

SOL Global Reports First Quarter Results for the Three-Month Period Ending June 30, 2019

August 30, 2019 ([Source](#)) –

- **Increased Total Portfolio of Investments to \$202.8 Million**
- **Increased Investments In CannCure and HeavenlyRx**

SOL Global Investments Corp. (“**SOL Global**” or the “**Company**”) (CSE: SOL) (OTCPK: [SOLCF](#)) (Frankfurt: 9SB), an international company focused on cannabis and cannabis-related ventures, released its financial results as at and for the three-month period ended June 30, 2019. All figures are reported in Canadian dollars (\$), unless otherwise indicated.

Despite sector-wide market volatility, SOL Global held fast to its strategic direction and made additional investments in the cannabis, CBD and hemp sectors, primarily through increased investments into CannCure Investments Inc. and Heavenly Rx Ltd. During the three-month period ended June 30, 2019 and beyond, the industry experienced numerous material market challenges which affected SOL Global and its competitors. Moving forward, SOL Global remains focused on its transition to becoming a cannabis multistate operator, Bluma Wellness, and investing in operational upgrades in Michigan, California and Florida to efficiently scale up operations to expedite the path to profitability for Bluma, which it expects to ultimately deliver value to the Company’s shareholders.

Corporate Highlights:

MSO Ownership:

SOL Global has signed a binding LOI to acquire ECD, Inc., which operates as Northern Emeralds (“**Northern Emeralds**”), an industry leading cannabis cultivation, processing and distribution company headquartered in Humboldt County, California, for an aggregate purchase price of US\$120 million payable in common shares pursuant to the terms of the binding transaction documents. Northern Emeralds is expected to operate under Bluma Wellness and is expected to be a key driver of product quality and authenticity across all three of Bluma’s licensed states via Northern Emeralds pre-eminent and cutting edge data based cultivation and curing techniques and standard operating procedures, as well as their heralded genetics.

SOL Global has signed a binding LOI to acquire six licensed cannabis dispensary companies and all One Plant intellectual property in California for an aggregate purchase price of US\$17 million, payable by US\$5 million in cash and US\$12 million in common shares, from Three Habitat Consulting Holdco Inc. that will subsequently operate under the nationally recognized “One Plant” brand. One Plant is expected to be the brand name of all of Bluma Wellnesses anticipated 49 retail stores spread throughout Florida, Michigan and California.

The Company completed its acquisition of CannCure, an entity that indirectly holds a 100% interest in 3 Boys Farm, LLC (“**3 Boys Farm**”), on April 8, 2019. 3 Boys Farm is one of the originally licensed medical marijuana treatment centers in Florida, and has completed substantial operational upgrades to its Ruskin, Florida cultivation facility. 3 Boys Farm has brought cannabis cultivation legends like Chris Keller (master grower), PBud (Co-Founder of ChemD) and a portfolio of leading California brands into Florida and has launched sales via home delivery to rave reviews. 3 Boys Farm will open six (6) dispensaries in Florida in 2019 and will have a total of 19 dispensaries open in Florida by the end of 2020.

The Company has a binding LOI to acquire the Michigan-based MCP Wellness Inc. (“**MCP Wellness**”), which operates retail and cultivation centers, for a total of US\$35 million in cash and US\$115 million in common stock. MCP Wellness is presently operating three dispensaries in the Detroit area, is opening a fourth dispensary in Ann Arbor, and is finalizing plans to construct a cultivation facility (MCP already holds a cultivation license).

HeavenlyRx Ownership:

On July 12, 2019 the Company purchased 37,662,500 common shares of Heavenly Rx Ltd. at a price of \$0.40 for an aggregate subscription amount of \$15,065,000. On July 29, 2019 the Company purchased an additional 16,766,250 common shares of Heavenly Rx Ltd. at a price of \$0.40 for an aggregate subscription amount of \$23,909,000. As such, SOL Global presently owns approximately 42% of the issued and outstanding Heavenly Shares.

\$50,000,000 Loan:

SOL Global completed a \$50 million non-dilutive private placement financing of debentures with an institutional investor and intends to use the net proceeds to make further investments into Heavenly Rx Ltd, to fund Bluma Wellness and for general working capital purposes.

First Quarter Financial Detail:

During the three-month period ended June 30, 2019, the Company recorded a loss of \$43.5 million compared to a loss of \$2.9 million for the same period in the prior year. The loss was primarily due to a reduction in the value of the Company’s investments totaling \$33.5 million and expenses, including non-cash expenses totaling \$6.8 million. Total expenses were \$10.9 million for the quarter. This represents a loss per share of \$0.81 for the quarter.

Due to overall unfavorable marketing conditions for cannabis and related industries for the period from April 1,

2019 to June 30, 2019, the value of several of the Company's investments decreased alongside a downturn in the market; from March 31st until June 28th the ETFMG Alternative Harvest ETF (NYSE:MJ) fell 5.02%. As SOL Global marks all of investments to market at each period end date, the Company recorded an unrealized loss on its portfolio of \$33.5 million. This loss is primarily due to a reduction in value of the Company's investment in Verano Holdings Inc. ("**Verano**"). Verano entered into a merger agreement with Harvest Health & Recreation Inc. ("**Harvest**") early in 2019. As such, the price of the Company's investment in Verano is linked to the value of the underlying Harvest common 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 June 30, 2019, the Company recorded an unrealized loss of \$55.9 million on its Verano investment during the three-months ended June 30, 2019.

"It was a tough quarter for the Cannabis sector and that's the primary reason for our unrealized loss. The positive is that's exactly what it was, unrealized. Brady continues to execute with tremendous success on CannCure and its transformation to Bluma Wellness while strategically building out his operational team and the The Bluma Board. Paul Norman has built the foundation of an executive team and board that is simply unprecedented in this newly pioneered sector and their execution is what you would expect from a team of this caliber." said SOL Global's Chief Investment Officer Andrew DeFrancesco. "The investment team and I continue to provide the financing for growth while continuing to provide guidance toward strategy and execution for those core holdings. We also continue to search and drill down on potential investments for the growth of the portfolio with the primary focus to bring accretive value to our primary investments which will reward the stockholders in short order."

Independent Valuation:

In addition, SOL Global notes that the strategic assessment and the Duff & Phelps valuation process of the Company's existing assets is ongoing. We plan to update the market in the coming weeks on this project.

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 the Company believes there is a strategic reason to do so, it may also invest in companies not in the cannabis sector.

Forward-Looking Statements

This news 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 statements relating to the release of results for the 3 month period ended June 30 2019, the Company's transition to becoming a cannabis multistate operator, investments in operational upgrades in Michigan, California and Florida, profitability of Bluma Wellness, value for shareholders of the Company, the

acquisition of ECD Inc., the acquisition of six-licensed cannabis dispensary companies, the acquisition of One Plant intellectual property, the opening of retail stores in Florida, Michigan and California, the opening of dispensaries in Florida by 3 Boys Farms, the acquisition of MCP Wellness Inc., the opening of further dispensaries by MCP Wellness and the construction of a cultivation facility, the use by the Company of the proceeds of the private placement financing of debentures, and the release of the strategic assessment and valuation report. . 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. 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 and annual information form, both of which have been filed on SEDAR and can be accessed at 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.

The securities referred to in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent such registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities.