

February 19, 2021



# Choice Consolidation Corp. Announces Completion of U.S.\$150,000,000 Initial Public Offering

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TORONTO, Feb. 19, 2021 /CNW/ - Choice Consolidation Corp. (the "**Corporation**") (NEO: CDXX.UN.U) is pleased to announce the closing (the "**Closing**") of its initial public offering (the "**Offering**") of 15,000,000 Class A restricted voting units of the Corporation (the "**Class A Restricted Voting Units**") at an offering price of U.S.\$10.00 per Class A Restricted Voting Unit, for aggregate proceeds of U.S.\$150,000,000. The Corporation has granted the Underwriters (as defined below) a 30-day option following closing of the Offering to purchase up to an additional 2,250,000 Class A Restricted Voting Units, at a price of U.S.\$10.00 per Class A Restricted Voting Unit (the "**Over-Allotment Option**") for additional aggregate proceeds of up to U.S.\$22,500,000 to cover over allotments, if any, and for market stabilization purposes. The aggregate proceeds from the Offering were (and the proceeds from any exercise of the Over-Allotment Option will be) deposited into an escrow account pending completion of a qualifying transaction (as defined below) by the Corporation and will only be released upon certain prescribed conditions, as further described in the Corporation's final prospectus dated February 12, 2021 (the "**Final Prospectus**"). The Offering was distributed by Canaccord Genuity Corp. and Beacon Securities Limited (together, the "**Underwriters**").

"We are thrilled to make our public market debut on the NEO Exchange as we begin our next phase of effecting our qualifying transaction with a focus on US cannabis acquisitions," said Joe Caltabiano, CEO of the Corporation. "As a senior listing exchange, NEO has established itself as a leading platform for special purpose acquisition companies. We chose to partner with them due to their stringent listing requirements, which we believe provide increased transparency to both retail and institutional investors."

"Over the coming months, we look forward to effecting a transaction that will seek to create a best-in-class cannabis MSO operating across key limited license markets in the US. This management team and board of directors have a proven track record with more than 25 cannabis acquisitions completed over the past two years that have led to value creation for shareholders, and we are looking forward to building another scaled and profitable MSO; this time with an even deeper understanding of what it takes to generate excellent cultivation yields, streamlined manufacturing and a differentiated retail experience for patients and customers."

Each Class A Restricted Voting Unit is comprised of a Class A restricted voting share (a "**Class A Restricted Voting Share**") and one-quarter of a share purchase warrant of the

Corporation (a "**Warrant**"). Each whole Warrant will entitle the holder to purchase one Class A Restricted Voting Share for a purchase price of U.S.\$11.50, commencing sixty-five (65) days after the completion of the qualifying transaction and will expire on the day that is five years after the closing date of the qualifying transaction or earlier. The Class A Restricted Voting Units will commence trading today on the NEO Exchange under the symbol "CDXX.UN.U" and will trade as a unit prior to the closing of the qualifying transaction and may only be redeemed as a unit. Class A Restricted Voting Units will be redeemable for a *pro-rata* portion of the amount then held in the escrow account, net of taxes payable and other prescribed amounts. Each non-redeemed Class A Restricted Voting Unit will separate following the closing of the qualifying transaction into one common share of the Corporation and one-quarter of a Warrant.

The Corporation is a newly organized special purpose acquisition corporation (SPAC) formed for the purpose of effecting an acquisition of one or more businesses within a specified period of time (a "**qualifying transaction**"). The Corporation will search for target businesses with a focus on cannabis cultivation, production distribution, brands, manufacturing and/or retailing businesses or related businesses; however, it is not limited to a particular industry or geographic region for purposes of completing its qualifying transaction. The Corporation intends to target existing strong single-state operators in markets with high barriers to entry, distressed assets that require minimal to moderate incremental capital to 'turn on' and paper licenses in targeted states that can be obtained on accretive terms.

The Corporation's management team and board of directors is comprised of Joe Caltabiano (Chief Executive Officer and Director), Lois A. Mannon (Chief Financial Officer), Peter Kadens (Lead Director), and Lisa Gavales (Director).

The sponsors of the Corporation are Choice Consolidation SM Sponsor LLC and Calti Choice Sponsor LLC (together, the "**Sponsors**"). Concurrent with the Closing, the Sponsors purchased an aggregate of 5,000,000 share purchase warrants ("**Sponsors' Warrants**") at an offering price of U.S.\$1.00 per Sponsors' Warrant for aggregate proceeds equal to U.S.\$5,000,000. The Sponsors each own 2,156,250 Class B Shares of the Corporation ("**Class B Shares**") and 2,500,000 Sponsors' Warrants, each representing a 50% interest in the Class B Shares and approximately 10% of the total Class A Restricted Voting Shares and Class B Shares, assuming full exercise of the Over-Allotment Option and no relinquishment by the Sponsors of any of their Class B Shares. In addition, Senvest Master Fund, LP and Calti Choice Consolidation LLC (together, the "**Lead Investors**") committed U.S.\$30 million and U.S.\$7.5 million, respectively, of non-redeemable capital through the purchase of 3,000,000 Class A Restricted Voting Units (representing approximately 17.4% of the outstanding Class A Restricted Voting Shares and approximately 13.9% of the total Class A Restricted Voting Shares and Class B Shares assuming full exercise of the Over-Allotment Option) and 750,000 Class A Restricted Voting Units (representing 4.3% of the outstanding Class A Restricted Voting Shares and 3.5% of the total Class A Restricted Voting Shares and Class B Shares assuming full exercise of the Over-Allotment Option), respectively, under the Offering. Senvest Management, LLC has an interest in Choice Consolidation SM Sponsor LLC and in Senvest Master Fund, LP. Calti Choice Sponsor LLC and Calti Choice Consolidation LLC are controlled by Joe Caltabiano.

The Sponsors' and the Lead Investors' positions in the Corporation were acquired for

investment purposes. Subject to certain exceptions, the Sponsors are restricted from selling their Class B Shares and Sponsors' Warrants prior to the qualifying transaction, as described in the Final Prospectus. The Lead Investors have agreed not to redeem their Class A Restricted Voting Units in connection with a qualifying transaction or an extension to the Permitted Timeline (as defined in the Final Prospectus). In connection with the Offering, the Sponsors, as sponsors to the Corporation entered into certain material agreements, all as described in the Final Prospectus.

The Corporation's head office is located at 55 West Monroe, Suite 1200, Chicago, Illinois, 60603, United States and the registered office is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, BC, V7X 1L3, Canada.

Blake, Cassels & Graydon LLP is legal counsel to the Corporation and the Sponsors. Goodmans LLP is legal counsel to the Underwriters.

This press release is not an offer of securities for sale in the United States, and the securities may not be offered or sold in the United States absent registration or an exemption from registration. The securities have not been and will not be registered under the United States Securities Act of 1933. Copies of the Final Prospectus will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **About Choice Consolidation Corp.**

Choice Consolidation Corp. is a newly organized special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, a qualifying transaction within a specified period of time.

#### **Forward-Looking Statements**

*This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Sponsors' and the Corporation's current expectations regarding future events including its expectations related to the Corporation's qualifying transaction. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Sponsors' or the Corporation's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, intentions related to the Corporation's qualifying transaction and related transactions and the factors discussed under "Risk Factors" in the final prospectus of the Corporation dated February 12, 2021. Neither of the Sponsors nor the Corporation undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

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