



Bluma Wellness Inc. Provides End-of-Month Operations Update and Financial Highlights for October 2020

Bluma Wellness Secures \$4M Advance to Bolster Working Capital and Execute Expansion Plans

Bluma Wellness Subsidiary One Plant Florida Sets New Single-Day Sales Record on October 30, 2020

November 02, 2020 09:51 AM Eastern Standard Time

TORONTO--(BUSINESS WIRE)--Bluma Wellness Inc. (the “**Company**” or “**Bluma Wellness**”) (CSE: BWEL.U) is pleased to provide its patients and investors with an end-of-month sales and operations report for the month ended October 31, 2020. These financial results have not been reviewed or audited by the Company’s auditors.

Financial Highlights, October 2020

Bluma Wellness is pleased to provide the following sales and financial highlights from the month of October 2020:

- Gross Revenue¹: \$2,711,483
- Gross Price Per Pound²: \$8,980.31
- Ounces of Dried Medical Cannabis Flower Sold: 4633 oz
- Milligrams (mg) of tetrahydrocannabinol (THC) Sold: 5,431,891 mg

During the month of October, One Plant Florida, the Company’s wholly-owned, licensed operating subsidiary, averaged sales of 948 ounces of dried medical cannabis flower per retail dispensary, and 952,939 mg of distillate/oil sold per retail dispensary. Those sales positioned One Plant Florida second in ounces of dried medical cannabis flower sold per retail dispensary when compared against all other Medical Marijuana Treatment Centers (“**MMTCs**”) in Florida, and ninth in mg of THC sold per retail dispensary when compared against all MMTCs in Florida, in each case according to published data from the Florida Office of Medical Marijuana Use (“**OMMU**”).

THC Sold (mg)/average oz sold per retail dispensary compared to competitors, October 2020³

- Trulieve: 1, 994 oz of dried flower / 5,329,928 mg of THC sold per dispensary, number one in average ounces of flower sold per dispensary
- One Plant: 948 oz of dried flower / 952,939 mg of THC sold per dispensary, number two in average ounces of flower sold per dispensary
- GrowHealthy: 947 oz of dried flower / 1,542,218 mg of THC sold per dispensary, number three in average ounces of flower sold per dispensary
- GTI: 883 oz of dried flower / 972,096 mg of THC sold per dispensary, number four in average ounces of flower sold per dispensary
- AltMed Florida (MuV): 692 oz of dried flower / 2,689,523 mg of THC sold per dispensary, number five in average ounces of flower sold per dispensary
- Harvest: 594 oz of dried flower / 1,086,557 mg of THC sold per dispensary, number six in average ounces of flower sold per dispensary
- Surterra Wellness: 503 oz of dried flower / 1,618,384 mg of THC sold per dispensary, number seven in average ounces of flower sold per dispensary
- Curaleaf: 498 oz of dried flower / 2,084,267 mg of THC sold per dispensary, number eight in average ounces of flower sold per dispensary

One Plant Florida Sets New Single-Day Sales Record on Oct. 30

Bluma Wellness is proud to announce that on October 30, 2020, One Plant Florida achieved a record of \$194,000 in single-day gross revenue across its six (6) existing and operating retail dispensary locations in Boynton Beach, St. Petersburg, Jacksonville Beach, Port St. Lucie, Ocala, and Avon Park, Florida, according to data from the Company's Biotrak/Alleaves e-commerce and seed-to-sale tracking system. The record sales day comes shortly after One Plant Florida opened its sixth retail dispensary and delivery hub, located in Avon Park on October 19, 2020.

Looking Ahead (Fall/Winter 2020)

For the month of October, One Plant Florida saw a 15 percent increase in revenue over the prior month of September, according to data from the Company's Biotrak/Alleaves e-commerce and seed-to-sale tracking system, reflecting the expansion of the Company's cultivation footprint via increased supplies from its new, fully-operational harvest, processing, and lab facilities in Indiantown, Florida.

Bluma Wellness opened One Plant Florida's sixth retail dispensary location and delivery hub in the State of Florida, located in Avon Park, on October 19, 2020. The retail dispensary and delivery hub is centrally located at 299 U.S. Highway 27 S, Avon Park, FL 33825, allowing One Plant Florida to serve qualified patients in Highlands County and throughout Central Florida. Qualified patients can learn more about One Plant Florida's retail dispensary locations by visiting www.oneplant.us.

