



**TREES CORPORATION
ANNOUNCES PROPOSED ACQUISITION OF MIRACULO INC. AND SIGNIFICANT
LEADERSHIP CHANGES**

- **Trees to acquire Miraculo Inc., home to a portfolio of leading cannabis digital platforms, a strategic step towards re-envisioning the brand and its consumer experience;**
- **Appointment of Michael Klein as CEO on closing of the acquisition;**
- **Appointment of Jeff Holmgren as President; and**
- **Addition of G. Scott Paterson, one of Canada’s most prominent entrepreneurs and financiers, to the board of directors on closing of the acquisition.**

TORONTO, ON – February 7, 2022 – Trees Corporation (NEO:TREE) (the “**Company**” or “**Trees**”), a premier Canadian cannabis retailer is pleased to announce, among other things, that it has entered into a definitive agreement with Miraculo Inc. (“**Miraculo**”) (the “**Amalgamation Agreement**”) pursuant to which Miraculo will amalgamate with 1000101203 Ontario Inc., a wholly-owned subsidiary of the Company (“**Trees Subco**”), to form an amalgamated entity (“**Amalco**”) in order to carry out a three-cornered amalgamation (the “**Amalgamation**”) whereby Trees will acquire all of the issued and outstanding shares of Miraculo (“**Miraculo Shares**”).

Miraculo is a private Canadian integrated media, technology and consumer product company that addresses the needs of underserved audiences in the medical cannabis and CBD market. The company has launched several verticals including ‘cannabisMD.com’ a consumer-education platform designed to help guide consumers on their exploration of the benefits of medical cannabis and CBD, and ‘askCMD.com’, a proprietary recommendation engine that guides consumers to those CBD products that best fit their needs.

Changes to the Leadership Team of Trees

The Amalgamation Agreement includes the appointment of Michael Klein, CEO of Miraculo, as Chief Executive Officer and a director of the Company and the appointment of G. Scott Paterson, a director of Miraculo, to the board of directors of the Company, subject to the completion of the Amalgamation.

Mr. Klein, incoming CEO stated: “With the combination of Trees and Miraculo, we will own the ‘360 cannabis consumer’—in store and across digital platforms. While continuing to be known as a leader in the adult consumption market, Trees is home to the cannabis curious, an untapped opportunity and one of the largest growth segments in the industry. Such individuals seek trusted and authoritative content on the health and wellness benefits of the plant to expand beyond the psychoactive response to assistance for those who are new to cannabis.”

The Board is pleased to appoint Jeff Holmgren as President effective immediately. Mr. Holmgren will continue to lead the Company’s strategic growth and operational excellence as it enters a new phase of growth for 2022 and beyond. Mr. Holmgren adds “The acquisition of Miraculo is an important part of our re-envisioning of the Trees brand and an entry point into the U.S. with multiple potential revenue verticals. I am honoured to assume the duties and responsibilities of President of Trees Corporation and look forward

to working closely with Michael Klein, incoming CEO, as together we chart a new and exciting path of growth and consumer connection.”

Subject to the closing of the Amalgamation, the leadership team of the Company is expected to be as follows:

- Jeffrey Holmgren – President, Chief Financial Officer and Director
- Michael Klein – Chief Executive Officer and Director
- James Ward – Director
- Fraser Clarke – Director
- G. Scott Paterson – Director

Michael Klein

Michael Klein is the New York-based CEO of Miraculo. Mr. Klein has held executive leadership roles with several of the most iconic brands in the world including MTV, Condé Nast, Discovery Inc. and SundanceTV. With an extensive background in media and brand building, Mr. Klein will be tasked with leading the charge in expanding and differentiating the Trees brands globally.

G. Scott Paterson

G. Scott Paterson is a Toronto-based entrepreneur, financier and investor focused on technology and media. Mr. Paterson currently serves as Chairman of Miraculo, Executive Chairman of FutureVault Inc., Chairman of QYOU Media Inc., Lead Director of Giftagram Inc. and as a Director of Lions Gate Entertainment Canada Corp. Mr. Paterson believes strongly in the largely untapped potential of the health and wellness segment of the cannabis consumer marketplace and is excited to join the board of Trees to help navigate its expansion across all consumer segments.

