



## ***SOL Global Reports Second Quarter Results for the Three and Six-Month Period Ending September 30, 2019***

### ***Invested Amount in Key Assets Including Heavenly Rx And Florida Cannabis Operations***

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TORONTO--(BUSINESS WIRE)--SOL Global Investments Corp. ("**SOL Global**" or "**Company**") (CSE: SOL) (OTCPK: SOLCF) (Frankfurt: 9SB) released its financial results as at and for the three and six-month period ended September 30, 2019. All figures are reported in Canadian dollars (\$), unless otherwise indicated.

Despite market-wide volatility, SOL Global held fast to its strategic direction and deepened its investments in the Florida cannabis market via One Plant Florida, formerly 3 Boys Farm, LLC. With the goal of producing the highest quality flower in the State of Florida, SOL Global invested an additional \$8 million dollars USD into One Plant Florida to fund strategic initiatives to meet that goal, including the construction of its previously announced expansion of cultivation and processing facilities in Indiantown, the addition of a fleet of delivery vehicles, and the buildout of retail dispensaries in key retail corridors including the opening of the first dispensary in Boynton Beach, Florida on November 6, 2019. During the three-month period ended September 30, 2019, SOL Global and its competitors were affected by industry-wide material market challenges across the cannabis and CBD sectors. The Company plans to continue focusing its efforts and investments on its California and Florida operations to provide value to its shareholders.

#### **Corporate Highlights:**

##### **One Plant Opens First Retail Dispensary in Boynton Beach, Florida And Sets The Bar For Premium Flower Sales With The Launch of Mac1**

In the last three months, One Plant completed strategic upgrades to their operations team and their Ruskin, Florida facilities to scale up for the launch of state-wide medicinal cannabis sales via its proprietary home delivery system and retail dispensaries in key retail corridors. Since the opening of the first retail location in Boynton Beach on November 6, 2019, the store has experienced week over week gains in new patients, sales and market share in the local area. Unaudited sales figures from the store show a consistent week over week growth in revenue averaging 30% with patient on-boarding increasing at an average of 26% week over week.

Based on data from the Florida Office of Medical Marijuana Use, the launch of One Plant's first premium strain, Mac1, set a record for the premium flower sold at the highest price point in the state, further validating the One Plant business model and approach of focusing on producing the highest quality flower in the state. The cultivation of Mac1 was led by One Plant's Chris Keller and Mike Nee (aka PBud) and we expect additional premium ChemD strains to launch in December 2019 and throughout 2020.

##### **One Plant Enjoys Consistent Growth and Demonstrates Scalability of Proprietary Home Delivery Model**

One Plant launched its propriety home delivery model in early July 2019 and has seen continued week over week delivery growth of 20% or more, week over week patient on-boarding of 20% or more, and over a 300% increase in call volumes and orders from patients in Florida ever since, in each case on an unaudited basis. Delivery sales figures combined with in-store sales (on an unaudited basis) clearly detail the achievement of becoming a top producer of medicinal cannabis and demonstrate the success in offering widely sought after high-quality cannabis strains.

With less capital expenditure, One Plant's efficiently scaled operations focus on their proprietary delivery model and strategically located retail locations.

Comparing One Plant to the brands below one shows a heavy reliance of One Plant's competitors on retail. In each instance of paring the number of dispensaries to sales figures, the numbers show the One Plant difference in creating value by focusing on their proprietary delivery model and keeping capital expenditures to a minimum by not undertaking expensive build-outs of retail locations. For example, based upon the Florida Office of Medical Marijuana Use weekly update dated November 22, 2019, One Plant performed as follows (based on unaudited sales figures of One Plant):

