

Parallel and Ceres Acquisition Corp. Announce Business Combination to Create a Publicly Traded U.S. Cannabis Well-Being Company

Transaction expected to fuel the growth of Parallel's U.S. footprint and enhance its mission to pioneer well-being and improve quality of life through cannabinoids

Beau Wrigley remaining as Chairman and CEO and Ceres Group Holdings' Scooter Braun to serve as a Special Advisor

Transaction values Parallel at an implied enterprise value of US\$1.884 billion¹

Investors commit to an over-subscribed US\$225 million private placement at closing; combined public company expected to have US\$430 million cash balance at closing

Ceres Acquisition Corp.'s CEO Joe Crouthers to become a director of the combined public company, with an additional slate of 4 independent directors with significant health and life sciences experience

Joint conference call to discuss the proposed transaction today at 9:00 a.m. ET

ATLANTA, GA and TORONTO, Ontario — February 22, 2021 – Parallel (the “Company”), one of the largest privately-held multi-state cannabis operators in the United States (U.S.) and Ceres Acquisition Corp. (“Ceres”) (NEO: CERE.U, CERE.WT; OTCQX: CERAF), a special purpose acquisition corporation (SPAC), today announced they have entered into a definitive business combination agreement involving a transaction that, if completed, would result in Parallel becoming a public company (the “Transaction”). In addition, a group of investors, led by Ceres and Parallel, have committed to participate in the Transaction through an over-subscribed private investment in public equity (“PIPE”) of US\$225 million. Subject to the satisfaction of Conditions (as defined below), the Transaction is expected to close in Summer 2021.

William “Beau” Wrigley Jr., Chairman and CEO of Parallel said: “We believe Parallel is ideally positioned for its next phase of growth, as we continue to build our presence in strategic markets and invest in innovation, R&D and the customer experience. Today’s milestone announcement is a testament to Parallel’s impressive growth to date, the strength of our business fundamentals, strong balance sheet, and above all, our unwavering commitment to further developing and enhancing our portfolio of cannabinoid products.

¹ All enterprise valuations included in this press release assume a \$10.00 valuation of the Ceres stock and that there are no redemptions from Ceres’ escrow account in connection with the closing of the business combination.

This transaction will enable Parallel to accelerate existing investments to transform not only our company but also the cannabis industry, as we seek to disrupt the more traditional beverage alcohol and healthcare spaces. As a public company, we will have access to capital to grow our national footprint through new licenses and M&A, improve our cultivation and production capacity, expand our established retail footprint, develop and launch rare cannabinoids products with therapeutic benefits, and conduct important clinical research in partnership with the University of Pittsburgh School of Medicine. We look forward to working with the Ceres team and benefiting from Scooter Braun’s expertise and extensive influencer network to reach our diverse consumers with creative omnichannel approaches that will fuel Parallel’s leadership in the cannabis industry.”

Joe Crouthers, Chairman and CEO of Ceres Acquisition Corp said: “Ceres’ deep cannabis and consumer experience, coupled with Scooter’s powerful network, makes Ceres an ideal partner for a well-positioned, well-led, high growth cannabis company like Parallel. The Ceres team has organized a set of truly unique resources that aims to open the top of the consumer awareness funnel and help fuel growth – from capital to cannabis to marketing to an extensive network in entertainment and access to consumers – we look forward to supporting Parallel’s transition to a publicly traded company.”

Scott “Scooter” Braun, Co-Founder of Ceres Group Holdings said: “I have carefully watched the cannabis industry and Parallel stands out as a leader in the space. With a culture of compliance and strong values, a commitment to social equity, and disciplined growth and innovation, I’m thrilled to work with Parallel. Together, Ceres and Parallel have the experience and reputation to drive growth and create value for all their stakeholders. Beau and his team stand out among the pack and bring to the table their deep experience and business acumen to run a public business of this size and I believe Parallel is primed for massive growth in the sector. I’m honored and excited for the opportunity.”

