

**SUBVERSIVE ACQUISITION LP HIGHLIGHTS INTERCURE'S ACCELERATED GROWTH AS THE LEADING  
ISRAELI CANNABIS COMPANY**

**InterCure, dba Canndoc, Announces Record-Breaking Q4 Results with Positive EBITDA and Cash Flow**

**InterCure Acquires Four New Medical Cannabis Pharmacies and Increases 2021 Target to 10 Retail  
Locations**

**Canndoc Successfully Launches First Product Line of California Genetic Strains Grown in Israel**

**TORONTO, ONTARIO – March 31, 2021 - SUBVERSIVE ACQUISITION LP** (TSX: SVX.U, NEO: SVX.U, OTCQX: SBVRF) ("**SVX**") announced today that InterCure Ltd. (dba Canndoc) (TASE: INCR) ("**InterCure**"), Israel's leading cannabis company and SVX's intended target for its "Qualifying Transaction" (the "**Transaction**"), has reported its fourth quarter and full-year 2020 results (the "**InterCure Press Release**"). InterCure has announced that accelerated its growth and distribution footprint in Israel by expanding its retail footprint with the acquisition of four new medical cannabis pharmacies.

**InterCure Fourth Quarter and Full Year 2020 Highlights from the InterCure Press Release**

- InterCure reports record-breaking Q4 revenue of NIS ₪27million, representing an annual run rate of NIS ₪108 million, a 15 times increase year over year and over 20% growth compared to Q3 2020, driven primarily by high demand for the company's quality products, market share growth, new commercial agreements with pharmacies, international collaborations, and consolidation of its retail activities
- EBITDA for the fourth quarter was NIS ₪9 million, representing an annual run rate of NIS ₪34 million, a significant increase year over year, driven by revenue growth, improvement in gross profit and fixed cost management
- For the calendar year 2020, InterCure's revenue was a record NIS ₪65 million, with EBITDA\* of NIS ₪16 million, and positive operational cash flow of NIS ₪9 million
- InterCure announced the acquisition of four additional medical cannabis pharmacies expanding the Givol chain to 10 retail locations in major cities across Israel achieving national coverage in 2021
- Canndoc successfully launched and commercialized the first product line of California genetic strains grown in Israel in their southern facility, the largest and most advanced in Israel

\*EBITDA for InterCure's cannabis sector

**Pharmacy Expansion**

InterCure announced that, through its subsidiary CannOlam, it has acquired four pharmacies in Israel which will operate under the Company's Givol medical cannabis pharmacy chain. With the acquisition of these four additional pharmacies, InterCure is expected to expand the Givol retail chain to 10 locations in 2021, compared to the six locations previously announced.

InterCure noted that the Givol premium pharmacy chain serves Israel's growing medical cannabis patient community in every major region in Israel. By providing premium products and personal consulting on medical cannabis, InterCure expects the Givol pharmacies will help serve over 85,000 licensed medical cannabis patients in Israel.

### **Successful Product Launch**

InterCure also announced that it became the first Israeli cannabis company to grow and commercialize California strains in Israel. InterCure noted that the unique genetics of four original California cannabis strains were the first grown in InterCure's southern facility, the largest and most advanced cannabis production site in Israel with operational grounds of 300,000 square feet. InterCure added that its exclusive California genetics products, branded as Canndoc Cali, successfully launched in the first quarter of 2021 and sold out, driving InterCure's growth and market share as demand continues to grow for its unique and exclusive brands and products.

Attached as Schedule A to this press release is a translated version of the full InterCure Press Release.

As previously announced by SVX, the Transaction highlights include:

- **Proven Business Model** – The most profitable company in Israel's growing legal cannabis market with an EBITDA annualized run rate of greater than US\$10 million and positive free cash flow
- **First Mover Advantage** – Significant share of medical market, which grew 40% in 2020; First company to import medical grade cannabis to Israel; Positioned to capitalize on the legalization of recreational cannabis
- **Progressive Operational Platform** – Highly profitable, vertically integrated medical cannabis platform
- **Key Partnerships** – Canndoc's exclusive partnerships with leading cannabis brands and suppliers include Cookies, Charlotte's Web, Aphria, Tilray, Organigram, and more
- **Robust Balance Sheet to Support Expansion** – Cash to drive significant expansion organically and through strategic M&A; Expected expansion of cultivation to over 90 tons per year
- **Experienced Management Team** – Following the closing of the Transaction, Canndoc will continue to be led by its experienced executive team with deep knowledge of the cannabis industry, and operational expertise in the agriculture technology and pharmaceutical industries:
  - o Alex Rabinovitch, Chief Executive Officer
  - o Amos Cohen, Chief Financial Officer
  - o Rami Levy, Chief Operating Officer
  - o Moshe Gavrilov, Chief Marketing Officer
- InterCure valued at US\$302.0 million
- US\$225.0 million of proceeds from funds in escrow (assuming no redemptions)
- PIPE of US\$65.0 million to support transaction satisfies cash required for closing

Completion of the Transaction, which is expected by April 8, 2021, remains subject to the satisfaction or waiver of certain customary conditions including, among other things, requisite shareholder and regulatory approvals.