Bluma Wellness intends to open three (3) additional One Plant Florida retail dispensary locations and/or delivery hubs by the end of 2020, including in Orlando (Fern Park), North Miami and Bonita Springs, pending receipt of all required local approvals and regulatory approvals from the OMMU.

Bluma Secures \$4,000,000 Advance and Modifies the Terms of Its Credit Facility with Its Construction Lender, Including the Issuance of Warrants to the Construction Lender

Bluma also announces that it has entered into an agreement (the **“Modification Agreement”**) to secure an additional \$4 million advance under the Company’s existing US\$15 million non-revolving, staged advanced loan from Advanced Flower Capital (the **“Construction Loan”**). The advance will be used to bolster the Company’s working capital and to execute the Company’s expansion plans throughout the State of Florida, including the planned opening of additional retail dispensary and delivery hub locations across the state. “Bluma Wellness values its long-term partnership with Advanced Flower Capital and is proud to secure this advance,” said Bluma Wellness Inc. CEO Brady Cobb. “We couldn’t be more excited to further execute on our responsible scale-up plan throughout Florida, and to continue to focus on producing the best premium medical cannabis flower and cannabis-derived products in the state.” Pursuant to the terms of the Modification Agreement, the Company’s initial \$5 million advance on its loan from Advanced Flower Capital has been increased by an additional \$4 million. In consideration for entering into the Modification Agreement, the Company has agreed to issue 3,000,000 non-transferable common share purchase warrants (the **“Warrants”**) to Advanced Flower Capital. Each Warrant entitles 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\$0.375 per Common Share on or before November 2, 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.

Debt Settlement Transactions

The Company announces that it has entered into debt settlement agreements (collectively, the **“Debt Settlement Agreements”**) with certain arm’s-length creditors of the Company (the **“Creditors”**) for debts in the aggregate amount of US\$6,452,374 and the holder (the **“Debentureholder”**) of a 6.0% unsecured debenture of the Company in the principal amount of US\$4,840,000 (the **“Debenture”**). Pursuant to the terms of the Debt Settlement Agreements entered into between the Company and the Creditors, the Company will issue an aggregate of 16,130,934 Common Shares to the Creditors at a deemed price of US\$0.40 per Common Share, in satisfaction of the aggregate debt owing to the Creditors. The debt owing to the Creditors was incurred pursuant to certain advances and payments made to support the operations and development of the business of Bluma Wellness. Pursuant to the terms of the Debt Settlement Agreement entered into between the Company and the Debentureholder, the Company will issue 10,951,233 Common Shares to the Debentureholder at a deemed price of US\$0.46 per Common Share in order to redeem the outstanding principal amount of the Debenture and all accrued and unpaid interest thereon.

The Common Shares issued to the Creditors and the Debentureholder pursuant to the Debt Settlement Agreements will be subject to a statutory hold period which will expire four months and one day from the date of issuance in accordance with applicable securities laws.

The debt conversions discussed herein leave the Company with only one lender, Advanced Flower Capital, and the Company believes the agreements significantly strengthen its balance sheet.

About Bluma Wellness Inc.

Bluma Wellness Inc. owns and operates a vertically-integrated, licensed medical cannabis company in the State of Florida doing business as “One Plant Florida.” One Plant Florida cultivates, processes, dispenses and retails medical cannabis to qualified patients in the State of Florida through multiple retail dispensaries and an innovative next-day door-to-door e-commerce home delivery service, thereby offering convenient access for its customers and meeting the demands of an evolving retail landscape. Bluma Wellness plans to continue expanding its cultivation and distribution operations as the Florida market grows and may enter into other US states where the production, distribution and use of cannabis is permitted under state law.

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 planned opening of additional One Plant Florida retail dispensaries and delivery hubs in Florida, the expansion of One Plant Florida’s home delivery and curbside pickup network, the issuance of the Warrants and underlying Common Shares pursuant to the Modification Agreement, the issuance of the Common Shares pursuant to the Debt Settlement Agreements and the Company’s strategic business plans. 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 due to a variety of known and unknown risks and uncertainties including, without limitation: 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.

¹ IFRS

² Gross Price per Pound is calculated as total revenue divided by total pounds of dried medical cannabis flower sold.

³ <https://knowthefactsmmj.com/about/weekly-updates/>

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