis businesses. While Congress is considering legislation that may address these issues, there can be no assurance that such legislation passes.

Despite these laws, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("**FinCEN**") issued a memorandum on February 14, 2014 (the "**FinCEN Memorandum**") outlining the pathways for financial institutions to bank state-sanctioned Regulated Cannabis businesses in compliance with federal enforcement priorities. The

FinCEN Memorandum echoed the enforcement priorities of the 2013 Cole Memorandum and stated that in some circumstances, it is possible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("**SAR**") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories - cannabis limited, cannabis priority, and cannabis terminated - based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. On the same day that the FinCEN Memorandum was published, the DOJ issued a memorandum (the "**2014 Cole Memorandum**") directing prosecutors to apply the enforcement priorities of the 2013 Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum has been rescinded as of January 4, 2018, along with the 2013 Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a DOJ priority.

However, former Attorney General Sessions' rescission of the 2013 Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum is a standalone document which explicitly lists the eight enforcement priorities originally cited in the 2013 Cole Memorandum. As such, the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance. However, FinCEN issued further guidance on December 3, 2019, in which it acknowledged that the Agricultural Improvement Act of 2018 (the "**Farm Bill**") removed hemp as a Schedule I controlled substance and authorized the United States Department of Agriculture ("**USDA**") to issue regulations governing, among other things, domestic hemp production. The guidance states that because hemp is no longer a controlled substance under federal law, banks are not required to file SARs on these businesses solely because they are engaged in the growth or cultivation of hemp in accordance with applicable laws and regulations. The guidance further notes that for hemp-related customers, banks are expected to follow standard SAR procedures, and file a SAR if indicia of suspicious activity warrants. FinCEN noted in its December 2019 guidance that the 2014 SAR reporting structure for cannabis remains in place even with the passage of the Farm Bill and this additional guidance related to hemp. FinCEN confirmed this point in guidance issued on June 29, 2020, and clarified that, if proceeds from cannabis-related activities are kept separate, a SAR filing is only required for the cannabis-related part of a business that engages in both cannabis and hemp activity.

Although the 2013 Cole Memorandum has been rescinded, one legislative safeguard for the Medical-Use Cannabis industry has historically remained in place: Congress adopted a so-called "rider" provision to the fiscal years 2015, 2016, 2017, and 2018, 2019 and 2020 Consolidated Appropriations Acts (currently referred to as the "**Rohrabacher/Blumenauer Amendment**") to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated Medical-Use Cannabis actors operating in compliance with state and local law. The Rohrabacher/Blumenauer Amendment was included in the consolidated appropriations bill signed into law by President Trump in December 2019 and expired on September 30, 2020. In signing the Rohrabacher/Blumenauer Amendment, President Trump issued a signing statement noting that the Rohrabacher/Blumenauer Amendment "provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various States and territories," and further stating "I will treat this provision consistent with the President's constitutional responsibility to faithfully execute the laws of the United States." While the signing statement can fairly be read to mean that the executive branch intends to enforce the CSA and other federal laws prohibiting the sale and possession of medical cannabis, the president did issue a similar signing statement in 2017 and no major federal enforcement actions followed. On December 27, the Rohrabacher/Blumenauer Amendment was renewed through the signing of the FY 2021 federal omnibus spending bill, which extended the protections of the Amendment through September 30, 2021. The Rohrabacher/Blumenauer Amendment may or may

not be included in a subsequent omnibus appropriations package or a continuing budget resolution. Should the Rohrabacher/Blumenauer Amendment not be renewed upon expiration in subsequent spending bills, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with State law. Such potential proceedings could involve significant restrictions being imposed upon the Company.

Despite the legal, regulatory, and political obstacles the Regulated Cannabis industry currently faces, the industry has continued to grow. Under certain circumstances, the federal government may repeal the federal prohibition on cannabis and thereby leave the states to decide for themselves whether to permit Regulated Cannabis cultivation, production and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco. Until that happens, the Company faces the risk of federal enforcement and other risks associated with the Company's business.

To the knowledge of management of the Company, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in California.

The Company's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Company. Unless and until the United States Congress amends the CSA with respect to Medical-Use Cannabis or Adult-Use Cannabis, there is a risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing "marihuana" or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of U.S. federal law.

The Company has received and continues to receive legal input, in verbal and written form (including opinions when required), regarding (a) compliance with applicable state and local regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law in certain respects.

The 2013 Cole Memorandum and the Rohrabacher/Blumenauer Amendment gave Medical-Use Cannabis operators and investors in states with legal regimes greater certainty regarding federal enforcement as to establish Regulated Cannabis businesses in those states. While the Sessions Memorandum has introduced some uncertainty regarding federal enforcement, the Regulated Cannabis industry continues to experience growth in legal Medical-Use Cannabis and Adult-Use Cannabis markets across the United States. U.S. Attorney General Jeff Sessions resigned on November 7, 2018. Nonetheless, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, even under a Biden Administration's DOJ or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to cannabis and THC (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law.

Despite the expanding market for Regulated Cannabis, traditional sources of financing, including bank lending or private equity capital, are lacking which can be attributable to the fact that cannabis remains a Schedule I substance under the CSA. These traditional sources of financing are expected to remain scarce unless and until the federal government legalizes cannabis cultivation and sales.

The following table is intended to assist readers in identifying those parts of this AIF that address the disclosure expectations outlined in Staff Notice 51-352 issued by the Canadian Securities Administrators for issuers that currently have marijuana-related activities in U.S. States where such activity has been authorized within a state regulatory framework.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Prospectus Cross-Reference
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	• "*Description of the Business*"
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	• "*United States Regulatory Environment – Cannabis Industry Regulation"* • *"Risk Factors – Risks Related to the Industry and the Company's Business – Cannabis continues to be a controlled substance under the CSA"* • "*Risk Factors - Risks Related to the Industry and the Company's Business – The approach to the enforcement of Regulated Cannabis laws may be subject to change or may not proceed as previously outlined*"
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	• *"United States Regulatory Environment – Cannabis Industry Regulation"*
	Outline related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	• *"Risk Factors - Risks Related to the Industry and the Company's Business – Cannabis continues to be a controlled substance under the CSA"* • *"Risk Factors – Risks Related to the Company's Products and Services – Service providers could suspend or withdraw service"* • "*Risk Factors - Risks Related to the Industry and the Company's Business – The Company's operations in the U.S. cannabis market may be subject to heightened scrutiny by regulatory authorities*"

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Prospectus Cross-Reference
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	• *"Risk Factors - Risks Related to the Industry and the Company's Business – The Company may have difficulty accessing public and private capital"* • "*Risk Factors – Risks Related to the Industry and the Company's Business – The Company may be subject to applicable anti-money laundering laws and regulations"* • "*Risk Factors - Risks Related to the Industry and the Company's Business – The Company may have difficulty accessing the services of banks, which may make it difficult to operate its business*" • "*United States Regulatory Environment – Cannabis Industry Regulation - Laws Applicable to Financial Services for Regulated Cannabis Industry*"
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana related activities.	*"Exposure to U.S. Marijuana Related Activities"*
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	The Company has received and continues to receive legal input, in verbal and written form (including opinions when required), regarding (a) compliance with applicable state and local regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law in certain respects.
U.S. Marijuana Issuers with direct involvement in	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	• *"United States Regulatory Environment – Cannabis Industry Regulation - California"* • *"Description of the Business – Ongoing Compliance"*

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Prospectus Cross-Reference
cultivation or distribution	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's license, business activities or operations.	• *"Description of the Business – Ongoing Compliance"* The Company is in compliance with U.S. state law and the related licensing framework. The Company will promptly disclose any non-compliance, citations or notices of violation which may have an impact on their licenses, business activities or operations.

In accordance with Staff Notice 51-352, below is a discussion of State-level U.S. regulatory regimes in those jurisdictions where the Company is, and will be, directly or indirectly involved through its subsidiaries. A discussion of the U.S. federal regulatory regime can be found above under the heading "*United States Regulatory Environment – Cannabis Industry Regulation.*" The Company and its subsidiaries are directly engaged in the manufacture, possession, use, sale or distribution of cannabis and/or hold licenses in the adult-use and/or medicinal cannabis marketplace in the State of California. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. The Company intends to cause its businesses to promptly remedy any known occurrences of non-compliance with applicable State and local cannabis rules and regulations, and intends to publicly disclose any non-compliance, citations or notices of violation which may have an impact on its licenses, business activities or operations.

Exposure to U.S. Marijuana Related Activities

The Company operates in the United States through various subsidiaries and other entities pursuant to arrangements with third-parties on arm's length terms as more specifically described herein. As of the closing of the Qualifying Transaction, a majority of the Company's business was directly derived from U.S. cannabis-related activities. As such, a majority of the Company's balance sheet and operating statement for periods following closing of the Qualifying Transaction will reflects exposure to U.S. cannabis related activities. See "*Description of the Business*" for further details.

California

California Regulatory Landscape

In 1996, California was the first state to legalize Medical-Use Cannabis through Proposition 215, the Compassionate Use Act of 1996. This legislation legalized the use, possession and cultivation of cannabis by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.

In 2003, Senate Bill 420 was signed into law establishing not-for-profit medical cannabis collectives and dispensaries, and an optional identification card system for Medical-Use Cannabis patients.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for Medical-

Use Cannabis businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However, in November 2016, voters in California passed Proposition 64, the Adult Use of Marijuana Act ("**AUMA**"), creating an Adult-Use Cannabis program for adults 21 years of age or older. In June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamated MCRSA and AUMA and provided for a set of regulations to govern a medical and adult-use licensing regime for cannabis businesses in the State of California. The four agencies that regulate cannabis at the state level are the Bureau of Cannabis Control ("**BCC**"), California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

To legally operate a Medical-Use Cannabis or Adult-Use Cannabis business in California, the operator must generally have both a local and state license. This requires license holders to operate in cities with cannabis licensing programs. Therefore, counties and cities in California are allowed to determine the number of licenses they will issue to cannabis operators, or can choose to outright ban the siting of cannabis operations in their jurisdictions.

California Licensing Requirements

A medicinal retailer license permits the sale of medicinal cannabis and cannabis products to a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal cannabis recommendations. An adult-use retailer license permits the sale of cannabis and cannabis products to any individual age 21 years of age or older regardless of whether they possess a physician's recommendation.

An adult-use or medicinal cultivation license permits cannabis cultivation activity which means any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis. Such licenses further permit the production of a limited number of "non-manufactured cannabis products" and the sales of cannabis to certain licensed entities within the State of California for resale or manufacturing purposes.

An adult-use or medical manufacturing license permits the manufacturing of "manufactured cannabis products". Manufacturing includes the compounding, blending, extracting, infusion, packaging or repackaging, labeling or relabeling, or other preparation of a cannabis product.

In the State of California, only cannabis that is grown in the state by a licensed operator can be sold in the state. California does not mandate a vertically-integrated system, and the state allows licensees to make wholesale purchase of cannabis from, or a distribution of cannabis and cannabis product to, another licensed entity within the state.

Holders of cannabis licenses in California are subject to a detailed regulatory scheme encompassing security, staffing, sales, manufacturing standards, testing, inspections, inventory, advertising and marketing, product packaging and labeling, white labeling, records and reporting, and more. As with all jurisdictions, the full regulations, as promulgated by each applicable state agency, should be consulted for further information about any particular operational area.

California Reporting Requirements

The State of California uses METRC as the state's track-and-trace system used to track commercial cannabis activity and movement across the distribution chain for all state-issued licensees. The system allows for other third-party system integration via application programming interface. Only licensees have access to METRC.

California Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, California's retail cannabis businesses are generally required to do the following:

- maintain a fully operational security alarm system;
- contract for security guard services;
- maintain a video surveillance system that records continuously 24 hours a day;
- ensure that the facility's outdoor premises have sufficient lighting;
- not dispense from its premises outside of permissible hours of operation;
- store cannabis and cannabis product only in areas per the premises diagram submitted to the State of California during the licensing process;
- store all cannabis and cannabis products in a secured, locked room or a vault;
- report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
- ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the BCC that meet BCC distribution requirements are to be used to transport cannabis and cannabis products.

California Home Delivery Requirements

California law allows certain licensed retailers to deliver cannabis to adult customers at any private address within the state, including within those jurisdictions that have land use and zoning ordinances prohibiting the establishment of commercial cannabis businesses. At least 25 local jurisdictions where cannabis sales are banned sued the state, seeking to overturn the rule allowing home deliveries statewide. As of the date hereof, the suit was dismissed on procedural grounds, and the state regulation stands. To the knowledge of management, there have been no significant enforcement efforts mounted by local governments.

The State of California requires the satisfaction of various regulatory compliance obligations in order to operate a cannabis delivery service. The cannabis license that permits the operation of a storefront dispensary in the State of California (also referred to as a retail license) currently permits that entity to also establish a delivery operation. If an entity does not wish to set up and operate a storefront dispensary location at which it can sell products to customers in person, California has established a separate license which allows for a retail delivery operation (also referred to as a non-storefront retail license). California regulations regarding the delivery of cannabis products include the following requirements:

- All deliveries of cannabis goods must be performed by a delivery employee (at least 21 years of age) who is directly employed by a licensed retailer.
- All deliveries of cannabis goods must be made in person.
- Prior to providing cannabis goods to a delivery customer, a delivery employee must confirm the identity and age of the delivery customer (as is required if such customer was purchasing the product in the physical dispensary) and ensure that all cannabis goods sold comply with the regulatory requirements.
- A licensed cannabis entity is permitted to contract with a service that provides a technology platform to facilitate the sale and delivery of cannabis goods, in accordance with all of the following: (1) the licensed

cannabis entity does not allow for delivery of cannabis goods by the technology platform service provider; (2) the licensed entity does not share in the profits of the sale of cannabis goods with the technology platform service provider, or otherwise provide for a percentage or portion of the cannabis goods sales to the technology platform service provider; (3) the licensed cannabis entity does not advertise or market cannabis goods in conjunction with the technology platform service provider, outside of the technology platform, and ensures that the technology platform service provider does not use the licensed cannabis entity's license number or legal business name on any advertisement or marketing that primarily promotes the services of the technology platform; and (4) provides various disclosures to customers about the source of the delivered cannabis goods.

- Cannabis may only be delivered to a physical address but cannot be delivered to an address located on publicly owned land or an address on land or in a building leased by a public agency, and the delivery cannot be to a location outside of the state of California.
- The delivery operations must satisfy any local jurisdiction requirements for the delivery of cannabis products.
- A delivery employee is not permitted to carry cannabis goods in the delivery vehicle with a value in excess of $5,000 at any time.
- The delivery vehicle and its use must satisfy certain regulatory requirements such as continuous and dedicated GPS, use of locked containment units for the cannabis products, and unmarked vehicles.

Licenses

Caliva Licenses

Caliva, through its affiliated entities, currently owns and operates five licensed cultivation facilities in San Jose, California; two licensed manufacturing facilities in Brisbane and San Jose California; four licensed distribution facilities in the cities of Brisbane, Hanford, North Hollywood and San Jose, California; six licensed retail facilities, both storefront and non-storefront in the cities of Bellflower, Brisbane, Culver City, Hanford and San Jose, California; and a microbusiness facility in San Jose, California permitted to engage in manufacturing, distribution and retail.

The below table summarizes the state licenses issued to Caliva in respect of its operations in California.

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
State of California Medium Indoor Cultivation License issued by California Department of Food and Agriculture ("**CDFA**") - CalCannabis Cultivation Licensing ("**CCL**")	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	5/24/2021	A medium cultivation license covers between 10,001 and 22,000 square feet of total canopy. Authorized activities include the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivators must use a licensed distributor to transfer product between licensees.

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
State of California Small Indoor Cultivation License issued by CDFA-CCL	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	5/24/2021	A small cultivation license covers between 5,001 and 10,000 square feet of total canopy. Authorized activities include the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivators must use a licensed distributor to transfer product between licensees.
State of California Small Indoor Cultivation License issued by CDFA-CCL	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	5/24/2021	A small cultivation license covers between 5,001 and 10,000 square feet of total canopy. Authorized activities include the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivators must use a licensed distributor to transfer product between licensees.
State of California Processor License issued by CDFA-CCL	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	5/13/2021	A processor license covers a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products. Cultivators must use a licensed distributor to transfer product between licensees.
State of California – Nursery License issued by CDFA-CCL	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	5/24/2021	A nursery license covers a cultivation site that conducts only cultivation of clones, immature plants, seeds, and other agricultural products used specifically for the propagation of cultivation of cannabis. Cultivators must use a licensed distributor to transfer product between licensees.

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
State of California Type 6 Manufacturing License issued by California Department of Public Health (CDPH) - Manufactured Cannabis Safety Branch (MCSB)	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	4/2/2021	A Type 6 manufacturing licensee is authorized to engage in extractions using mechanical methods or nonvolatile solvents (i.e. CO2, ethanol, water or food-grade dry ice, cooking oils, or butter). A Type 6 licensee may also: conduct infusion operations and conduct packaging and labeling of cannabis products.
State of California Type 6 Manufacturing License issued by CDPH - MCSB	NC4 Systems Inc dba Caliva	101-111 South Hill Drive Brisbane, CA 94005	4/15/2021	A Type 6 manufacturing licensee is authorized to engage in extractions using mechanical methods or nonvolatile solvents (i.e. CO2, ethanol, water or food-grade dry ice, cooking oils, or butter). A Type 6 licensee may also: conduct infusion operations and conduct packaging and labeling of cannabis products.
State of California Type 11 Distribution License issued by Bureau of Cannabis Control (BCC)	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	7/15/2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
State of California Medicinal Type 11 Distribution License issued by BCC	NC3 Systems dba Caliva	10757 Energy St, Hanford, CA 93230-9518	7/15/2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.
State of California Type 11 Distribution License issued by BCC	NC4 Systems Inc dba Caliva	101-111 South Hill Drive Brisbane, CA 94005	7/28/2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.
State of California Type 11 Distribution License issued by BCC	Caliva CADINH1, Inc dba Caliva North Hollywood	7127 Vineland Ave North Hollywood, CA 91605	6/24/2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
				licensed distributor may package and label flower-only products and roll pre-rolls.
State of California Non-Storefront Retail License issued by BCC	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	6/25/2021	A non-storefront retail license covers sales of cannabis goods to customers exclusively through delivery. A retailer non-storefront must have a licensed premise to store the cannabis goods for delivery. The premises of a non-storefront retailer shall not be open to the public. A non-storefront retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A non-storefront retailer license may not engage in any packaging or labeling activities.
State of California Retail License issued by BCC	NC3 Systems dba Caliva	1695 S 7th St San Jose, CA 95112	7/15/2021	A retail license covers sales of cannabis goods to customers at its storefront premises or by delivery. A retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A retailer license may not engage in any packaging or labeling activities.
State of California Retail License issued by BCC	NC3 Systems dba Deli by Caliva	9535 Artesia Blvd Bellflower, CA 90706	10/7/2021	A retail license covers sales of cannabis goods to customers at its storefront premises or by delivery. A retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A retailer license may not engage in any

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
				packaging or labeling activities.
State of California Non-Storefront Retail License issued by BCC	NC4 Systems Inc dba Caliva	101-111 South Hill Drive Brisbane, CA 94005	7/28/2021	A non-storefront retail license covers sales of cannabis goods to customers exclusively through delivery. A retailer non-storefront must have a licensed premise to store the cannabis goods for delivery. The premises of a non-storefront retailer shall not be open to the public. A non-storefront retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A non-storefront retailer license may not engage in any packaging or labeling activities.
State of California Non-Storefront Retail License issued by BCC	NC6 Systems dba Caliva	104 N Douty St Hanford, CA 93230	11/19/2021	A non-storefront retail license covers sales of cannabis goods to customers exclusively through delivery. A retailer non-storefront must have a licensed premise to store the cannabis goods for delivery. The premises of a non-storefront retailer shall not be open to the public. A non-storefront retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A non-storefront retailer license may not engage in any packaging or labeling activities.

License	Entity w/ DBA	Address	Expiration / Renewal Date	Description
State of California Non-Storefront Retail License issued by BCC	Caliva CADECC1, LLC dba Caliva Culver City	5855 Green Valley Circle Culver City, CA 90230	5/22/2021	A non-storefront retail license covers sales of c cannabis goods to customers exclusively through delivery. A retailer non-storefront must have a licensed premise to store the cannabis goods for delivery. The premises of a non-storefront retailer shall not be open to the public. A non-storefront retailer may only purchase cannabis goods that have passed state testing requirements from a licensed distributor. A non-storefront retailer license may not engage in any packaging or labeling activities.
State of California – Microbusiness License issued by BCC	Caliva CAMISJ2, Inc. dba Deli by Caliva San Jose	92 Pullman Way San Jose, CA 95111	7/23/2021	A microbusiness license allows a licensee to engage in the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, type 6 manufacturer, and retailer, as specified in an application. In order to hold a microbusiness license, a licensee must engage in at least three (3) of the four (4) listed commercial cannabis activities. At this facility Caliva engages in retail, distribution and manufacturing.

