

NANO CURES INTERNATIONAL AND CRAFT 1861 GLOBAL CLOSE IN ESCROW THE BUSINESS COMBINATION TRANSACTION

AUSTIN, Texas, Aug. 1, 2024 /CNW/ - Nano Cures International, Inc. ("**Nano**") and CRAFT 1861 Global Holdings Inc. ("**Craft**") are pleased to announce that the previously disclosed plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia), has been closed into escrow, subject only to the release of the closing proceeds by Nano to the depositary for the Arrangement (being Odyssey Trust Company) (the "**Closing**").

The Arrangement is being completed pursuant to the terms and conditions of an arrangement agreement, among, *inter alia*, Nano and Craft dated September 23, 2023 (the "**Arrangement Agreement**"), as such may be supplements and amended thereto, whereby Nano will acquire all of the issued and outstanding subordinate-voting shares of Craft (the "**Craft Shares**").¹

All currency references used in this news release are in U.S. currency unless otherwise indicated.

¹ All issued and outstanding proportionate voting shares of Craft (the "**Craft Proportionate Shares**") were converted into Craft Shares on December 18, 2023, at a ratio of one hundred (100) Craft Shares for each one Craft Proportionate Share held, in accordance with the Articles of Craft (the "**Conversion**"). For further details on the Conversion, refer to the press release of Craft dated, December 18, 2023.

Transaction Highlights

- As of Closing, Nano will have acquired all of the issued and outstanding Craft Shares in exchange for aggregate cash and equity securities of Nano equaling a total value of \$1,849,040,780 consisting of: (i) aggregate cash consideration of \$474,040,780 (the "**Cash Consideration**") and (ii) 56,498,406 common stock of Nano (the "**Nano Shares**"), for a deemed value of approximately \$1,375,000,000 (the "**Share Consideration**" and together with the Cash Consideration, the "**Consideration**").
- As of completion of the Arrangement, each Nano Share will have an approximate deemed value of \$26.77.

Transaction Details

Upon Closing, Nano will acquire all of the issued and outstanding Craft Shares for: (i) aggregate cash consideration of \$474,040,780; and (ii) 56,498,406 Nano Shares, representing 25% of the Nano Shares issued and outstanding as of Closing. In addition, pursuant to the Arrangement Agreement, all issued and outstanding warrants to purchase Craft Shares (the "**Craft Warrants**", and together with the Craft Shares, the "**Craft Securities**") will be exchanged on a one-for-one basis for replacement warrants to acquire Nano Shares (the "**Nano Warrants**") on substantially the same terms as the Craft Warrants. Upon completion of the Arrangement, Craft became a wholly-owned subsidiary of Nano.

As part of the completion of the Arrangement, Nano and Craft will have waived the mutual condition from the Arrangement Agreement regarding the closing of the Housey Transactions (as such term is defined under the management information circular of Craft dated November 10, 2023, as supplemented on November 22, 2023 (the "**Information Circular**")).

Following completion of the Arrangement, Nano will have 225,993,624 Nano Shares issued and outstanding, of which 56,498,406 Nano Shares are to be held by the former holders of the Craft Shares. In addition, there will be 5,940,000 Nano Warrants issued and outstanding, all of which are

held by former Craft warrant holders.

Nano will continue to operate the combined businesses of Nano and Craft under the name "Nano Cures International, Inc."

On December 12, 2023, at the annual general and special meeting of Craft (the "**Meeting**"): (i) the holders of the Craft Shares (the "**Craft Shareholders**") approved the Arrangement by at least 66⅔% of votes cast by Craft Shareholders present in person or by proxy at the Meeting, and (ii) the holders of the Craft Securities (the "**Craft Securityholders**") approved the Arrangement by at least 66⅔% of votes cast by Craft Securityholders present in person or by proxy at the Meeting.

The Arrangement was approved by the Supreme Court of British Columbia in its final order dated December 15, 2023. For further details, refer to the press releases of Craft dated December 12, 2023, and December 15, 2023.

Full details of the Arrangement and certain other related matters are set out in the Information Circular. A copy of the Information Circular can be found under Craft's profile on SEDAR+ at www.sedarplus.ca.

Actions Required by Craft Securityholders to Receive Consideration

Craft Shareholders

If you hold your CRAFT Shares through a broker or intermediary, please contact that broker or intermediary upon Closing for instructions and assistance in receiving your pro rata share of the Consideration in respect of your Craft Securities. If you are a registered Craft Securityholder, we remind you to submit a duly completed letter of transmittal and any other required documents and instruments, to the depositary, Odyssey Trust Company, in accordance with the instructions set out in the letter of transmittal so that your Consideration can be sent to you as soon as possible. If you did not receive a copy of your letter of transmittal or require assistance in completing your letter of transmittal, please reach out to corp.actions@odysseytrust.com for assistance.

The letter of transmittal contains other procedural information related to the Arrangement and should be reviewed carefully.

Craft Warrant holders

Holders of the Craft Warrants will automatically be issued their respective replacement Nano Warrants with no further action on the holder's part. Each Craft Warrant is being exchanged for a Nano Warrant on a one-for-one basis and contains identical terms as the Craft Warrants pursuant to the Warrant Agency Agreement entered into between the Company (formerly, BGP Acquisition Corp.) and Odyssey Trust Company on February 4, 2021.

Listing, Reporting Issuer Status, and Cease Trade Order

As announced in the press release of Craft dated March 27, 2024, the Craft Shares were de-listed from Cboe Canada Inc., effective as of the close of trading on March 28, 2024. As of the date hereof, Nano does not intend to apply to list the Nano Shares on a Canadian stock exchange. Notwithstanding that upon completion of the Arrangement, Nano will become a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador - Nano intends to submit an application to the applicable securities regulators to cease to be a reporting issuer and terminate its public reporting obligations.

