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# MPX International Obtains Creditor Protection to Pursue Restructuring and Sales Process



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## **MPX International Obtains Creditor Protection to Pursue Restructuring and Sales Process**

TORONTO, Ontario, July 25, 2022 - MPX International Corporation (the "Corporation" or "MPXI") (CSE:MPXI; OTC:MPXOF) announced today that the Corporation and certain of its Canadian subsidiaries (collectively, the "MPXI Group") have been granted an order (the "Initial Order") from the Ontario Superior Court of Justice (Commercial List) (the "Court") under the Companies' Creditors Arrangement Act (the "CCA"), in order to restructure their business and financial affairs. The Initial Order also extends certain protections to MPXI's foreign subsidiaries.

Due to, among other things, margin pressures caused by significant competition and the fragmentation of the cannabis industry, operational and financial underperformance in Switzerland, Canada and elsewhere, and financial pressures resulting from obligations owing to creditors, the MPXI Group has been unable to generate positive cash flows and has consistently incurred cumulative losses. After careful consideration of all available alternatives, the board of directors of each member of the MPXI Group determined that it was in the best interest of the MPXI Group and its stakeholders to seek creditor protection under the CCA.

The Initial Order provides for, among other things, a stay of proceedings in favour of the MPXI Group and its foreign subsidiaries, the approval of debtor-in-possession financing ("**DIP Financing**") and the appointment of KSV Restructuring Inc. as monitor of the MPXI

Group (in such capacity, the "**Monitor**"). Business operations will not be interrupted as a result of the CCAA proceedings.

The stay of proceedings and DIP Financing will provide the MPXI Group with the time and stability required to consider potential restructuring transactions and maximize the value of its assets for the benefit of its creditors and other stakeholders. This may include the sale of all or substantially all of the business or assets of the MPXI Group through a court-supervised sales process. In that regard, the MPXI Group intends to seek Court approval to launch a sale and investment solicitation process for its business and assets (the "**SISP**") on or around August 4, 2022. The SISP is expected to be administered by the Monitor, with the assistance of the Applicants. Additional details in respect of the SISP will be disclosed shortly.

Additional information regarding the CCAA proceedings – including all of the Court materials filed in the CCAA proceedings – may be found at the Monitor's website:  
<https://www.ksvadvisory.com/insolvency-cases/case/MPXI>

### **Cancellation of Annual Meeting of Shareholders**

Pursuant to a press release issued on July 12, 2022, the Corporation advised its shareholders that its annual meeting (the "**Meeting**") initially scheduled to be held on July 15, 2022 at 10:00 am (Toronto time) would be postponed until July 29, 2022 at 10:00 am (Toronto time). Pursuant to the Initial Order, the Court has relieved the Corporation from its obligation to hold the Meeting until further order of the Court. **Accordingly, the Company will not proceed to hold the Meeting on July 29, 2022.** Should the Company determine to hold the Meeting at a future date, shareholders and other interested parties will be notified by way of further press release.

### **About MPXI**

MPXI is a multinational diversified cannabis company focused on developing and operating assets across the international cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient. With current operations spanning four continents in Canada, Switzerland, South Africa, Malta and Thailand as well as evolving partnership and distribution opportunities in other jurisdictions, MPXI continues to position itself as an emergent global participant in the cannabis industry.

### **Cautionary Statement Regarding Forward-Looking Information**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, MPXI's objectives and intentions, the availability of DIP Financing, the outcome of the CCAA proceedings and the SISP. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking

statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; the Corporation's ability to effectively deal with the restrictions, limitations and health issues presented by the COVID-19 pandemic; future cannabis pricing; cannabis cultivation yields; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel and contracted relationships with third parties; the regulatory environment in Australia, Canada, Malta, South Africa, Switzerland, Thailand and other international jurisdictions; the ability to complete any future potential transactions in connection with the SISP in CCAA Proceedings and the terms and conditions thereof; the availability of DIP Financing, the application of federal, state, provincial, county and municipal laws; and the impact of increasing competition; those additional risks set out in MPXI's public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com), including its audited annual consolidated financial statements for the financial years ended September 30, 2021 and 2020, and the corresponding management's discussion and analysis; and other matters discussed in this news release related to the CCAA proceedings and the SISP. Although MPXI believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, MPXI disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**For further information about MPXI and the CCAA proceedings, please contact the Monitor:**

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