Sturdivant Licenses

Sturdivant Ventures, LLC, ("**Sturdivant**") an indirect wholly-owned subsidiary of the Company, maintains two state licenses and several local permits for its business for cannabis manufacturing and distribution allowing it to operate throughout the State of California. Currently, Sturdivant is licensed to operate one Type-N Manufacturing facility and one Type-11 Distribution facility.

Set out below are the state licenses issued to Sturdivant in respect of its operations in California.

License	Address Attached to License	Expiration/ Renewal Date	Description
State of California Type-N Manufacturing License issued by CDPH-MCSB	975 Corporate Center Parkway, Suite 120, Santa Rosa, CA 95407	May 16, 2021	A Type N manufacturing licensee is authorized to produce infused manufactured cannabis products (e.g., infused pre-rolls, edibles, topicals, other non-inhalable ingestible products). A Type N licensee may also conduct packaging and labeling of manufactured and non-manufactured cannabis products.
State of California Type-11 Distribution License issued by BCC	975 Corporate Center Parkway, Suite 120, Santa Rosa, CA 95407	July 9, 2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.

Sol Distro Licenses

Fluid South, Inc. and Capitol Cocoa, Inc. (collectively, "**Sol Distro**"), an indirect wholly-owned subsidiary of the Company, maintains several licenses for its business, including state licenses for marijuana manufacturing and distribution. Sol Distro keeps local licenses for each of its operations allowing it to operate throughout the State of California. Currently, Sol Distro holds two Type-N Manufacturing and two Type-11 Distribution licenses.

Below is a list of the state licenses issued to Sol Distro in respect of its operations in California.

License	Entity	Address Attached to License	Expiration/ Renewal Date	Description
State of California Type-N Manufacturing License issued by CDPH - MCSB	Capitol Cocoa, Inc.	8135 Capwell Dr. Oakland, CA 94621	May 15, 2021	A Type N manufacturing licensee is authorized to produce infused manufactured cannabis products (e.g., infused pre-rolls, edibles, topicals, other non-inhalable ingestible products). A Type N licensee may also conduct packaging

License	Entity	Address Attached to License	Expiration/ Renewal Date	Description
				and labeling of manufactured and non-manufactured cannabis products.
State of California Type-N Manufacturing License issued by CDPH - MCSB	Fluid South, Inc.	3560 Cadillac Ave., Costa Mesa, CA	July 19, 2021	A Type N manufacturing licensee is authorized to produce infused manufactured cannabis products (e.g., infused pre-rolls, edibles, topicals, other non-inhalable ingestible products). A Type N licensee may also conduct packaging and labeling of manufactured and non-manufactured cannabis products.
State of California Type-11 Distribution License issued by BCC	Capitol Cocoa, Inc.	8135 Capwell Dr. Oakland, CA 94621	August 20, 2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.
State of California Type-11 Distribution License issued by BCC	Fluid South, Inc.	3560 Cadillac Ave., Costa Mesa, CA	July 16, 2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.

SISU Licenses

SISU, an indirectly wholly-owned subsidiary of the Company, maintains several licenses for its business, including State licenses for marijuana manufacturing, distribution, and processing. SISU keeps local jurisdictional licenses and cross-jurisdictional licenses allowing it to operate throughout the State of California. Currently, SISU is licensed to operate two Type-6 Manufacturing facilities, one Type-11 Distribution facility, and two Processor facilities.

Below is a list of the state licenses issued to SISU in respect of its operations in California.

License	Address Attached to License	Expiration/ Renewal Date	Description
State of California Type-6 Manufacturing License issued by CDPH - MCSB	4651 West End Road Arcata, CA	January 12, 2022	A Type 6 manufacturing licensee is authorized to engage in extractions using mechanical methods or nonvolatile solvents (i.e. CO2, ethanol, water or food-grade dry ice, cooking oils, or butter). A Type 6 licensee may also: conduct infusion operations and conduct packaging and labeling of cannabis products.
State of California Type-6 Manufacturing License issued by CDPH - MCSB	112 W. Third Street, Suites D, E, & F Eureka, CA	May 31, 2021	A Type 6 manufacturing licensee is authorized to engage in extractions using mechanical methods or nonvolatile solvents (i.e. CO2, ethanol, water or food-grade dry ice, cooking oils, or butter). A Type 6 licensee may also: conduct infusion operations and conduct packaging and labeling of cannabis products.
State of California Type-11 Distribution License issued by BCC	112 W. Third Street, Suites C Eureka, CA	June 13, 2021	Distributor licensees are responsible for transporting cannabis goods between licensees, arranging for testing of cannabis goods, conducting quality assurance review of cannabis goods to ensure they comply with all the packaging and labeling requirements, and distributing cannabis goods and accessories to retailers. A licensed distributor may package and label flower-only products and roll pre-rolls.
State of California Processor License issued by CDFA - CCL	112 W. Third Street, Suites B Eureka, CA	August 10, 2021	A processor license covers a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis

License	Address Attached to License	Expiration/ Renewal Date	Description
			products. Cultivators must use a licensed distributor to transfer product between licensees.
State of California Processor License issued by CDFA - CCL	228 3rd St. Eureka, CA	December 17, 2021	A processor license covers a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products. Cultivators must use a licensed distributor to transfer product between licensees.

Laws Applicable to Financial Services for Regulated Cannabis Industry

All banks are subject to federal law, whether the bank is a national bank or state-chartered bank. At a minimum, most banks maintain federal deposit insurance which requires adherence to federal law. Violation of federal law could subject a bank to loss of its charter. Financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under the federal money laundering statutes, unlicensed money transmitter statutes and the *Currency and Foreign Transactions Reporting Act of 1970* (31 U.S.C. § 5311 *et seq*) (commonly known as the Bank Secrecy Act). For example, under the Bank Secrecy Act, banks must report to the federal government any suspected illegal activity, which would include any transaction associated with a Regulated Cannabis-related business. These reports must be filed even though the business is operating in compliance with applicable state and local laws. Therefore, financial institutions that conduct transactions with money generated by Regulated Cannabis-related conduct could face criminal liability under the Bank Secrecy Act for, among other things, failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA.

FinCEN issued guidance in February 2014 which clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the Bank Secrecy Act. Concurrently with the FinCEN guidance, the DOJ issued supplemental guidance directing federal prosecutors to consider the federal enforcement priorities enumerated in the 2013 Cole Memorandum with respect to federal money laundering, unlicensed money transmitter and Bank Secrecy Act offenses based on cannabis-related violations of the CSA. The FinCEN guidance sets forth extensive requirements for financial institutions to meet if they want to offer bank accounts to cannabis-related businesses, including close monitoring of businesses to determine that they meet all of the requirements established by the DOJ, including those enumerated in the 2013 Cole Memorandum. This is a level of scrutiny that is far beyond what is expected of any normal banking relationship. Under the 2019 FinCEN guidance discussed above, banks are not required to file SARs on businesses solely because they are engaged in the growth or cultivation of hemp in accordance with applicable laws and regulations. However, the 2014 guidance remains in place with respect to Regulated Cannabis businesses. FinCEN confirmed this point in guidance issued on June 29, 2020, and clarified that, if proceeds from cannabis-related activities are kept separate, a SAR filing is only required for the cannabis-related part of a business that engages in both cannabis and hemp activity.

As a result, many banks are hesitant to offer any banking services to Regulated Cannabis-related businesses, including opening bank accounts. While the Company currently has bank accounts, its inability to maintain these accounts or the lack of access to bank accounts or other banking services in the future, would make it difficult for the Company

to operate its business, increase its operating costs, and pose additional operational, logistical and security challenges. Furthermore, it remains unclear what impact the rescission of the 2013 Cole Memorandum will have, but federal prosecutors may increase enforcement activities against institutions or individuals that are conducting financial transactions related to cannabis activities.

The increased uncertainty surrounding financial transactions related to cannabis activities may also result in financial institutions discontinuing services to the cannabis industry. See "*Risk Factors*".

RISK FACTORS

An investment in the Company involves a number of risks. In addition to the other information contained in this AIF, investors should give careful consideration to the following risk factors. Any of the matters highlighted in these risk factors could adversely affect our business and financial condition, causing an investor to lose all, or part of, its, his or her investment. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of our securities could be materially and adversely affected.

Risks Related to the Industry and the Company's Business

Cannabis continues to be a controlled substance under the CSA.

In addition to federal regulation, cannabis is also regulated at the state level in the United States. To the Company's knowledge, there are to date a total of 47 states, plus the District of Columbia, Puerto Rico and Guam that have legalized or decriminalized cannabis in some form. Further, ballot initiatives to legalize Adult-Use Cannabis recently passed in Arizona, New Jersey, South Dakota, and Montana, and ballot initiatives to legalize Medical-Use Cannabis passed in South Dakota and Mississippi, with implementation of applicable regulations expected in those states in the near future. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and as such, violates federal law in the United States.

The United States Congress has passed appropriations bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the U.S. federal government from prosecuting individuals when those individuals comply with state law relating to approved medical uses. However, because this conduct continues to violate U.S. federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business – even those that have fully complied with state law – could be prosecuted for violations of U.S. federal law. And if Congress restores funding, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licences in the United States, the listing of its securities on the Exchange or other applicable exchanges, its financial position, operating results, profitability or liquidity or the market price of its Common Shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

The approach to the enforcement of Regulated Cannabis laws may be subject to change or may not proceed as previously outlined.

As a result of the conflicting views between states and the federal government regarding cannabis, investments in Regulated Cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed on August 29, 2013 when then Deputy Attorney General, James Cole, authored the 2013 Cole Memorandum addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several U.S. states have enacted laws relating to cannabis for medical purposes.

The 2013 Cole Memorandum outlined certain priorities for the DOJ relating to the prosecution of cannabis offenses. In particular, the 2013 Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of Regulated Cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the DOJ has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the 2013 Cole Memorandum standard.

In light of limited investigative and prosecutorial resources, the 2013 Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis. States where Medical-Use Cannabis had been legalized were not characterized as a high priority. In March 2017, then newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the 2013 Cole Memorandum had merit; however, he disagreed that it had been implemented effectively and, on January 4, 2018, Attorney General Jeff Sessions authored the Sessions Memorandum, which rescinded all "previous nationwide guidance specific to marijuana enforcement," including the 2013 Cole Memorandum. The Sessions Memorandum rescinded previous nationwide guidance specific to the prosecutorial authority of United States attorneys relative to cannabis enforcement on the basis that they are unnecessary, given the well-established principles governing federal prosecution that are already in place. Those principals are included in chapter 9.27.000 of the United States Attorneys' Manual and require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

As a result of the Sessions Memorandum, federal prosecutors will now be free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities. Furthermore, the Sessions Memorandum did not discuss the treatment of Medical-Use Cannabis by federal prosecutors.

Former U.S. Attorney General Jeff Sessions resigned on November 7, 2018. Nonetheless, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, even under a Biden Administration's DOJ or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to cannabis and THC (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law.

In recent years, certain temporary federal legislative enactments that protect the Medical-Use Cannabis and industry have also been in effect. For instance, cannabis businesses that are in strict compliance with state law receive a measure of protection from federal prosecution by operation of a temporary appropriations measures that has been enacted into law as an amendment (or "**rider**") to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. First adopted in the Appropriations Act of 2015, Congress has included in successive budgets since a

"rider" that prohibits the DOJ from expending any funds to enforce any law that interferes with a state's implementation of its own medical cannabis laws. The rider, discussed above, is known as the "Rohrbacher-Blumenauer" Amendment. The Rohrbacher-Blumenauer Amendment (now known colloquially as the "Joyce-Amendment" after its most recent sponsors) was included in the Consolidated Appropriations Act of 2020, which was signed by President Trump on December 20, 2019 and funded the departments of the federal government through the fiscal year ending September 30, 2020. In signing the act, President Trump issued a signing statement noting that the Act "provides that the DOJ may not use any funds to prevent implementation of medical cannabis laws by various States and territories," and further stating "I will treat this provision consistent with the President's constitutional responsibility to faithfully execute the laws of the United States." While the signing statement can fairly be read to mean that the executive branch intends to enforce the CSA and other federal laws prohibiting the sale and possession of medical cannabis, the President did issue a similar signing statement in May 2017 and February 2019 and no federal enforcement actions followed. On December 27, the Rohrabacher/Blumenauer Amendment was renewed through the signing of the FY 2021 federal omnibus spending bill, which extended the protections of the Amendment through September 30, 2021.

Should the Rohrabacher/Blumenauer Amendment not be renewed in subsequent spending bills, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with State law. Such potential proceedings could involve significant restrictions being imposed upon the Company, while diverting the attention of executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favor of the Company.

Moreover, unless and until the U.S. Congress amends the CSA with respect to Medical-Use Cannabis and/or Adult-Use Cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the U.S. federal government begins to enforce U.S. federal laws relating to Regulated Cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, assets, revenues, operating results and financial condition as well as the Company's reputation may be material adversely effected. In the extreme case, such enforcement could ultimately involve the prosecution of key executives of the Company or the seizure of its assets.

FDA rulemaking related to Medical-Use Cannabis and the possible registration of facilities where Medical-Use Cannabis is grown could negatively affect the Medical-Use Cannabis industry, which would directly affect our financial condition.

Should the federal government legalize Medical-Use Cannabis, it is possible that the FDA would seek to regulate it under the FDCA. Additionally, the FDA may issue rules and regulations including current good manufacturing practices, or GMPs, related to the growth, cultivation, harvesting and processing of Medical-Use Cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where Medical-Use Cannabis is grown register with the FDA and comply with certain federal regulations. In the event that some or all of these regulations are imposed, we do not know what the impact would be on the Medical-Use Cannabis industry, including what costs, requirements and possible prohibitions may be enforced. If we are unable to comply with the regulations or registration as prescribed by the FDA, we may be unable to continue to operate our business in its current form or at all.

U.S. state regulatory uncertainty may adversely impact the Company.

There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed, amended or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the

Company's business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect the Company, its business and its assets or investments.

Certain U.S. states where medical and/or Adult-Use Cannabis is legal have or are considering special taxes or fees on the cannabis industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a material adverse effect upon the businesses, results of operations and financial condition of the Company.

The Company may be subject to applicable anti-money laundering laws and regulations.

Given the nature of its business, the Company may be subject to a variety of laws and regulations in Canada and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the *Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the Bank Secrecy Act), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. Banks often refuse to provide banking services to businesses involved in the U.S. cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of cheques and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services.

In February 2014, the FinCEN issued the FinCEN Memorandum, which states that in some circumstances, it is possible for banks to provide services to cannabis related businesses without risking prosecution for violation of U.S. federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to U.S. federal prosecutors relating to the prosecution of U.S. money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FinCEN Memorandum.

In the event that any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, affect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while there are no current intentions to declare or pay dividends on the Common Shares in the foreseeable future, in the event that a determination was made that the Company's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

The Parent Company is subject to risks associated with the CBD industry.

The manufacture, labeling, and distribution of hemp-derived CBD products is regulated by various federal, state, and local agencies. These governmental authorities may commence regulatory or legal proceedings, which could restrict the permissible scope of the Company's products claims or the ability to sell hemp-derived CBD products in the future. If the Company's operations are found to be in violation of any such applicable laws or regulations, the Company may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of operations, any of which could adversely affect the ability to operate the business and financial results. Failure to comply with FDA requirements may result in the issuance of warning letters, injunctions, product

withdrawals, recalls, product seizures, fines, and criminal prosecutions. The U.S. Federal Trade Commission ("**FTC**") regulates the advertising of such products and requires that all product claims be supported by competent and reliable scientific evidence. Violations of FTC requirements could result in legal action, including injunctions and orders to return money to consumers.

U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with cannabis operations in the United States.

Because cannabis remains illegal under U.S. federal law, those non-U.S. citizens employed at or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry of non-U.S. citizens happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. In addition, business or financial involvement in the legal cannabis industry in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances has not changed and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal cannabis industry in U.S. states where it is deemed legal may affect admissibility to the U.S. As a result, U.S. Customs and Border Protection has affirmed that, a Canadian citizen coming to the U.S. for reasons related to the cannabis industry may be deemed inadmissible.

The Company may have difficulty accessing the services of banks, which may make it difficult to operate its business.

The Company may have trouble accessing services of financial institutions. For example, in February 2014, FinCEN issued the FinCEN Memorandum (which is not law) that provides guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time by the executive branch. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Company may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it resides in permits cannabis sales. While the United States House of Representatives has passed the SAFE Banking Act, which would permit commercial banks to offer services to cannabis companies that are in compliance with state law, it remains under consideration by the Senate, and if Congress fails to pass the SAFE Banking Act, the Company's inability, or limitations on the Company's ability, to open or maintain bank accounts and/or obtain other banking services may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

The Company may have difficulty accessing public and private capital.

The Company expects to access public capital markets by virtue of its status as a reporting issuer in each of the provinces and territories of Canada (other than Quebec). However, there can be no assurances that the Company will be able to successfully obtain sufficient financing through such capital markets and, further, capital market uncertainty and volatility could impact the Company's ability to obtain equity financing.

Caliva and LCV have historically, and the Company continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in the U.S. The Company also has relationships with sources of private capital (such as funds and high net worth individuals) that could provide financing at a higher cost of capital.

Since the use of cannabis is illegal under U.S. federal law, and in light of concerns in the banking industry regarding money laundering and other federal financial crime related to cannabis, U.S. banks have been reluctant to accept deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Likewise, cannabis businesses have limited access, if any, to credit card processing services. As a result, cannabis businesses in the U.S. are to a significant degree cash-based. This complicates the implementation of financial controls and increases security issues.

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and businesses similar to the Company. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to the Company when needed or on terms which are acceptable to the Company. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

The Company may lack access to U.S. bankruptcy protections.

As discussed above, cannabis is illegal under U.S. federal law. Therefore, there is a compelling argument that the federal bankruptcy courts cannot provide relief for parties who engage in Regulated Cannabis businesses. Recent bankruptcy rulings have denied bankruptcies for dispensaries upon the justification that businesses cannot violate federal law and then claim the benefits of federal bankruptcy for the same activity and upon the justification that courts cannot ask a bankruptcy trustee to take possession of, and distribute Regulated Cannabis-related assets as such action would violate the CSA. Therefore, the Company may not be able to seek the protection of the bankruptcy courts and this could materially affect our business or our ability to obtain credit.

The Company's operations in the U.S. cannabis market may be subject to heightened scrutiny by regulatory authorities.

For the reasons set forth above, the Company's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by securities regulators, stock exchanges and other authorities in Canada and the U.S. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest or hold interests in other entities in the U.S. or any other jurisdiction, or have consequences for its stock exchange listing or Canadian reporting obligations, in addition to those described herein. See "*Risk Factors - Risks Related to the Industry and the Company's Business – Cannabis continues to be a controlled substance under the CSA*".

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 describing the Canadian Securities Administrators' disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

CDS Clearing and Depositary Services Inc. ("**CDS**") is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the

owner and operator of CDS, announced the signing of a Memorandum of Understanding ("**MOU**") with the Exchange, the Canadian Securities Exchange and the Toronto Stock Exchange confirming that it relies on such exchanges to review the conduct of listed issuers. The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the U.S.

Even though the MOU indicated that there are no plans of banning the settlement of securities of issuers with U.S. cannabis related activities through CDS, there can be no guarantee that the settlement of securities will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid until an alternative (if available) was implemented, and investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange.

The Company may be subject to the risk of civil asset forfeiture.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

The laws and regulations affecting the cannabis industry are constantly changing.

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect the Company. The current and proposed operations of the Company are subject to a variety of local, state and federal cannabis laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with compliance or alter certain aspects of their business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the business plans of the Company and result in a material adverse effect on certain aspects of their planned operations. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Company's profitability or cause it to cease operations entirely. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, the U.S. Securities and Exchange Commission ("**SEC**"), the DOJ, the Financial Industry Regulatory Authority or other federal or applicable state or non-governmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or adult-use purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital. In addition, the Company is not be able to predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to its business.

The Company may be subject to the risks associated with governmental approvals, permits and compliance with applicable laws.

Government approvals and permits are currently, and may in the future be, required in connection with the operations of the Company. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from their production, manufacture, and sale of Medical-Use Cannabis and Adult-Use Cannabis or from proceeding with the development of their operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of their operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Company may not be able to obtain or maintain the necessary licences, permits, certificates, authorizations or accreditations to operate their respective businesses, or may only be able to do so at great cost. In addition, the Company may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licences, permits, certificates, authorizations or accreditations could result in restrictions on the Company's ability to operate in the cannabis industry, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Amendments to current laws, regulations and permits governing the production of medical and adult-use cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs, or reduction in levels of production, or require abandonment or delays in development.

There may be a restriction on deduction of certain expenses.

Section 280E of the United States Internal Revenue Code of 1986, as amended (the "**Code**") generally prohibits businesses from deducting or claiming tax credits with respect to expenses paid or incurred in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by U.S. federal law or the law of any state in which such trade or business is conducted. Section 280E currently applies to businesses operating in the cannabis industry, irrespective of whether such businesses are licensed and operating in accordance with applicable state laws. The application of Code Section 280E generally causes such businesses to pay higher effective U.S. federal income tax rates than similar businesses in other industries due to the loss of certain deductions and credits. The impact of Code Section 280E on the effective tax rate of a cannabis business generally depends on how large the ratio of non-deductible expenses is to the business's total revenues. The Company expects to be subject to Code Section 280E. The application of Code Section 280E to the Company may adversely affect the Company's profitability and, in fact, may cause the Company to operate at a loss. While recent legislative proposals, if enacted into law, could eliminate or diminish the application of Code Section 280E to cannabis businesses, the enactment of any such law is uncertain. Accordingly, Code Section 280E may to apply to the Company indefinitely.

There may be difficulty with the enforceability of contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal in the United States at a federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. It is possible that the Company may not be able to legally enforce contracts the Company enters into if necessary, which means there can be no assurance that there will be a remedy for breach of contract, which would have a material adverse effect on the Company's business, assets, revenues, operating results, financial condition and prospects. For example, at least some federal courts have dismissed lawsuits seeking to enforce contracts involving the purchase or sale of Regulated Cannabis businesses.

The ability to grow a business with ties to cannabis operations in the United States depends on state laws pertaining to the cannabis industry.

Continued development of the medical and/or recreational-use cannabis industry depends upon continued legislative authorization of cannabis at the state level. The status quo of, or progress in, the regulated medical and/or recreational-use cannabis industry is not assured and any number of factors could slow or halt further progress in this area. While there may be ample public support for legislative action permitting the manufacture and use of cannabis, numerous

factors impact the legislative process. For example, many states that voted to legalize Medical-Use Cannabis and/or Adult-Use Cannabis have seen significant delays in the drafting and implementation of regulations and issuance of licenses. In addition, burdensome regulation at the state level could slow or stop further development of the medical and/or recreational-use cannabis industry, such as limiting the medical conditions for which medical cannabis can be recommended by physicians for treatment, restricting the form in which medical cannabis can be consumed, imposing significant registration requirements on physicians and patients or imposing significant taxes on the growth, processing and/or retail sales of cannabis, which could have the impact of dampening growth for cannabis businesses and making it difficult for cannabis businesses to operate profitably in those states. Any one of these factors could slow or halt additional legislative authorization of medical and/or recreational-use cannabis, which could the Company's business prospects.

A revised statutory framework for agency consolidation and tax simplification is being considered in California.

The administration of Governor Gavin Newsom is currently promulgating regulations to consolidate the three commercial cannabis licensing agencies in California, being the BCC, the Department of Food and Agriculture, and the Department of Public Health into a single Department of Cannabis Control in the 2021-22 budget, which may impact the processes, procedures, administration, and generally the operations of commercial cannabis licences in California. The administration is also considering tax simplification in 2021, which would shift the responsibilities of tax collection from the final distributor to the first for cultivation, and for the retail excise tax from the distributor to the retailer. While the Company is closely following the administration's budget proposals and revisions, the enacted form of the uniform licensing protocols and regulatory clean-up as part of a short-term and longer term strategy are unknown and the regulations and regulatory impact on the licences and operations therefrom is not currently known.

Certain jurisdictions currently prohibit public company ownership of cannabis businesses.

Certain jurisdictions in the United States prohibit persons that are declared unqualified to hold a cannabis establishment license, which can include any publicly traded company. In such circumstances, the prohibition against the issuance of a cannabis establishment business license may not be limited to the direct licensee but extend to owners of such licensees including parent-companies. As such, a publicly traded company may be denied the issuance of a cannabis establishment business license in such jurisdictions which could limit the Company's ability to expand.

Political uncertainty may have an adverse impact on the Company's operating performance and results of operations.

General political uncertainty may have an adverse impact on the Company's operating performance and results of operations. In particular, the United States continues to experience significant political events that cast uncertainty on global financial and economic markets, especially in light of the recent presidential election. It is presently unclear exactly what actions the new administration in the United States will implement, and if implemented, how these actions may impact the cannabis industry in the United States. Any actions taken by the new United States administration may have a negative impact on the United States economies and on the businesses, financial conditions, results of operations and the valuation of United States cannabis companies, including the Company.

Risks Related to the Company's Products and Services

Unfavourable publicity or consumer perception may affect the success of the Company's business.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and is expected to continue to be, a regulated substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research

reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect.

Public opinion and support for Medical-Use Cannabis and Adult-Use Cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing Medical-Use Cannabis and Adult-Use Cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical cannabis as opposed to legalization in general).

The ability to gain and increase market acceptance of the Company's products may require the Company to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on product development, strategic relationships and marketing initiatives may be required. There can be no assurance that these initiatives will be successful and their failure may have an adverse effect on the Company.

Further, a shift in public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the U.S. or elsewhere. A negative shift in the perception of the public with respect to cannabis in the U.S. or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize Adult-Use Cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on its business, financial condition and results of operations.

Social media may impact the Company's reputation.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to issuers and their activities, whether true or not and the cannabis industry in general, whether true or not. Negative posts or comments about the Company or its properties on any social networking website could damage the Company's reputation. In addition, employees or others might disclose non-public sensitive information relating to the Company's business through external media channels. The continuing evolution of social media will present the Company with new challenges and risks.

Significant failure or deterioration of the Company's quality control systems may adversely impact the Company.

The quality and safety of the Company's products are critical to the success of its business and operations. As such, it is imperative that the Company's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strives to ensure that it and any of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Service providers could suspend or withdraw service.

As a result of any adverse change to the approach in enforcement of U.S. cannabis laws, adverse regulatory or political changes, additional scrutiny by regulatory authorities, adverse changes in the public perception in respect of the consumption of cannabis or otherwise, third-party service providers to the Company could suspend or withdraw their services, which may have a material adverse effect on the business, revenues, operating results, financial condition or prospects of the Company.

The Company may be subject to product liability claims.

The Company manufactures, processes and/or distributes products designed to be ingested by humans, and therefore face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the products produced by them caused injury or illness, include inadequate instructions for use, or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action could result in increased costs, could adversely affect the reputation of the Company and could have a material adverse effect on the business, results of operations and financial condition of the Company. There can be no assurances that product liability insurance will be obtained or maintained on acceptable terms or with adequate coverage against potential liabilities.

The Company may be subject to product recalls.

Cultivators, manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by the Company are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall and may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. Additionally, if one of the products produced by the Company were subject to recall, the image of that product and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by the Company and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company is subject to risks inherent in an agricultural business.

Medical-Use Cannabis and Adult-Use Cannabis is an agricultural product. There are risks inherent in the cultivation business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors or in green houses under climate-controlled conditions, with conditions monitored, there can be no assurance that natural elements will not have a material adverse effect on the production of the Company's products and, consequentially, on the business, financial condition and operating results of the Company.

The Company may be vulnerable to rising energy costs.

Cannabis growing operations consume considerable energy, making the Company potentially vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business, results of operations, financial condition or prospects of the Company.

The Company is reliant on key inputs.

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, including as a result of the COVID-19 pandemic, could materially impact the business, financial condition, results of operations or prospects of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure a replacement for such source in a timely manner or at all

could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

The Company may be subject to the risk of competition from synthetic production and technological advances.

The pharmaceutical industry may attempt to dominate the cannabis industry, through the development and distribution of synthetic products which emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could materially adversely affect the ability of the Company to secure long-term profitability and success through the sustainable and profitable operation of its business. There may be unknown additional regulatory fees and taxes that may be assessed in the future.

Results of future clinical research may negatively impact the cannabis industry.

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC), and associated terpenoids remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, risks, efficacy, dosing and social acceptance of cannabis, future basic research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Future research studies and clinical trials may reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Ongoing controversy surrounding vaporizers and vaporizer products may materially and adversely affect the market for vaporizer products and expose the Company to litigation and additional regulation.

There have been a number of highly publicized cases involving lung and other illnesses and deaths that appear to be related to vaporizer devices and/or products used in such devices (such as vaporizer liquids). The focus is currently on the vaporizer devices, the manner in which the devices were used and the related vaporizer device products - THC, nicotine, other substances in vaporizer liquids, possibly adulterated products and other illegal unlicensed cannabis vaporizer products. Some states and cities in the United States have already taken steps to prohibit the sale or distribution of vaporizers, restrict the sale and distribution of such products or impose restrictions on flavours or use of such vaporizers. This trend may continue, accelerate and expand.

This controversy could well extend to non-nicotine vaporizer devices and other product formats. Any such extension could materially and adversely affect the Company's business, financial condition, operating results, liquidity, cash flow and operational performance. Litigation pertaining to vaporizer products is accelerating and that litigation could potentially expand to include the Company's products, which would materially and adversely affect the Company's business, financial condition, operating results, liquidity, cash flow and operational performance.

The Company faces competition from the illegal cannabis market.

The Company faces competition from illegal dispensaries and the illegal market that are unlicensed and unregulated, and that are selling cannabis and cannabis products, including products with higher concentrations of active ingredients, using flavors or other additives or engaging in advertising and promotion activities that the Company is not permitted to. As these illegal market participants do not comply with the regulations governing the cannabis industry, their operations may also have significantly lower costs. The perpetuation of the illegal market for cannabis may have a material adverse effect on the Company's business, results of operations, as well as the perception of cannabis use.

Regulatory Risks

The Company may be subject to environmental regulations and risks.

The Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its current or proposed production, manufacturing or sale of cannabis or from proceeding with the development of its operations as currently proposed. States mandate unique inventory tracking requirements and systems which may present implementation and adherence challenges for operators, such as California's METRC track and trace inventory system, which requires integration with other systems and suffers frequent outages.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. the Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production or manufacturing of cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production or manufacturing costs or reduction in levels of production or manufacturing or require abandonment or delays in development.

The Company may be subject to constraints on the marketing of its products.

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits companies' abilities to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and results of operations could be adversely affected.

Risks Relating to the Company's Business Structure

The Company is reliant on its management team.

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, financial condition or prospects.

The Company is a holding company.

The Company is a holding company and essentially all of its assets constitute the capital stock of the Company's subsidiaries. As a result, investors are subject to the risks attributable to the Company's subsidiaries. As a holding

company, the Company will conduct substantially all of its business through subsidiaries, which generate substantially all of the Company's revenues. Consequently, the Company's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of the Company's subsidiaries and the distribution of those earnings to the Company. The ability of these entities to pay dividends and other distributions depends on their operating results and is subject to applicable laws and regulations, which require that solvency and capital standards be maintained by such subsidiaries and contractual restrictions are contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before the Company.

General Risks related to the Company including Capital Structure, Public Company and Tax Status and Capital Financing Policies

Potential future sales of shares could adversely affect prevailing market prices for the Common Shares.

The Company cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of the Common Shares. Sales of substantial amounts of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

Sales of a substantial number of the Common Shares may cause the price of the Common Shares to decline.

Any sales of substantial numbers of the Common Shares in the public market or the exercise of significant amounts of the Warrants or the perception that such sales or exercise might occur may cause the market price of the Common Shares to decline. The market price of the Common Shares could be adversely affected upon the expiration of lock up periods applicable to certain shareholders of the Company.

Further equity financing may dilute the interests of the Company's shareholders and depress the price of the Common Shares.

If the Company raises additional financing through the issuance of equity securities (including securities convertible or exchangeable into equity securities) or completes an acquisition or merger by issuing additional equity securities, such issuance may substantially dilute the interests of shareholders of the Company and reduce the value of their investment. The Company's Articles permit the issuance of an unlimited number of Common Shares, and no shareholders of the Company have pre-emptive rights in connection with a future issuance. The Board has the discretion to determine the price and the terms of issue of future issuances. Moreover, additional Common Shares may be issued by the Company on the exercise of awards under The Parent Company's equity incentive plan and upon the exercise of outstanding Warrants. The market price of the Common Shares could decline as a result of issuances of new shares or sales by shareholders of Common Shares in the market or the perception that such sales could occur. Sales by shareholders of the Company might also make it more difficult for the Company itself to sell equity securities at a time and price that it deems appropriate.

There is no guarantee that the Warrants will ever be in-the-money, and the Warrants may expire worthless.

Pursuant to the terms of the warrant agency agreement between the Company and Odyssey Trust Company, as warrant agent, dated July 16, 2019 (the "**Warrant Agreement**"), the Warrants will be exercisable commencing 65 days following the closing of the Qualifying Transaction for an exercise price of $11.50 per Common Share. There is no guarantee that the Warrants will ever be in-the-money prior to their expiration, and as such, the Warrants may expire worthless.

Limited Market for Securities

The Common Shares and Warrants are listed on the Exchange and also trade over the counter in the United States on the OTCQX Best Market, however, there can be no assurance that an active and liquid market for the Common Shares or Warrants will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

The Company is subject to the costs of being a public company.

As a public issuer, the Company is subject to the reporting requirements and rules and regulations under applicable Canadian securities laws and the rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition. In particular, the Company is subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on the Company as well as on the Company's management, administrative, operational and accounting resources. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Company to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Common Shares and of other listed securities of the Company.

The Company is expected to lose foreign private issuer status in the future, which could result in significant additional costs and expenses.

The Company is currently a "foreign private issuer" (as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act) and, to the extent it becomes subject to the SEC public company reporting rules, it would not be subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. The Company is expected in the future to lose its foreign private issuer status. If the Company loses its foreign private issuer status and decides, or is required, to register its securities under Section 12 of the U.S. Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") as a U.S. domestic issuer, the regulatory and compliance costs will be significantly more than the costs incurred as a Canadian foreign private issuer with securities registered under Section 12 of the U.S. Exchange Act. In such event, the Company would not be eligible to use foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are generally more detailed and extensive than the forms available to a foreign private issuer.

The Company is anticipated to be a U.S. domestic corporation for U.S. federal income tax purposes.

It is anticipated that the Company will be treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code as a result of the Qualifying Transaction. Consequently, it is anticipated that the Company will be subject to U.S. federal income tax on its worldwide taxable income. Because the Company will be a resident of Canada for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), the Company also will be subject to Canadian income tax. Consequently, the Company will be liable for both U.S. and Canadian income tax, which could have a material adverse effect on its financial condition and results of operations.

Negative cash flow from operating activities of the combined business of the Company.

The Company's ability to carry out and implement its planned business objectives and strategies may be dependent upon, among other things, its ability to achieve sustainable revenues and profitable operations. There can be no assurance that the Company will be able to generate positive cash flow from its operations in the future, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable

to the Company. If the Company is unable to achieve positive cash flow from its operations, its ability to carry out and implement its planned business objectives and strategies may be significantly delayed, limited, or may not occur.

The Company may be subject to net operating loss limitations.

Section 382 of the Code contains rules that limit for U.S. federal income tax purposes the ability of a corporation that undergoes an "ownership change" to utilize its net operating losses (and certain other tax attributes) existing as of the date of such ownership change. Under these rules, a corporation is treated as having had an "ownership change" if there is more than a 50% increase in stock ownership by one or more "5 percent shareholders," within the meaning of Section 382 of the Code, during a rolling three-year period. The Qualifying Transaction resulted in an ownership change for purposes of Section 382 of the Code. However, at the time of closing of the Qualifying Transaction SCAC did not have any material net operating loss carry forwards or other tax attribute carry forwards that would be subject to limitation under Section 382 of the Code.

Dividends paid on the Common Shares may be subject to withholding tax.

Dividends paid on the Common Shares to shareholders who are Canadian residents for the purposes of the Tax Act will be subject to U.S. withholding tax. A foreign tax credit under the Tax Act in respect of such U.S. withholding taxes may not be available to such holder. Dividends received on the Common Shares by shareholders who are not deemed to be resident in Canada for the purposes of the Tax Act and who are U.S. holders for U.S. federal income tax purposes will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. A U.S. foreign tax credit in respect of such Canadian withholding taxes may not be available to such holder.

A shareholder who is not deemed to be resident in Canada for purposes of the Tax Act and is a non-U.S. holder for U.S. federal income tax purposes may be subject to Canadian withholding tax and U.S. withholding tax on dividends paid on the Common Shares. Such holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions in respect of any Canadian or U.S. withholding tax applicable to dividends on the Common Shares.

Risk of U.S. tax classification as a USRPHC.

As noted above, as a result of the Qualifying Transaction, it is anticipated that the Company will be treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code. As a result, the taxation of non-U.S. shareholders of the Company for U.S. federal income tax purposes upon a disposition of Common Shares generally depends, in part, on whether the Company is classified as a United States real property holding corporation (a "**USRPHC**") under the Code. The Company is not anticipated to be a USRPHC. However, the Company is not expected to seek formal confirmation of its status as a non-USRPHC from the U.S. Internal Revenue Service ("**IRS**"). If the Company were to be considered a USRPHC, non-U.S. holders may be subject to U.S. federal income tax on any gain associated with the disposition of Common Shares.

General Risks

Risks associated with recent or future acquisitions.

As part of the Company's overall business strategy, the Company intends to pursue strategic acquisitions which could provide additional product offerings, vertical integrations, additional industry expertise or a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, services and personnel; (ii) unforeseen or hidden liabilities; (iii) the diversion of resources from the Company's existing interests and business; (iv) potential inability to generate sufficient revenue to offset new costs; (v) the expenses of acquisitions; or (vi) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

The Company may invest in pre-revenue and other revenue-generating cannabis companies that may not be able to meet anticipated revenue targets in the future.

The Company may make investments in companies with no significant sources of operating cash flow and no revenue from operations. Investments in such companies will be subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Company's investment in these pre-revenue companies will not be able to meet anticipated revenue targets or will generate no revenue at all. The risk is that underperforming pre-revenue companies may lead to these businesses failing, which could have a material adverse effect on the Company's business, prospects, revenue, results of operation and financial condition.

Financial projections may prove materially inaccurate or incorrect.

Any of the Company's financial estimates, projections and other forward-looking information or statements included herein were prepared by the Company without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information or statements. Such forward-looking information or statements are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed herein. Investors should inquire of the Company and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, difficulty integrating business units following the Qualifying Transaction, changes or shifts in regulatory rules, inability to close strategic acquisitions on favourable terms or at all, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Company might achieve.

There can be no assurance that the Brand Strategy Agreement or the Roc Binding Heads of Terms will have a beneficial impact on the Company's business, financial condition and results of operations.

There can be no assurance that the Brand Strategy Agreement or the Roc Binding Heads of Terms will provide the benefits expected by the Company. The Brand Strategy Agreement and the Roc Binding Heads of Terms are subject to the risks normally associated with the conduct of strategic business arrangements. These risks include potential disagreements among the parties thereto on how to develop, operate, market or otherwise commercialize a business opportunity; the risk of litigation between the Company and the counterparties to the Brand Strategy Agreement and the Roc Binding Heads of Terms regarding operational matters if a disagreement cannot be resolved; and the failure to reach the business milestones contemplated in entering into such agreements. The success of the Brand Strategy Agreement and the Roc Binding Heads of Terms will depend upon an effective working relationship between the Company and the counterparties thereto. The success of the Roc Binding Heads of Terms will also depend on the ability of The Parent Company and Roc Nation to negotiate a long-form partnership agreement prior to March 31, 2021 reflecting substantially all of the commercial terms included in the Roc Biding Head of Terms. Additionally, each of the Company and the counterparties to the Brand Strategy Agreement and the Roc Binding Heads of Terms has the right to terminate such agreements in accordance with their terms. The failure of the Brand Strategy Agreement or the Roc Binding Heads of Terms to provide the benefits expected by the Company, or the termination of the Brand Strategy Agreement and the Roc Binding Heads of Terms in accordance with their terms, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's use of joint ventures, strategic partnerships and alliances may expose the Company to risks associated with jointly owned investments.

The Company may operate parts of the business through joint ventures and strategic partnerships and alliances with other companies. Joint venture investments may involve risks not otherwise present in investments made solely by the

Company, including: (i) the Company may not control the joint ventures; (ii) the joint venture partners may not agree to distributions that the Company believes are appropriate; (iii) where the Company does not have substantial decision-making authority, the Company may experience impasses or disputes with such joint venture partners on certain decisions, which could require the Company to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (iv) the Company's joint venture partners may become insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfil their obligations as a joint venture partner; (v) the arrangements governing the Company's joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved; (vi) the Company's joint venture partners may have business or economic interests that are inconsistent with the Company's interests and may take actions contrary to the Company's interests; (vii) the Company may suffer losses as a result of actions taken by the Company's joint venture partners with respect to the Company's joint venture investments; and (viii) it may be difficult for the Company to exit a joint venture if an impasse arises or if the Company desires to sell its interest for any reason. Any of the foregoing risks could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company may, in certain circumstances, be liable for the actions of our joint venture partners.

There can be no assurance that the Company's current and future strategic alliances or expansions of scope of existing relationships will have a beneficial impact on the Company's business, financial condition and results of operations.

The Company expects to enter into, additional strategic alliances and partnerships with third parties that the Company believes will complement or augment the business. The Company's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that such strategic alliances will achieve the expected benefits to the Company's business. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

Competition in the cannabis industry is intense and increased competition by larger and better-financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales and support. The Company may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Company.

