



TREES CORPORATION ANNOUNCES CLOSING OF ACQUISITION OF MIRACULO INC. AND LEADERSHIP CHANGES

TORONTO, ON – March 15, 2022 – Trees Corporation (NEO:TREE) (the “**Company**” or “**Trees**”), a premier Canadian cannabis retailer, is pleased to announce that it has completed its previously announced acquisition of Miraculo Inc. (“**Miraculo**”) pursuant to the terms of an amalgamation agreement dated February 7, 2022 (the “**Amalgamation Agreement**”) whereby Miraculo amalgamated 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 acquired all of the issued and outstanding shares of Miraculo (“**Miraculo Shares**”).

On closing of the Amalgamation, Michael Klein, former Chief Executive Officer of Miraculo, was appointed as Chief Executive Officer of the Company. In addition, both Mr. Klein and G. Scott Paterson have been appointed to the board of directors of the Company.

Mr. Klein, Chief Executive Officer of the Company stated: “By combining Trees and Miraculo, we have created a ‘next now’ cannabis company at the intersection of content, community, and commerce. Integrating our technology, data, storytelling, and fast-growing retail footprint, we aim to unlock and capture emerging consumer segments across our platforms.”

Mr. Holmgren, President and CFO, stated: “The closing of the Miraculo transaction is a significant foundational element of the complete re-envisioning of the Trees brand. Trees will be a new kind of cannabis company in an industry beset by a narrow definition of the consumer. We are creating a more inclusive environment for the cannabis curious while remaining a leader in the adult consumption market.”

Miraculo is an integrated media, technology and consumer product company that addresses the needs of underrepresented audiences in the medical cannabis and CBD markets. Miraculo 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 guiding consumers to the CBD products that best fit their needs.

The Amalgamation

Pursuant to the terms of the Amalgamation Agreement, each common share in the capital of Trees Subco was exchanged for one common share in the capital of Amalco. The Miraculo Shares held by the shareholders of Miraculo were exchanged on a *pro rata* basis for an aggregate of 13,639,917 common shares in the capital of Trees (“**Trees Shares**”) and an aggregate of 6,819,922 warrants to purchase Trees Shares exercisable at a price of \$0.11 per share until December 31, 2024.

Related Party Transaction

As Fraser Clarke was, until closing of the Amalgamation, a director and shareholder of both Trees and Miraculo, the acquisition constituted a “related party transaction” under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company relied 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 did not exceed 25% of the market capitalization of the Company. Entry into the Amalgamation Agreement and the transactions contemplated thereby, including the Amalgamation, were considered and approved by the non-conflicted members of the Board.

About Trees

Trees is a cannabis company at the intersection of community, content, and commerce. Publicly traded, Trees offers a differentiated retail experience, combined with digital platforms that aim to educate and amplify, unlocking emerging consumer segments and need states that allows Trees to uniquely own the 360 cannabis consumer. The company has 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 Trees’ expectations regarding the expansion of the Company’s retail footprint in Canada in the future, expectations regarding the Company’s ability to unlock and capture emerging consumer segments across its platforms, expectations regarding the re-envisioning of the Trees Brand, the creation of a new kind of cannabis company, and the creation of a more inclusive environment for the cannabis curious, expectations regarding the Company remaining a leader in the adult consumption market, expectations regarding the Company’s ability to engage its customers and new consumer segments and need states, 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.

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