

SOL Global Announces Formation of International Hemp Company Heavenly Rx

written by Raj Shah | February 25, 2019



February 25, 2019 ([Source](#)) – *Initial Investments Include US\$30.6M Majority Stake in Hemp Company Blüten Botanicals*

SOL Global Investments Corp. (“**SOL Global**” or the “**Company**”) (CSE: SOL) (OTCQB: SOLCF) (Frankfurt: 9SB) is pleased to announce the formation of a new international hemp-focused subsidiary, Heavenly Rx Ltd. (“**Heavenly Rx**”).

Heavenly Rx intends to hold controlling ownership interests in various industry-leading assets in the hemp/CBD and THC-free cannabinoid wellness space, with an initial focus on hemp cultivation, processing and the manufacturing of a diverse range of traditional CBD products including oils, tinctures, balms, and vape-ready products. Additionally, Heavenly Rx intends to include several proprietary brands across numerous consumer product group verticals such as cosmetics and beauty products, bath and body products, infused foods (subject to governmental approvals and/or compliance) and a number of pet-related products.

SOL Global and its executive team were deeply involved in the political process surrounding the recent passage of the U.S. federal Hemp Farming Act, which removed industrial hemp and CBD products with less than 0.3% THC from Schedule I of the U.S.

federal Controlled Substances Act, and SOL Global has been working diligently over the past six months to identify and target world-class hemp companies and brands that it intends to invest in through Heavenly Rx.

“Heavenly Rx directly supports SOL Global’s continued hemp and CBD strategy in the U.S. and international markets and will serve as a critical launchpad for our hemp-related investment initiatives as hemp and related cannabinoid regulations continue to become more liberalized around the world,” said Brady Cobb, CEO of SOL Global. “SOL Global’s executive team has been at the very forefront of regulatory reform both in the United States and internationally, and we couldn’t be more excited to continue to build upon and execute our already robust long-term strategy for the global hemp/CBD industry.”

SOL Global intends to announce numerous hemp and CBD related investments in various assets across the globe, all of which will be assigned to Heavenly Rx.

Heavenly Rx is uniquely positioned to support the growing CBD marketplace while leveraging SOL Global’s connections and expertise in building cohesive brands and being first to market. In the coming weeks, Heavenly Rx will announce its management team and the members of its Board of Directors. Heavenly Rx will make its executive appointments by tapping into talent from across the consumer products, logistics, and hemp/CBD industries.

“We are launching Heavenly Rx with the aim of acquiring a portfolio of battle-tested and proven hemp/CBD companies while also acquiring certain unique brands for which we believe CBD and hemp-infused products could drastically change their growth,” added SOL’s chief investment officer Andy DeFrancesco. “We are more bullish than ever about the future of the hemp and

CBD industries globally, and Heavenly Rx will without a doubt be the vertically integrated leader in the space. Heavenly Rx is not simply an investment company, but rather a laser focused global Hemp and CBD company only for all operations under the Heavenly Rx banner.”

Among Heavenly Rx’s first strategic assets in the growing hemp industry is its investment in Knoxville, Tennessee-based Blüten Botanicals LLC (“**Blühen**”). Heavenly Rx, through an assignment from SOL Global of a binding letter of intent (“LOI”), shall invest US\$30.6 million in Blüten, which will allow Blüten to expand its research and engineering teams as well as focus on the development and expansion of its retail operations. Blüten is an industry leading and technologically advanced hemp biomass processing and extraction company that will be GMP and EUGMP certified with farming and distribution partners across the southeastern United States. With a dedicated, pharmaceutical-grade hemp research facility, Blüten also produces its own proprietary blend of wellness boutique products such as full spectrum hemp extract tinctures, capsules, creams, 100% THC-free hemp isolate, pet treats, pet care products, and oils. Blüten employs expert entomologists, plant pathologists, agronomists, chemists, and engineers on the 30-person team. Blüten intends to open its flagship retail location in Knoxville, Tennessee in May 2019 and plans to open a second retail location in Fort Lauderdale, Florida later this year.

The binding terms of the LOI are as follows:

- Heavenly Rx will acquire 50.1% of the membership interests of Blüten.
- The Board of Directors of Blüten will consist of seven (7) individuals, three (3) of which will be nominated by Heavenly Rx, three (3) of which will be nominated by Blüten, and one (1) of which shall be an independent

director to be mutually agreed upon.

- Joe Fox, co-founder and CEO of Blüten Botanicals, will become a member of the executive team of Heavenly Rx.

“Heavenly Rx’s investment enables us to exponentially scale our existing high-throughput capabilities while maintaining our commitment to providing the highest quality, pharmaceutical grade products on the market,” added Fox. “We have the largest network of expert farmers in the state of Tennessee who are growing hemp organically, and now, we’re empowered to scale our existing facilities faster, expand our farming network wider, and implement the highest international regulatory standards across the board.”

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.

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.

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.