The Company is dependent on equipment and skilled labour.

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components, including as a result of the COVID-19 pandemic. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure plans may be significantly greater than anticipated by the Company's management, and may be greater than the funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of the Company.

The cannabis industry is difficult to forecast.

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. The Company recently completed its Qualifying Transaction on January 15, 2021, at which point each of Caliva and LCV became wholly-owned subsidiaries of the Company. As a result, it will be challenging to accurately forecast the newly-combined Company's near-term financial results as operational synergies and integration efforts are pursued. Furthermore, mergers and acquisitions, which represent a material portion of the Company's strategy, are particularly difficult to forecast. If the Company's forecasts are not accurate as a result of competition, integration, deal-execution, technological change, change in the regulatory or legal landscape, change in consumer behavior, or other factors, including the impact of the COVID-19 pandemic, the business, results of operations, financial condition or prospects of the Company may be adversely effected. See "*General Risk Factors – Financial projections may prove material inaccurate or incorrect*".

The Company may be subject to the risk of litigation.

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and other listed securities of the Company. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources. Litigation may also create a negative perception of the Company's brand.

The Company may be subject to intellectual property risks.

The Company may have certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. The Company will rely on this intellectual property, know-how and other proprietary information, and require employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company's business, results of operations or prospects.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain U.S. federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to the Company. For example, in the U.S., registered federal trademark protection is only available for goods and services that can be lawfully used in interstate commerce; the U.S. Patent and Trademark Office is not currently approving any trademark applications for cannabis, or certain goods containing U.S. hemp-derived CBD (such as dietary supplements and food) until the FDA and the USDA provides clearer guidance on the regulation of such products. As a result, the Company's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Company can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, provincial, state or local level. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally registered marks.

The Company's intellectual property rights may be invalid or unenforceable under applicable laws, and the Company may be unable to have issued or registered, and unable to enforce, its intellectual property rights.

The laws and positions of intellectual property offices administering such laws regarding intellectual property rights relating to cannabis and cannabis-related products are constantly evolving, and there is uncertainty regarding which countries will permit the filing, prosecution, issuance, registration and enforcement of intellectual property rights

relating to cannabis and cannabis-related products. The Company's ability to obtain registered trademark protection for cannabis and cannabis-related goods and services (including hemp and hemp-related goods and services), may be limited in certain countries, including the United States., where registered federal trademark protection is currently unavailable for trademarks covering the sale of cannabis products or certain goods containing U.S. hemp-derived CBD (such as dietary supplements and foods) until the FDA provides clearer guidance on the regulation of such products. Accordingly, the Company's ability to obtain intellectual property rights or enforce intellectual property rights against third-party uses of similar trademarks may be limited.

Moreover, in any infringement proceeding, some or all of the Company's current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the Company's benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the Company's business, financial condition and results of operations.

The Company cannot offer any assurances about which, if any, patent applications will issue, the breadth of any such patent or whether any issued patents will be found invalid or unenforceable or which of the Company's products or processes will be found to infringe upon the patents or other proprietary rights of third parties. Any successful opposition to future issued patents could deprive the Company of rights necessary for the successful commercialization of any new products or processes that it may develop.

If some or all of the Company's patents expire or are invalidated or are found to be unenforceable, or if some or all of its patent applications do not contain patentable subject matter because the claims are determined to lack utility, or, do not result in issued patents or result in patents with narrow, overbroad, or unenforceable claims, or claims that are not supported in regard to written description or enablement by the specification, or if the Company is prevented from asserting that the claims of an issued patent cover a product of a third party, the Company may be subject to competition from third parties with products in the same class as its own products or devices, including in those jurisdictions in which the Company has no patent protection.

The Company may be subject to competition from third parties with products or devices in the same class as its products or devices in those jurisdictions in which it has no patent protection. Further, there is no assurance that the Company will find all potentially relevant prior art relating to any patent applications that it files, which may prevent a patent from issuing from a patent application or invalidate any patent that issues from such application. Even if patents are issued to the Company regarding its products, devices, and/or methods of using them, those patents can be challenged by its competitors who can argue such patents are invalid or unenforceable, lack of utility, lack sufficient written description or enablement, or that the claims of the issued patents should be limited or narrowly construed. Furthermore, even if they are unchallenged, any patent applications and future patents may not adequately protect the Company's intellectual property rights, provide exclusivity for its products or processes or prevent others from designing around any issued patent claims, and patents also will not protect the Company's product candidates if competitors devise other ways of making or using these product candidates without legally infringing the Company's patents.

The Company also relies on trade secrets to protect its technology, especially where it does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The Company's employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose its confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third party illegally obtained and is using the Company's trade secrets is expensive and time-consuming, and the outcome is unpredictable. Moreover, the Company's competitors may independently develop equivalent knowledge, methods and know-how.

Failure to obtain or maintain trade secret protection could adversely affect the Company's competitive business position.

Any of these outcomes could impair the Company's ability to prevent competition from third parties, which could materially and adversely affect its business, financial condition and results of operations.

The Company may be subject to allegations that it is in violation of third-party intellectual property rights, and the Company may be found to infringe third-party intellectual property rights, possibly without the ability to obtain licenses necessary to use such third-party intellectual property rights.

Other parties may claim that the Company's products infringe on their intellectual property rights, including with respect to patents, and the Company's operation of its business, including its development, manufacture and sale of its goods and services, may be found to infringe third-party intellectual property rights. There is a risk that the Company is infringing the proprietary rights of third parties because numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields that are the focus of the Company's business, and which may cover the development, manufacturing, sale or use of the Company's products, processes or other aspects of its business operations. Others might have been the first to make the inventions covered by each of its pending patent applications and/or might have been the first to file patent applications for these inventions. In addition, because patent applications take many months to publish and patent applications can take many years to issue, there may be currently pending applications, unknown to the Company, which may later result in issued patents that cover the production, manufacture, synthesis, commercialization, formulation or use of the Company's products. As a result, there may be currently pending patent applications, some of which may still be confidential, that may later result in issued patents that the Company's products or processes may infringe. In addition, the production, manufacture, synthesis, commercialization, formulation or use of the Company's products may infringe existing patents of which the Company is not aware. In addition, third parties may obtain patents in the future and claim that use of the Company's inventions, trade secrets, technical know-how and proprietary information, or the manufacture, use or sale of its products infringes upon those patents. Third parties may also claim that the Company's use of its trademarks infringes upon their trademark rights.

Defending itself against third-party claims, including litigation in particular, would be costly and time consuming and would divert management's attention from its business, which could lead to delays in the Company's development or commercialization efforts. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders, other equitable relief, and/or require the payment of damages, any or all of which may have an adverse impact on the Company's business. If third parties are successful in their claims, the Company might have to pay substantial damages or take other actions that are adverse to the Company's business. In addition, the Company may need to obtain licenses from third parties who allege that the Company has infringed on their lawful rights. Such licenses may not be available on terms acceptable to the Company, and the Company may be unable to obtain any licenses or other necessary or useful rights under third-party intellectual property.

The Company receives licenses to use some third-party intellectual property rights, and the failure of the owner of such intellectual property to properly maintain or enforce the intellectual property underlying such licenses, or the Company's inability to maintain such licenses, could have a material adverse effect on Company's business, financial condition and performance.

The Company is party to licenses granted by third parties, including the certain brands and trademarks, that give the Company rights to use third-party intellectual property that is necessary or useful to the Company's business. The Company's success will depend, in part, on the ability of the applicable licensor to maintain and enforce its licensed intellectual property against other third parties, particularly intellectual property rights to which the Company has secured exclusive rights. Without protection for the intellectual property the Company has licensed, other companies

might be able to offer substantially similar products for sale, or utilize substantially similar processes, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Any of the Company's licensors may allege that the Company has breached its license agreements with those licensors, whether with or without merit, and accordingly seek to terminate the Company's applicable licenses. If successful, this could result in the Company's loss of the right to use applicable licensed intellectual property, which could adversely affect its ability to commercialize its products or services, as well as have a material adverse effect on its business, financial condition and results of operations.

The Company may be subject to the risks associated with fraudulent or illegal activity by its employees, contractors and consultants.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent unauthorized conduct that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal, state and provincial healthcare fraud and abuse laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) contractual arrangements, including confidentiality requirements. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with applicable laws or regulations or contractual requirements. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Company may be subject to risks related to information technology systems, including cyber-attacks.

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company may be subject to risks related to security breaches.

Given the nature of the Company's products and its lack of legal availability outside of channels approved by the United States federal government, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Company's facilities could expose the Company to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers

from choosing the Company's products. In addition, the Company collects and stores personal information about its customers and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly customer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may be subject to risks related to high bonding and insurance coverage.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of legal cannabis to post a bond or significant fees when, for example, applying for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. The Company is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of the Company's business.

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution, fire, explosion or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

The current outbreak of the Novel Coronavirus, or COVID-19, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact or cause disruption to the Company's operations, performance, financial condition, results of operations and cash flows.

A novel strain of coronavirus (COVID-19) was reported to have surfaced in December 2019, and has since spread globally, including to every state in the United States. The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including Canada and the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. As a result, the COVID-19 pandemic is negatively impacting almost every industry directly or indirectly, including the regulated cannabis industry. COVID-19 (or a future pandemic) could have material and adverse effects on the Company's operations, performance, financial condition, results of operations and cash flows due to, among other factors:

- a complete or partial closure of, or other operational issues at, one or more of the Company's businesses resulting from government actions;
- the temporary inability of consumers and patients to purchase the Company's cannabis products due to a number of factors, including but limited to illness, dispensary closures or limitations on operations (including but not limited to shortened operating hours, social distancing requirements and mandated "curbside only" pickup), quarantine, financial hardship, and "stay at home" orders, could severely impact the Company's businesses, financial condition and liquidity;

- difficulty accessing equity and debt capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect the Company's access to capital necessary to fund business operations;
- workforce disruptions for the Company, as a result of infections, quarantines, stay at home orders or other factors, could result in a material reduction in the Company's cannabis cultivation, manufacturing, distribution and/or sales capacity;
- because of U.S. federal regulatory uncertainty relating to the regulated cannabis industry, the Company may not be eligible for financial relief available to other businesses, including recently introduced federal assistance programs;
- restrictions on public events for the regulated cannabis industry limit the opportunity for the Company to market and sell its products and promote its brands;
- increased cyber security threats due to the increased volume of employees working remotely and using online video-conferencing and collaborative platforms; and
- the potential negative impact on the health of the Company's personnel, particularly if a significant number of them are impacted, would result in a deterioration in the Company's ability to ensure business continuity during a disruption.

The extent to which COVID-19 impacts the Company's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the actions taken to contain the outbreak or mitigate its impact, and the direct and indirect economic effects of the outbreak and containment measures, among others.

Additionally, many of the third-party statistics or data presented herein predate the COVID-19 pandemic, and forecasts or estimates may be impacted by economic or regulatory changes resulting from the pandemic.

Global financial conditions and future economic shocks may impair the Company's financial condition.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability, pandemics or outbreaks of new infectious diseases or viruses and natural disasters. Any sudden or rapid destabilization of global economic conditions, including as a result of the COVID-19 pandemic, could the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company's. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. In such an event, the Company's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs and profit margins and the price of its securities. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Company's operations may be affected by changes in the economic environment.

The Company's operations could be affected by the economic environment in which it operates should the unemployment level, interest rates or inflation reach levels that influence consumer trends and, consequently, impact the Company's sales and profitability.

Management of growth may prove to be difficult.

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Company does not intend to pay dividends on the Common Shares, so any returns will be limited to increases, if any, in the value of the Common Shares. Your ability to achieve a return on your investment will depend on appreciation, if any, in the price of our Common Shares.

The Company currently anticipates that it will retain future earnings for the development, operation and expansion of our business and does not anticipate declaring or paying any cash dividends for the foreseeable future. Any future determination to declare dividends will be made at the discretion of the Board and will depend on, among other factors, the Company's financial condition, operating results, capital requirements, general business conditions and other factors that the Board may deem relevant. Any return to stockholders will therefore be limited to the appreciation in the value of their Common Shares, if any.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about the Company or its business, the Common Share trading price and volume could decline.

The trading market for Common Shares will depend in part on the research and reports that securities or industry analysts publish about the Company or its business. If no securities or industry analysts commence covering the Company, the trading price for Common Shares would be negatively impacted. If the Company obtains securities or industry analyst coverage and if one or more of the analysts who cover the Company downgrade Common Shares or publish inaccurate or unfavorable research about the Company's business, the Company's trading price may decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on the Company regularly, demand for Common Shares could decrease, which could cause the Common Share trading price and volume to decline.

The Company may be subject to international regulatory risks.

While the Company currently has no plans to expand internationally, it may in the future and, as a result, it would become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which it operates or imports or exports products or materials. In addition, the Company may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. Failure by the Company to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on the Company's business, financial condition and results of operations. There is the possibility that any such international jurisdiction could determine that the Company was not or is not compliant with applicable local regulations. If the Company's sales or operations were found to be in violation of such international regulations the Company may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of the Company's operations or asset seizures and the denial of regulatory applications.

The market price of the Common Shares may be highly volatile.

Market prices for cannabis companies have at times been volatile and subject to substantial fluctuations. The stock market, from time-to-time, experiences significant price and volume fluctuations unrelated to the operating performance of particular companies, including as a result of the COVID-19 pandemic. Future announcements concerning the Company or its competitors, including those pertaining to financing arrangements, government regulations, developments concerning regulatory actions affecting the Company, litigation, additions or departures of key personnel, cash flow, and economic conditions and political factors in the United States may have a significant

impact on the market price of the Common Shares. In addition, there can be no assurance that the Common Shares will continue to be listed on the Exchange.

The market price of the Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to the Company's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by its subscribers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within its industry experience declines in their stock price, the share price of the Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against the Company could cause it to incur substantial costs and could divert the time and attention of its management and other resources.

The Company's officers and directors may be engaged in other business ventures resulting in conflicts of interest.

Certain of the Company's directors and officers are, and may continue to be, or may become, involved in other business ventures through their direct and indirect participation in, among other things, corporations, partnerships and joint ventures, that are or may become competitors of the products and services the Company provides or intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in a contract or transaction or a proposed contract or transaction with the Company that is material to the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests.

However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Certain remedies may be limited to the Company.

The Company's governing documents may provide that the liability of its members of the Board and its officers is eliminated to the fullest extent permitted under the laws of the Province of British Columbia. Thus, the Company and its shareholders may be prevented from recovering damages for certain alleged errors or omissions made by the members of the Board and its officers. The Company's governing documents may also provide that the Company will, to the fullest extent permitted by law, indemnify members of its Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of Company.

The Company may have difficulty in enforcing judgments and effecting service of process on directors and officers.

All of the directors and certain of the officers of the Company reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Past performance is not indicative of future results.

The prior operational performance of Caliva and LCV is not indicative of any potential future operating results of the Company. There can be no assurance that the historical operating results achieved by Caliva, LCV or their respective affiliates will be achieved by the Company, and the Company's performance may be materially different.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect the Company's reported financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Company's business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation, or changes in underlying assumptions, estimates or judgments, could significantly change the Company's reported financial performance or financial condition in accordance with generally accepted accounting principles.

The Company may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on the financial condition, results of operations and Common Share price, which could cause investors to lose some or all of their investment.

Although the Company conducted due diligence on each of Caliva and LCV prior to closing of the Qualifying Transaction, the Company cannot assure that this diligence revealed all material issues that may be present in the businesses of Caliva and LCV, that it would be possible to uncover all material issues through a customary amount of due diligence or that factors outside of either party's control will not later arise. As a result, the Company may be forced in the future to write down or write-off assets, restructure its operations or incur impairment or other charges that could result in losses. Even if due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with the Company's preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on the Company's liquidity, the fact that charges of this nature are reported could contribute to negative market perceptions. In addition, charges of this nature may cause the Company to be unable to obtain future financing on favorable terms or at all.

DIVIDENDS AND DISTRIBUTIONS

As of the date of this AIF, the Company has not declared any dividends or made any distributions. Furthermore, the Company has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant.

CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this AIF, the Company has 96,778,402 issued and outstanding Common Shares.

Pursuant to the Company's Articles, the Company also has an authorized class of proportionate voting shares (the "**Proportionate Voting Shares**"). Concurrently with closing of the Qualifying Transaction, the Company exercised its right under the articles to require that all Proportionate Voting Shares be automatically converted into Common Shares on the basis of one hundred (100) Common Shares for one (1) Proportionate Voting Share. As a result of exercising this mandatory conversion right, the Company is no longer entitled to issue any further Proportionate Voting Shares.

The summary of the rights, privileges, restrictions and conditions attaching to the Common Shares set out below is qualified in its entirety by the Articles of the Company.

Common Shares

Voting Rights

All holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Company, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the BCBCA. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not fewer than 25% of the votes attaching to the outstanding voting shares entitled to vote at the meeting are present in person or represented by proxy.

On all matters upon which holders of Common Shares are entitled to vote, each Common Share is entitled to one vote per Common Share.

Unless a different majority is required by law or the Articles, resolutions to be approved by holders of Common Shares require approval by a simple majority of the total number of votes of all Common Shares cast at a meeting of shareholders at which a quorum is present.

Dividend Rights

Holders of Common Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the Board may from time to time determine.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Common Shares will be entitled to receive all of the Company's assets remaining after payment of all debts and other liabilities on a pro rata basis.

Pre-emptive and Redemption Rights

Holders of Common Shares will not have any pre-emptive or redemption rights.

Compliance Provisions

The Articles facilitate compliance with applicable regulatory and/or licensing regulations. In particular, the Articles contain certain provisions (the "**Compliance Provisions**"), including a combination of certain remedies such as an automatic suspension of voting and/or dividend rights, a discretionary right to force a share transfer to a third party and/or a discretionary redemption right in favour of the Company, in each case to seek to ensure that the Company and its subsidiaries are able to comply with applicable regulatory and licensing regulations. The purpose of the Compliance Provisions is to provide the Company with a means of protecting itself from having a shareholder or a group of shareholders acting jointly or in concert, with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over) ("**Owning or Controlling**"), five percent (5%) or more of the issued and outstanding shares of the Company, or such other number as is determined by the Board from time to time, and: (i) who a governmental authority granting licenses to, or otherwise governing the operations of, the Company or its subsidiaries has determined to be unsuitable to own Common Shares; (ii) whose ownership of Common Shares may reasonably result in the loss, suspension or revocation (or similar action) with respect to any licenses or permits relating to the Company or its subsidiaries' conduct of business (being the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products in the United States, which include the owning and operating of cannabis licenses) or in the Company being unable to obtain any new licenses or permits in the normal course, all as determined by the Board; or (iii) who have not been determined by the applicable regulatory authority to be an acceptable person or otherwise have not received the requisite consent of such regulatory

authority to own the Common Shares within a reasonable time period acceptable to the Board or prior to acquiring any Common Shares (in each case, an "**Unsuitable Person**"). The ownership restrictions in the Articles are also subject to an exemption for applicable depositaries and clearing houses as well as underwriters (as defined in the *Securities Act* (Ontario)) in the course of a distribution of securities of the Company.

Notwithstanding the foregoing, the Compliance Provisions provide that any shareholder (or group of shareholders acting jointly or in concert) proposing to Own or Control five percent (5%) or more of the issued and outstanding shares of the Company (or such other number as is determined by the Board from time to time) will be required to provide not less than 30 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the Corporate Secretary and to obtain all necessary regulatory approvals. Upon any such shareholder(s) Owning or Controlling five percent (5%) or more of the issued and outstanding shares of the Company (or such other number as is determined by the Board from time to time), and having not received the requisite approval of any applicable regulatory authority to own the Common Shares the Compliance Provisions provide: (i) that such shareholder(s) may, in the discretion of the Board, be prohibited from exercising any voting rights and/or receiving any dividends from the Company, unless and until all requisite regulatory approvals are obtained; and (ii) the Company with a right, but not the obligation, at its option, upon notice to the Unsuitable Person, to: (A) redeem any or all Common Shares directly or indirectly held by an Unsuitable Person; and/or (B) forcibly transfer any or all Common Shares directly or indirectly held directly or indirectly by an Unsuitable Person to a third party. Such rights are required in order for the Company to comply with regulations in various jurisdictions where the Company or its subsidiaries may conduct business.

Upon receipt by the holder of a notice to redeem or to transfer any or all of its Common Shares the holder will be entitled to receive, as consideration therefor, no less than 95% of the lesser of: (i) the closing price of the Common Shares on the Exchange (or the then principal exchange on which the Company's securities are quoted for trading) on the trading day immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day VWAP of the Common Shares on the Exchange (or the then principal exchange on which the Company's securities are quoted for trading) for the five trading days immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates).