Summary of Transaction Terms

Ceres has agreed to acquire Parallel at an implied enterprise value of US\$1.884 billion, and has received commitments from a group of investors in an over-subscribed PIPE of US\$225 million at a price of US\$10.00 per share issuable immediately prior to, and conditional on, completion of this business combination with Parallel. Substantial investment in the PIPE came from existing Parallel and Ceres investors, as well as institutions and private family offices in both the U.S. and Canada. The proceeds of the PIPE are intended to be used to fund Parallel’s continued growth and market expansion.

Following the close of the Transaction and subject to shareholder approval, Beau Wrigley will continue to serve as Parallel's Chairman and CEO, Scooter Braun will serve as a Special Advisor, and the following individuals will constitute the Board of Directors:

- **Marina Bozilenko**, who has over 30 years of investment banking and other healthcare industry expertise and currently serves as Strategic Advisor to William Blair and Company, where she previously served as Managing Director and Head of Biotech & Pharma;
- **Kevin Douglas, M.D.**, a biopharmaceutical professional with over 15 years of U.S. and international industry experience, who currently serves as Medical Director of U.S. Rheumatology and Study Designated Physician/Therapeutic Medical Director at Abbvie, Inc.;
- **Sarah Hassan**, who was a founding partner of IM HealthScience and acting CFO through the sale of the company to Nestlé HealthScience in 2020, in addition to holding prior positions as a venture capital partner and fund manager;
- **Linda McGoldrick**, a global business strategy leader and policy expert in healthcare, who has spent her entire 30-year career working in senior executive and advisory roles, including as CEO and independent board member of numerous healthcare and life sciences companies;
- **Joe Crouthers**, Chairman and CEO of Ceres Acquisition Corp., who is a seasoned cannabis investor and entrepreneur who previously worked as a commodities trader and portfolio manager at Goldman Sachs; and
- **Phil Harris**, current General Counsel at Parallel, who has experience as a partner across several Chicago based global law firms, where he served as a practice leader and on the management and diversity committees.

This strong slate of expertise in wellness, healthcare, life sciences and branding represents a significant diversity of perspectives across the Board.

The combined publicly listed company is anticipated to have Class A Subordinate Voting Stock and Class B Multiple Voting Stock. The Class B Multiple Voting Stock will have 15 votes per share and will be held by Beau Wrigley and his affiliate entities upon close. The Class A Subordinate Voting Stock will have one vote per share and will be the publicly traded class of stock upon the closing of the Transaction.

The Transaction is subject to the satisfaction of certain conditions (the "Conditions"), including

but not limited to the approvals of U.S. state and local regulatory authorities, and the NEO Exchange and Canadian securities regulatory authority approvals, as well as certain third party consents. There can be no assurance that these conditions will be satisfied. The Transaction is also subject to Ceres shareholder approval and Parallel stockholder approval.

Parallel Investment Highlights

- **Proven Business Model, Attractive Valuation and Strong Fundamentals**
 - The Transaction values Parallel at an implied enterprise value of US\$1.884 billion with expected Net Revenues of US\$447 million in 2021.
 - Expected pro forma cash on hand of US\$430 million at close, including US\$225 million from the PIPE and US\$120 million of cash held in Ceres' escrow account assuming no redemptions.
 - Management team and infrastructure designed to scale for meaningful growth driven by ongoing supply chain innovation and market growth.
- **Strong Presence in High Growth Markets, Complemented by Omnichannel Platform**
 - Operations in five states that have potential to see significant growth in cannabis sales, including Florida, Pennsylvania, Massachusetts, Texas, and Nevada.
 - A total of 42 brick and mortar dispensaries drive brand recognition and opportunity to capitalize on market growth.
 - E-commerce infrastructure that supports the next phase of cannabis distribution, including online order-ahead, curbside pickup and home delivery sales, which is expected to drive strong net revenue generation.
- **Robust Research and Development ("R&D") Platform**
 - Parallel believes it is a leader in the production and commercialization of rare cannabinoids with significant therapeutic potential.
 - Parallel has developed cannabinoid research partnerships with renowned domestic and international research institutions.