### **SVX's Annual Audited Financial Statements and MD&A**

SVX is reporting its financial results for the year ending December 31, 2020. SVX's audited financial statements along with its management discussion and analysis for the noted period have been filed on the System for Electronic Document Analysis and Retrieval and may be viewed by unitholders and interested parties under SVX's profile at [www.sedar.com](http://www.sedar.com).

### **About SVX**

Subversive Acquisition LP is a limited partnership established under the *Limited Partnerships Act (Ontario)* formed for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, equity exchange, asset acquisition, equity purchase, reorganization, or any other similar business combination involving SVX that will qualify as its qualifying transaction for the purposes of the rules of the TSX and Neo Exchange Inc. SVX is a special purpose acquisition corporation for the purposes of the rules of the TSX and Neo Exchange Inc.

For more information, visit <https://www.subversivecapital.com/svx>.

### **About Subversive Capital**

Subversive Capital is a leading investment firm dedicated to investing in radical companies whose core missions subvert the status quo. With almost a decade of experience in the global cannabis industry, Subversive Capital has lead investments in some of the most successful transactions in the industry including the recent launch and closing transaction of Subversive Capital Acquisition Corp. to form The Parent Company (TPCO Holding Corp.) currently traded on the Neo Exchange and OTCQX.

For more information, visit [www.subversivecapital.com](http://www.subversivecapital.com)

### **About InterCure and Canndoc**

InterCure (TASE: INCR) is the first public company on the Tel Aviv Stock Exchange to hold a valid and permanent license for the medical cannabis value chain through its 100% ownership in Canndoc. Canndoc is a GMP medical cannabis producer. Licensed by the Israeli Ministry of Health since 2008, Canndoc is a leading pioneer in the research, cultivation, production, and distribution of pharma-grade cannabis-based products to patients, hospitals, pharmacies, research and governmental organizations.

Through its strategic exclusive collaboration with world leaders, distribution agreement with SLE (100% owned by Teva Pharmaceutical Industry) and long-term sales agreements, Canndoc is well-positioned as a leading and significant player in pharma-grade medical cannabis in Israel, Europe and the United Kingdom.

For more information: <http://www.canndoc.com>

### **Non-IFRS Measures**

This press release makes reference to certain non-IFRS financial measures. EBITDA, as defined by InterCure, means earnings before interest, income taxes, depreciation and amortization for a quarter annualized. This measure is not a recognized measure under IFRS, does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. InterCure's method of calculating this measure may differ from methods used by other entities and accordingly, this measure may not be comparable to similarly titled measures used by other entities or in other jurisdictions. InterCure uses this measure because it believes it provides useful

information to both management and investors with respect to the operating and financial performance of the company.

**Forward-Looking Statements**

*This press release may contain forward-looking information within the meaning of applicable securities legislation which reflects SVX's current expectations regarding future events. The words "will", "expects", "intends" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information contained in this press release includes, but is not limited to: statements concerning InterCure's projected growth and operations during 2021 the completion and proposed terms of, and matters relating to, the Transaction and the satisfaction of the required closing conditions. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond SVX's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: failure to complete the Transaction, inability to obtain requisite regulatory or shareholder approvals, changes in general economic, business and political conditions, changes in applicable laws, the U.S. and Canadian regulatory landscapes and enforcement related to cannabis, changes in public opinion and perception of the cannabis industry, reliance on the expertise and judgment of senior management, as well as the factors discussed under the heading "Risk Factors" in the non-offering prospectus pertaining to the Transaction which is available on SEDAR at [www.sedar.com](http://www.sedar.com). SVX undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

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## **SCHEDULE A**



### **INTERCURE:**

**Record results, consistent growth and a significant increase in profits as the company prepares for merger with SPAC next week**

**In the fourth quarter of 2020, annual sales rate of over NIS 108 million and the annual profitability rate of NIS 35 million - the highest in the industry:**

**Record revenues in Q4 of NIS 27 million;**

**Growth of more than 15 times compared to the corresponding quarter**

**And over 20% compared to the previous quarter;**

**Adjusted profit - EBITDA reaches new high of NIS 9 million - 32% of total revenues;**

**Positive cash flow from operating activities of NIS 9.4 million in the quarter**

**The company supplied a record amount of medical cannabis products in Q4 thanks to the growing demand for the company's high-quality products**

**The company expects to close merger with SPAC at a value of \$300 million USD for InterCure shareholders next week**

**Commencement of trading of the Company's shares on the Toronto Stock Exchange (TSX) is expected immediately upon completion of the transaction**