Further, a holder of the Common Shares is be prohibited from acquiring five percent (5%) or more of the issued and outstanding shares of the Company, directly or indirectly, in one or more transactions, without providing 30 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the Corporate Secretary. The foregoing restriction do not apply to the ownership, acquisition or disposition of Common Shares as a result of: (i) transfer of Common Shares occurring by operation of law including, inter alia, the transfer of Common Shares to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters who hold Common Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with the foregoing restriction, or (iii) conversion, exchange or exercise of securities issued by the Company or a subsidiary into or for Common Shares in accordance with their respective terms. If the Board reasonably believes that any such holder of the Common Shares may have failed to comply with the foregoing restrictions, the Company may apply to the Supreme Court of British Columbia, or any other court of competent jurisdiction, for an order directing that such shareholder disclose the number of Common Shares directly or indirectly held.

Notwithstanding the Compliance Provisions, the Company may not be able to exercise such rights in full or at all, including its redemption rights. Under the BCBCA, a corporation may not make any payment to redeem shares if there are reasonable grounds for believing that the company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the company to be unable to pay its liabilities as they become due in the ordinary course of its business. Furthermore, the Company may become subject to contractual restrictions on its ability to redeem its Common Shares

by, for example, entering into a secured credit facility subject to such restrictions. In the event that restrictions prohibit the Company from exercising its redemption rights in part or in full, the Company will not be able to exercise its redemption rights absent a waiver of such restrictions, which the Company may not be able to obtain on acceptable terms or at all.

Advance Notice Requirements for Director Nominations

The Company has included certain advance notice provisions with respect to the election of its directors in the Articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of director nominations to the Board and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Company notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "**Notice Date**") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

RIGHTS TO PURCHASE SECURITIES

Warrants

35,837,500 Warrants are outstanding as of the date of this AIF. Each Warrant will be exercisable commencing 65 days after closing of the Qualifying Transaction for one Common Share at an exercise price of $11.50 per Common Share.

The Warrants will expire at 5:00 p.m. (Toronto time) on January 15, 2026 or may expire earlier upon the Company's winding-up or if the expiry date is accelerated.

Once the Warrants become exercisable, pursuant to the terms of the Warrant Agreement, the Company may accelerate the expiry date of the outstanding Warrants (excluding the Sponsor's Warrants but only to the extent still held by the Sponsor at the date of public announcement of such acceleration and not transferred prior to the accelerated expiry date, due to the anticipated knowledge by the Sponsor of material undisclosed information which could limit their dealings in such securities) by providing 30 days' notice if, and only if, the closing price of the Common Shares equals or exceeds $18.00 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends (as defined below), reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period. An "**Extraordinary Dividend**" means any dividend, together with all other dividends payable in the same calendar year by the Company, that has an aggregate absolute dollar value which is greater than $0.25 per Common Share, with the adjustment to the applicable price (as the context may require) being a reduction equal to the amount of the excess.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of acceleration of the expiry date. On and after the acceleration of the expiry date, a record holder of a Warrant will have no further rights.

The exercise price and number of shares issuable on exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, Extraordinary Dividend, or our recapitalization, reorganization, merger or consolidation. The Warrants will not, however, be adjusted for issuances of shares at a price below their exercise price.

Warrants may be exercised only for a whole number of shares. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, it will, upon exercise, be rounded down to the nearest whole number of shares to be issued to the Warrant holder.

The exercise of the Warrants by any holder in the United States, or that is a U.S. person, may only be effected in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable State "blue sky" securities laws.

Warrant holders do not have the rights or privileges of holders of shares and any voting rights until they exercise their Warrants and receive corresponding Common Shares. After the issuance of corresponding Common Shares upon exercise of the Warrants, each holder will be entitled to one vote for each Common Share held of record on all matters to be voted on by shareholders.

The warrant agent shall, on receipt of a written request of the Company or holders of not less than 25% of the aggregate number of Warrants then outstanding, convene a meeting of holders of Warrants upon at least 21 calendar days' written notice to holders of Warrants. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the warrant agent. A quorum at meetings of holders of Warrants shall be two persons present in person or represented by proxy holding or representing more than 20% of the aggregate number of Warrants then outstanding.

From time to time, the Company and the warrant agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Agreement for certain purposes including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Agreement that adversely affects the interests of the holders of Warrants may only be made by an "extraordinary resolution", which is defined in the Warrant Agreement as a resolution either (i) passed at a meeting of the holders of Warrants by the affirmative vote of holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants.

Options

Prior to closing of the Qualifying Transaction, Caliva maintained the CMG Partners, Inc. 2019 Stock Option and Grant Plan (the "**Caliva EIP**"), which permitted awards of common stock in Caliva. In connection with the Qualifying Transaction, Caliva and the Company agreed that the Company would maintain the Caliva EIP and that outstanding awards thereunder will entitle the holder to receive Common Shares. There are currently 1,026,380 options to purchase up to 1,026,380 Common Shares under the Caliva EIP outstanding. No further awards will be granted under the Caliva EIP.

Prior to closing of the Qualifying Transaction, LCV maintained the Amended and Restated 2018 Equity Incentive Plan (the "**LCV Equity Plan**") which authorized LCV to grant to its employees, directors and consultants up to 14,775,000 shares of common stock in the form of stock options and other equity-based awards. In connection with the Qualifying Transaction, LCV and the Company agreed that the Company would maintain the LCV Equity Plan and that outstanding awards thereunder will entitle the holder to receive Common Shares. There are currently 34,964

options to purchase up to 34,964 Common Shares under the LCV Equity Plan outstanding. No further awards will be granted under the LCV Equity Plan.

MARKET FOR SECURITIES

The Common Shares commenced trading on the Exchange under the trading symbol "GRAM.U" on January 15, 2021.

Prior to closing of the Qualifying Transaction, the Class A Restricted Voting Shares were listed an traded on the Exchange under the symbol "SVC.A.U". Upon closing of the Qualifying Transaction, all Class A Restricted Voting Shares not submitted for redemption were converted into Common Shares. The following table sets forth the high and low intraday trading prices and monthly trading volumes of the Class A Restricted Voting Shares on the Exchange for the financial year ended December 31, 2020:

Period	High ($)	Low ($)	Volume
January 2020	U.S.$9.89	U.S.$9.70	898,500
February 2020	U.S.$9.89	U.S.$9.75	463,800
March 2020	U.S.$9.88	U.S.$9.00	11,451,292
April 2020	U.S.$9.89	U.S.$9.50	1,356,308
May 2020	U.S.$9.90	U.S.$9.74	1,691,250
June 2020	U.S.$9.95	U.S.$9.60	7,391,100
July 2020	U.S.$10.01	U.S.$9.65	111,751
August 2020	U.S.$9.90	U.S.$9.75	4,962,215
September 2020	U.S.$9.98	U.S.$9.78	3,523,619
October 2020	U.S.$9.98	U.S.$9.80	5,157,301
November 2020	U.S.$10.43	U.S.$9.86	6,543,357
December 2020	U.S.$10.39	U.S.$10.03	9,568,104

The Warrants are listed and traded on the Exchange under the trading symbol "GRAM.WT.U". The following table sets forth the high and low intraday trading prices and monthly trading volumes of the Warrants on the Exchange for the financial year ended December 31, 2020:

Period	High ($)	Low ($)	Volume
January 2020	$1.20	$0.76	566,700
February 2020	$1.19	$0.79	468,872
March 2020	$1.18	$0.45	671,050
April 2020	$0.65	$0.40	76,683
May 2020	$0.80	$0.40	528,896
June 2020	$0.70	$0.35	1,058,500
July 2020	$0.70	$0.55	136,900

Period	High ($)	Low ($)	Volume
August 2020	$0.60	$0.55	188,603
September 2020	$0.65	$0.525	183,340
October 2020	$0.65	$0.45	236,980
November 2020	$1.70	$0.45	2,199,612
December 2020	$2.39	$1.25	4,481,334

PRIOR SALES

During the fiscal year ended December 31, 2020, the Company did not issue any securities that are not listed or quoted on a marketplace.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Company's directors and executive officers, no persons or entities beneficially own or control, directly or indirectly, more than 10% of the combined voting rights attached to the Common Shares.

SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

The following sets out the number of securities of the Company that are subject to a contractual restriction on transfer. The Company has received Lock-Up Agreements (as defined below) from the Founders as well as certain former equity holders of Caliva and LCV. To the knowledge of the Company, no other securities of the Company are held in escrow or subject to contractual restrictions on transfer.

Designation of Class	Number of Securities Subject to Contractual Restriction	Percentage of Class
Common Shares[(1)]	44,153,016	45.6%
Warrants	7,087,500	19.8%

Notes:

(1) See "*Lock-Up Agreements*" and "*Founders' Shares*" below for a summary of the contractual restrictions on transfer.

Sponsor Lockup and Forfeiture Agreement

The Sponsor entered into the Sponsor Lockup and Forfeiture Agreement on closing of the Qualifying Transaction pursuant to which it agreed to subject a certain portion of its Common Shares and Warrants to transfer restrictions for a period of six (6) months after closing of the Qualifying Transaction.

In addition, pursuant to the Sponsor Lockup and Forfeiture Agreement the Sponsor agreed to forfeit 5,430,450 Common Shares upon the third anniversary of closing of the Qualifying Transaction, provided that (i) one-third (1/3) of such Common Shares will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $13.00, (ii) an additional one-third (1/3) will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $17.00 and (iii) an additional one-third (1/3) will cease to be subject to forfeiture if the 20-Day VWAP of the Common Shares is equal to or exceeds $21.00, in each case during the three-year period following closing of the Qualifying Transaction.

Pursuant to the Sponsor Lockup and Forfeiture Agreement, the Sponsor also forfeited 563,203 Common Shares to the Company for cancellation on closing of the Qualifying Transaction and has agreed to forfeit additional Common Shares for cancellation corresponding to the number of Caliva Earnout Shares if and when issued by the Company.

Shareholder Support and Lockup Agreements

Simultaneous with the entry into the Caliva Agreement and the LCV Agreement, certain shareholders of Caliva and LCV entered into Shareholder Support and Lock-Up Agreements whereby such holders agreed not to sell any Common Shares received under the Caliva Agreement or the LCV Agreement, as applicable, for a period of six (6) months after closing of the Qualifying Transaction, subject to certain customary exceptions.

Founders' Shares

On the closing of the IPO, the Founders (the "**Restricted Parties**") entered into the exchange agreement and undertaking (the "**Exchange Agreement and Undertaking**") with the Exchange pursuant to which each Restricted Party, as applicable, agreed to: (i) not to transfer any of the Founders' Class B Shares or the Sponsor's Warrants (including Warrants acquired for $1.00 per Warrant and Warrants underlying the Class B Units which were acquired for consideration of $10.00 per Class B Unit) until after the closing of the Company's qualifying transaction, in each case other than transfers required due to the structuring of the qualifying transaction; and (ii) following the closing of the qualifying transaction, not to transfer the shares underlying the Class B Units for a period of 12 months, subject to the closing price of the Common Shares on the Exchange equaling or exceeding $12.50 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period. The Company amended the Exchange Agreement and Undertaking to delete the provision related to a lock-up period following closing of the Qualifying Transaction as this provision is not required pursuant to the Neo Exchange Listing Manual, which amendment has been accepted by the Exchange. The Founders are subject to a contractual 6-month lock-up, which they entered into as part of the Qualifying Transaction.

DIRECTORS AND OFFICERS

Below are the names, province or state and country of residence, principal occupation and periods of service of the directors and executive officers of the Company. Each director will serve until the next annual shareholder meeting of the Company or until a successor is elected or appointed, subject to earlier resignation by the director.

Directors

The following table sets forth the name, municipality of residence, principal occupation and ownership of voting securities of the Company of each director as of the date hereof:

Name, Province or State and Country of Residence	Principal Occupation	Director Since	Voting Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Michael Auerbach[(1)(2)] *New York, USA*	General Partner at Subversive Capital LLC	July 10, 2019	6,553,258 Common Shares
Carol Bartz[(2)(7)] *California, USA*	Corporate Director	January 15, 2021	737,013 Common Shares

Name, Province or State and Country of Residence	Principal Occupation	Director Since	Voting Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Al Foreman(3)(4) *New York, USA*	Partner at Tuatara Capital, L.P.	January 15, 2021	4,049,999 Common Shares
Leland Hensch(4) *New York, USA*	Private Investor	July 10, 2019	3,939,454 Common Shares
Daniel Neukomm(2)(3)(4)(6) *Colorado, USA*	Chairman & CEO at La Jolla Group	January 15, 2021	3,076,809 Common Shares
Jeffry Allen(3)(5) *Montana, USA*	Corporate Director	January 15, 2021	30,017 Common Shares

(1) Chairman of the Board.
(2) Nomination and Governance Committee member.
(3) Audit Committee member.
(4) Compensation Committee member.
(5) Audit Committee Chair.
(6) Compensation Committee Chair.
(7) Nomination and Governance Committee Chair

Executive Officers

The Company's executive officers are as follows:

Name and Residence	Position with the Company
Steve Allan *California, United States*	Chief Executive Officer
Mike Batesole *California, United States*	Chief Financial Officer
Dennis O'Malley *California, United States*	Chief Operating Officer and President of Caliva
Drew Kornreich *California, United States*	Chief M&A Officer
John Figueiredo *California, United States*	President of SISU
Colin Brown *Ontario, Canada*	Chief Legal Officer

As of the date of this AIF, in aggregate, the directors and officers beneficially own, directly or indirectly, 20,515,955 or 21.2% of the issued and outstanding Common Shares of the Company.

Biographies

The following is a summary biography of each of the directors and executive officers of the Company, including a description of each individual's occupation within the past five years:

Directors

Jeffry Allen. Jeffry Allen was a member of the Board of Directors at NetApp from 2005 to 2017. Prior to his role on the board at NetApp, Allen was the vice president of business operations at NetApp. He managed manufacturing operations and took responsibility for content delivery and NearStore business lines as well as strategic initiatives for the SAN market. Allen joined NetApp in 1996 as CFO and vice president of finance and operations. Before coming to NetApp, Allen served as senior vice president of operations for Bay Networks, where he was responsible for manufacturing and distribution functions. From 1990 to 1995, he held the position of controller for SynOptics Communications and became vice president and controller for Bay Networks, the new company created via the merger of SynOptics and Wellfleet Communications. Previously, Allen had a 17-year career at Hewlett-Packard Company, where he served in a variety of financial, information systems, and financial management positions, including controller for the Information Networks Group. Allen holds a bachelor of science degree from San Diego State University. Mr. Allen has also been a member of the Board of Directors at Whitefish Community Foundation from 2017 to present.

Michael Auerbach. Michael Auerbach is an entrepreneur, investor, business consultant, and private diplomat. He founded Subversive Capital LLC as a vehicle to invest in radical companies whose core missions subvert the status quo and require sophisticated government and regulatory strategies for success. Michael is an expert in the global cannabis industry and is a significant shareholder and board director of both Tilray, Inc. and Privateer Holdings, Inc. Mr. Auerbach is also the Chief Executive Officer of Subversive Real Estate Acquisition REIT (GP) Inc., the general partner of Subversive Real Estate Acquisition REIT LP. Mr. Auerbach has served as Senior Vice President of Albright Stonebridge Group, a global strategy firm since 2012, he also serves as a General Partner of Subversive Capital LLC, a venture capital firm and a private investment fund focused on investing primarily in publicly listed securities of issuers in the cannabis industry which is in the initial stages of raising funds. Since June 2019, he has served as a director of Tuscan II, a Delaware blank check company seeking to complete its initial public offering. Since March 2019, he has served as a director of Tuscan Holdings, a Delaware blank check company that raised $276,000,000 in its initial public offering in March 2019 seeking to consummate an initial business combination. From September 2009 to July 2012, he was Vice President, Social Risk Consulting at Control Risks, a global risk consulting firm. From September 2010 to January 2011, he was also an Adjunct Professor at The New School for Social Research. From 2007 to 2009, he was Chief Executive Officer of Social Risks, LLC, a consulting firm. From 2005 to 2007, he was Associate Director for The Century Foundation, a progressive, non-partisan think tank. He began his career in technology in 1993 when he founded Panopticon, a venture capital incubator concentrating on internet and mobile technology, and served as its Chief Executive Officer until January 2004. Mr. Auerbach also sits on the boards of Privateer Holdings, Inc., Tilray, Inc., Duco Advisors, Inc., and MainBase, SA. He has an MA in International Relations from Columbia University and BA in Critical Theory from the New School.

Carol Bartz. Carol Bartz has extensive experience leading complex global technology companies. While CEO of Yahoo!, the world's premier digital media company, from 2009 to 2011, Carol modernized technology platforms, acquired companies for expansion, divested businesses for focus, ignited partnerships, cut costs, expanded margins and grew consumer audience to 800M people. Prior to Yahoo!, she transitioned after 12 years of successfully leading Autodesk as CEO to the Executive Chairman role until February, 2009, when she agreed to lead Yahoo!. Earlier in her career Carol held several business leadership positions at Sun Microsystems, including VP of Worldwide Field

Operations and an executive officer of the company. Carol was on the board of directors of Cisco Systems, the worldwide leader in networking, from November 1996 to December 2018, where she served as lead director and as a member of the compensation committee during her tenure. She has also served on other public company boards, including Intel and NetApp. Carol is known for her strong leadership style and is frequently featured as a prominent business leader in the industry. Carol supports key causes important to her including the American Breast Cancer Foundation and the American Heart Association.

Al Foreman. Al Foreman has over 20 years of professional experience in private equity, corporate finance, financial technology, and a broad range of transaction experience that includes the origination, structuring, and execution of debt, equity, and M&A transactions globally, as both a principal and an agent. Mr. Foreman is a Managing Partner and the Chief Investment Officer of Tuatara Capital, a role he has held since January 2014. In this role, Al is responsible for formulating Tuatara's macro investment strategy and for the structuring and oversight of portfolio investments. Prior to co-founding Tuatara in 2014, Al was a Managing Director with Highbridge Principal Strategies, LLC, a $45 billion alternative investment management business. Before Highbridge, Mr. Foreman worked in investment banking as a Managing Director in J.P. Morgan's Financial Sponsors Group, and he joined the bank as a Managing Director and founding member of the management team for the J.P. Morgan Private Equity Fund Services business. Earlier, Al was a financial technology executive at Vitech Systems Group and Virtual Growth Incorporated, and he began his career as a Management Associate in Citigroup's Private Bank, where he co-founded Citibank's Professional Sports Group. Al is currently on the board of directors of Willow Biosciences Inc., where he serves on the compensation committee. Al earned a B.S. in Finance from the University of Connecticut where he was a United Technologies Finance Scholar and a two-time Scholar Athlete Award Winner. Al also holds a J.D. from the Sandra Day O'Connor College of Law at Arizona State University, and an MBA from Arizona State University's W.P. Carey School of Business. Mr. Foreman serves on the Board of Directors for the University of Connecticut Foundation, and he is a member of the University's Investment Committee and Athletic Steering Committee.

Leland Hensch. Leland Hensch is a private investor and a general partner of a private investment fund focused on investing primarily in publicly listed securities of issuers in the cannabis industry which is in the initial stages of raising funds. Mr. Hensch is also the Chief Financial Officer of Subversive Real Estate Acquisition REIT (GP) Inc., the general partner of Subversive Real Estate Acquisition REIT LP. Mr. Hensch began his career in 1992 with Hull Trading as an equity derivatives trader on the Chicago Board of Options Exchange. His first trading assignment was in the Frankfurt, Germany office from 1994 to 1998 where he traded on the Deustche Terrmine Borse. Mr. Hensch was hired by Goldman Sachs London in 2001 to head the UK Derivatives desk. In 2004, he relocated to New York to run Macro Derivatives Trading desk. In 2009, Mr. Hensch started Goldman's Emerging Markets equity trading team in Sao Paulo and was later promoted to Head of Americas Equity trading in 2013. Mr. Hensch was named partner in 2012 and retired in 2016. Since leaving Goldman Sachs, Mr. Hensch has made a number of investments across cannabis, real estate, hospitality, media, and technology businesses. He has been an active investor/owner in the hospitality and media businesses. Mr. Hensch sits on the investment board of The Foundry Mezzanine fund and is still active in equity market trading. Mr. Hensch has a BS in Finance from The Kelley School at Indiana University.

Daniel Neukomm. Daniel Neukomm is currently the CEO of the iconic surf brand O'Neill as well as chairman and CEO of Irvine-based parent company La Jolla Group, Inc. (LJG), both positions which he has held since 2013. LJG includes apparel brands in the active consumer space, O'Neill, Spiritual Gangster, Hang Ten, and others, and is a best in class middle market multi-branded operating platform that has unlocked value in emerging brands as well as its flagship brands by reducing costs and providing sophisticated management tools. In addition, Neukomm is a founding partner at Revelstone Capital, a private equity firm which is focused on investing in growth stage consumer companies in the outdoor and active lifestyle space with offices in Irvine and London. Before LJG, he was an operating partner for a Silicon Valley-based family office, where he focused on early-stage venture investing and corporate strategy for middle-market portfolio companies including La Jolla Group. Neukomm began his career starting Mountain Oxygen, a supplemental oxygen services company based in Aspen, Colorado. Neukomm earned a Bachelor of Arts in

economics from the University of Vermont and an MBA in finance and strategy from the International School of Management in Paris.

