

Michigan Circuit Court Approves Order for the Appointment of Receiver over Pharmaco Assets

TORONTO, Jan. 07, 2025 (GLOBE NEWSWIRE) -- Red White & Bloom Brands Inc. (CSE: RWB) ("RWB" or the "Company") confirms that the senior secured lender to Pharmaco Inc. ("Pharmaco"), an indirect subsidiary of RWB, has submitted a stipulated order (the "Receivership Order") to the Circuit Court in the City of Pontiac, County of Oakland, Michigan (the "Court"), requesting the appointment of a receiver (the "Receiver") for all of the assets of Pharmaco. On December 26, 2024, the Honorable Circuit Court Judge Michael Warren appointed Trust Street Advisors, LLC, through its agent Gene R. Kohut, as Receiver for Pharmaco's assets.

Pharmaco, which was acquired by a wholly owned subsidiary of RWB on February 7, 2022, has operated licensed medical and adult-use retail outlets, as well as conducted limited cultivation operations in the state of Michigan. However, Pharmaco's operations no longer align with RWB's core business objectives, as previously disclosed in the Company's public filings. A receivership of this nature is expected to generate incremental savings by reducing operating expenses, working capital demands, and debt service obligations associated with Pharmaco's operations.

The Company confirms that the remainder of its ongoing operations, including its Michigan distribution operations, continue to operate without disruption during the receivership. RWB remains committed to driving innovation and creating value within its distribution networks across the United States, actively executing growth initiatives in the state of Florida, including expanding its medical retail footprint and enhancing its processing and cultivation facilities, and continuing to optimize its recently acquired Canadian operations.

Background on the Receivership Order

The Receivership Order was issued following continued and uncured defaults under a senior secured loan agreement between Pharmaco and its senior secured lender. The Receivership Order, jointly submitted by Pharmaco and the senior secured lender, was approved by the Court. Under the Receivership Order, the Receiver is authorized to take full control of Pharmaco's assets (the "Receivership Property") and ensure their management and/or divestiture. The senior secured lender retains its senior lien position throughout the receivership process and is entitled to proceeds from any sale or may credit bid its secured claim in accordance with applicable Michigan law.

Pharmaco is required to cooperate with the Receiver to ensure orderly operations during the receivership. Select RWB management personnel may provide operational and management support to the Receiver as needed. The senior secured lender will fund the receivership costs, enabling the Receiver to maximize the value of the Receivership Property.

Advisors

The Dragich Law PLLC is legal counsel for the Receiver, while Plunkett Clooney serves as legal counsel for Pharmaco.

About Red White & Bloom Brands Inc.

Red White & Bloom Brands is a multi-jurisdictional cannabis operator and house of premium brands operating in the United States, Canada and select international jurisdictions. The Company is predominantly focusing its investments on major U.S. markets, including California, Florida, Missouri, Michigan, and Ohio in addition to Canadian and international markets.

Red White & Bloom Brands Inc.

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FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. There is no assurance that the near-term priorities outlined in this press release will yield results in line with management expectations. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of the Company's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key

personnel, market size, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are several important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to the Company's proposed business, such as failure of the business strategy and government regulation; risks related to the Company's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property, and reliable supply chains; risks related to the Company and its business generally; risks related to regulatory approvals. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.



Source: Red White & Bloom Brands Inc.