- **One Plant vs Surterra | Dispensary's: 1 vs 36 | Flower Sales: One Plant had 94.2% of Surterra's flower sales with just 2.7% of Suterra's dispensary locations;**
- **One Plant vs Curaleaf | Dispensary's: 1 vs 27 | Flower Sales: One Plant had 24.9% of Curaleaf's flower sales with just 3.7% their dispensary locations;**
- **One Plant vs VidaCann | Dispensary's: 1 vs 13 | Flower Sales: One Plant had 123% of VidaCann's flower sales with just 7.6% of their dispensary locations**
- **One Plant vs Harvest | Dispensary's: 1 vs 6 | Flower Sales: One Plant had 62.5% of Harvest flower sales with just 16.7% their dispensary locations;**
- **One Plant vs GTI | Dispensary's: 1 vs 6 | Flower: One Plant had 77.3% of GTI's flower sales with just 16.7% of their dispensary locations.**

#### **One Plant Obtains GMP and GAP Approvals for Ruskin Cultivation and Processing Facility**

One Plant Inc obtained Good Agricultural Practices-Farm (GAP) and Good Manufacturing Processing (GMP) approvals for its state-of-the-art cannabis cultivation facility in Ruskin, Florida with 100% scores on both. SOL Global completed its acquisition of 3 Boys Farms, LLC in April 2019 through the closing of its purchase of 3 Boys Farms, LLC's indirect parent company CannCure Investments Inc.

#### **HeavenlyRx To Go Public**

SOL Global's 40.7% owned portfolio company Heavenly Rx Ltd. ("**Heavenly Rx**") has entered into a memorandum of understanding ("**MOU**") with the US NASDAQ listed public company, Therapix Biosciences Ltd (NASDAQ: TRPX), a specialty clinical-stage pharmaceutical company with a portfolio of technologies and assets based on cannabinoid pharmaceuticals. Pursuant to the MOU, HeavenlyRx and Therapix will negotiate a definitive agreement for a business combination between the two companies, constituting a reverse takeover of Therapix by Heavenly Rx. Subject to successful completion of the proposed business combination, the parties intend to rename the company Heavenly Rx Ltd. with Heavenly Rx CEO Mr. Norman serving as Chief Executive Officer of the combined business. There are no assurances that the proposed transaction will be completed or at all.

#### **SOL Global Assets Torque Esports and Frankly to Merge**

Two of SOL Global's non-cannabis investments, Torque Esports Corp. (TSX-V: GAME) ("**Torque**") of which the Company presently owns 9% of its common shares, and Frankly Inc. ("**Frankly**") (TSX-V: TLK) of which the Company presently owns 13.8% of its common shares, have agreed to merge with a third company, WinView, Inc. ("**WinView**") in a triple-merger. The announcement comes at a pivotal moment for esports, live television and video entertainment. The combined entity, to be called Engine Media Holdings, Inc. ("**ENGINE**") will form an integrated news, gaming, and esports platform that will amongst other things bring esports competitions to larger audiences and have unique offerings for the massive cross-markets of streaming and gaming. WinView Executive Chairman Tom Rogers, best known for founding CNBC and then CEO of TIVO, will serve as Executive Chairman of the new entity. There are no assurances that the proposed transaction will be completed or at all.

#### **Independent Valuation Expected Before Year-End**

As noted in previous news releases, the Company engaged Duff & Phelps Canada Limited, a prominent valuation firm, to conduct a full valuation of the Company's investments. Their independent valuation is expected to be complete before year-end after which a news release of its results will be issued to the market. The delay in issuing the report was due to several changes in SOL

Global's investments during the period including the termination of the MCP Wellness transaction, the expansion of Heavenly's business to include its pending transaction with Therapix, the three-party merger between Torque-Frankly-Winview and additional private company investments.

### **The Three-Month and Six-Month Period Ended September 30, 2019 Financial Details:**

As previously noted, for financial statement purposes, SOL Global reports as an investment company under International Financial Reporting Standards. As such, all investments, no matter the ownership percentage held by SOL Global are marked to market for every reporting period. SOL Global's losses reflect changes in the values of its underlying investments and are not directly a result of the actual financial results of the underlying investee companies.