Executive Officers

Steve Allan. Steve Allan is the Chief Executive Officer of the Company. Prior to closing of the Qualifying Transaction, Steve Allan was President and CFO of Caliva, responsible for Finance, Accounting, Investor Relations, Direct to Consumer Business and Product. For the decade prior to joining Caliva in 2017, Steve was the Head of SVB Analytics and SVB Securities Strategic Advisory, responsible for the three areas of information services: Strategic Advisory Services, Compliance Valuations, and Insights. Before SVB, he worked with J.P. Morgan Chase in New York.

Mike Batesole. Mike Batesole is the Chief Financial Officer of the Company. Mr. Batesole joined the Company on February 15, 2021 and brings over three decades of finance experience to his role. He most recently served as Chief Financial Officer of California Operations for Origin House, a cannabis brands and distribution company, beginning in 2019 through the company's acquisition by Cresco Labs in January 2020. Prior to Origin House, Mr. Batesole spent 12 years at Shaklee Corporation, a manufacturer and distributor of consumer products, as Controller and Chief Financial Officer where he was responsible for all accounting, finance, operations and supply chain, and IT. Earlier in his career, he held various finance roles at VA Software Corporation and Bentley Systems. Mr. Batesole earned a Bachelor of Science from the University of California, Berkeley.

Dennis O'Malley. Dennis O'Malley is the Chief Operating Officer of the Company and President of Caliva. Prior to closing of the Qualifying Transaction, Dennis O'Malley was CEO of Caliva, where he led a 10x increase in revenue over the course of three years. Before joining Caliva in 2017, Mr. O'Malley was Co-Founder and CEO of ReadyPulse Inc., a venture backed software company that enabled lifestyle brands like Nike, Adidas, The North Face, Red Bull, Reebok, to leverage ambassador marketing programs, from April 2012 to April 2016. ReadyPulse Inc. was sold in April 2016 to Expert Voice, and Mr. O'Malley served as Chief Customer Officer of Expert Voice from April 2016 to December 2016. Mr. O'Malley holds multiple technology patents as well as an MBA from Santa Clara University.

Drew Kornreich. Drew Kornreich is the Chief M&A Officer of the Company. Drew Kornreich has spent his entire career in large-scale consolidations, M&A and investing. Prior to the closing of the Qualifying Transaction, Drew was the Chief Legal and M&A Officer of Caliva since early 2019. Since 2013, Drew has deployed over $80 million, including in the legal cannabis industry. Drew was the Co-Founder, President and GC of HighTower Advisors from 2008 to 2013, the country's leading independent wealth-management firm, which now manages approximately $85 billion in assets across more than 50 offices. At Hightower, he sourced, negotiated and consummated financings totaling $200 million. From 2013 to 2019 Mr. Kornreich was an investment consultant in the private equity space. Drew holds a M.B.A. from Northwestern University, Kellogg School of Management and a J.D. from Loyola University Chicago – School of Law.

John Figueiredo. John Figueiredo is the President of SISU. John Figueiredo joined SISU as Chief Executive Officer in 2018 and led the company's growth by more than 3,000% in 2018 from the founding team to 100 employees and more than a $100 million revenue run rate in 2020, servicing some of the largest brands in the industry. Prior to SISU, John was an engineering manager at Teespring since 2016, and led a global team of 11 software developers at Teespring. Prior thereto, Mr. Figueiredo was an engineering manager at Goodshop since 2014. Mr. Figueiredo received his Bachelors of Business Administration from the University of Oregon.

Colin Brown. Colin Brown is the Chief Legal Officer of the Company. Colin joins the Company from a cross-functional legal/corporate development role at Tilray Inc. where he held various positions starting in 2018. At Tilray, Colin assisted with the first cannabis IPO on a major US stock exchange (the NASDAQ) and led negotiations for several industry hallmark transactions, including a cannabis-beverage joint venture with the world's largest brewer (AB Inbev), multiple accretive acquisitions and financings totaling approximately $800 million. Prior to Tilray, Colin worked as a corporate attorney at Skadden, Arps, Slate, Meagher & Flom LLP from 2014 to 2018 focusing on Canada/US cross-border matters. Colin obtained a JD/MBA from Queen's University.

Senior Advisors

Shawn C. Carter p/k/a JAY-Z. As Chief Visionary Officer, JAY-Z oversees the development and promotion of brands that leverage the vision, influence, and social impact mission of the Company. Mr. Carter is not considered an executive officer of the Company for the purposes of applicable securities law.

Desiree Perez. Desiree is Chief Social Equity Officer advising the Company with respect to investments made by its new social equity fund focused on investing in Black and other people-of-color cannabis entrepreneurs. Additionally, Desiree is an observer to the Board. Since 2009, Desiree Perez, Roc Nation's CEO, has been, besides for Shawn "JAY-Z" Carter himself, the person most responsible for realizing his ultimate vision of creating a business empire that spreads far beyond its origins. In her time at the company Roc Nation has grown beyond a record label, music publishing, and artist & sports management agency, to become a company that both engages and employs his community. In addition to her involvement in all aspects of his music career, from platinum records to sold-out tours, Perez has had her hand in every significant deal the company has made in the past decade, all while overseeing Roc Nation's day-to-day operations. In 2015, Perez negotiated the deal to purchase the streaming service TIDAL and subsequently selling a stake in the company to Sprint. In 2017, she negotiated the worldwide touring deal between JAY-Z and Live Nation, a decade after the two parties had inked a multi-million dollar 360-degree deal that included management, publishing, licensing and other outside investments. In addition, her work led to a worldwide partnership with Universal Music Group in 2013, under which Roc Nation joined the Universal family, while still operating as a standalone label. She also negotiated its multi-million dollar renewal in 2018. She continued to further help to expand JAY-Z's portfolio with the product launches of successful luxury liquor brands D'Usse cognac and Ace of Spades champagne. Perez worked with Meek Mill's legal team to petition the courts to secure the rapper's release from prison. In 2019 she was named Billboard's 2019 Women in Music Executive of the Year. The Bronx, NY native honed her skills through the nightlife and restaurant management ranks at several locations in NYC before co-founding the flagship 40/40 club located in Manhattan's Flatiron District, of which she is part owner. Ms. Perez is not considered an executive officer or director of the Company for the purposes of applicable securities law.

Other Reporting Issuer Experience

The following table sets out the directors of the Company that are directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction as of the date hereof:

Name	Name of Reporting Issuer
Al Foreman	Willow Biosciences Inc., Tuatara Capital Acquisition Corporation
Michael Auerbach	Subversive Real Estate Acquisition REIT LP, Tilray, Inc., Tuscan Holdings Corp. II
Leland Hensch	Subversive Real Estate Acquisition REIT LP

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, other than as disclosed below, no director or executive officer of the Company has been, at the date of the AIF or within the last 10 years: (a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; or (b) a director or executive of a company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency,

or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Al Foreman has been a director of Teewinot Life Sciences Corp., a private biotechnology company, since 2016. In August 2020, Teewinot Life Sciences Corp. filed a voluntary petition for protection under Chapter 11 of the United States Bankruptcy Code.

No director or executive officer of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

To the knowledge of the Company, no director or executive officer of the Company has, within the 10 years before the date of the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Majority Voting Policy

The Company has adopted a majority voting policy to ensure that the members of the Board carry the confidence and support of the Company's shareholders. The majority voting policy provides that a nominee for election as a director who does not receive a greater number of votes "for" than votes "withheld" with respect to the election of directors by shareholders, shall tender his or her resignation to the Chair promptly following the meeting of shareholders at which the director was elected. The resignation will be effective when accepted by the Board and the nominee director will not participate in any committee or Board meetings or deliberation on this matter.

Forum Selection By-law

The Articles include, among other provisions, a provision providing for a forum for adjudication of certain disputes, whereby unless the Company approves or consents in writing to the selection of an alternative forum, the courts of the Province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Company to the Company, (iii) any action asserting a claim arising pursuant to any provision of the BCBCA or the Articles (as they may be amended from time to time), or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the business carried on by the Company or such affiliates. Any person or entity owning, purchasing or otherwise acquiring any interest, including without limitation any registered or beneficial ownership thereof, in the securities of the Company shall be deemed to have notice of and consented to the provisions of the Articles.

Conflicts of Interest

Certain of the proposed directors and executive officers of the Company are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with the Company from time to time. The BCBCA requires, among other things, that the directors and executive officers of the Company act honestly and in good faith with a view to the best interest of the Company, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with the Company and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction. To the extent that conflicts of interest arise, such conflicts are required to be resolved in accordance with the provisions of the BCBCA.

Directors' and Officers' Liability Insurance

The Company carries a directors' and officers' liability insurance policy designed to protect the Company and its directors and officers against any legal action which may arise as a result of wrongful acts on the part of directors and/or officers of the Company. Such policy is written with a maximum limit and subject to a corporate deductible on all claims.

DIRECTORS' AND EXECUTIVE OFFICERS' COMPENSATION

Compensation Discussion and Analysis for the Year Ended December 31, 2019

Except as otherwise stated herein, there were no salaries, consulting fees, management contract fees or directors' fees, finder's fees, loans, bonuses, deposits or similar payments to the Company's officers or directors, directly or indirectly, for services rendered to the Company during the fiscal year ended December 31, 2020 or at any time prior to or in connection with the completion of the Qualifying Transaction, or other payments to insiders prior to or in connection with the completion of the Company's Qualifying Transaction, other than (i) the payment of $10,000 (plus applicable taxes) per month for administrative and related services pursuant to an administrative services agreement entered into with the Sponsor which, if applicable, may have included payment for services of related parties or qualified affiliates of related parties, for, but not limited to, various administrative, managerial or operational services or to help effect the Qualifying Transaction; (ii) reimbursement of reasonable out-of-pocket expenses incurred by the above-noted persons in connection with certain activities performed on our behalf, such as identifying possible business targets and qualifying transactions, performing business due diligence on suitable target businesses and qualifying transactions as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations; and (iii) payment of a customary finder's fee, consulting fee or other similar compensation to our Founders, officers, or directors, or to their affiliates, for services rendered to us prior to or in connection with the completion of the Qualifying Transaction. There was no limit on the amount of out-of-pocket expenses reimbursable by the Company.

Our Board reviewed and approved all reimbursements and payments made to the Founders, officers or directors, or the Company's affiliates or associates or their respective affiliates or associates, with any interested director abstaining from such review and approval.

Compensation Overview Following Closing of the Qualifying Transaction

Named Executive Officers

The following discussion describes the significant elements of the compensation of our "named executive officers" following closing of the Qualifying Transaction. Our "named executive officers" for the year ended December 31, 2021 (the "**named executive officers**" or "**NEOs**") are expected to be:

- Steve Allan, Chief Executive Officer;
- Mike Batesole, Chief Financial Officer;
- Dennis O'Malley, Chief Operating Officer;
- Drew Kornreich, Chief M&A Officer;
- Colin Brown, Chief Legal Officer; and

- Brett Cummings, former Chief Financial Officer.

Overview

To succeed in the dynamic and evolving market in which the Company operates and to achieve its business and financial objectives, attracting, retaining and motivating a talented team of executive officers is essential. The Company intends for its executive officer compensation program to achieve these and the following objectives: attract and retain a talented, high performing and experienced executive team by providing competitive compensation opportunities; motivate the executive team to achieve the Company's business and financial objectives; align the interests of the executive team with those of shareholders; and balance short-term results and create long-term sustainable value.

The Company offers executive officers cash compensation in the form of base salary and an annual bonus, and at-risk equity based or equity like compensation.

The Compensation Committee is responsible for overseeing the Company's compensation policies, processes and practices. The Compensation Committee also seeks to ensure that compensation policies and practices provide an appropriate balance of risk and reward consistent with the Company's risk profile. The Board has adopted a written charter for the Compensation Committee setting out its responsibilities for administering compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to directors and executive officers. The Compensation Committee's oversight includes setting objectives, evaluating performance, and ensuring that total compensation paid to NEOs and various other key executive officers and key managers is fair, reasonable and consistent with the objectives of the Company's philosophy and compensation program.

All of the Company's directors, executives and certain other employees are subject to the Disclosure and Insider Trading Policy, which prohibits trading in the Company's securities while in possession of material undisclosed information about the Company. Under this policy, such individuals are also prohibited from entering into hedging transactions involving the Company's securities, such as short sales, puts and calls. Furthermore, the Company will permit such individuals, including the NEOs, to trade in its securities only during prescribed trading windows.

The Company will continue to evaluate its philosophy and compensation programs as circumstances require and plans to review compensation on an annual basis. As part of this review process, the Company expects to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to find a replacement for a key employee.

Benchmarking

The Company's executive team is expected to establish an appropriate comparator group for purposes of setting the future compensation of its NEOs.

Principal Elements of Compensation

The compensation of the Company's executive officers is comprised of the following major elements: (a) base salary; (b) an annual, discretionary cash bonus; and (c) long-term equity incentives, consisting of stock options, restricted stock awards, performance compensation awards and/or other applicable awards granted under the Company's equity incentive plan (the "**Equity Incentive Plan**") and any other equity plan that may be approved by the Board from time to time. These principal elements of compensation are described below.

Base Salaries

Base salary is provided as a fixed source of compensation for our executive officers. Adjustments to base salaries will be reviewed annually and as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive officer's role or responsibilities, as well as to maintain market competitiveness.

For the year ended December 31, 2021, annual base salaries for the NEOs are expected to be as follows:

NEO	Annual Base Salary ($)
Steve Allan, Chief Executive Officer	$375,000
Mike Batesole, Chief Financial Officer	$300,000
Dennis O'Malley, Chief Operating Officer	$350,000
Drew Kornreich, Chief M&A Officer	$325,000
Colin Brown, Chief Legal Officer	$275,000
Brett Cummings, former Chief Financial Officer	$300,000[(1)]

Notes:

(1) Brett Cummings ceased to be Chief Financial Officer of the Company and President of LCV effective February 15, 2021. Pursuant to the Transition Agreement (as defined below), Mr. Cummings will continue to receive his base salary at its current rate through to August 28, 2021.

Annual Bonuses

Annual bonuses may be awarded based on qualitative and quantitative performance standards and will reward performance of our executive officers individually. The determination of an executive officer's performance may vary from year to year depending on economic conditions and conditions in the cannabis industry and may be based on measures such as stock price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet performance.

The target amount of Steve Allan's annual bonus for the year ended December 31, 2021 is equal to 75% of base salary. The target amount of each other NEO's annual bonus for the year ended December 31, 2021 is equal to 50% of such NEO's base salary. The actual amounts of annual bonuses to be paid to NEOs for the year ended December 31, 2021 are not yet known, and will depend on the qualitative and quantitative performance standards described above.

Equity Incentive Plan

The Equity Incentive Plan provides continual motivation for our officers, employees, consultants and directors to achieve our business and financial objectives and align their interests with the long-term interests of our shareholders. The purpose of our Equity Incentive Plan is to promote greater alignment of interests between employees and shareholders, and to support the achievement of our longer-term performance objectives, while providing a long term retention element. For further details in respect of our Equity Incentive Plan, please see "*Equity Incentive Plan Description – Summary of Equity Incentive Plan*".

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out information concerning the option-based and share-based awards granted to our NEOs that are currently outstanding:

	Option-based Awards				Share-based Awards		
Name and Principal Position	**Number of Common Shares underlying unexercised options**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options[1]**	**Number of Shares that have not vested**	**Market or payout value of share-based awards that have not vested[1]**	**Market or payout value of vested share-based awards not paid out or distributed**
Steve Allan, Chief Executive Officer	93,110	$8.29	November 17, 2030	-	375,000	$2,756,250.00	-
	15,017	$6.66	January 30, 2029	$10,361.73			
Mike Batesole, Chief Financial Officer	-	-	-	-	400,000[2]	$2,940,000.00[3]	-
Dennis O'Malley, Chief Operating Officer	93,110	$8.29	November 17, 2030	-	306,250	$2,250,937.50	-
	15,017	$6.66	January 30, 2029	$10,361.73			
Drew Kornreich, Chief M&A Officer	93,110	$8.29	November 17, 2030	-	325,000	$2,388,750.00	-
	37,544	$6.79	March 27, 2030	$21,024.64			
	22,526	$6.66	April 29, 2029	$15,542.94			
Colin Brown, Chief Legal Officer	-	-	-	-	275,000	$2,021,250.00	-
Brett Cummings, former Chief Financial Officer	3	$3.33	April 13, 2028	$12.06	262,500[4]	$1,929,375.00	-

Notes:

(1) Values based on the closing price of Common Shares on the Exchange on March 25, 2021 of $7.35.

(2) Includes 150,000 RSUs that are subject milestones related to data management, data preparation and data delivery (the "**Milestones**"), with 50,000 RSUs becoming available upon the achievement of each such Milestone.

(3) This value assumes that each of the Milestones is achieved.

(4) Pursuant to the Transition Agreement, 65,625 of these RSUs will vest on or around July 14, 2021 and, if certain performance criteria are satisfied during the term of the Transition Agreement an additional 13,125 RSUs will vest on August 28, 2021. All remaining unvested RSUs held by Mr. Cummings as of August 28, 2021 will be forfeited.

Termination and Change of Control Benefits

In the event of termination without cause or resignation for good reason, in addition to any unpaid amounts or reimbursement owed by the Company through the date of termination or resignation:

(a) Messrs. Allan, O'Malley and Brown are entitled to the following:

a. a pro rata portion of annual target bonus for the year in which he was terminated;

b. continuation of base salary for 12 months following the effective date of termination; and

c. payment by the Company of the employee portion (which, in the case of Mr. Allan, is 100%) of medical insurance for a period of 12 months following the effective date of termination;

(b) Mr. Kornreich is entitled to the following:

a. continuation of annual base salary for 12 months following the effective date of termination;

b. an amount equal to the bonus target amount in effect at the time of termination or resignation, payable in equal installments together with the annual base salary amount; and

c. payment by the Company of 100% of health benefits for 12 months following the effective date of termination; and

(c) Mr. Batesole is entitled to the following:

a. continuation of annual base salary for 12 months following the effective date of termination; and

b. payment by the Company of the employee portion of medical insurance for a period of 12 months following the effective date of termination,

subject in each case to the individual's execution and non-revocation of a general release of claims in a form reasonably acceptable to the parties and the individual's continued compliance with confidentiality covenants for a term of three years following the effective date of termination or resignation.

In addition, in event of termination without cause, resignation for good reason or cessation of employment as a result of death or disability, the following RSUs will be deemed to be vested (to the extent not already vested):

(a) with respect to the RSUs granted to each of Messrs. Allan, O'Malley, Kornreich and Brown upon closing of the Qualifying Transaction:

a. the RSUs scheduled to vest following the completion of the initial vesting period of 180 days following grant, which is 25% of the RSUs granted; and

b. unvested RSUs equal to 30% of RSUs granted on such date (or such smaller number of unvested RSUs); and

(b) with respect to the RSUs granted to Mr. Batesole in connection with the commencement of his employment:

a. the RSUs scheduled to vest following the completion of the initial vesting period of one year following grant, which is 25% of the RSUs granted; and

b. unvested RSUs equal to 30% of RSUs granted on such date (or such smaller number of unvested RSUs).

For purposes of the foregoing, "good reason" includes failure by the Company to obtain an assumption agreement for an NEO's employment agreement from any successor in connection with a "**Sale Event**", which means any of the following: (A) any transaction (which shall include a series of transactions occurring within sixty days or occurring pursuant to a plan) that has the result that the shareholders of the Company immediately before such transaction cease to own at least fifty-one percent (51%) of the voting shares of the Company, or of any entity that results from the participation of the Company in a reorganization, consolidation, merger, liquidation or any other form of corporate transaction, (B) a sale or exchange of all or substantially all of the assets of the Company, or (C) a plan of merger, consolidation, reorganization, liquidation or dissolution in which the Company does not survive.

In the event of a Sale Event, all unvested RSUs held by each NEO will vest immediately prior to closing of the Sale Event.

Brett Cummings

Pursuant to a transition agreement entered into between the Company and Brett Cummings on February 27, 2021 (the "**Transition Agreement**"), Mr. Cummings agreed to provide transition services to the Company through to August 28, 2021 (the "**Transition Services Period**"). During this period, Mr. Cummings will continue to receive his base

salary at its current rate of $300,000 per year. In the event Mr. Cummings obtains employment with another entity prior to August 28, 2021, the Company shall pay Mr. Cummings the difference between six months' salary ($150,000) and the amount Mr. Cummings has already received during the Transition Services Period, plus any additional consideration due under the Transition Agreement. In addition, pursuant to the Transition Agreement 65,625 of the RSUs currently held by Mr. Cummings will vest on or around July 14, 2021.

