



InterCure Signs Definitive Agreement to Acquire Multi-National Medical Cannabis Producer “Better”

February 16, 2022

Marking the First Major Consolidation in Pharmaceutical Grade Medical Cannabis Market

Acquisition is Expected to be Accretive

Strengthen InterCure's Position as the Largest Cannabis Company Outside of North America

NEW YORK and TORONTO and HERZLIYA, Israel, Feb. 16, 2022 (GLOBE NEWSWIRE) -- [InterCure Ltd.](#) (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) (dba Canndoc) (“**InterCure**” or the “**Company**”) today announced it has signed a definitive agreement (the “**Agreement**”) with Cann Pharmaceutical Ltd. (“**Better**”), a pioneering Israeli medical cannabis multi-national operator known as “Better”. Under the terms of the agreement, InterCure will acquire 100% of Better's shares, which includes “Better's” unique strains, cultivation site, intellectual property, and commercial operations in Israel as well it's international activities.

Transaction Highlights

Leadership Position: InterCure's acquisition of Better is expected to strengthen its position as the largest, fastest growing, and profitable cannabis company outside North America.

International Expansion: The Better acquisition is expected to expand InterCure's global reach and accelerate international expansion strategy to major markets worldwide.

Brand leader: Better's unique and high demanded products is expected to complement InterCure's large portfolio of pharmaceutical grade, high quality branded products with a leading market share position.

Expected to be Accretive: Better has consistent track record of delivering significant gross profit and positive EBITDA, and together with anticipated synergies, the acquisition is expected to be accretive immediately.

Summary of Acquisition

Purchase price of USD 35 million: paid with InterCure shares at the valuation of USD 10 per share, which is the same share valuation that was used in connection with the SPAC and PIPE transaction in April 2021.

Lock-Up Period: the shares issued will be subject to a three-year lock-up plan.

Closing: The acquisition is expected to close in beginning of Q3 2022, subject to customary closing conditions as well as specific approvals of the Israel Medical Cannabis Agency (IMCA), the Toronto Stock Exchange (TSX), as well as the approval of the court in Israel.

Better is a pharmaceutical grade medical cannabis company, with leading expertise in cannabis cultivation, marketing, commercialization, and research of medical cannabis products for a variety of medical indications.

Better's leading brand, Better is driven by a unique genetic portfolio that is consistently in high demand among medical cannabis patients both in Israel and internationally. Better's advanced pesticide-free cultivation methods with both patient health and the environmental advantages. Better are pioneers in formulating cannabis into a medical product in Israel and the rest of the world. In clinical research regarding the treatment for refractory epilepsy in children and adolescents who have not responded to pharmacological treatment, patients supplied with Better's lead therapy strain EP1 had greater efficacy of reducing seizures and less adverse effects as compared to other medical cannabis-based products including Epidiolex.

The acquisition of Better is expected to further strengthen InterCure's leadership position in the pharmaceutical grade medical cannabis market. In addition, the acquisition is expected to create an immediate value creation opportunity with revenue synergies estimated at NIS 50 million for the upcoming year.

"Today's announcement is a major milestone in the cannabis industry," said **Alex Rabinovitch, InterCure CEO**, adding "InterCure and Better's combined business operations are expected to create a new force in the international cannabis industry that will further accelerate our global expansion plans and opportunities and the consolidation process. We believe our combined business strengths and capabilities will help us to connect more effectively with new and existing patients in Israel and internationally. Once we complete this acquisition, InterCure's portfolio will include additional leading brands, distribution network, and unique partnerships, positioning us to deliver sustainable value for all stakeholders."

Amos Cohen, InterCure CFO said: "InterCure is continuing its growth momentum while leading the consolidation of the medical cannabis market. This acquisition is a first of its kind and is another step in the implementation of our strategy and strengthens InterCure's position."

The Transaction is expected to close in Q3 2022, subject to customary closing conditions as well as specific approvals of the IMCA, the Toronto Stock Exchange as well as the approval of the court in Israel for the transaction.

About InterCure (dba Canndoc)

InterCure (dba Canndoc) (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) is the leading, profitable, and fastest growing cannabis company outside of North America. Canndoc, a wholly owned subsidiary of InterCure, is Israel's largest licensed cannabis producer and one of the first to offer Good Manufacturing Practices (GMP) certified and pharmaceutical-grade medical cannabis products. InterCure leverages its market leading distribution network, best in class international partnerships and a high-margin vertically integrated "seed-to-sale" model to lead the fastest growing cannabis global market outside of North America.

For more information, visit: <http://www.intercure.co>.

About Better

Better is a pioneer in the medical cannabis industry and a leader in its field. Since 2008, the company has been developing, growing and marketing cannabis strains dedicated to conditions and indications such as epilepsy, autism, chronic pain and cancer, and treats tens of thousands of patients every month. Since its inception, Better has been at the forefront of the medical cannabis field and has provided hundreds of thousands of documented treatments - a proven unique therapeutic data. Better operates two cultivation spaces with a commercial growth potential of over 3 tons of medical cannabis a year from unique, stable cannabis strains. Better has acquired a reputation as a leader in the cultivation of medical cannabis with advanced techniques that ensure safe, clean, and consistent quality cannabis products on the market. Pesticide free growing are Better's core principle and global point of differentiation, and this proprietary plant care regime from seed to harvest delivers the highest quality, consistent cannabis plants at economical cost.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects InterCure's current expectations regarding future events. The words "will", "expects", "intends" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information contained in this press release includes, but is not limited to: the successful completion of the acquisition, its expected consequences, the realization of any synergies, any accretion to EBITDA or financial metrics, competitive strengths, goals and expansion and growth plans, and its expansion strategy to major markets worldwide. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond InterCure's control, which 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: failure to complete the transaction, inability to satisfy the closing conditions of the transaction, inability to realize on expected synergies, not realizing any accretion to EBITDA and other financial metrics, changes in general economic, business and political conditions, changes in applicable laws, the Canadian regulatory landscapes and enforcement related to cannabis, changes in public opinion and perception of the cannabis industry, reliance on the expertise and judgment of senior management, as well as the factors discussed under the heading "Risk Factors" in Subversive Acquisition LP's final long form prospectus dated March 15, 2021, which is available on SEDAR at www.sedar.com and under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the registration statement on Form 20-F, filed with the Securities Exchange Commission on July 14, 2021, as amended August 3, 2021 and August 18, 2021. InterCure undertakes no 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.

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