- Proprietary and exclusive technologies provide supply and cost advantages over competitors, as well as an expanded portfolio of products with broader therapeutic applications.
- **Track Record of Strategic M&A and Partnerships**
 - Parallel has a demonstrated ability to consolidate, having successfully closed multiple transformative and accretive acquisitions which Parallel believes will enable it to efficiently build scale, create cost synergies, and provide new assets to drive growth.
 - Parallel intends to enter into a partnership with COOKIES, a collaboration that will strengthen the Company's presence in Las Vegas with a well-known consumer retail brand, subject to the review and approval of the Nevada Cannabis Compliance Board.
 - Parallel looks forward to leveraging Ceres' networks to drive meaningful business opportunities, including the founders of 72andSunny, MGMT, Red Light and others.
- **Dedication to Corporate Social Responsibility**
 - Parallel's commitment to corporate social responsibility ("CSR") is focused on cultivating well-being with intentionality to benefit our people, customers, communities and the industry at large. Through its many partnerships, Parallel drives CSR through meaningful actions that positively impact the communities where we live and work.
 - This includes partnerships with CultivatED, Cannacclusive, Minority Cannabis Business Association, and CannabisLAB. These collaborations enable Parallel to promote social equity, build community relations, and build upon the positive impact of the cannabis industry.
 - Internally, Parallel has created Employee Resource Groups, launched an employee-giving platform called Parallel Cares, and organized community clean-up efforts as Parallel associates strive to enrich their communities in many ways.
 - Parallel is proud of its diverse employee base, which includes 41% of positions held by females and 37% of positions held by minorities.

- **Unmatched Consumer Goods Expertise and Management Track Record**

- William “Beau” Wrigley Jr. is the former CEO of the Wm. Wrigley Jr. Company, and grew that company to over US\$5 billion in revenue with distribution in 180 countries before orchestrating its sale to Mars in 2008 for US\$23 billion.
- Scooter Braun is one of the entertainment industry’s most influential forces with a strong network in consumer industries broadly. His roster of management clients, including some of the biggest pop-culture icons in the world, has a significant fanbase globally across multiple generations, which are increasingly viewing cannabis through a wellness lens.
- The broader management team has decades of consumer goods, retail, financial services and healthcare experience with both public and private companies.

Advisors

Perella Weinberg Partners LP is serving as financial advisor and Greenberg Traurig LLP and Aird & Berlis LLP are serving as legal advisors to Parallel. Canaccord Genuity Corp. is serving as financial and capital markets advisor and Manatt, Phelps & Phillips, LLP and Stikeman Elliott LLP are serving as legal advisors to Ceres.

Conference Call Information

A call regarding the proposed merger will take place at 9:00 a.m. ET today, February 22, 2021. The call may be accessed by dialing (855)-480-0897 for domestic callers or (469)-565-9982 for international callers. The conference ID is 4779728. Please dial in at least five minutes prior to the start of the call.

A webcast of the call, along with this press release and the investor presentation are available in the “investor” section of the Parallel website at www.liveparallel.com and Ceres Acquisition Corp.’s website at www.ceresacquisition.com.

Additional Information

Ceres has filed today an investor presentation which describes in more detail the proposed transaction and provides a business overview of Parallel. The presentation is available under Ceres’s profile on www.sedar.com and on the U.S. Securities Exchange Commission’s (the “SEC”) website at <http://www.sec.gov>, as well as on Ceres’ website, www.ceresacquisition.com.

Ceres expects to file with the Canadian securities regulatory authorities in each of the provinces and territories of Canada, except Quebec, a non-offering prospectus containing disclosure regarding, among other things, the Transaction and Parallel assuming completion of the Transaction. Investors and security holders may obtain a copy of the definitive agreements for the Transaction and the prospectus, when filed, under Ceres's profile on the SEDAR website at www.sedar.com.

In connection with the Transaction, Ceres is expected to file a Form S-4 with the SEC and an information circular with Canadian securities regulators. Ceres and Parallel urge investors, stockholders and other interested persons to read, when available, the Form S-4, including the preliminary prospectus and amendments thereto and the definitive prospectus, as well as other documents to be filed with the SEC and documents (including the prospectus and information circular) to be filed with Canadian securities regulatory authorities in connection with the Transaction, as these materials will contain important information about Ceres, Parallel, the combined public company and the Transaction. Ceres also will file other documents regarding the Transaction with the SEC. Investors and security holders will be able to obtain free copies of the proxy statement and all other relevant documents filed or that will be filed with the SEC by Ceres through the website maintained by the SEC at www.sec.gov. In addition, the documents filed by Ceres may be obtained free of charge from Ceres' website at www.ceresacquisition.com or by written request to Ceres at Ceres Acquisition Corp., 1925 Century Park East, Los Angeles, California, United States 90067.

The financial information and data contained in this press release is unaudited and does not conform to Regulation S-X promulgated by the SEC. Accordingly, such information and data may not be included in, may be adjusted in, or may be presented differently in, any proxy statement, prospectus or registration statement or other report or document to be filed or furnished by Ceres, Parallel or any entity that is party to the proposed Transaction with the SEC.

Forward Looking Statements

Certain information in this press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation and U.S. securities law (referred to herein as forward-looking statements), including statements regarding the Transaction and expected future growth. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include, but are not limited to, statements related to activities, events or developments that Parallel or Ceres expects or anticipates will or may occur in the future, statements related to Parallel's

business strategy objectives and goals, and Parallel's management's assessment of future plans and operations which are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Forward-looking statements can often be identified by the use of words such as "may", "will", "could", "would", "anticipate", "believe", "expect", "intend", "potential", "estimate", "budget", "scheduled", "plans", "planned", "forecasts", "goals" and similar expressions or the negatives thereof. Such statements are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 and are based on Parallel's management's belief or interpretation of information currently available. Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements in this press release includes statements regarding: the Transaction; Parallel's expansion strategy and plans to grow its market share in existing and new markets; Parallel's investment in new technologies and products; the development and expansion of Parallel's brands; and strategic acquisition opportunities. Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such information is provided, and forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. There can be no assurance that the transactions described herein will be completed or that, if completed, the combined public company will be successful.

Risk factors that could cause actual results, performance or achievement to differ materially from those indicated in the forward-looking statements include, but are not limited to the following: (i) the risk that the Transaction may not be completed in a timely manner or at all, which may adversely affect the price of Ceres' securities, (ii) the risk that the Transaction may not be completed by Ceres' qualifying transaction deadline and the potential failure to obtain an extension of the qualifying transaction deadline if sought by Ceres, (iii) the failure to satisfy the conditions to the consummation of the Transaction, including the approval of the Transaction by the stockholders of Ceres and Parallel, as applicable, the satisfaction of the minimum trust account amount following any redemptions by Ceres' shareholders and the receipt of certain governmental and regulatory approvals, (iv) the lack of a third party valuation in determining whether or not to pursue the proposed Transaction, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the business combination agreement, (vi) the impact of COVID-19 on Parallel's business and/or the ability of the parties to complete the proposed Transaction, (vii) the effect of the announcement or pendency of the Transaction on Parallel's business relationships, performance, and business generally, (viii) risks that the proposed Transaction disrupts current plans and operations of Parallel and potential difficulties in Parallel employee retention as a result of the proposed

