



## Scythian Biosciences Makes Strategic Investment in Verano™ Holdings with \$188 Million USD Transaction

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Scythian Invests USD\$88 Million in Verano Class B Membership Units

Scythian to Sell 3 Boys Farms in Share Exchange for USD\$100 Million in Verano Class B Membership Units

M&A Identified, Talent and Capital Aligned for Aggressive Expansion, and Verano Actively Pursuing Future Financings to Fund National Growth Strategy with a View of Undertaking a Go-Public Transaction

Consolidates Licensed Cannabis Operations in Florida, Ohio, Nevada, Illinois, Maryland, Michigan and Puerto Rico

TORONTO, Oct. 23, 2018 (GLOBE NEWSWIRE) -- Scythian Biosciences Corp. (the "**Company**" or "**Scythian**") (CSE:SCYB) (Frankfurt:**9SB**) (OTC – Nasdaq Intl:SCCYF) is pleased to announce a USD\$88 million investment in Class B units in Verano Holdings, LLC ("**Verano**"), a private, Delaware organized, vertically integrated, licensed operator of cannabis cultivation, manufacturing and retail facilities across six key U.S. states and Puerto Rico. Scythian has also agreed to sell a 100% interest in 3 Boys Farms LLC ("**3 Boys Farms**"), which it will acquire as described below, to Verano in exchange for USD\$100 million of Class B units in Verano. All transactions related to 3 Boys Farms are subject to the receipt of all required governmental approvals including from the Florida Department of Health, Office of Medical Marijuana Use ("**Florida OMMU**").

Scythian is also pleased to announce that it has entered into a binding share purchase agreement to acquire 100% of the issued and outstanding common shares of CannCure Investments Inc. ("**CannCure**"), a privately-held Ontario corporation. CannCure indirectly owns 60% of 3 Boys Farms, a Florida-based limited liability company with authorization to cultivate, process and dispense medical cannabis as a licensed medical marijuana

treatment center in accordance with Florida state law under Florida Statutes section 381.986. Upon the acquisition of CannCure, Scythian will hold a contractual right to purchase the remaining 40% of 3 Boys Farms, subject to the receipt of all required governmental approvals from the Florida OMMU.

This strategic investment and transaction will give Scythian a substantial stake in Verano and expand its investments in the U.S. to key markets, including Illinois, Maryland, Michigan, Nevada, Ohio, Florida and Puerto Rico, with additional states to be added in 2019. The investment and transaction further strengthen Scythian's position as the leading cannabis incubator in the U.S. cannabis marketplace.

"Scythian delivers on its promise to investors by identifying and investing in the most impressive emerging cannabis company in the U.S. marketplace, Verano," said Scythian Chief Executive Officer Brady Cobb. "Verano brings strong, efficient and expansive operations to numerous U.S. markets. Its customer-centric dispensary experience that is filled with its diverse and high-quality products (150 SKUs), cutting-edge cultivation facilities, innovative processing techniques and seasoned executive/management team will fast-track its standing to the top of the U.S. cannabis industry."

"We've partnered and backed a number of experienced teams and operators in the space now, but the depth of talent within Verano and leadership under George Archos will undoubtedly make Verano the U.S. player all others are chasing or aspiring to become," said Scythian's Chairman, Andy DeFrancesco.

Verano is a preeminent privately owned, vertically integrated cannabis company with an aggressive expansion strategy underway, credibly aiming to become one of the top-five largest U.S. cannabis businesses in 2019. Along with Scythian's sizable investment, Verano's ownership and/or management of nine profitable licensed cannabis facilities developed by Verano management will consolidate with 3 Boys Farms' sizable footprint across Florida and enable Verano to reach a population exceeding 67 million. Facilities include:

- Illinois: one cultivation and production facility and three dispensaries;
- Florida: one cultivation and production facility and up to 30 dispensary facilities under current law;

- Maryland: one cultivation and production facility and two dispensaries;
- Nevada: one cultivation and production facility and one dispensary;
- Michigan: license(s) under development;
- Ohio: license(s) under development;
- Puerto Rico: license(s) under development.

Led by Chief Executive Officer George Archos, Verano's management team consists of successful executives with diverse backgrounds in cannabis and other highly-regulated, consumer-centric, industries. Scythian's renowned experience in navigating, forming partnerships and identifying strategic investments in the cannabis industry will be essential in aiding Verano's exceptional management team and accelerating their growth potential in the US cannabis industry.

### **Verano Transaction Details**

Scythian's investment of USD\$88 million in Class B units of Verano is part of a larger brokered private placement of securities of Verano to accredited investors for an aggregate amount of USD\$100 million.

Clarus Securities Inc. acted as the sole agent in the financing. Closing of the offering is expected to occur on or about October 26, 2018.

Scythian also entered into a membership interest contribution agreement between, among others, Scythian and Verano, under which Scythian will acquire the remaining 40% of 3 Boys Farms (subject to the satisfaction of customary conditions including receipt of all necessary regulatory approvals from the Florida OMMU) and, when completed, sell and convey its entire interest in 3 Boys Farms to Verano in exchange for USD\$100 million of Verano Class B units. The transactions contemplated under the contribution agreement are subject to receipt of all required governmental approvals, including from the Florida OMMU. Closing is expected to occur on or about December 15, 2018 or such other date as may be agreed to by the parties.

### **CannCure Transaction Details**

Scythian has entered into a binding share purchase agreement today to acquire all of the issued and outstanding common shares in CannCure. CannCure owns 60% of 3 Boys Farms and holds an indirect contractual right and obligation to purchase the remaining 40% of 3 Boys Farms. The CannCure purchase price will be satisfied by a combination of CAD\$29.27 million in Scythian common shares at a deemed price of \$4.00 per common share, USD\$52.1 million in Verano class B units and USD\$19.2 million in cash, which will be held back and applied by Scythian against the acquisition of the remaining 40% of 3 Boys Farms. The completion of the acquisition of CannCure is subject to a number of closing conditions, including receipt of all required governmental approvals, including from the Florida OMMU. Closing is expected to occur on or about November 15, 2018 or such other date as may be agreed to by the parties.

As a result of these transactions, Scythian will own USD\$135.9 million of Class B units in Verano. To complete the transactions, Scythian will pay USD\$107.2 million in cash and will issue CAD\$29.27 million in common shares of the Company. The cash components will be funded from cash currently on hand.

Each of Verano, CannCure and 3 Boys Farms is arms' length from Scythian.

### **About Verano**

Verano Holdings is one of the United States' preeminent national, vertically integrated operator of licensed cannabis cultivation, manufacturing and retail facilities dedicated to improving lives by providing safe access to effective pesticide-free cannabis products that profoundly impact the communities the company serves. Verano develops and produces a well-rounded suite of limited edition, fashion-forward cannabis products, which offer superior medicinal therapies and inspirational product options. It designs, builds and operates unique Zen Leaf™ branded dispensary environments that ensure an exceptional shopping experience with unparalleled customer service and satisfaction in both medical and adult-use markets. Verano Holdings distributes cannabis concentrates, edibles, extracts, flower and topicals, many in precision-dosed THC and CBD formulations, under its trusted premium brands: GoldLeaf™, Menta™, Sweet Sins™, Encore Company™, Avexia™ and verano™.

For more information, visit <http://verano.holdings>.

### **About Scythian Biosciences Corp.**

Scythian is an international cannabis company with a focus on legal U.S. states. 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 Scythian as a future frontrunner in the United States medical cannabis industry.

## **CONTACT INFORMATION**

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