

Roll Cannabis Group Completes the Acquisition of FXO Legend Grown

Adding a wholly owned subsidiary with operations in 19 US Locations



New York City, Nov 14, 2020 ([IssueWire.com](https://www.issuewire.com)) - Roll Cannabis Group (RCG Inc) (“Roll Cannabis” or the “Company”) is pleased to announce the completion of the acquisition of the remaining 85.5% interest in FXO Legend Grown (“FXO”) by way of a share purchase agreement, as previously announced on September 30, 2020 (the “Acquisition”).

“We are excited to complete the acquisition of FXO and its existing brands, and thereby add operations in California, Nevada, Florida and New York to our existing Canadian platform. The combination of our extensive cannabis cultivation know-how and FXO’s extensive pharmaceutical experience, consulting, and operations management along with its marketing brands, has the potential to create tremendous value. With an expected annual capacity of 500,000 kilograms, the RCG cultivation asset in Canada should allow us to be a significant producer in the global medical cannabis and active pharmaceutical ingredient (API) markets, initially in Canada and North America,” said Annalise Marie Silva-Resnick, Roll Cannabis Group’s Chief Executive Officer. “We continue to see the cannabis market bifurcating into premium, superior quality adult use products, where legal, and a global medical opportunity that will require massive production scale and deep GMP expertise. With the completion of this acquisition, the subsequent ramp-up of production at RCG, and the continued buildout of our campus in California, Roll Cannabis Group is strategically positioned to service the global cannabis market from an efficient footprint.”

“I am excited to be a part of this transition,” said M Maximus Silva. “Partnering with such a great company and great people will help in our vision to become a global brand. Annalise is not only an amazing partner, she is an amazing leader. We are all very excited.”

Total consideration for the Acquisition included:

Cash consideration of USD \$14,299,423.76;

Issuance of 35,500,000 Series 1 Voting Convertible Redeemable Preferred shares ("Consideration Shares") of the Company. The Consideration Shares shall convert into common shares of the Company ("Common Shares"), on a 1:1 basis, subject to the following milestones:

10% of the Consideration Shares were automatically converted into Common Shares immediately after issuance on Closing;

40% of the Consideration Shares will automatically convert into Common Shares six (6) months from the Closing; and

The remaining 50% of the Consideration Shares will convert into Common Shares when and if FXO Legend Grown achieves certain milestones related to the lodging of product applications and achieving certain acquisition targets in California and Florida;

The purchase of certain loans up to a maximum amount of USD \$3,765,188.73; and

RCG has also agreed to pay the aggregate amount of \$4,378,106.53 to certain of FXO's creditors.

About Roll Cannabis Group:

RCG, through its subsidiaries, holds cannabis production and sales/retail licenses. With a head office in Toronto and Beverly Hills, and a production facility in Canada and California, RCG builds and operates large-scale, GMP-designed cultivation facilities utilizing its own growing systems.



Media Contact

Roll Cannabis Group - Annalise Marie Resnick

aresnick@legendgrown.com

5594645396

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