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Norse Impact has signed LOI for the acquisition and joint venture with a medical cannabis company, with a license for the entire Schengen area. *(English translation of PM from 20220606).*

This is an English translation of a press release that was published yesterday 220606 at 19:19

Norse Impact can announce that the company has entered a LOI with GL2 LLC on the acquisition of 51% in a joint venture, as well as a future-oriented option on the purchase of all shares.

With production based in the Caribbean Island of St Vincent with strong opportunities to scale up fast. The intention is to build a major future medical Cannabis producer and distributor.

Affordable production with licensed sales

Saint Vincent is an excellent location for cannabis cultivation due to the ideal climate, nutrient-rich soil, low costs, great opportunities for expansion for the few who have a license and a very favourable regulatory environment.

- *The combination of location, labour, and accreditation positions GL2 so that it can become one of the most competitive cannabis producers for export in the world, and small-scale cultivation has already started, which means that the first sale can take place within a few months, says Thomas M Turner Jr, Managing Member of GL2.*

The company currently operates about 20.200 m² (5 acres) in the southern part of Saint Vincent and owns 1 of 4 approved public licenses.

Since then, GL2 have spent an enormous amount of time and 3 million USD on developing the plot, testing production, obtaining licenses, and preparing the company for large-scale production which is now all in place.

The license the company holds and the partnership with Norse Impact will allow the venture to expand up to 101.000 m² (25 acres) in the next few years.

In the current area 20.200 m² (5 acres) it is estimated that medical cannabis will be sold at a very conservative price, 500 USD per pound (0.45 kg), will give a sale of 1.5 million USD per month under full production.

St. Vincent is ideal for growing cannabis due to the consistently warm climate and highly nutrient soil, partly due to the volcanic ash from the presence of the La Soufriere volcano on the northern part of the island.

Alongside the competitive advantages in the growing operation, the company has secured a license for exports to the entire Schengen area, which, for example, manufacturers in the USA cannot do.

GL2 LLC is an American company that cultivates medical cannabis in Saint Vincent and the Grenadines in the Caribbean. The company operates under an umbrella license for the cultivation of medical cannabis that can be exported to any country that can import medical cannabis.

Financial terms

For 51 percent of GL2 LLC, Norse Impact must pay USD 1.5 million, of which USD 1 million must be paid at the conclusion of the contract and USD 500,000 must be paid after 6 months.

Furthermore, USD 2.500.000 in shares will be payable at closing of the Transaction. USD 1.250.000 will be valued at 14 days WVAP of Norse Impacts share price on the announcement of the LOI and USD 1.25.000 in shares will be valued at 14 days WVAP of Norse Impacts share price on the closing date of the Transaction.

Furthermore, the parties will contribute an equal amount totalling of USD 600,000 as working capital of the joint venture company. GL2 LLC has already produced more than 200 kilos of product ready for sale, where the proceeds will be included in the working capital.

About Norse Impact

Since its inception, Norse Impact has been a future-oriented company with a one-sided focus on improving public health.

- *We have so far aimed to reduce the number of smokers, by offering smokers alternative products and we have been out early. Medical cannabis is a natural continuation of this line, as for a huge number of people it is a far better alternative than the drugs they have traditionally been prescribed. The whole world has seen what has happened in countries like the USA and Canada in recent years, and what a positive effect this has for large numbers of people, says Marius Arnesen, CEO Norse Impact.*

Medical cannabis and CBD are widely used for, among other things, pain relief of patients suffering from chronic disorders such as rheumatism, diabetes, epilepsy, Parkinson, Alzheimer's, cancer and a number of neurological disorders.

Global megatrend

Globally, the market for CBD and medical cannabis is growing extremely fast. In recent years, a revolution has taken place, starting in Canada and the United States, where more and more countries have first legalized medical cannabis, and then legalized cannabis in its entirety. This has moved on to the EU, where most countries have already legalized medical cannabis and several countries have now legalized cannabis in its entirety.

