



## Avant Brands' GreenTec Holdings To Acquire 100% of 3PL Ventures

Kelowna, BC – December 19, 2022 – [Avant Brands Inc.](#) (TSX: AVNT) (OTCQX: AVTBF) (FRA: 1BU0) (“Avant” or the “Company”), a leading producer of innovative, premium handcrafted cannabis products, is pleased to announce that GreenTec Holdings Ltd., a wholly-owned subsidiary of Avant, and Avant have entered into a binding Share Purchase Agreement (the “Agreement”) with F-20 Developments Corp. (the “Vendor”) to acquire the remaining 50% equity stake in 3PL Ventures Inc. (“3PL”).

*“We are excited to announce the full acquisition of our newest and largest facility, which has been a foundational flagship asset for the highly-sought after products that we produce for Canada and the global market,”* said Norton Singhavon, Founder and CEO of Avant. *“As 3PL recently became cash-flow positive, we anticipate that it will generate meaningful cash flows to our organization in the near future, which we expect will help accelerate Avant’s future growth and expansion strategy. This acquisition combined with our recent announcement of being the winning bid at the Flowr auction, will set the stage for a transformational 2023 fiscal year for Avant. We look forward to accelerating our rapid growth as we continue working towards becoming Canada’s leading producer of ultra-premium cannabis products.”*

Pursuant to the terms of the Agreement, the purchase price payable is equal to \$15,000,000 which will be satisfied by the following:

- \$1,500,000 cash payable upon the closing;
- \$9,500,000 payable by way of a convertible promissory note;
- \$3,000,000 payable in shares in the capital of Avant (the “Escrow Shares”);
- \$1,000,000 payable in shares in the capital of Avant (the “Non-Escrow Shares”);
- The Escrow Shares will be released to the Vendor pursuant to the escrow release schedule set out in the Agreement. Both the Escrow Shares and the Non-Escrow Shares will also be subject to a mandatory statutory hold period of four months and one day from the date of issuance.

Avant currently owns 50% of the issued and outstanding shares in the capital of 3PL, a joint venture with the Vendor. On closing, Avant will own 100% of the issued and outstanding shares in the capital of 3PL. The transaction is expected to close on or around February 1, 2023.

The acquisition of 3PL is subject to satisfaction or waiver of a number of conditions set forth in the Agreement, including, among other things, receipt of all regulatory approvals, including the approval of the Toronto Stock Exchange for the listing of the Escrow Shares and the Non-Escrow Shares, and the satisfaction of certain other closing conditions customary in transactions of this nature.

The Company is also pleased to announce that the Ontario Superior Court of Justice (Commercial List) has granted an Approval and Vesting Order approving the [previously announced definitive purchase agreement](#) (the “**Flowr Purchase Agreement**”) entered into by Avant Brands K1 Inc., an entity of which Avant owns 50% of the issued and outstanding shares, to acquire all of the issued and outstanding shares in the capital of The Flowr Group (Okanagan) Inc., a subsidiary of The Flowr Corporation. The transactions contemplated by the Flowr Purchase Agreement are expected to close within Q1 of 2023.

### **About Avant Brands Inc.**

Avant is an innovative, market-leading premium cannabis company. Avant has multiple operational production facilities across Canada, which produce high-quality, handcrafted cannabis products, based on unique and exceptional cultivars. Avant’s products are distributed via three complementary sales channels: recreational, medical and export. Avant’s recreational consumer brands include: [BLK MKT™](#), [Tenzo™](#), [Cognōscente™](#) and [Treehugger™](#), which are sold in British Columbia, Saskatchewan, Manitoba, Ontario, Atlantic Canada and the territories. The Company’s medical cannabis brand, GreenTec™, is distributed nationwide, directly to qualified patients through its [GreenTec Medical](#) portal and through various medical cannabis partners.

Avant is a publicly traded corporation listed on the Toronto Stock Exchange (TSX: AVNT), and cross-trades on the OTCQX Best Market (OTCQX: AVTBF) and Frankfurt Stock Exchange (FRA: 1BU0). The Company is headquartered in Kelowna, British Columbia and has operations in British Columbia, Alberta and Ontario.

To learn more about Avant, access the investor presentation, or learn more about its consumer brands, please visit [www.avantbrands.ca](http://www.avantbrands.ca).

For additional information, please contact:

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### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:**

*This news release includes certain “forward-looking information” as defined under applicable Canadian securities legislation, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: the consummation of the transaction set out in the Agreement; the expected generation of meaningful cash flows from 3PL; the Company’s*

*expectations regarding its future growth and expansion; the Company's expectations regarding a transformational 2023 fiscal year; the Company's expectations regarding its growth to become Canada's leading producer of ultra-premium cannabis products; the Company's expectation that 3PL will become a wholly-owned subsidiary of Avant; the satisfaction or waiver of the closing conditions set out in the Agreement, including receipt of all regulatory approvals, and expectations for other economic, business, and/or competitive factors; and the consummation of the transaction set out in the Flowr Purchase Agreement. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Examples include statements that the Company will operate in a fiscally disciplined manner; that the Company will build long-term shareholder value and reduce operational expenses; or that the Company will increase its revenue and gross margins.*

*Investors are cautioned that forward-looking information is not based on historical fact but instead reflects management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability of the Company to receive, in a timely manner and on satisfactory terms, the necessary regulatory approvals; the ability of the parties to satisfy, in a timely manner, the other conditions set forth in the Agreement; the prompt and effective integration of 3PL's operations with the Company's; the ability to achieve the anticipated synergies; inherent uncertainty associated with projections; diversion of management time on transaction related issues; expectations regarding future growth and expansion; regulatory and licensing risks; changes in consumer demand and preferences; changes in general economic, business and political conditions, including changes in the financial markets and inflation-related risks; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; compliance with extensive government regulation; public opinion and perception of the cannabis industry; and the risk factors set out in the Company's annual information form dated February 28, 2022, filed with Canadian securities regulators and available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information, which speak only as of the date of this news release. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*