SOL Global Provides Update on Operations, Strategy and Financials

written by Raj Shah | December 13, 2018

December 12, 2018 (Source) – ***Announces Upcoming Hemp Strategy and Investment in OG DNA Genetics Inc.***

SOL Global Investments Corp. ("**SOL**" or the "**Company**") (CSE:SOL) (Frankfurt:9SB) (OTCQB:SOLCF) is pleased to provide a corporate update on its operations, strategy and current financial position including the announcement of a strategic partnership with one of the most widely recognized and acclaimed global brands in cannabis breeding and genetics, OG DNA Genetics Inc. ("**DNA Genetics**").

CEO and CIO Statements on the closing of Investment in DNA Genetics and the launch of Global Hemp & CBD Strategy

"Our commitment to becoming one of the leading private equity cannabis investors globally is evidenced by our proven track record of identifying and investing in all-star teams, cutting-edge brands and the most promising companies. The transaction with DNA Genetics is yet another strategic investment that further enhances our U.S. cannabis portfolio," **said SOL Chief Investment Officer Andy DeFrancesco.**

"With the news that the Farm Bill is likely to be passed this week by the U.S. Congress and the legalization of hemp cultivation a close reality, we are more excited than ever to continue to build our portfolio of strategic transactions," **said SOL Chief Executive Officer Brady Cobb**. "Further, our investment team, led by Chief Investment Officer

Andy DeFrancesco, has identified key market players and strategy in hemp cultivation that will ensure SOL maintains its leadership position as the cannabis industry continues to evolve. Our NAV, as listed below, exemplifies why SOL had encouraged Andy to take roles both as Chief Investment Officer and as a member of the Company's board. Andy's continuous foresight and penchant for being early to market is evidenced by his track record of being first to market in Latin America's cannabis and hemp marketplace, a trailblazer in the Canadian, U.S. and European cannabis markets, and now the global hemp & CBD industry. We are energized by the opportunities in this still-evolving industry and look forward to updating our shareholders with our comprehensive hemp strategy in the days to come."

Driving Growth For Shareholders

Below are internal unaudited management calculations of SOL's net asset value based on the investments that we have made and the cash and liabilities that we have. Investments made in private companies are presented at the amount that SOL paid for these investments.

The table below is expressed in Canadian Dollars.

Net working capital	65.5 million
Total private company investments, at cost	160.3 million
Estimated tax liability	25.6 million
Net assets	**200.2 million**
Shares Outstanding	**48,562,881**
Net Assets per share	**4.12**

Notes:

- *The above table represents value as of December 11, 2018*
- *Net working capital noted above consists of cash, cash equivalents, prepayments and other receivables and investments in public companies less accounts payable and accrued liabilities*
- *Estimated tax liability is as per SOL's September 30, 2018 financial statements*

With each new partnership, acquisition and divestment, SOL is motivated to create synergistic value by investing in companies with meaningful products that bring a holistic approach to health and wellness. In keeping with this ethos SOL has created tremendous value for our shareholders. SOL's estimated net assets per share value significantly exceeds (by 2.44 times) the current trading price of the Company's stock which closed at $1.69 CAD on December 11, 2018. We look forward to continuing the expansion of our footprint into the vast and ever-growing industry of cannabis. With our soon to be realized hemp strategy, SOL has never been better positioned to realize the potential of this industry.

In addition, SOL continues to use its cash and cash equivalents to buy back its common shares in the open market. As of November 30, 2018, a total of 944,000 shares have been bought back at an average share price of $2.68.

Strategic Partnership with DNA Genetics

DNA Genetics is recognized worldwide for its highly selective, genetics-based approach to cannabis cultivation, earning the company more than 200 international awards and establishing DNA Genetics as a global powerhouse for breeding and growing truly best-in-class strains. DNA Genetics is firmly established in the U.S. cannabis marketplace, co-operating two million square feet of medical canopy in California, where the company began developing its high-quality cannabis seeds for the global

market. DNA Genetics is also the exclusive provider of DNA certified products to a wholly owned Ontario-based subsidiary of one of the world's largest diversified cannabis and hemp companies.

SOL will leverage DNA Genetics' retail and cultivation expertise as well as their best in class genetics to strengthen the Company's investments and plans for further expansion across the U.S., an effort complimented by SOL's recent partnership with Verano Holdings ("**Verano**"), announced on Oct. 23, 2018. This arm's length collaboration will see DNA Genetics provide its highly sought-after consulting services and product line to SOL as the Company continues to identify key partners and markets within the U.S. and international cannabis industry.

CannCure Investments Inc.

In October, SOL announced an USD$88 million investment in Class B units of Verano Holdings, LLC ("Verano"), on a brokered private placement basis. Verano is a privately held, licensed operator of cannabis cultivation, manufacturing and retail facilities in four U.S. states (Illinois, Maryland, Nevada, and Florida) with 35+ additional licenses under development in Maryland, Michigan, Ohio, Florida and Puerto Rico. SOL concurrently announced the entering into of a definitive share purchase agreement to acquire all of the issued and outstanding common shares of CannCure Investments Inc. ("CannCure"). CannCure indirectly owns 60% of the membership interests of 3 Boys Farms LLC ("3 Boys"), a Florida-based limited liability company with authorization to cultivate, process and dispense medical cannabis as a licensed medical marijuana treatment center in the State of Florida. Sol is pleased to announce that as of December 11, 2018, Canncure closed on its acquisition of the remaining remaining 40% of the membership interests of 3 Boys. SOL also announced the entering into of an agreement to

sell, subject to the completion of the acquisition of CannCure, its entire interest in 3 Boys to Verano in exchange for USD$100 million in additional Class B units. The closing of all transactions related to 3 Boys and CannCure is subject to the receipt of all required governmental approvals including from the Florida Department of Health, Office of Medical Marijuana Use.

Verano is a privately held, vertically integrated cannabis company, aiming to become one of the largest U.S. cannabis businesses in 2019. Along with SOL's investment, Verano owns and/or manages nine licensed cannabis facilities in the United States, reaching a population of over 42 million. The Company's strategic investment will give SOL an approximate 28% stake in Verano and expand its investments in key U.S. markets. SOL's interest in Verano will further strengthen the Company's position as a leading investor in the U.S. cannabis industry.

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

Non-IFRS Financial Measures Statement

This press release includes references to net asset value and net asset value per share, which are financial measures that do not have a standardized meaning prescribed by IFRS. Net asset

value is calculated as the value of total assets less the value of total liabilities at a specific date; net asset value per share is the value of the total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. The Company believes these non-IFRS financial measures not only provide management with comparable financial data for internal financial analysis but also provide meaningful supplemental information to investors. In particular, management believes these financial measures can provide information useful to its shareholders in understanding the performance of the Company and may assist in the evaluation of its business relative to that of its peers. Investors are cautioned that these non-IFRS measures should not be construed as an alternative to the measurements calculated in accordance with IFRS as, given their non-standardized meaning, they may not be comparable to similar measures presented by other issuers.