The same development is now also seen in Norse Impact's domestic markets. For example, the cannabis product Sativex was approved in Sweden already in 2011 and Sweden is the first country in the world with a state-owned production of medical cannabis oil. In Sweden today, there are several thousand patients who receive cannabis oil on prescription from their doctor, and it is expected that this number will grow significantly in the years to come. The same is the case in Norway and the UK.

The total market for medical cannabis is expected to rise from USD 25 billion in 2021 to USD 176 billion in 2030, which corresponds to a CAGR of as much as 23.9 percent. The powerful growth is driven, among other things, by the fact that the largest global players in pharmaceuticals and biotechnology are investing heavily in the sector.

Great synergies

Medical cannabis is consumed in a number of different ways, including as drops you touch the tongue, oil you apply to the skin, inhalation, rectally and under the tongue. Of all these methods, inhalation is dominant, and vape is considered to have by far the greatest growth potential in the coming years. With its product series on juice and snuff, Norse Impact has a perfect starting point for being able to develop its own products, which will be easily scalable - also to larger and more mature markets than where the company currently has a presence.

About GL2

GL2 is currently led by a professional and highly experienced team in large-scale production of medical cannabis from the USA and Canada.

- *We have other, significantly larger players, who have visited us at Saint Vincent and who want to buy us up, as what we own is unique, but we see a much more exciting opportunity with Norse Impact. We like Norse Impact and the people in the company better, and we want to grow together. We have already started sewing up distribution to potential buyers in Europe, Canada, South America, Israel and Australia, and this network will only increase, says Turner.*
- *We were part of the enormous journey in North America and saw which way it went. We were on the trip in North America in the beginning and saw which way it went considering that production costs are high and that export is prohibited from the United States. Therefore, we looked at the map back in 2016, we looked at what was the most optimal area and landed on Saint Vincent back in 2018, says Turner.*

Norse Impact: Fastest growing

Norse Impact is the Nordic region's fastest growing group in the non-smoke segment. This segment consists of legal nicotine products as a replacement for the very harmful smoking tobacco. Norse Impact is already a leading company in the harm reduction segment.

- *We already have market-leading products we rely on, but we are always looking for complementary products, markets, and new trends. Just as we started our business when vape was in the early stages, we now see great opportunities with medical cannabis, which shows tremendous growth in all industrialized countries, says Arnesen.*
- *Our vision and mission are to offer our fellow human beings effective and more health-friendly products than what has traditionally been available, says Arnesen.*

The company's ongoing operations are mainly in Sweden and Norway, but also throughout the United Kingdom.

The company is particularly strongly positioned in the areas of snus and electronic cigarettes,

including e-juice, with eleven exclusivity agreements with well-established non-smoking products.

Norse Impact now has twenty-five physical stores, twelve own online stores (nordamp.no, maxsnus.no, friskedrag.no, norsevape.co.uk, norseeliquid.com, and elektroniske-sigaretter.no, cigge.see, cigge.com, fi.cigge.com, elekcig.com, elekcig.se, elekcig.dk, cigge.no and nettdamp.no)

The e-cigarette / Vape market, which is still at an early stage, had a turnover in Europe of 8.3 billion USD by 2020 and is expected to increase by 11% in 2021. Snus had a global turnover in 2020 of 2.6 billion dollar. The market indicates strong continued growth. Europe is the largest market and accounts for 40% of global sales. Sweden and Norway are the two largest markets in Europe.

The company has a strong growth focus, based on organic growth and solid strategic acquisitions, both in the Nordic region and the rest of Europe. Important points here are strong synergies, market share acquisitions and sound financial operations.

For more information, please contact
Marius Arnesen, CEO. Tel: +47 938 00 894, e-mail: ma@norseimpact.se

Norse Impact AB, c/o Mcon AB, Södra Larmgatan 4, 411 16 Göteborg

www.norseimpact.se