

**Sales and Investment Solicitation Process – Division 1 Proposal  
Acquisition Opportunity: Dynaleo Inc.  
Cannabis – Infused Edibles Manufacturing, in Nisku, Alberta**

# **Innovative gummy solutions**

**Premier, State of the Art, Edibles Manufacturing Facility, in Nisku, Alberta**

**Dynaleo**

**Bid Deadline: June 23, 2023**

**Harris &  
Partners**

# Investment or Asset Acquisition Opportunity

## Company Background

Dynaleo Inc. (“**Dynaleo**” or the “**Company**”) is a business that offers cannabis infused edible products with a state of the art facility in Nisku, Alberta. In 2019, the Company began an extensive project, constructing an approximately 26,000 square foot leased facility, including licensed production and packaging rooms, QA offices, a vault and multiple ingredient/storage rooms. The non-licensed space consists of office space, maintenance shop, board room, lunch and training room, change rooms and a gowning area. Upon completion of the leasehold improvements, and receiving the required Health Canada licenses, the Company began operations in 2021.

Dynaleo’s head office is located at 3365 11 Street, Nisku, AB (the “**Leased Premises**”) and it shared the facility with a related company, Dynaleo Services Inc. (“**Dynaleo Services**”). This leased facility is well-located, in the warehouse district of Nisku, AB and perfectly situated for a manufacturing business.

The Company’s assets (the “**Assets**”) primarily consist of extensive tenant improvements related to the construction of the facility, high end manufacturing equipment, including production and manufacturing equipment for producing gummies, sorting equipment, packaging and labelling machinery.

Dynaleo boasts superior, state-of-the-art facilities, that provide an opportunity for profitability and growth in the future. This “turn-key ready” facility is considered a very rare find and an exciting purchase opportunity for any interested buyer.

The Company’s assets can produce up to 50,000 gummies per hour and labelling capability in the range of 1,200 to 1,800 packaged bags per hour depending on the size.

## Court Process

On May 23, 2023, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”). On May 30, 2023, the Honourable D.B. Nixon of the Court of King’s Bench of Alberta (the “**Court**”) granted an Order (the “**SISP Order**”) in the NOI Proceedings which, among other things, authorized the Companies, with the assistance of the Proposal Trustee, to pursue all avenues of sale of or investment in their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.

Further information regarding the SISP can be found on the following page or on HPI’s website at [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

## Acquisition Highlights



### Licenses

- Standard Processing license to produce and sell Edibles, Plants/Seeds, Dried/Fresh, Extracts and Topicals
- Research license to conduct sensory testing onsite



### Facilities

- The leased facility offers ~26,000 square feet of space including several storage and temperature-controlled spaces.
- The facility is located in bays 2 and 3 of the building, which offers ample offices and storage space.
- The furnishings within the facility are of high-end quality and include extensive leasehold improvements.



### Equipment

- All equipment required for end-to-end production and packaging of gummies are of recent age and in very good condition.
- The equipment can produce cannabis infused and non-infused gummies without modification.

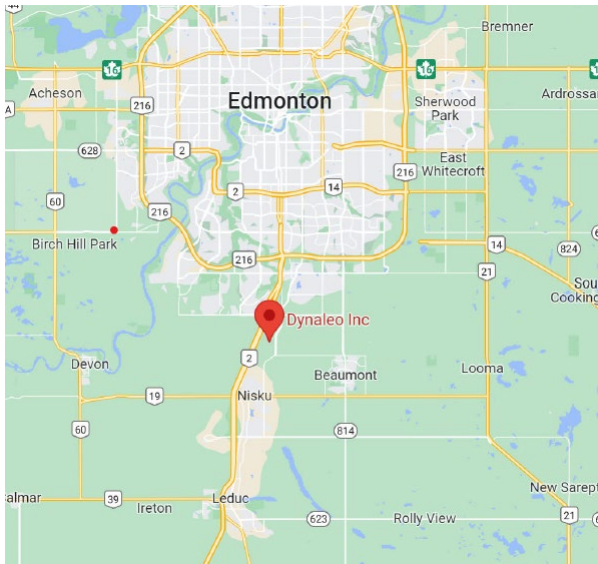


# Location Details

## Location Details

**Nisku Facility**  
Address: #2 and #3 – 3365 11 Street, Nisku, AB  
Facility Size: 26,000 square feet

## Location Map



## Facility Photos



*Note: Approximate outline of leased space*

# Developed Recreational and Wellness Brands

## THC ONLY



Blue Raspberry Soft Chews 5mg THC x 2  
 Mango Tangerine Soft Chews 2mg THC x 5  
 Sour Cherry Soft Chews 1mg THC x 10  
 Watermelon Lemonade Soft Chews 2mg THC x 5  
 Wild Strawberry Soft Chews 2mg THC x 5

## CBD:THC



CBD:THC Blood Orange 5:1 Soft Chews 5mg CBD : 1mg THC x 10  
 CBD:THC Cola 1:1 Soft Chews 5mg CBD:5mg THC x 2  
 CBD:THC Fruit Stand Variety 10:1 Soft Chews 10mg CBD : 1mg THC x 10  
 CBD:THC Orange Vanilla 1:1 Soft Chews 5mg CBD:5mg CBD x 2

## CBD ONLY



Apple Cider CBD Soft Chews 10ma CBD x 30  
 Blueberry Acai CBD Soft Chews 25mg CBD x 30  
 Pomegranate CBD Soft Chews 10mg CBD x 30  
 Pomegranate CBD Soft Chews 10mg CBD x 60

## MINOR CANNABINOIDS



CBG:CBD Asian Pear 1:1 Soft Chews 10mg CBG:10mg CBD x 30  
 CBN:CBN Lemon Ginger 2:1 Soft Chews 5mg CBD : 10mg CBD x 30



DELTA 8 : THC Solar Punch 10:1 Soft Chews 10mg Delta 8:1mg THC x 10  
 CBN:THC Blueberry Moon 2:1 Soft Chews 2mg CBN:1mg THC x 10

Dynathrive, Pocket Fives, and Sunshower are the 4th largest edibles business in Canada, available in all key markets (BC, AB, SK, MB, ON).

FY 22 Revenue: \$5.9 MM  
 FY 23 Revenue (4 months Jan - Apr): \$2.2 MM

Note: SKU availability by market varies

# Investment or Purchase Process and Next Steps

## Next Steps

HPI is conducting the SISP in accordance with the SISP Order. The respective SISP documents can be found on the Proposal Trustee's website: [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

The SISP is intended to solicit interest in an investment in the business or completing a transaction of all or substantially all of the Company's Assets as defined on page 2. The SISP is conducted on an "**as is where is**" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Proposal Trustee or the Company whatsoever.

All qualified interested parties will be provided with an opportunity to participate in the SISP and are required to execute a Non-Disclosure Agreement that accompanies this Teaser to receive access to a data room with additional information. Please contact a representative of the Proposal Trustee listed below for further information.

Per the SISP, any interested party must abide by the following:

- **Phase I Non-Binding Bid Deadline:** 5:00pm (Calgary Time) on **June 23, 2023**
- **Phase II Binding Bid Deadline:** 5:00pm (Calgary Time) on **July 7, 2023**

HPI reserves the right at any time to amend or terminate these SISP procedures, to decline an interested party the ability to participate in the process, to terminate the discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

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