During the three-month and six-month period ended September 30, 2019, SOL Global recorded a loss from continuing operations of \$51.3 million and \$94.8 million, respectively compared to a gain of \$154.3 million and \$150.9 million, respectively for the same period in the prior year. Of the total \$94.8 million loss from continuing operations for the six-month period ended September 30, 2019, \$74.2 million, or 78% is a result of SOL Global's investment in Verano Holdings Inc. ("Verano"). Early in 2019, Verano announced a merger agreement with the public company Harvest Health & Recreation Inc. ("Harvest"). As a result of this merger agreement, the price of the Company's investment in Verano is linked to the value of the underlying Harvest shares that the Company will receive should the publicly announced merger close. As the value of the Harvest shares decreased significantly from April 1, 2019 to September 30, 2019, the Company recorded an unrealized loss of \$74.2 million on its Verano investment. The remaining loss is primarily attributed to changes in the Company's other cannabis related investments.

### **Executive Commentary:**

"Although most cannabis companies struggled during this period, we set ourselves apart by closing in on one of the fastest growing U.S. markets," said SOL Global CEO Brady Cobb. "Our One Plant Florida operations have experienced tremendous growth, while reshaping how cannabis is delivered to patients. We will continue to focus on these operations and deliver the highest-quality products to Florida's patients."

"We are disappointed in the volatility of certain core portfolio holdings which had significant negative impact on our NAV, however we continue to stand by those investments and their long-term value creation. Our stock has had a larger decline than others but traditionally an investment holding company trades at a discount to operating companies. That, coupled with 1 or 2 of our core holdings having larger price declines than expected due to HSR delays has had the majority of impact on our NAV decline."

"On a positive note, the decline is unrealized and we believe we will garner better than expected returns for stockholders as the deals close and accretive operations are implemented."

"We also continued to diversify our holdings over the last few quarters with a primary focus in esports and digital streaming with investments in Frankly Inc. and Torque Esports which recently announced their merger with Win View Games. The merged company will be run by CNBC Founder and former NBC President and TIVO CEO Tom Rogers in his new position as Executive Chairman. This deal, which was brought together by our investment team, illustrates our strength in recognizing value in individual assets but also the foresight to cohesively align and bring investments together in order to maximize shareholder value by looking outside of the box. The esports industry marketing size is set to surpass the \$1 billion dollar revenue mark in 2019 according to NewZoo at a time when streaming is taking over cable providers. I'm personally excited to see this investment play out and am proud of our investment team for finding the opportunity in both Torque and Frankly and bringing them to another level. "

### **Corporate Update:**

To clarify some previous confusion, the Company intends to complete a transaction for the sale of 3 Boys Farms, LLC within 2 years of the closing date of its acquisition. In the event that a sale of 3 Boys Farms, LLC does not occur within the two year timeframe, only then would the Company be required to compensate the former CannCure shareholders US\$80,000,000.. In addition, the US\$80 million would only apply should the two year period expire without a sale of 3 Boys Farms, LLC. Should a sale occur within the two-year period, the CannCure shareholders will be compensated an amount that is consistent with current market conditions, which will likely less than the USD \$80 million figure.

### **About SOL Global Investments Corp.**

SOL Global is an international investment company with a focus on, but not limited to, cannabis and cannabis related companies in legal U.S. states, the hemp and CBD marketplaces and the emerging European cannabis and hemp marketplaces. Its strategic

investments and partnerships across cultivation, distribution and retail complement the company's R&D program with the University of Miami. It is this comprehensive approach that is positioning SOL Global as a future frontrunner in the United States' medical cannabis industry.

## **Advisory on Forward-Looking Information**

*This press release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking information contained herein include, but are not limited to, information relating to the Company's strategic plans and business including the expected launch of additional premium One Plant strains, the proposed transaction between Heavenly Rx and Therapix, the proposed transaction between Torque, Frankly and WinView, the completion and disclosure of the valuation of the Company's assets by Duff & Phelps and the Company's plans to sell 3 Boys Farms at a future date.*

*By nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this press release. Such factors include, but are not limited to: the Company's ability to comply with all applicable governmental regulations in a highly regulated business; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US federal laws; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; inconsistent public opinion and perception regarding the medical-use and adult-use marijuana industry; and regulatory or political change. Additional risk factors can also be found in the Company's current MD&A, which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).*

*Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information. The forward-looking information contained herein is made as of the date of this press release and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.*

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