



Bluma Wellness Announces Issuance of Warrants to Construction Lender

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TORONTO--(BUSINESS WIRE)--Bluma Wellness Inc. (“**Bluma**” or the “**Company**”) (CSE: BWEL.U) announces that it has agreed to issue 4,480,238 non-transferable common share purchase warrants (the “**Warrants**”) to AFC Warehouse, LLC (also known as “**Advanced Flower Capital**”) pursuant to the terms and conditions of the existing US\$15 million non-revolving, staged advance loan between Advanced Flower Capital and CannCure Investments Inc., a subsidiary of the Company (the “**Construction Loan**”). The Construction Loan is being used, in part, to finance the expansion and completion of the Company’s facilities at the Indiantown greenhouse facility. Each Warrant will entitle Advanced Flower Capital to purchase one (1) common share in the capital of the Company (each a “**Common Share**”) at an exercise price of US\$0.502 per Common Share on or before February 12, 2025, provided that no exercise of a Warrant will be permitted if the exercise of such Warrant will result in Advanced Flower Capital beneficially owning more than 9.9% of the issued and outstanding Common Shares. Any underlying Common Shares issued upon exercise of the Warrants will be subject to a statutory hold period that will expire four months and one day from the date of issuance of the Warrants in accordance with applicable securities laws.

Additional Information

The Company’s securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable Canadian securities laws including the issuance of the Warrants and underlying Common Shares pursuant to the Construction Loan. Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things: risks relating to cannabis being illegal under

US federal law and risks of US federal enforcement actions related to cannabis activities; the Company's ability to comply with all applicable governmental regulations in a highly regulated business; negative changes in the political environment or in the regulation of medical cannabis in the state of Florida; the risk of any disruptions to the Company's business and operations as a result of the COVID-19 pandemic; negative shifts in public opinion and perception of the cannabis industry and cannabis consumption; increasing competition in the industry; risks of product liability and other safety-related liability as a result of usage of the Company's cannabis products; the Company's limited operating history with no assurance of profitability; the ability of the Company to access future financing if needed or on terms acceptable to the Company; the risk of defaulting on its existing debt; risk of shortages of or price increases in key inputs, suppliers and skilled labor; the risks inherent in running agricultural operations such as pests and crop failure; loss of licenses; reliance on key personnel; cybersecurity risks; constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks and risk of litigation.

The forward-looking information in this press release are made as of the date of this release. The Company does not undertake any obligation to update forward-looking information except as required by applicable securities laws.

Contacts

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