At the end of the Transition Services Period, Mr. Cummings will receive all accrued but unpaid base salary earned during the Transition Services Period, in addition to all accrued but unused vacation, and will be reimbursed for all applicable outstanding business expenses incurred during the Transition Services Period. Subject to Mr. Cummings entering into a general release of claims, pursuant to the Transition Agreement if at any time during the Transition Services Period Mr. Cummings is able to satisfy certain performance criteria, then Mr. Cummings will also receive following the end of the Transition Services Period, provided Mr. Cummings has not breached any of his obligations during the Transition Services Period: (i) a severance payment of $75,000; and (ii) 13,125 additional RSUs held by Mr. Cummings will vest immediately following the end of the Transition Services Period. All remaining unvested RSUs held by Mr. Cummings will be forfeited at the end of the Transition Services Period.

Directors

Directors' Compensation

The Company's director compensation program is intended to attract and retain global talent to serve on the Board, taking into account the risks and responsibilities of being an effective director. The Company's intent is to provide competitive director compensation through a combination of cash retainers and annual equity awards for nonemployee Board members. In addition, the Company intends to provide additional retainers for Committee Chairs and Members given the additional time commitment, level of responsibility and skill set required for those roles. All directors are entitled to reimbursement of reasonable expenses incurred by them acting in their capacity as directors. The Company believes this approach will help to attract and retain strong members for the Board who will be able to fulfill their fiduciary responsibilities without competing interests. Any directors who are also employees of the Company will receive no additional compensation for their service on the Board.

EQUITY INCENTIVE PLAN

Summary of Equity Incentive Plan

Purpose

The purpose of the Equity Incentive Plan is to enable the Company to: (i) attract and retain employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Company, (ii) offer such persons incentives to put forth maximum efforts, (iii) compensate such persons through various stock based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and shareholders and advancing the interests of the Company.

The Equity Incentive Plan permits the grant of (i) nonqualified stock options ("**NQSOs**") and incentive stock options ("**ISOs**") (collectively, "**Options**"), (ii) restricted share units ("**RSUs**") and deferred share units ("**DSUs**"), (iii) performance share units ("**PSUs**"), and (iv) stock appreciation rights ("**Stock Rights**"), which are referred to herein collectively as "**Awards**", all as more fully described below. Unless the Equity Incentive Plan is approved by shareholders within 12 months of being adopted by the Board, no ISOs will be granted under the Equity Incentive Plan.

The Board has the power to manage the Equity Incentive Plan and may delegate such power at its discretion to any committee of the Board.

Eligibility

Any non-employee director of the Company or any employee, officer, consultant, independent contractor or advisor providing services to the Company or any affiliate, or any such person to whom an offer of employment or engagement with the Company or any affiliate is extended, are eligible to participate in the Equity Incentive Plan if selected by the Board (the "**Participants**"). The basis of participation of an individual under the Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Equity Incentive Plan, will be determined by the Board based on its judgment as to the best interests of the Company and its shareholders, and therefore cannot be determined in advance.

The maximum number of Common Shares that may be issued under the Equity Incentive Plan is 10.0% of the Common Shares outstanding from time to time, subject to adjustment in accordance with the Equity Incentive Plan. The maximum number of Common Shares that may be: (i) issued to Related Persons (as such term is defined in the NEO Exchange Listing Manual) of the Company within any one-year period; or (ii) issuable to Related Persons of the Company at any time, in each case, under the Equity Incentive Plan cannot exceed 10.0% of the aggregate number of Common Shares issued and outstanding from time to time.

Any shares subject to an Award under the Equity Incentive Plan that are not purchased or are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the Equity Incentive Plan.

In the event of any stock dividend, stock split, combination or exchange of Common Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders or any other change affecting the Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion, subject to regulatory approval, may deem appropriate to reflect such change (for the purpose of preserving the value of the Awards at the time of the change affecting the Common Shares), with respect to (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Equity Incentive Plan, and (ii) the number or kind of Common Shares or other securities subject to unexercised Awards previously granted and the exercise price, if any, of those Awards.

Awards

Options

The Board is authorized to grant Options to purchase Common Shares that are either ISOs (meaning they are intended to satisfy the requirements of Section 422 of the Code), or NQSOs (meaning they are not intended to satisfy the requirements of Section 422 of the Code). Options granted under the Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Board and specified in the applicable award agreement. The maximum term of an Option granted under the Equity Incentive Plan will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder). Payment in respect of the exercise of an Option may be made in cash or by check, by surrender of unrestricted shares (at their fair market value on the date of exercise) or by such other method as the Board may determine to be appropriate. Incentive Stock Options shall be granted only to employees of The Parent Company or any of The Parent Company's present or future parent or subsidiaries, as defined in Section 424(e) or (f) of the Code.

Stock Rights

A Stock Right entitles the recipient to receive, upon exercise of the Stock Right, the increase in the fair market value of a specified number of Common Shares from the date of the grant of the Stock Right and the date of exercise payable in Common Shares or cash. Any grant may specify a vesting period or periods before the Stock Right may become exercisable, permissible dates or periods on or during which the Stock Right shall be exercisable, and whether the

Stock Right is settled in cash or Common Shares. No Stock Right may be exercised more than ten years from the grant date.

RSUs

RSUs are granted in reference to a specified number of Common Shares and entitle the holder to receive, on achievement of specific performance goals established by the Board or after a period of continued service with the Company or its affiliates or any combination of the above as set forth in the applicable award agreement, one Common Share for each such Common Share covered by the RSU; provided, that the Board may elect to pay cash, or part cash and part Common Shares in lieu of delivering only Common Shares. The Board may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board upon a Participant's termination of employment or service with the Company, the unvested portion of the RSUs will be forfeited and re-acquired by the Company for cancellation at no cost.

PSUs

PSUs are granted in reference to a specified number of Common Shares and entitle the holder to receive, on achievement of specific performance goals established by the Board or after a period of continued service with the Company or its affiliates or any combination of the above as set forth in the applicable award agreement, one Common Share for each such Common Share covered by the PSU; provided, that the Board may elect to pay cash, or part cash and part Common Shares in lieu of delivering only Common Shares. The Board may, in its discretion, accelerate the vesting of PSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board upon a Participant's termination of employment or service with the Company, the unvested portion of the PSUs will be forfeited and re-acquired by the Company for cancellation at no cost. For each award of PSUs, the Board shall establish the period in which any criteria establish by the Board, including, without limitation, criteria based on the Participant's personal performance, the financial performance of the Company or its subsidiaries, total shareholder return, the achievement of corporate goals and strategic initiatives, and other vesting conditions must be met in order for a Participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such Participant.

DSUs

DSUs are granted in reference to a specified number of Common Shares and entitle the holder to receive, on achievement of specific conditions established by the Board such as continuing service of the Participant and/or achievement of pre-established vesting and objectives, one Common Share for each such Common Share covered by the DSU; provided, that the Board may elect to pay cash, or part cash and part Common Shares in lieu of delivering only Common Shares. The Board may, in its discretion, accelerate the vesting of DSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board upon a Participant's termination of employment or service with the Company, the unvested portion of the DSUs will be forfeited and re-acquired by the Company for cancellation at no cost.

Dividend Share Units

When dividends (other than stock dividends) are paid on Common Shares, Participants may, subject to the terms and conditions set out in a Participant's award agreement, receive additional DSUs, RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant, if any, shall be determined by multiplying the aggregate number of DSUs, RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Company on each Common Share, and dividing the result by the Market Value (as defined under the Equity Incentive Plan) on the dividend payment date, which Dividend Share Units shall be in the form of DSUs, RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant are subject to the same vesting conditions applicable to the related

DSUs, RSUs and/or PSUs in accordance with the respective award agreement. All Dividend Share Units shall settle in the same form as the related DSUs, RSUs and/or PSUs.

General

The Board may impose restrictions on the vesting, exercise or payment of an Award as it determines appropriate. Generally, no Awards (other than fully vested and unrestricted Common Shares issued pursuant to any Award) granted under the Equity Incentive Plan shall be transferable except by will or by the laws of descent and distribution. No Participant shall have any rights as a shareholder with respect to Common Shares covered by Options, DSUs, PSUs or RSUs, unless and until such Awards are settled in Common Shares.

No Option shall be exercisable, no Common Shares shall be issued, no certificates, registration statements or electronic positions for Common Shares shall be delivered and no payment shall be made under the Equity Incentive Plan except in compliance with all applicable laws and the Exchange and any other regulatory requirements.

The Board may, in its sole discretion, suspend or terminate the Equity Incentive Plan at any time or from time to time and/or amend or revise the terms of the Equity Incentive Plan or of any Award granted under the Equity Incentive Plan and any agreement relating thereto, provided that such suspension, termination, amendment, or revision shall: (a) not adversely alter or impair any Award previously granted except as permitted by the terms of the Equity Incentive Plan or upon the consent of the applicable Participant(s); and (b) be in compliance with applicable law, applicable Exchange policies (or any other stock exchange upon which the Company has applied to list its Common Shares) and with the prior approval, if required, of the shareholders of the Company. Subject to the foregoing, the Board may from time to time, in its discretion and without the approval of shareholders, make changes to the Equity Incentive Plan or any Award without the approval of Participants or shareholders which may include but are not limited to: (a) a change to the vesting provisions of any Award granted under the Equity Incentive Plan; (b) a change to the provisions governing the effect of termination of a Participant's employment, contract or office; (c) a change to accelerate the date on which any Award may be exercised under the Equity Incentive Plan; (d) an amendment of the Equity Incentive Plan or an Award as necessary to comply with applicable law or the requirements of the Exchange or any exchange upon which the securities of the Company are then listed or any other regulatory body having authority over the Company, the Equity Incentive Plan, the Participants or the shareholders of the Company; (e) any amendment of a "housekeeping" nature, or (f) any amendment regarding the administration of the Equity Incentive Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below indicates the number of securities issued under the Company's Equity Incentive Plan, the weighted-average exercise price of outstanding securities issued under the Company's Equity Incentive Plan and the number of securities remaining available for issuance under the Company's Equity Incentive Plan, in each case as of the date hereof. In connection with the Qualifying Transaction, the Company agreed to maintain the Caliva EIP and the LCV Equity Plan and that outstanding awards thereunder will entitle holders to receive Common Shares. No further awards will be issued under the Caliva EIP or the LCV Equity Plan. See "*Rights to Purchase Securities – Options*" for further details.

Equity Compensation Plan Category	Number of Securities to be Issued Upon Exercise or Settlement of Outstanding Securities	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column "A")
Plans approved by security holders			
Equity Incentive Plan	2,530,696[(1)]	-	7,147,144
Plans not approved by securityholders			
Caliva EIP	1,026,380[(2)]	$7.32	-
LCV Equity Plan	34,964[(2)]	$24.19	-
Total	3,592,040	-	7,147,144

Notes:

(1) Represents Common Shares that may be issued upon the vesting and settlement of outstanding RSU awards.

(2) Represents Common Shares that may be issued upon the exercise of outstanding options.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates, is, as of the date of this prospectus, indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided us or any of our subsidiaries.

PROMOTER

The Sponsor was considered a promoter of SCAC within the meaning of applicable securities legislation until closing of the Qualifying Transaction. Immediately following closing of the Qualifying Transaction, the Sponsor owned 13,946,407 Common Shares and 7,087,500 Warrants. Following closing of the Qualifying Transaction, the Sponsor was dissolved, liquidated and wound-up and, in connection with such dissolution, the Common Shares and Warrants held by the Sponsor were distributed to its members.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, the Company is not a party to any material legal proceedings nor, to the Company's knowledge, are any such proceedings contemplated by or against the Company.

TRANSACTIONS WITH RELATED PERSONS

On July 31, 2019, R&C Brown & Associates, LP ("**R&C Brown**") entered into a Secured Promissory Note (the "**Promissory Note**") and a Pledge and Security Agreement (the "**Pledge Agreement**" and, together with the Promissory Notes, the "**Loan Documents**") with Steve Allan, the Company's Chief Executive, pursuant to which R&C Brown loaned Mr. Allan $500,000 to facilitate Mr. Allan's exercise of options to purchase 250,000 shares of Caliva stock (the "**Allan Caliva Stock**"). The Allan Caliva Stock converted into 75,089 Common Shares and the right to earn up to 89,647 Caliva Earnout Shares in the Qualifying Transaction (collectively, the "**Allan TPCO Securities**"). Pursuant to the Pledge Agreement, the Allan TPCO Securities are currently pledged to R&C Brown pursuant to the Pledge Agreement to secure the loan made to Mr. Allan under the Promissory Note.

At the time the Loan Documents were entered into, Mr. Allan was President and Chief Financial Officer of Caliva, and Rich Brown, who controls R&C Brown, was Caliva's largest stockholder. Mr. Brown currently beneficially owns approximately 9.6% of our Common Shares and is our largest shareholder. Mr. Brown is the father-in-law of Daniel Neukomm, who is one of the Company's directors. In addition, Mr. Neukomm's spouse owns a minority interest in R&C Brown.

The Promissory Note provides that Mr. Allan must repay the $500,000 loaned to him with three percent interest from July 31, 2019 until the Promissory Note is paid in accordance with its terms. Under the Promissory Note, Mr. Allan is required to pay R&C Brown principal and interest on the Promissory Note by no later than the maturity date of the Promissory Note. Except as otherwise provided in the Promissory Note, the maturity date of the Promissory Note is the earlier of (a) the date Mr. Allan sells the Allan TPCO Securities, (b) 30 days from the date of Mr. Allan's voluntary termination of employment with Caliva, (c) 90 days from the involuntary termination of Mr. Allan's employment with Caliva and (d) July 31, 2024. The Promissory Note contains customary default and late charge provisions.

As of the date of this AIF, no interest or principal has been paid under the Promissory Note, as no principal or interest is due until the maturity date of the Promissory Note. During the entire term of the Promissory Note, the amount of principal outstanding has been $500,000.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this AIF, none of the directors or executive officers of the Company, or any person or company that beneficially owns, or controls or directs more than 10% of any class or series of shares of the Company, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years most recently completed financial years or during the current financial year, or any proposed transaction, that has materially affected or would materially affect the Company or any of its expected subsidiaries.

Rich Brown, who controls R&C Brown, is the father-in-law of Daniel Neukomm, who is one of the Company's directors. Furthermore, Mr. Neukomm's spouse owns a minority interest in R&C Brown, which leases certain properties to Caliva. During the year ended December 31, 2020, R&C Brown received approximately $5.1 million in lease payments from Caliva. As of December 31, 2020, the amount R&C Brown would be entitled to receive over the remaining term of the leases on a net present value basis using a discount rate of approximately 12.5% totaled approximately $49.3 million, with the expiry dates of the leases ranging from April 2022 to January 2048.

Certain of the directors and executive officers of the Company received Common Shares upon closing of the Qualifying Transaction as a result of their ownership of securities of Caliva or LCV, as applicable.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is MNP LLP, Chartered Professional Accountants, Licensed Public Accountants, having an address at 111 Richmond Street West, Suite 300, Toronto, ON M5H 2G4. MNP LLP was first appointed as auditor of the Company on November 2, 2020. MNP LLP is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

Deloitte LLP was the auditor of SCAC for the period from June 17, 2019 to December 31, 2019 and as of November 2, 2020 and throughout the period covered by the financial statements of the Company on which they reported, Deloitte LLP was independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar of the Common Shares and the warrant agent for the Warrants is Odyssey Trust Company at its principal offices located at 350 – 300 5th Avenue SW, Calgary, Alberta.

MATERIAL CONTRACTS

The following are the material contracts of the Company, other than contracts entered into in the ordinary course of business:

a) the Caliva Agreement;

b) the LCV Agreement;

c) the Nomination Rights Agreement;

d) the Registration Rights Agreement;

e) the Lock-Up and Forfeiture Agreement;

f) the SISU Merger Agreement;

g) the OG Enterprises Agreement;

h) the Warrant Agreement;

i) CalCannabis Cultivation Nursery License (CCL) issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Food and Agriculture;

j) CalCannabis Cultivation Processor License (CCL) issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Food and Agriculture;

k) Commercial Distributor License issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Bureau of Cannabis Control;

l) Commercial Retailer License issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Bureau of Cannabis Control;

m) Commercial Retailer License issued to NC3 Systems dba Caliva for the premises located at 9535 Artesia Blvd Bellflower, CA 90706 by the California Bureau of Cannabis Control;

n) Commercial Retailer-Non-Storefront License issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Bureau of Cannabis Control;

o) Medicinal Distributor License issued to NC3 Systems dba Caliva for the premises located at 10757 Energy St, Hanford, CA 93230-9518 by the California Bureau of Cannabis Control;

p) Medium Indoor CalCannabis Cultivation License (CCL) issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Food and Agriculture;

q) Small Indoor CalCannabis Cultivation License (CCL) issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Food and Agriculture;

r) Small Indoor CalCannabis Cultivation License (CCL) issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Food and Agriculture;

s) Type 6 Manufacturing License issued to NC3 Systems dba Caliva for the premises located at 1695 S 7th St. San Jose, CA 95112 by the California Department of Public Health Manufactured Cannabis Safety Branch;

t) Commercial Distributor License issued to NC4 Systems Inc dba Caliva for the premises located at 101-111 South Hill Drive Brisbane, CA 94005 by the California Bureau of Cannabis Control;

u) Commercial Retailer-Non-Storefront License issued to NC4 Systems Inc dba Caliva for the premises located at 101-111 South Hill Drive Brisbane, CA 94005 by the California Bureau of Cannabis Control;

v) Type 6 Manufacturing License issued to NC4 Systems Inc dba Caliva for the premises located at 101-111 South Hill Drive Brisbane, CA 94005 by the California Department of Public Health Manufactured Cannabis Safety Branch;

w) Commercial Retailer-Non-Storefront License issued to NC6 Systems dba Caliva for the premises located at 104 N Douty St Hanford, CA 93230 by the California Bureau of Cannabis Control;

x) Commercial Distributor License issued to Caliva CADINH1, Inc dba Caliva North Hollywood for the premises located at 7127 Vineland Ave North Hollywood, CA 91605 by the California Bureau of Cannabis Control;

y) Commercial Retailer-Non-Storefront License issued to Caliva CADECC1, LLC dba Caliva Culver City for the premises located at 5855 Green Valley Circle Culver City, CA 90230 by the California Bureau of Cannabis Control;

z) Microbusiness License issued to Caliva CAMISJ2, Inc. dba Deli by Caliva San Jose for the premises located at 92 Pullman Way San Jose, CA 95111 by the California Bureau of Cannabis Control;

aa) Processor License issued to SISU Extraction, LLC for the premises located at 112 W. Third Street, Suites D, E, & F, Eureka, CA.

bb) Type 6 Manufacturing License issued to SISU Extraction, LLC for the premises located at 4651 West End Road, Arcata, CA by the California Department of Public Health Manufactured Cannabis Safety Branch;

cc) Type 6 Manufacturing License issued to SISU Extraction, LLC for the premises located at 112 W. Third Street, Suites D, E, & F, Eureka, CA by the California Department of Public Health Manufactured Cannabis Safety Branch;

dd) Type 11 Distribution License issued to SISU Extraction, LLC for the premises located at 112 W. Third Street, Suites D, E, & F, Eureka, CA by the California Bureau of Cannabis Control;

ee) State of California Processor License issued to SISU Extraction, LLC for the premises located at 228 3rd, Eureka, CA by the California Department of Food & Agriculture, CalCannabis Cultivation Licensing;

ff) Type 11 Distribution License issued to issued to Sol Distro (Capitol Cocoa) for the premises located at 8135 Capwell Dr. Oakland, CA 94621 by the California Bureau of Cannabis Control;

gg) Type-N Infusion Manufacturing License issued to Sol Distro (Capitol Cocoa) for the premises located at 8135 Capwell Dr. Oakland, CA 94621 by the California Department of Public Health Manufactured Cannabis Safety Branch;

hh) Type 11 Distribution License issued to issued to Sol Distro (Fluid South) for the premises located at 3560 Cadillac Ave., Costa Mesa, CA by the California Bureau of Cannabis Control;

ii) Type-N Infusion Manufacturing License issued to Sol Distro (Fluid South) for the premises located at 3560 Cadillac Ave., Costa Mesa, CA by the California Department of Public Health Manufactured Cannabis Safety Branch;

jj) Type 11 Distribution License issued to issued to Sturdivant Ventures for the premises located at 975 Corporate Center Parkway, Suite 120, Santa Rosa, CA 95407 by the California Bureau of Cannabis Control;

kk) Type-N Infusion Manufacturing License issued to Sturdivant Ventures for the premises located at 975 Corporate Center Parkway, Suite 120, Santa Rosa, CA 95407 by the California Department of Public Health Manufactured Cannabis Safety Branch;

Copies of the above material contracts are available on the Company's SEDAR profile at www.sedar.com.

CORPORATE GOVERNANCE

The Company recognizes that good corporate governance plays an important role in its overall success and in enhancing shareholder value. The disclosure set out below describes the Company's approach to corporate governance.

Statement of Corporate Governance Practices

The Company's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and NI 52-110. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

Board of Directors

Under the Articles, the Board is to consist of a minimum of three (3) and a maximum of twenty (20) directors as determined from time to time by the directors. The Board consists of 6 directors, Carol Bartz, Al Foreman, Daniel Neukomm, Jeffry Allen, Leland Hensch and Michael Auerbach. Under the BCBCA, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The Articles provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors so appointed, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors. Michael Auerbach serves as the chair of the Board (the "**Chair**").