In addition to the conditional appointments of Michael Klein and G. Scott Paterson described above, the Company also announces the resignation of Jonathan Conquergood from his role as Chief Executive Officer and director of Trees effective today. The board and management would like to express its appreciation to Mr. Conquergood for his service and dedication to the Company since its inception in 2018, having been instrumental in guiding the Company through its founding years and initial growth phase up to its recent go-public transaction.

The Amalgamation

Pursuant to the Amalgamation, each common share in the capital of Trees Subco will be exchanged for one common share in the capital of Amalco. The Miraculo Shares held by the shareholders of Miraculo (“**Miraculo Shareholders**”) will be exchanged on a *pro rata* basis for an aggregate of up to 13,640,000 common shares in the capital of Trees (“**Trees Shares**”) and an aggregate of up to 6,820,000 warrants (the “**Trees Warrants**”) to purchase Trees Shares (each, a “**Warrant Share**”) exercisable at a price of \$0.11 per share until December 31, 2024 on the basis of the share exchange ratio and warrant exchange ratio set out in the Amalgamation Agreement, respectively.

In connection with the Amalgamation, among other matters, the Company will enter into: (i) a warrant indenture with Odyssey Trust Company (“**Odyssey**”), as warrant agent to govern the terms of the Trees Warrants; (ii) an escrow agreement (the “**Escrow Agreement**”) with a representative of the Miraculo Shareholders and Odyssey, as escrow agent, whereby the Trees Shares issued to Miraculo Shareholders are to be deposited into escrow and released in accordance with the terms of the Escrow Agreement; and (iii) voting support agreements with each director and officer of Miraculo in connection with the Amalgamation.

The closing of the transactions contemplated by the Amalgamation Agreement are subject to a number of customary closing conditions including, but not limited to, approval by the Miraculo Shareholders and approval of the NEO Exchange Inc. (“NEO”).

Related Party Transaction

As Fraser Clarke is a director and shareholder of both Trees and Miraculo, the acquisition constitutes a “related party transaction” under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements under MI 61-101 as the Fair Market Value (as such term is defined in MI 61-101) of the Trees Shares issuable under the Amalgamation will not exceed 25% of the market capitalization of the Company. The Company did not file a material change report more than 21 days before the date hereof as the details of the proposed Amalgamation were not settled prior to the date hereof. Entry into the Amalgamation Agreement and the transactions contemplated thereby, including the Amalgamation, was considered and approved by the non-conflicted members of the Board.

About Trees

Trees is a premier publicly traded Canadian cannabis retailer. With 11 Trees branded storefronts in Canada, including seven (7) stores owned and operated in Ontario and four (4) stores operated in British Columbia (“**B.C.**”), subject to the closing of the acquisition of the shares or assets of 101 pursuant to the terms of the second amended and restated asset purchase agreement (the “**101 Purchase Agreement**”) entered into between Trees and 101. The closing of the transactions contemplated by the 101 Purchase Agreement is subject to certain conditions precedent, including the receipt of certain licensing approvals and related regulatory consents.

Cautionary Note Regarding Forward-Looking Statements

This press release contains statements that constitute “forward-looking information” (“**forward-looking information**”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information.

Forward-looking statements in this document include, among others, statements relating to the completion of the Amalgamation, the appointments of Michael Klein as Chief Executive Officer and director and G. Scott Paterson as a director, Trees’ expectation that Miraculo will be successful in monetizing multiple U.S. origin revenue verticals and expanding its presence in Canada to uniquely enhance and differentiate the Trees consumer experience, the anticipated market size of the ‘cannabis curious’, the expected benefits of the Amalgamation, the expansion of the Company’s retail footprint in Canada in the future, expectations regarding revenue growth in 2022, expectations regarding becoming one of Canada’s premier cannabis retailers, the completion of the transactions contemplated in the 101 Purchase Agreement and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) the Company may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; (b)

compliance with extensive government regulation; (c) domestic and foreign laws and regulations could adversely affect the Company's business and results of operations; (d) the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company's securities, regardless of its operating peers; (e) adverse changes in the public perception of cannabis; (f) the impact of COVID-19; and (g) general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking information contained in this press release.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

The NEO Exchange has neither approved nor disapproved the contents of this press release and accepts no responsibility for the adequacy or accuracy of this release.

For more information, please contact:

Trees Corporation

Jeffrey Holmgren
President and Chief Financial Officer
Email: jeffh@treescorp.ca