



Plus Products Inc. Announces Debentureholder Approval of Debenture Amendments

February 25, 2021

SAN MATEO, Calif., Feb. 25, 2021 (GLOBE NEWSWIRE) -- Plus Products Inc. (CSE: PLUS) (OTCQX: PLPRF) (the "Company" or "PLUS"), a cannabis and hemp branded products company in the U.S., is pleased to announce today that, further to its press release dated February 3, 2021, holders (the "Debentureholders") of the Company's 8.00% unsecured convertible debentures due February 28, 2021 (the "Debentures") have approved by way of signed instruments in writing in the form of the Form of Proxy, certain proposed amendments to the terms of the Debentures (the "Debenture Amendments") and proposed resolutions for consideration (the "Resolution Amendments" and together with the Debenture Amendments, the "Amendments"). The Amendments have therefore been validly approved.

As a result of such approval, the extraordinary meeting of Debentureholders that was to be held today, February 25, 2021, in respect of the Amendments has been cancelled.

A Management Information Circular dated January 26, 2021 (the "Circular") containing a detailed description of the Amendments has been mailed to the Company's Debentureholders of record.

As a result of such approval, the Debenture Amendments will:

- a) extend the maturity date of the Debentures from February 28, 2021 to February 28, 2024;
- b) increase the coupon rate of the Debentures from 8.00% to 12.00% per annum effective February 28, 2021;
- c) grant Odyssey Trust Company, on its behalf and on behalf of the Debentureholders, a first charge security interest in all of the Company's present and after acquired properties;
- d) grant a conversion right to the holder of a Debenture pursuant to which Debentureholders may require the Company to convert their outstanding Debentures pro rata up to a maximum amount of CAD\$6,250,000 (representing 25%) of the principal amount of the Debentures to be so converted at a conversion price of CAD\$0.95, exercisable up to March 31, 2021, and delete the Debentureholder's right to convert any part of the principal amount of a Debenture into common shares at a price of CAD\$6.50 in the capital of the Company; and
- e) amend the redemption price to an amount equal to 103% of the principal amount, including accrued and unpaid interest thereon up to (and including) the redemption date up to February 28, 2023 and thereafter until the maturity date to an amount equal to 101.50% of the principal amount, including accrued and unpaid interest thereon up to (and including) the redemption date.

In addition, the Resolution Amendments approved include the:

- a) payment of a consent fee equal to CAD\$499 for every CAD\$1,000 principal amount of Debentures held by such Debentureholders as at the record date and to be paid in the form of common share purchase warrants (the "Consent Fee") to those Debentureholders having consented to the Debenture Amendments on or before February 22, 2021. In consideration of the Consent Fee paid to such consenting Debentureholders, the Company shall issue to the Debentureholders one (1) common share purchase warrant (each, a "Warrant") for every CAD\$1.10 Consent Fee consideration to be received by Debentures held by such Debentureholders as at the record date.

For greater certainty, the total aggregate consideration of such Consent Fee shall be 454 Warrants for every CAD\$1,000 principal amount of Debentures issued to those Debentureholders having consented to the Debenture Amendments on or before February 22, 2021.

Each whole Warrant shall entitle the holder thereof to purchase one (1) Subordinate Voting Share at a price of CAD\$1.10 per share at any time on or before February 28, 2024;

- b) delisting of the Debentures from the Canadian Securities Exchange (the "CSE");
- c) listing of the amended Debentures on the CSE.

The Company will apply to delist the Debentures from the CSE. The Company will subsequently apply to list the amended Debentures on the CSE.

Conversion Rights Procedure

In connection with the Amendments, holders of the amended Debentures are afforded the right to convert their outstanding amended Debentures pro rata up to a maximum amount of CAD\$6,250,000 (representing 25%) of the principal amount of the amended Debentures, at a conversion price of CAD\$0.95 per Subordinate Voting Share (the "Conversion Price").

Commencing March 1, 2021, a holder of the amended Debentures shall have the right, at their option, to require PLUS to convert the holder's amended Debentures into Subordinate Voting Shares at a price equal to the Conversion Price and to be completed upon the expiry date of March 31, 2021 (the "Conversion Date"). Each holder of amended Debentures who elects to have their amended Debentures converted is required to notify Odyssey Trust Company, as trustee (the "Trustee"), prior to 4:00 p.m. (Pacific time) on March 29, 2021, being two Business Days prior to the Conversion Date.

The notice required to be provided to the Trustee shall be in the form attached to the supplemental indenture to be entered into between PLUS and the Trustee (the "Supplemental Indenture") and filed on the Company's SEDAR profile as Schedule "B" (the "Conversion Notice").

The Conversion Notice, when received by the Trustee from a holder, shall be irrevocable.

PLUS shall not be required to convert an aggregate principal amount on the Conversion Date of more than CAD\$6,250,000, in respect of the aggregate principal amount of amended Debentures (the "Maximum Conversion Amount") tendered pursuant to the conversion right. In the event that more than the Maximum Conversion Amount of Debentures are so tendered for conversion, PLUS shall convert the Debentures tendered pro rata up to the Maximum Conversion Amount.

The Conversion Right will not affect the rights of those Debentureholders who have not accepted it. Debentureholders who have not accepted the Conversion Right will not be entitled to the benefit and will not receive the Subordinate Voting Shares issuable upon conversion of the amended Debentures, and will retain their full rights under the amended Debentures.

The securities issued pursuant to the conversion noted in this press release are subject to a statutory hold period of four (4) months from the date of issuance. Consequently, unless otherwise permitted by applicable securities legislation, the holder of such securities must not trade the securities before such date.

Copies of the Management Information Circular and Supplemental Indenture can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com.

About PLUS

PLUS is a cannabis branded products company focused on using nature to bring balance to consumers' lives. PLUS's mission is to make cannabis safe and approachable – that begins with high-quality products that deliver consistent consumer experiences. PLUS is headquartered in San Mateo, CA.

For further information contact:

Jake Heimark
CEO & Co-founder
ir@plusproducts.com

Investors:

Blake Brennan
Investor Relations
Blake@plusproducts.com
Tel +1 213.282.6987

Media:

plus@mattio.com
Mattio Communication

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