



RIV Capital announces receipt of application in connection with Etain acquisition

TORONTO – May 24, 2022 -- RIV Capital Inc. (CSE: RIV) (OTC: CNPOF) (“RIV Capital” or the “Company”) today announced that it had received notice of an Ontario Superior Court of Justice application by JW Asset Management (“JWAM”) in connection with the Company’s process regarding its acquisition of ownership and control of Etain, LLC and Etain IP LLC, owners and operators of legally licensed cannabis cultivation and retail dispensaries in the state of New York (the “Etain Acquisition”).

JWAM, an investment firm focused on the pharmaceutical and cannabis industries, is the holder of approximately 20.4% of the Company’s issued and outstanding Class A common shares (the “Common Shares”). JWAM’s President and Chief Investment Officer, Jason Wild, both individually and through JWAM beneficially owns approximately 35.8% of TerrAscend Corp. (CSE: TER) (OTC: TRSSF) (“TerrAscend”), a competing U.S. multi-state cannabis operator. Mr. Wild also serves as the Executive Chairman and Chairman of the Board of TerrAscend.

In JWAM’s application – which the Company forcefully disagrees with, and intends to vigorously contest - JWAM is seeking a declaration that the management, business or affairs of the Company have been conducted in a manner that is oppressive or unfairly prejudicial or that unfairly disregards the interests of JWAM as a shareholder of RIV Capital. JWAM is also seeking an order requiring RIV Capital to purchase JWAM’s Common Shares at fair value as of March 29, 2022, the day prior to the announcement of the Etain Acquisition.

RIV Capital’s firm position is that the Etain Acquisition, the initial closing of which occurred on April 22, 2022, complied with all applicable laws and stock exchange requirements. The Company also strongly believes that the position advanced by JWAM is baseless and is wholly without merit. RIV Capital intends to ask the court to dismiss the application and award RIV Capital its costs of defending it.

About RIV Capital

RIV Capital is building a leading cannabis packaged goods company, with a focus on establishing one of the strongest portfolios of brands in key strategic U.S. markets. Backed by in-house expertise and cannabis domain knowledge, RIV aims to grow its own brands and partner with established U.S. cannabis operators and brands to bring them to new markets and build market share. RIV established the foundational building blocks of its active U.S. strategy with the announced acquisition of ownership and control of Etain LLC and Etain IP LLC, owners and operators of legally licensed cannabis cultivation and retail dispensaries in the state of New York. Through its strategic relationship with The Hawthorne Collective, a subsidiary of The Scotts Miracle-Gro Company, RIV Capital is The Hawthorne Collective’s preferred vehicle for cannabis-related investments not under the purview of other ScottsMiracle-Gro subsidiaries.

Forward-Looking Statements

This news release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs, and current expectations of RIV Capital and its portfolio companies with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding the application initiated by JWAM and the claims asserted therein, and the Company’s intentions to defend such application.

Investors are cautioned that forward-looking information is not based on historical fact but instead reflects management's expectations, estimates, or projections concerning future results or events based on the opinions, assumptions, and estimates of management considered reasonable at the date the statements are made. Although RIV Capital believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance, or achievements of RIV Capital or its portfolio companies.

RIV Capital intends to invest in and/or acquire companies that are involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where such operations occur permit such activities however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with recreational and medicinal cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve RIV Capital of liability under U.S. federal law nor will it provide a defense to any federal proceeding which may be brought against RIV Capital. The enforcement of federal laws in the United States is a significant risk to the business of RIV Capital and any proceedings brought against RIV Capital thereunder may adversely affect RIV Capital's operations and financial performance.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected. Although RIV Capital has attempted to identify important risks, uncertainties, and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated, or intended. RIV Capital does not intend and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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