



Bright Green Announces Third Quarter 2022 Financial Update and Milestone Progress

November 14, 2022

Bright Green reaches several key milestones, advancing progress against its strategic plan

Company remains on track to start cultivation by the end of the year

GRANTS, N.M., Nov. 14, 2022 (GLOBE NEWSWIRE) -- Bright Green Corporation (Nasdaq: BGXX) ("Bright Green" or "the Company"), one of few companies selected by the U.S. government to grow, manufacture, and sell, legally under federal and state laws, cannabis and cannabis-related products for research, pharmaceutical applications and affiliated export, today reported financial results for the quarter ended September 30, 2022.

"This quarter, Bright Green reached several key operational and strategic milestones validating our plan to become the premier federally authorized provider of cannabis and cannabis-derived products for the pharmaceutical industry," said Bright Green Chief Executive Officer and Chairman of the Board, Terry Rafih. "We are encouraged by the U.S. Drug Enforcement Administration's (DEA) visit to our state-of-the-art agricultural complex in Grants, New Mexico earlier this fall, and – pending their final validation and approval – we expect to start cultivation by the end of the year."

Mr. Rafih continued, "Coupled with our strategic partnership and partial acquisition of Alterola Biotech and the expansion of our Scientific Advisory Board with leaders deeply rooted in both the biotech and cannabis industries, we are well-positioned with the right talent, expertise and facility to capitalize on the growing demand for federally approved cannabis. We look forward to sharing further updates on our progress in the coming months."

Strategic Highlights for Third Quarter 2022

- In August 2022, Bright Green [signed](#) a letter of intent with [Alterola Biotech Inc.](#), a U.K.-based pharmaceutical company focused on developing cannabinoid and cannabinoid-like medicines and products, to enter into a strategic partnership and for the initial 25% acquisition of Alterola's issued and outstanding common stock for total consideration of \$4 million.
 - Following the quarter close, Bright Green [completed](#) its initial 25% acquisition of Alterola, and shared that it may exercise its option to purchase Alterola's remaining issued and outstanding common stock for an additional \$6 million in cash and \$40 million in stock, for a total enterprise value of \$50 million.
 - Under the strategic partnership, Alterola gains access to Bright Green's planned cannabis and cannabis extracts, derivatives, products and research services. In turn, Bright Green benefits from Alterola's established industry relationships and sector expertise.
- In September 2022, the U.S. DEA [completed](#) a site visit and audit of Bright Green's world-class agricultural facility in Grants, New Mexico, including both completed greenhouses and manufacturing facilities, as well as those currently under construction.
 - During the visit, DEA officials requested that the Company satisfy a few remaining items, including installation of oil extraction equipment and elements to ensure security and production readiness. Following the DEA's follow-up visit and anticipated approval of the facility this year, the Company is prepared to start cultivation by the end of the year.
 - Concurrent with the above efforts, Bright Green has signed equipment and service agreements with leading industry partners in preparation for cultivation and extraction.
- In September 2022, Bright Green [entered](#) into a Securities Purchase Agreement with certain institutional and accredited investors in a private placement offering for the sale by the Company of approximately (i) 9.5 million shares of common stock and (ii) warrants to purchase up to an aggregate of 9.5 million shares of common stock.
 - The offering [closed](#) on September 12, 2022. The Company received gross proceeds of approximately \$10 million before deducting transaction related fees and expenses payable by the Company.
- After the quarter close, Bright Green [announced](#) the expansion of its Scientific Advisory Board ("SAB") with the appointment of five biotech and pharmaceutical industry leaders with the expertise necessary to position the Company for long-term growth:
 - Colin Stott, Chief Operating Officer at Alterola Biotech, who will serve as SAB Chairman;
 - Guy Webber, founder of DPMK Services;
 - Dominic Schiller, founder and CEO of Equipped 4 Holdings Limited;
 - Tamás Bíró, MD, PhD, DSc and Professor of Physiology, Neurobiology, and Immunology; and
 - Brian Thomas, a former medical researcher with over 28 years of experience as a Principal Investigator on National Institute on Drug Abuse research.
- After the quarter close, Bright Green submitted a letter to the U.S. DEA, affirming the Company's support for President

Biden's October 6, 2022 [statement](#) on marijuana reform. In its letter, Bright Green offers the DEA its unique expertise as a resource to aid it in the potential reclassification of cannabis for medical use from Schedule I of the Controlled Substances Act to Schedule II or Schedule III.

- After the quarter close, Bright Green and LDS Capital LLC, a related party, increased the line of credit by \$10.0 million, from \$5.0 million to \$15.0 million. There were no changes to any other terms. The increased amount allows Bright Green to operate and execute on its business plan.

Financial Highlights for Third Quarter 2022

- The Company recorded no revenues for the quarter, as it continues to build facilities to grow, research and distribute cannabis, pending DEA inspection, registration, and quota approvals.
- Total operating expenses of \$5.8 million, up from \$0.6 million in the same quarter of 2021, in line with expectations and resulting mainly from payments to support the continued scaling of Bright Green's operations, including professional fees paid for the partial acquisition of Alterola, salaries and equity compensation, and ramp-up expenses incurred towards commercialization.
- Net loss of \$5.8 million, in line with expectations.
- Basic and diluted loss per share of \$0.04 for the quarter.

Balance Sheet and Capital Allocation

- As of September 30, 2022, the Company had cash of \$4.06 million, an increase from its cash position of \$178,973 at the end of June 30, 2022.
- Total liquidity of \$17.08 million, including the remaining balance on the credit facility executed with a related party, LDS Capital LLC, as amended, of approximately \$13.02 million.
- During the third quarter of 2022, Bright Green received cash proceeds of \$9.1 million from the sales of common stock and warrants, as well as drew and paid down approximately \$1.5 million on the LDS Capital LLC line of credit. This increase was partly offset by the use of funds for the construction in progress, deposits for equipment, and costs associated with regulatory filings.

Bright Green's balance sheet and statement of operations are provided below. Additional information is included in the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2022, which can be accessed at: <https://investors.brightgreen.us/news-events/news-releases>

About Bright Green

Bright Green is one of the very few companies selected by the US government to grow, manufacture, and sell, legally under federal and state laws, cannabis and cannabis-related products for research, pharmaceutical applications and affiliated export. Our conditional approval based on already agreed terms from the U.S. Drug Enforcement Administration gives us the opportunity to advance our vision of improving quality of life through the opportunities presented by cannabis-derived therapies. To learn more, visit www.brightgreen.us.

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Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management as of such date. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall" and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control, including those related to the consummation of transactions with Alterola, the final terms of proposed financing arrangements and receipt of final regulatory approvals. The Company's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in the Company's Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the "SEC") on March 29, 2022 and declared effective May 13, 2022, and in the Company's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2022, as well as other documents that may be filed by the Company from time to time with the SEC. The forward-looking statements included in this press release represent the Company's views as of the date of this press release. The Company anticipates that subsequent events and developments will cause its views to change. The Company undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release. Additional information regarding these and other factors that could affect the Company's results is included in the Company's SEC filings, which may be obtained by visiting the SEC's website at www.sec.gov.