The Ontario Securities Commission ("**OSC**"), as Craft's principal regulator, issued a cease trade order on April 8, 2024 against Craft for failure to file its annual information form for the year ended December 31, 2023, audited annual consolidated financial statements for the year ended December

31, 2023, the related management's discussion and analysis of financial condition and results of operations and CEO and CFO certificates relating to the audited annual financial statements as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* by the April 1, 2024 filing deadline. Craft applied for and received a partial revocation order on August 1, 2024 from the OSC allowing for the Arrangement to be completed. For additional details, please see the Craft news release issued concurrently with this news release.

Management and Board of Nano

Effective upon completion of the Arrangement, the senior management team and board of directors of Nano (the "**Nano Board**") will be reconstituted to include, among others, the following:

- Robert Aranda – President and Director
- Chris Fitzgerald – Chief Financial Officer
- Crystal Buckner – Chief Administrative Officer and Corporate Secretary
- Shelly Lombard – Director
- Dr. Wai Pong Ng – Director
- Robert Pitre – Director

For further details of the work experience and biographies of the members of the Nano Board and the senior management team, please refer to the Information Circular filed on Craft's SEDAR+ profile at www.sedarplus.ca.

About Nano Cures International, Inc.

Nano Cures International, Inc. is a Delaware incorporated company and is a U.S.-based company focused on transforming the development and delivery of cures to major health conditions and diseases. The company is developing an accelerated Cures platform including components focused on Insulin Signaling and Resistance, in conjunction with pharma and biotech partners, that targets insulin resistance. Insulin resistance is the root cause of diabetes Type 2, obesity and many other related diseases. Another platform component aims to disrupt and enable cure development by providing resources, data and tools for partnering institutions and individual drug and cure developers to lower the barriers to entry and spur new cure innovation. Nano's vision is to change the game of curing by targeting the root cause of disease – instead of just treating sickness when it happens, to reduce the cost and time required to introduce new cures, and to align the nations of the world behind its mission to reverse the increasing burden of healthcare that afflicts our societies today. There is no active business or operations being acquired by Nano as part of the Closing. Additional information about Nano can be found at its website: <https://www.nanocuresintl.com>.

This news release does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and this news release does not form the basis of any contract or commitment. In particular, this news release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer or solicitation would be unlawful.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered or sold in the United States absent registration or an exemption from registration. The securities issued in connection with the Arrangement were issued in reliance upon section 3(a)(10) of the U.S. Securities Act and available exemptions from applicable state registration requirements. The Nano Warrants may not be exercised within the United States, or for the account or benefit of a U.S. person or a person in the United States, absent exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

Forward Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities legislation, which reflect Nano / Craft's current expectations regarding future events. The words "expect", "aim", "believe", and similar expressions or words suggesting future outcomes are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance. Specific forward-looking information contained in this news release includes, but is not limited to, statements concerning: (i) the anticipated receipt of the Cash Consideration; (ii) the anticipated business of Nano; and (iii) the intention of Nano not to apply to list the Nano Shares on a Canadian stock exchange and its intention to cease to be a reporting issuer, and other statements of fact.

Forward-looking statements 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 included in this news release, Nano / Craft has made certain assumptions with respect to, among other things; that Nano will meet its future objectives and priorities; Nano will have access to adequate capital to fund its future projects and plans; that Nano's future projects and plans will proceed as anticipated; and as well as assumptions concerning legislative frameworks, general economic and industry growth rates, prices, currency exchange and interest rates, competitive intensity, future pandemics or other material outbreaks of disease, safety issues, recalls.

Forward-looking information is based on a number of assumptions, opinions, and estimates and is subject to a number of risks and uncertainties, many of which are beyond the Nano's control, that 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: execution of Nano's business strategies; reliance on management and conflicts of interest; competition; risks relating to new, well-capitalized entrants developing large-scale operations; reliance on key inputs; dependence on suppliers and skilled labor; litigation; reliance on third-party distributors; intellectual property risks; protection of trade secrets; fraudulent or illegal activity by employees, contractors and consultants; information technology systems and cyber-attacks; security breaches; high bonding and insurance costs; costs and requirements of being a reporting issuer in Canada and risks associated with failure to comply with such requirements; future acquisitions or dispositions; U.S. federal income tax; net operating loss limitations; withholding tax on dividends; risk of U.S. tax classification as a U.S. real property holding company; market price volatility; sales of a substantial number of Subordinate Voting Shares; future equity financings; the increased regulatory burden and costs associated with loss by Craft of foreign private issuer status under U.S. federal securities laws; limitations on certain remedies; global financial conditions; impairment of goodwill and intangible assets; the ability of Nano to comply with regulatory requirements; difficulty accessing capital and banking services; differing regulatory requirements across jurisdictions; heightened scrutiny by regulators; risks relating to expansion into other markets; restrictions on deductions of certain expenses; enforceability of contracts; contractual right of action; and retention of key personnel, as well as other factors discussed from time to time in certain of Nano's documents on file with Canadian securities regulatory authorities, which are available at www.sedarplus.ca.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might

vary materially from those anticipated in the forward-looking information. Accordingly, undue reliance should not be placed on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this news release represents Nano / Craft's expectations as of the date of this news release and are subject to change after such date. Nano / Craft does not undertake any 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.

No securities exchange accepts responsibility for the adequacy or accuracy of this news release.

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