Transaction, (ix) the outcome of any legal proceedings that may be instituted against Parallel or Ceres or their respective, directors, officers and affiliates related to the proposed Transaction, (x) the risk that the combined public company's securities will not be approved for listing on the NEO Exchange or, if approved, that the combined public company will be able to maintain the listing, (xi) the price of Ceres' and the combined public company's securities may be volatile due to a variety of factors, including changes in the competitive and highly regulated industries in which Parallel operates, variations in performance across competitors, changes in laws and regulations affecting Parallel's business and changes in the combined capital structure and a return on securities of the combined public company is not guaranteed, (xii) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed Transaction, and identify and realize additional opportunities, (xiii) the risk of downturns and the possibility of rapid change in the highly competitive industry in which Parallel operates, (xiv) the risk that Parallel and its current and future collaborators are unable to successfully develop and commercialize Parallel's products, brands or services, or experience significant delays in doing so, (xv) the risk that the combined public company may never sustain profitability, (xvi) the risk that the combined public company will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all, (xvii) the risk that the combined public company experiences difficulties in managing its growth and expanding operations, (xviii) the risk that the pharmaceutical industry may attempt to dominate the cannabis industry , and in particular, legal marijuana, through the development and distribution of synthetic products which emulate the effects and treatment of organic marijuana, (xix) the agricultural risks related to insects, plant diseases, unstable growing conditions, water and electricity availability and cost, (xx) the risk that may arise because cannabis continues to be a controlled substance under the United States Federal Controlled Substances Act, (xxi) the risk of product liability or regulatory lawsuits or proceedings relating to Parallel's products and services, (xxii) the risk that the combined public company is unable to secure or protect its intellectual property, (xxiii) tax risks, including U.S. federal income tax treatment, (xxiv) risks relating to the reliance of Parallel on key members of management, (xxv) risks inherent in businesses related to the agricultural industry , (xxvi) risks relating to potentially unfavorable publicity or consumer perception , (xxvi) Parallel may be subject to the risk of competition from synthetic production and technological advances, (xxvii) investors in the combined public company and its directors, officers and employees who are not U.S. citizens may be denied entry into the United States, (xxviii) product recalls, (xxix) results of future clinical research, (xxx) difficulty attracting and retaining personnel, (xxxi) fraudulent or illegal activity by employees, contractors and consultants; information technology systems and cyber-attacks, (xxxii) security breaches, (xxxiii) natural disasters and terrorism risk, (xxxiv) restricted access to banking, (xxxv) risks related to the lending facilities, (xxxvi) risks of leverage, (xxxvii) heightened scrutiny by regulatory authorities, (xlvi) risk of legal, regulatory or political

change, (xlvii) general regulatory and licensing risks, (xlviii) Parallel and the combined public company may be subject to the risk of changes in Canadian as well as U.S. federal, state and local laws or regulations, (xlix) limitations on ownership of licenses, (l) Nevada regulatory regime and transfer and grant of licenses, (li) regulatory action and approvals from the FDA, (lii) constraints on marketing products, (liii) anti-money laundering laws and regulation, (liv) the combined public company's status as an "Emerging Growth Company" under United States securities laws, (lv) discretion in the use of proceeds, (lvi) subsequent offerings will result in dilution to shareholders of the combined public company, (lvii) voting control, and (lviii) unpredictability caused by capital structure and voting control. Readers are cautioned that the foregoing list is not exhaustive.

Parallel and Ceres undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

U.S. Disclaimer

Neither the securities of Ceres nor of Parallel have been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered and sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

Any securities of either Ceres or Parallel sold in the United States will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. Such securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.

About Parallel

Parallel is one of the largest privately-held, vertically-integrated, multi-state cannabis companies in the world with a mission to pioneer well-being and improve the quality of life through cannabinoids. Parallel owns and operates retail dispensaries in four medical and adult-use markets: Surterra Wellness in [Florida](#) and [Texas](#); [New England Treatment Access](#) (NETA) in Massachusetts, and [The Apothecary Shoppe](#) in Nevada. Parallel also has a license under its Goodblend brand in Pennsylvania for vertically-integrated operations and up to six retail locations, in addition to a medical cannabis research partnership with the University of Pittsburgh School of Medicine. The Company has a diverse portfolio of high quality, proprietary and licensed consumer brands and products including *Surterra Wellness*, *Coral Reefer*, *Float* and

Heights. Parallel operates approximately 50 retail stores nationwide, including cultivation and manufacturing sites across the four states. The Company, through its Parallel Biosciences division, conducts advanced cannabis science and conducts R&D for new product development in its facilities in Texas, Massachusetts, Florida, and Budapest, Hungary. Parallel follows rigorous operations and business practices to ensure the quality, safety, consistency and efficacy of its products and is building its business by following strong values and putting the well-being of its customers and associates first. Find more information at www.liveParallel.com, or on [Instagram](#) and [LinkedIn](#). Any information accessed through Parallel's website, Instagram or LinkedIn is not incorporated by reference into, and is not part of, this document.

About Ceres Acquisition Corp.

Ceres is a recently organized special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination. For further information on Ceres please visit our [website](#) or you can find us on [LinkedIn](#) , [Twitter](#) and [Instagram](#).

Contacts

Parallel Media:

Taylor Foxman-Weiner

tfoxman@liveparallel.com

Parallel Investors:

Parallel@fticonsulting.com

Ceres:

Briana Chester

Ceres@mattio.com