

## SOL Global Provides General Operations Update for February 2021

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TORONTO--(BUSINESS WIRE)--SOL Global Investments Corp. ("**SOL Global**" or the "**Company**") (CSE: SOL) (OTCPK: SOLCF) (Frankfurt: 9SB) today provides a general operations update regarding the Company's investment portfolio and assets and announces that it has commenced litigation against its lender.

### Verano Holdings Transaction

As previously disclosed, the Company is pleased to announce that Verano Holdings, LLC ("**Verano**"), the Company's largest core investment holding, has executed a definitive merger agreement to consummate a go-public transaction in Canada (the "**Transaction**"). The Transaction will be effected by Verano participating in a reverse takeover of Majesta Minerals Inc. ("**Majesta**"), a reporting issuer in Alberta, Canada. The Transaction will include Verano's previously-announced merger with Alternative Medical Enterprises, LLC, Plants of Ruskin, LLC, RVC 360, LLC and affiliated companies (collectively, "**AltMed**"), vertically-integrated medical marijuana companies that apply pharmaceutical industry standards to develop, cultivate, produce, and dispense medical cannabis and medical cannabis products in Florida and Arizona. The Transaction is expected to result in a highly-accretive combination of Verano and AltMed with the resulting company operating under the name "Verano Holdings Corp." (the "**Resulting Issuer**"). The consummation of the Transaction is subject to the approval of Majesta's shareholders, antitrust and other regulatory approvals, court approval and other customary closing conditions. The subordinate voting shares of the Resulting Issuer are expected to be listed for trading on the Canadian Securities Exchange (the "**CSE**").

The transaction will have a significant positive impact on the Company's net asset value and the Company will update the market in a timely manner as information is available. To address improper positions taken by the Company's lender with respect to the Company's Verano shares, the Company initiated litigation against the lender as described below.

Upon the completion of the Transaction, SOL Global expects to immediately hold 25.2 million subordinate voting shares of the Resulting Issuer. SOL Global looks forward to seeing Verano continue to expand its MSO operations in the United States. Verano has effectively scaled up its operations in several key cannabis markets in the U.S., including Illinois, New Jersey and Nevada (either directly or via affiliates/subsidiaries), and is well positioned to continue to generate impressive quarter over quarter growth.

### Bluma Wellness Inc. Update

On January 14, 2021, SOL Global portfolio company, Bluma Wellness Inc. ("**Bluma Wellness**"), announced the entering into of a definitive arrangement agreement with Cresco Labs Inc. (CSE:CL) (OTCQX: CRLBF) ("**Cresco Labs**") dated January 13, 2021 (the "**Agreement**"), one of the largest vertically integrated multi-state cannabis operators in the United States, pursuant to which Cresco Labs will acquire all of the issued and outstanding shares of Bluma Wellness in an all-share transaction that values Bluma Wellness at an equity value of \$213 million (the "**Bluma Arrangement**"). For more information on the Bluma Arrangement and the terms of the Agreement, please see the Bluma Wellness news release dated January 14, 2021. A special meeting of Bluma Wellness shareholders is expected to be held on March 12, 2021 where Bluma Wellness shareholders will be asked to consider the approval of the Bluma Arrangement. Further information on the Bluma Arrangement will be provided in a management information circular that will be mailed to Bluma Wellness shareholders and posted on Bluma Wellness' profile on SEDAR at [www.sedar.com](http://www.sedar.com). Subject to the receipt of all required approvals, the Bluma Arrangement is expected to be completed by the start of the second quarter of 2021.

SOL Global further announces that it intends to divest all of its 16,891,749 common shares (10.5% undiluted ownership) and 6,450,000 warrants in Bluma Wellness to certain arm's length limited partnerships (the "**Purchasers**") prior to the closing of the Bluma Arrangement for strategic decisions and to comply with certain Florida state regulations that restrict investments in multiple licensed Florida medical marijuana treatment centers. The gross proceeds from the divestitures are expected to amount to approximately US\$23 million. SOL Global will continue to retain a non-controlling 33% economic interest in Bluma Wellness on a fully-diluted basis. Any and all Purchasers will be required to execute and deliver voting support and lock-up agreements to Cresco to vote in favour of the Bluma Arrangement and not to sell or transfer a portion of the Cresco shares to be received upon closing of the Bluma Arrangement for up to an eight-month period following closing.

For additional information on Bluma Wellness, please visit the company's website at [www.oneplant.us](http://www.oneplant.us).

### Commencement of Litigation

On February 7, 2021, the Company initiated litigation in the State of New York against its lender, 1235 Fund LP, an affiliate of MMCAP, seeking declaratory relief that, among other things, this lender is not entitled to be repaid in any property other than cash. The Company is being represented in the litigation by attorneys Alex Spiro of Quinn Emanuel Urquhart & Sullivan, LLP and Joe Groia of Groia & Company.