The Board held six (6) meetings during the fiscal year ended December 31, 2020. Each of Michael Auerbach, Leland Hensch and Jay Tucker were present at each of such meetings and Ethan Devine attended each such meeting until his resignation from the Board on September 17, 2020. Mussadiq Lakhani and Adam Rothstein each attended five of the six Board meetings held in 2020 and Charles Jackson attended 33% of the Board meetings held after his appointment to the Board on September 17, 2020. Each of Mussadiq Lakhani, Adam Rothstein, Charles Jackson and Jay Tucker resigned from the Board upon closing of the Qualifying Transaction.

Independence of the Board

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of our Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, our Board has determined that none of the directors on our Board will be considered non-independent as a result of their respective relationships with the Company. Certain members of the Board are also members of the board of directors of other public companies. The Board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members.

Meeting In-camera

The Board believes that given its size and structure, it will be able to facilitate independent judgment in carrying out its responsibilities. To enhance such independent judgment, the independent members of the Board hold regularly scheduled meetings at each quarterly board meeting without management and non-independent directors. These discussions are intended to generally form part of the committee chairs' reports to the Board. The Board encourages open and candid discussions among the independent directors by providing them with an opportunity to express their views on key topics before decisions are taken.

Succession Planning

The nomination and governance committee of the Board (the "**Nomination and Governance Committee**") provides provide primary oversight of succession planning for senior management, the performance assessment of the Company's CEO, and the Company's CEO's assessments of the other senior officers. The Nomination and Governance Committee will conduct in-depth reviews of succession options relating to senior management positions and, when appropriate, will approve the rotation of senior executives into new roles to broaden their responsibilities and experiences and deepen the pool of internal candidates for senior management positions. The Nomination and Governance Committee will develop an emergency succession plan and contingency plan for the Company's CEO for a scenario in which the CEO suddenly and unexpectedly is unable to perform his duties for an extended period.

The independent directors will participate in the assessment of the performance of the Company's CEO every year. The Board will approve all appointments of executive officers.

Mandate of the Board

The Board is responsible for supervising the management of the business and affairs of the Company, including providing guidance and strategic oversight to management. The Board has adopted the formal mandate set forth in Schedule "B" that includes the following:

- appointing a Chief Executive Officer;
- approving the corporate goals and objectives that our Chief Executive Officer is responsible for meeting and reviewing the performance of our Chief Executive Officer against such corporate goals and objectives;

- taking steps to satisfy itself as to the integrity of our Chief Executive Officer and other senior executive officers and that our Chief Executive Officer and other senior executive officers create a culture of integrity throughout the organization; and
- reviewing and approving management's strategic and business plans.

Position Descriptions

The Board has adopted a written position description for the Chair, which sets out the Chair's key responsibilities, including, among others, duties relating to setting Board meeting agendas, chairing Board and shareholder meetings and director development.

The Board has adopted a written position description for each of our committee chairs which sets out each of the committee chair's key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Board has adopted a written position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Board for consideration, and supervising day-to-day management and communicating with shareholders and regulators.

Director Term Limits/Mandatory Retirement

The Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Company seeks to maintain the composition of the Board in a way that provides, in the judgement of our Board, the best mix of skills and experience to provide for our overall stewardship.

Diversity

Board of Directors

The Company recognizes the benefits that diversity brings to an organization. The Board aims to be comprised of directors who have a range of perspectives, insights and views in relation to the issues affecting the Company. This belief in diversity is reflected in the written Diversity Policy adopted by the Board. The Diversity Policy states that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background. Accordingly, consideration of whether the diverse attributes highlighted in the policy are sufficiently represented on the Board is an important component of the selection process for new Board members. The Nominating and Governance Committee evaluates the effectiveness of the Diversity Policy, at a minimum, on an annual basis.

As of the date of this AIF, one of the directors of the Company, or 17% of the directors, is female. The Company has not established a target regarding the number of women on the Board. The Company believes a target would not be the most effective way of ensuring the Board is comprised of individuals with diverse attributes and backgrounds. The Company will, however, evaluate the appropriateness of adopting targets in the future.

Management

The Company believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. The Company recognizes the value of ensuring that the Company has leaders who are women. The Company will work to develop its employees internally and provide them with opportunities to advance their careers. The Company intends to build a strategy and execution plan to work towards increasing the representation of women in leadership roles at all levels of the organization. One of the objectives of this initiative will be to ensure that there are highly-qualified women within the Company available to fill vacancies in executive officer and other leadership positions. In appointing individuals to its leadership team, both at the corporate level and business vertical level, the Company will weigh a number of factors, including the skills and experience required for the position and the personal attributes of the candidates.

As of the date of this AIF, 0% of the executive officers of the Company are female. The Company has not established a target regarding the number of women in executive officer or senior leadership positions. The Company believes that the most effective way to achieve its goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within the Company and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to become effective leaders. The Company will, however, evaluate the appropriateness of adopting targets in the future.

Orientation and Continuing Education

The Company has implemented an orientation program for new directors under which a new director will meet with the Chair and executive officers. New directors will be provided with comprehensive orientation and education as to the nature and operation of the Company and its business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

Although the Company has not adopted formal policies respecting continuing education for Board members, new directors are encouraged to communicate with the Company's management and auditors to keep themselves current with industry trends and developments with management's assistance, and to attend related industry seminars and visit the Company's operations. In addition, the Board and its committees receive periodic updates from management and external advisors, as applicable, as to new developments in regard to corporate governance, industry trends, changes in legislation and other issues affecting the Company.

Nomination of Directors

The Nomination and Governance Committee's role is to recommend to the Board candidates for election as directors and candidates for appointment to Board committees as set out in the Nomination and Governance Committee Mandate. The Company's Chair will also consult with the Nomination and Governance Committee regarding candidates for nomination or appointment to the Board.

Code of Conduct

The Company has adopted a written code of conduct ("**Code of Conduct**") that applies to all of our officers, directors, employees, contractors and agents acting on behalf of the Company. The objective of the Code of Conduct is to provide guidelines for maintaining our and our subsidiaries' integrity, trust and respect. The Code of Conduct addresses compliance with laws, rules and regulations, conflicts of interest, confidentiality, commitment, preferential treatment, financial information, internal controls and disclosure, protection and proper use of our assets, communications, fair dealing, fair competition, due diligence, illegal payments, equal employment opportunities and harassment, privacy, use of company computers and the Internet, political and charitable activities and reporting any violations of law, regulation or the Code of Conduct. The Board has ultimate responsibility for monitoring compliance

with the Code of Conduct. The Code of Conduct has been filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

Board and Committee Assessment

The Nomination and Governance Committee's role is to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Directors are expected to complete self-evaluations, peer evaluations and to consider, among other things, the overall functioning and performance of the Board, the Board's standing committees and oversight thereof, the operational oversight of the Board, management structure and succession issues, the effectiveness of the Company's internal controls and financial reporting, ethics and compliance matters and accountability. The chair of the Nomination and Governance Committee encourages discussion amongst the Board to evaluate the effectiveness of the Board as a whole, its committees and its individual directors. All directors are also encouraged to make suggestions for improvement of the practices of the Board at any time.

Audit Committee

Composition of the Audit Committee

The audit committee of the Board (the "**Audit Committee**") consists of three directors, all of whom are persons determined by the Board to be both independent directors and financially literate within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Audit Committee is comprised of Jeffry Allen, Al Foreman and Daniel Neukomm. Jeffry Allen is chair of the Audit Committee. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "*Directors and Executive Officers — Biographies*".

Audit Committee Charter

The Audit Committee is governed by its charter that is attached as Schedule "A" to this Annual Information Form.

The Audit Committee assists the Board in fulfilling its oversight of:

- our financial statements and financial reporting processes;
- our systems of internal accounting and financial controls;
- the annual independent audit of our financial statements;
- legal and regulatory compliance;
- reviewing and recommending debt and equity financings, reviewing and monitoring compliance with debt covenants and reviewing the process and reports with which we measure financial results or performance; and
- public disclosure items such as quarterly press releases, investor relations materials and other public reporting requirements.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and the management of the Company. The Audit Committee has been given full

access to the Company's management, records and external auditors as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company previously relied on the exemption section 3.2 (*Initial Public Offerings*) in NI 52-110, which provides an exemption from the requirement that each member of the Audit Committee be independent for a period of one year from the initial public offering of the Company provided that a majority of the Audit Committee members are independent.

Pre-Approval Policies and Procedures

The Audit Committee has adopted requirements regarding pre-approval of non-audit services as part of its Audit Committee Mandate. The Audit Committee Mandate requires that the Audit Committee must approve in advance any retainer of the auditors to perform any non-audit service to the Company (together with all non-audit service fees) that it deems advisable in accordance with applicable requirements and the Board approved policies and procedures. The Audit Committee intends to consider the impact of such service and fees on the independence of the auditor. The Audit Committee may delegate such pre-approval as the Audit Committee may determine and as permitted by applicable Canadian securities laws.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Deloitte LLP and MNP LLP for services rendered for the years ended December 31, 2020 and 2019:

Audit Fee Category	**2020** ($)	**2019** ($)
Audit Fees[(1)]	44,176	74,900
Audit-Related Fees[(2)]	-	-
Tax Fees[(3)]	-	-
All Other Fees[(4)]	70,781	-
Total	**114,957**	**74,900**

(1) "**Audit Fees**" consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
(2) "**Audit-Related Fees**" are fees for assurance and related services related to the performance of the audit or review of the annual financial statements that are not reported under "Audit Fees".
(3) "**Tax Fees**" are fees billed for tax compliance, tax advice and tax planning.
(4) "**All Other Fees**" include the aggregate fees billed for products and services provided by MNP LLP, other than "Audit fees", "Audit-related fees" and "Tax fees" above. All Other Fees include fees incurred in connection with the preparation of the non-offering prospectus of the Company filed in connection with the Qualifying Transaction.

Compensation Committee

The Company has appointed a compensation committee of the Board (the "**Compensation Committee**") consisting of three directors, each of whom are independent directors. The Compensation Committee is charged with reviewing,

overseeing and evaluating our compensation policies. Our Compensation Committee is comprised of Daniel Neukomm, Al Foreman, and Leland Hensch. Daniel Neukomm is the chair of the Compensation Committee. No member of our Compensation Committee is an officer of the Company and, as such, our Board believes that our Compensation Committee is able to conduct its activities in an objective manner.

For additional details regarding the relevant education and experience of each member of our Compensation Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see also "*Directors' and Executive Officers' Compensation*".

Our Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee. The Compensation Committee's purpose is to:

- oversee the administration of the Company's compensation plans, including the equity-based plans and executive compensation programs of the Company;
- discharge the Board's responsibilities relating to the performance evaluation and compensation of the Company's officers, including the Company's Chief Executive Officer; and
- prepare the Compensation Committee report required by any applicable securities listing or regulatory authorities.

The Company has adopted an executive compensation regime approved by the Board for the compensation of executive officers, including the Company's named executive officers, based on the recommendations of the Chief Executive Officer and the Compensation Committee. Further particulars of the process by which compensation for our executive officers is determined is provided under "*Directors' and Executive Officers' Compensation*".

Nomination and Governance Committee

The Nomination and Governance Committee consists of three directors, each of whom are independent. The Nomination and Governance Committee is charged with reviewing, overseeing and evaluating our nomination and governance policies. Our Nomination and Governance Committee is comprised of Carol Bartz, Daniel Neukomm, and Michael Auerbach. Carol Bartz is the chair of the Nomination and Governance Committee.

For additional details regarding the relevant education and experience of each member of our Nomination and Governance Committee, see also "*Directors and Executive Officers — Biographies*".

Our Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of our Nomination and Governance Committee. Our Nomination and Governance Committee's purpose is to assist our Board in:

- the appointment, performance and evaluation of our senior executives;
- the recruitment, development and retention of our senior executives;
- maintaining talent management and succession planning systems and processes relating to our executive officers;
- developing benefit retirement and savings plans;
- developing our corporate governance guidelines and principles and providing us with governance leadership;
- identifying individuals qualified to be nominated as members of our Board;
- monitoring compliance with the Code of Conduct;
- reviewing the structure, composition and mandate of our Board committees; and

- evaluating the performance and effectiveness of our Board and of our Board committees.

The assessments undertaken by our Nomination and Governance Committee will address, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. Our Board will receive and consider the recommendations from our Nomination and Governance Committee regarding the results of the evaluation of the performance and effectiveness of our Board, committees of our Board, individual Board members, our Chair and committee chairs. Our Nomination and Governance Committee is also responsible for orientation and continuing education programs for our directors. See also "*Corporate Governance — Orientation and Continuing Education*".

Key Governance Documents

Many policies and practices support the corporate framework at the Company. The following documents constitute key components of the Company's corporate governance system and are available on the Company's website at www.theparent.co:

- Audit Committee Mandate
- Compensation Committee Mandate
- Nomination and Governance Committee Mandate
- Majority Voting Policy for Director Elections
- Insider Trading Policy
- Code of Conduct

ADDITIONAL INFORMATION

Additional information regarding the Company can be found on SEDAR at www.sedar.com.

Additional financial information is provided in the audited consolidated financial statements and management's discussion and analysis of the Company for the year ended December 31, 2020, which are available on SEDAR at www.SEDAR.com.

SCHEDULE A
AUDIT COMMITTEE CHARTER

SECTION 1 PURPOSE

The audit committee (the "**Audit Committee**") is a committee of the board of directors (the "**Board**") of The Parent Company (the "**Corporation**"). The primary function of the Audit Committee is to assist the directors of the Corporation in fulfilling their applicable roles by:

(a) recommending to the Board the appointment and compensation of the Corporation's external auditor;

(b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;

(c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation by the Corporation's external auditor;

(d) satisfying themselves that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;

(e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(f) reviewing and approving any proposed hiring of current or former partner or employee of the current and former auditor of the Corporation; and

(g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis ("**MD&A**") and other financial information provided by the Corporation to any governmental body or the public.

The Audit Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

SECTION 2 LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

In contributing to the Audit Committee's discharge of its duties under this Charter, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in

accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

SECTION 3 COMPOSITION AND MEETINGS

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**52-110**") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be "financially literate" within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the "**Chair**") is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

In addition, the Audit Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Corporation's securities are listed or traded.

The Audit Committee should meet at least four times annually, or more frequently as circumstances require. The Audit Committee should meet within 45 days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

For greater certainty, management is indirectly accountable to the Audit Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Audit Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all

members of the Audit Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Audit Committee call a meeting.

This Charter is subject in all respects to the Corporation's notice of articles and articles from time to time.

SECTION 4 ROLE

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Audit Committee's role), the Audit Committee should:

(1) Determine any desired agenda items;

(2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;

(3) Review the public disclosure regarding the Audit Committee required by 52-110;

(4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;

(5) Summarize in the Corporation's annual information form the Audit Committee's composition and activities, as required; and

(6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

(7) Review and recommend to the Board for approval the Corporation's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Corporation provided to the public or any governmental body as the Audit Committee or the Board require.

(8) Review other financial information provided to any governmental body or the public as they see fit.

(9) Review, recommend and approve any of the Corporation's press releases that contain financial information.

(10) Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

(11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.

(12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Corporation's financial condition, financial performance and cash flow.

(13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.

(14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Corporation to determine the external auditor's independence.

(16) Pre-approve all non-audit services (or delegate such pre-approval as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.

(17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.

(18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the full Board as needed.

(20) Review and approve any proposed hiring by the Corporation of current or former partners or employees of the current (and any former) external auditor of the Corporation.

Audit Process

(21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

(25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

(26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

(27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(28) Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.

(29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

(30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.

(31) Periodically consider the need for an internal audit function, if not present.

Risk Management

(32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

(33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.

(34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.

(35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.

(36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:

(a) the Charter of the Audit Committee;

(b) the composition of the Audit Committee;

(c) the relevant education and experience of each member of the Audit Committee;

(d) the external auditor services and fees; and

(e) such other matters as the Corporation is required to disclose concerning the Audit Committee.

(37) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives by the Corporation, if any.

(38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

SECTION 5 AUDIT COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

(1) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

(2) The Chair will be responsible for the receipt and administration of employee complaints.

(3) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

(4) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

(5) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

(6) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.

SCHEDULE B
MANDATE OF THE BOARD OF DIRECTORS

Section 1 Introduction

The members of the board of directors (respectively, the "**Directors**" and the "**Board**") of The Parent Company (the "**Company**") are elected by the shareholders of Company and are responsible for the stewardship of Company. The purpose of this mandate (the "**Board Mandate**") is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Board are prescribed and/or governed by the *Business Corporations Act* (British Columbia) and the constating documents of the Company.

Section 2 Chair of the Board

The chair of the Board (the "**Chair**") shall be appointed by the board of directors. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate.

Section 3 Board Size

The constating documents of the Company provide that the Board shall be comprised of a minimum of three (3) Directors and a maximum of twenty (20) Directors. The Board shall initially be comprised of seven (7) Directors. The Board shall periodically review its size in light of its duties and responsibilities from time to time.

Section 4 Independence

The Board shall be comprised of a minimum of three independent Directors. A Director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices.*

Section 5 Role and Responsibilities of the Board

The Board is responsible for supervising the management of the business and affairs of the Company and is expected to focus on guidance and strategic oversight with a view to increasing shareholder value.

In accordance with the *Business Corporations Act* (British Columbia), in discharging his or her duties, each Director must act honestly and in good faith, with a view to the best interests of the Company. Each Director must also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Section 6 Board Meetings

(1) In accordance with the constating documents of the Company, meetings of the Board may be held at such times and places as the Chair may determine and as many times per year as necessary to effectively carry out the Board's responsibilities. The independent Directors may meet without senior executives of the Company or any non-independent directors, as required.

(2) The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.

(3) The Board may invite, at its discretion, any other individuals to attend its meetings. Senior executives of the Company shall attend a meeting if invited by the Board.

Section 7 Delegations and Approval Authorities

(1) The Board shall appoint the chief executive officer of the Company (the "CEO") and delegate to the CEO and other senior executives the authority over the day-to-day management of the business and affairs of Company.

(2) The Board may delegate certain matters it is responsible for to the committees of the Board, currently consisting of the Audit Committee, the Compensation Committee and the Nomination and Governance Committee. The Board may appoint other committees, as it deems appropriate to the extent permissible under applicable law. The Board will, however, retain its oversight function and ultimate responsibility for such matters and associated delegated responsibilities.

Section 8 Strategic Planning Process and Risk Management

(1) The Board shall adopt a strategic planning process to establish objectives and goals for the Company's business and shall review, approve and modify as appropriate the strategies proposed by senior executives to achieve such objectives and goals. The Board shall review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business and affairs.

(2) The Board, in conjunction with management, shall be responsible to identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. Pursuant to its duty to oversee the implementation of effective risk management policies and procedures, the Board may delegate to applicable Board committees the responsibility for assessing and implementing appropriate policies and procedures to address specified risks, including delegation of financial and related risk management to the Audit Committee and delegation of risks associated with compensation policies and practices to the Compensation Committee.

Section 9 Succession Planning, Appointment and Supervision of Senior Executives

(1) The Board shall approve the corporate goals and objectives of the CEO and, with the assistance of the Nomination and Governance Committee, review the performance of the CEO against such corporate goals and objectives. The Board shall take steps to satisfy itself as to the quality of the CEO and other senior executives of the Company and that the CEO and other senior executives create a culture of integrity throughout the organization.

(2) The Board shall approve the succession plan for the Company, including the selection, appointment, supervision and evaluation of the senior executives of Company upon recommendation of the Nomination and Governance Committee, and shall also approve the compensation of the senior executives of Company upon recommendation of the Compensation Committee.

Section 10 Financial Reporting and Internal Controls

The Board shall review and monitor, with the assistance of the Audit Committee, the adequacy and effectiveness of the Company's system of internal control over financial reporting, including any significant deficiencies or changes in internal control and the quality and integrity of the Company's external financial reporting processes.

Section 11 Regulatory Filings

The Board shall approve applicable regulatory filings that require or are advisable for the Board to approve, which the Board may delegate in accordance with Section 7(2) of this mandate. These include, but are not limited to, the annual audited financial statements, interim financial statements and related management discussion and analysis accompanying such financial statements, management proxy circulars, annual information forms, offering documents and other applicable disclosure.

Section 12 Corporate Disclosure and Communications

The Board will seek to ensure that corporate disclosure of the Company complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which Company's securities are listed. In addition, the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues.

Section 13 Corporate Policies

The Board shall adopt and periodically review policies and procedures designed to ensure that the Company and its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity.

Section 14 Review of Mandate

The Board may, from time to time, permit departures from the terms of this Board Mandate, either prospectively or retrospectively. This Board Mandate is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may review and recommend changes to the Board Mandate from time to time and the Nomination and Governance Committee may periodically review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration.

Dated: January 19, 2021

Approved by: Board of Directors of the Company