**Additionally, the company prepares to begin the process of listing on the NASDAQ**

**The SPAC has a cumulative total of \$290 million USD, upon completion of the transaction at the InterCure will have at least \$55 million USD in liquidity**

March 31, 2021: InterCure (TASE: INCR) reports record results for the fourth quarter and for the whole of 2020. In the past year, the company has established itself as the largest and leading cannabis company in Israel and as an international growth company with consistent and rapid growth in revenue and profit, for the eighth consecutive quarter. In the fourth quarter of 2020, the company posted a record revenue of over NIS 27 million, which represents an annual revenue rate of over NIS 108 million, the highest in the industry. Throughout the year, the company showed consistent accelerated growth from quarter to quarter, revenue from InterCure's cannabis sector reached NIS 65 million in 2020, with more than 40% of total revenue recorded in the fourth quarter of the year. The growth of more than 7 times in 2020 revenues reflects the competitive advantage, high product quality and implementation of the company's domestic and international cooperation strategy. Following the successful commercial operation of the southern site in Nir Oz, which positions the company as the largest grower in Israel, along with the expansion of its leading medical cannabis pharmacy chain 'Givol', InterCure expects that the growth and improvement trend in profitability will continue during 2021.

**Merger with SPAC:** The Company recently reported the signing of a final merger agreement with Subversive Acquisition as part of a SPAC transaction. The SPAC raised \$290 million, of which \$65 million was privately raised. The merger represents a value of \$300 million to InterCure's shareholders, which is an adequate overflow of value and an expression of confidence in the company's capabilities and vision.

These days the company is working together with the SPAC's management team to successfully complete the merger process expected next week (4.8.2021). As part of the completion of the move, InterCure is expected to begin trading on the Toronto Stock Exchange (TSX) and also register for trading on the Nasdaq Stock Exchange. The significant capital raising from international investors and the expected listing on leading stock exchanges in the world will enable InterCure to expand its investor base and establish additional significant growth engines for the continued momentum of growth and expansion of activity in Israel and around the world.

The company is also preparing for accelerated commercial growth of an adult use cannabis market, CBD wellness market, subject to the expected regulatory changes. The company sees CBD products as a significant growth engine. In this context, InterCure entered a strategic and exclusive collaboration with Charlotte's Web, which has the largest and leading CBD brand in the world. In addition, the company is expanding its operations through additional collaborations with leading companies and brands in Israel and around the world.

The company's revenues in Q4 grew to a record turnover of approximately NIS 27 million for the quarter, representing an annual rate of approximately NIS 108 million, a growth of 15 times compared with the corresponding quarter last year and a rate of over 20% compared to the previous quarter in 2019, which amounted to NIS 10 million. This was a result of high demand for the company's high quality product lines, market growth, increase in the company's market share, implementation of commercial agreements with pharmacies, international collaborations and the first consolidation of CannOlam's operations. The rate of revenue in the fourth quarter in annual terms stands at approximately NIS 108 million. The company estimates that the growth trend in revenues is expected to continue during 2021 as well.

In the company's estimation, the success of production at the company's southern site, which is one of the largest and most advanced in Israel and around the world, is expected to improve the company's gross profit. The company shows a continuous improvement in operating profit when in the fourth quarter of 2020 the operating profit reached NIS 8 million in the quarter, compared with a negative operating profit of NIS 3 million in the corresponding period last year. The increase in operating profit was mainly due to growth in revenue, improvement in gross profit and management of fixed costs.

The growth in revenue, improvement in gross profit and fixed costs management, the company presents positive EBITDA of NIS 9 million in the quarter, representing an annual rate of NIS 35 million, a significant improvement compared to a negative EBITDA of approximately NIS 3 million in the fourth quarter of previous year. The company enjoys high demand for its high-quality product lines, and shows a continuous improvement in all profitability indices, which is reflected in both the improvement in operating profitability and a continuous improvement with positive cash flow from operating activities. In the fourth quarter, the trend of improvement continued, and the company generated a positive cash flow from operating activities in the amount of NIS 9 million, compared with a negative cash flow in the previous quarter and in the entire previous year.

Positive cash flow from operating activities of NIS 9.4 million in the quarter and NIS 7.7 million throughout the year. Most of the change is due to a significant increase in the company's turnover and working capital. Cash and cash value of NIS 38 million (consolidated InterCure).

**Ehud Barak, Chairman of InterCure**, said: "In 2020 InterCure has proven that it successfully implements profitable growth while becoming a leading force in the local and international market. This is thanks to the great trust from both the patient community, pharmacists and doctors, our business partners and our dedicated staff. Now, the company is well positioned to continue to realize its vision in Israel and around the world and to enjoy the full range of regulatory changes expected with the process of recognizing the virtues and benefits of the cannabis plant. The merger and listing for trading on the world's leading stock exchanges will ensure our ability to further accelerate our business operations, improve the quality of life of patients in many territories around the world and create value for the company and its shareholders."