On July 8, 2019, the Company announced that it had completed a \$50,000,000 private placement financing by way of the issue and sale of a senior secured non-convertible debenture ("**Debenture**"). The Debenture bears interest at 6.0% per annum and will mature on July 5, 2021.

If a specific transaction involving Verano and Harvest Health and Recreation Inc. ("**Harvest**") had occurred (the "**Harvest Transaction**"), the lender would have been repaid in shares of either Verano or Harvest, which would have enabled the lender to cover its short position in Harvest and provided the lender with a reasonable premium of return beyond the stipulated 6%. The Harvest Transaction did not close and thus the Debenture is repayable only in cash. Nevertheless, on February 5, 2021, the lender has wrongfully sent a formal notice purportedly electing to receive, instead of cash, Verano shares currently owned by the Company whose value is more than 200% of the principal value of the Debenture. On February 7, the lender took the formal position that the Company's participation in an exchange of shares that will occur automatically as a result of the Transaction (as defined above) is a breach of the Company's obligations under the Debenture and related agreements. The Company rejects all these positions. It advised the lender that the lender has no right to be paid in Verano shares under the Debenture for a number of reasons including that it is inconsistent with the intention of the parties once the Harvest Transaction did not close. In addition, the lender has no right to claim shares based upon the claimed breach and the lender's purported election would result in the lender receiving an effective interest rate significantly beyond the rate permitted under the Criminal Code of Canada.

The Company advised the lender that it will repay the Debenture in cash pursuant to its terms. To address any uncertainty resulting from the lender's positions, the Company commenced litigation against the lender and another seeking declaratory relief that, among other things, the lender has no right to be repaid in Verano shares. As a result of the lender's positions, SOL Global has decided that it will no longer do business with it nor participate in any transaction in which the lender is involved.

### COVID-19 Update

SOL Global and its investments and portfolio companies have continued to deliver for both clients and shareholders despite challenges in the overall cannabis space and uncertain market conditions caused by the ongoing COVID-19 pandemic. SOL Global's portfolio companies have adapted to the current environment through the continued scale-up of existing Florida cannabis production facilities, the continued expansion of Bluma Wellness operating subsidiary One Plant Florida's already robust home- and curbside-delivery network and online ordering system, and the continued oversight of strategic business opportunities. SOL Global remains confident that it will continue to weather the COVID-19 storm and will emerge from the pandemic as a strengthened leader in the larger cannabis marketplace.

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

SOL Global is an international investment company with a focus on investing in cannabis and cannabis related companies in legal U.S. states, the hemp and CBD marketplaces and the emerging European cannabis and hemp marketplaces with an objective of providing shareholders with a long term return through capital appreciation, dividends and interest from its investments. If SOL Global believes there is a strategic reason to do so, it may also invest in companies not in the cannabis sector.

## **Cautionary Statements**

*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 in this press release includes, without limitation, the terms and expected completion of the Transaction, the Transaction resulting in a highly accretive business combination, the anticipated effect of the Transaction on the Company's net asset value, expectations regarding the Resulting Issuer's growth, the Resulting Issuer's listing on the CSE, the Company's interest in the Resulting Issuer immediately following the completion of the Transaction, the terms and expected completion of the Bluma Arrangement, the date of the Bluma Wellness special meeting of shareholders to vote on the Bluma Arrangement, the Company's intention to divest its securities in Bluma Wellness prior to the closing of the Bluma Arrangement, the Company retaining a non-controlling economic interest in Bluma Wellness, the expected gross proceeds from the divestiture of the Company's securities in Bluma Wellness, the Company's intention to repay the Debenture in cash and the Company's expectations regarding its ability to operate and emerge from the COVID-19 pandemic.*

*Forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct.*

*By their 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 including the failure by Verano, Majesta or Altmed to obtain all necessary corporate, regulatory and court approvals for the Transaction, changes in national or regional economic, legal, regulatory and competitive conditions, Verano's plans for commercialization and changes in its relationships with vendors, Verano's ability to access capital, expectations regarding market acceptance of the Transaction, the failure by Bluma Wellness or Cresco Labs to obtain all requisite corporate, regulatory and court approvals for the Bluma Arrangement, the risk that the Company may not consummate the divestitures of its Bluma holdings on favorable financial terms, the outcome of litigation in respect of the repayment of the Debenture and a resurgence in the COVID-19 pandemic.*

*Other risk factors include: the risks resulting from investing in the US marijuana industry, which may be legal under certain state and local laws but is currently illegal under U.S. federal law; the risks of investing in securities of private companies which may limit the Company's ability to sell or otherwise liquidate those securities and realize value; reliance on management; the ability of the Company to service its debt; the Company's ability to obtain additional financing from time to time to pursue its business objectives; competition; litigation; 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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