

BZAM Obtains Creditor Protection to Pursue Restructuring and Sales Process

VANCOUVER, BC and TORONTO, Feb. 29, 2024 /CNW/ - BZAM Ltd. ("**BZAM**") (CSE: BZAM) (US-OTC: BZAMF) announced today that BZAM and its Canadian subsidiaries (collectively, the "**BZAM Group**") have been granted an order (the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), in order to restructure their business and financial affairs. The Initial Order also extends certain protections to, among others, BZAM's foreign subsidiaries (the "**Non-Applicant Stay Parties**").

Due to, among other things, margin pressures caused by significant competition and the fragmentation of the cannabis industry, and financial underperformance and pressures resulting from obligations owing to creditors, the BZAM Group has been unable to generate positive cash flows and has incurred cumulative losses. After careful consideration of all available alternatives, the board of directors of each member of the BZAM Group determined that it was in the best interest of the BZAM Group and its stakeholders to seek creditor protection under the CCAA.

The Initial Order provides for, among other things, a stay of proceedings in favour of the BZAM Group and the Non-Applicant Stay Parties, the approval of debtor-in-possession financing ("**DIP Financing**") and the appointment of FTI Consulting Canada Inc. as monitor of the BZAM Group (in such capacity, the "**Monitor**"). In addition, the Initial Order provides BZAM with relief from certain reporting obligations under securities legislation and stock exchange rules.

Bennett Jones LLP is acting as counsel the BZAM Group in its CCAA proceedings.

The stay of proceedings and DIP Financing will provide the BZAM Group with the time and stability required to consider potential restructuring transactions and maximize the value of its assets for the benefit of its creditors and other stakeholders. This may include the sale of all or substantially all of the business or assets of the BZAM Group through a court-supervised sales process.

In that regard, the BZAM Group intends to seek Court approval to launch a sale and investment solicitation process for its business and assets (the "**SISP**") on or around March 8, 2024. The SISP is expected to be administered by the BZAM Group and the Monitor. In connection with the SISP, BZAM expects to enter into a transaction with an entity related to an existing creditor and significant stakeholder of the company to acquire substantially all of the business and assets of the BZAM Group (the "**Stalking Horse Transaction**"). The Stalking Horse Transaction is expected to act as the stalking horse bid in the SISP. Additional details in respect of the SISP and the proposed Stalking Horse Transaction will be disclosed shortly.

In addition, BZAM also announced that Kay Jessel resigned from the board of BZAM prior to the board resolving to commence proceedings under the CCAA.

The business operations of the BZAM Group will not be interrupted as a result of the CCAA proceedings. It is expected that the BZAM Group will emerge from creditor protection as a stronger company with a healthier balance sheet.

Trading of BZAM's common shares and warrants on the Canadian Securities Exchange (the "**CSE**") may be halted for a period of time and, as a result of having filed for protection under the CCAA, BZAM may be suspended or delisted by the CSE.

Additional information regarding the CCAA proceedings – including all of the Court materials filed in the CCAA proceedings – may be found at the Monitor's website:

<http://cfcanada.fticonsulting.com/bzam/>

About BZAM Ltd.

BZAM Ltd. (CSE: BZAM) (US-OTC: BZAMF) is a leading Canadian cannabis producer. The BZAM family includes core brands BZAM™, TGOD™, ness™, Highly Dutch Organic™, TABLE TOP™, as well as partner brands Jeeter, Cookies, Sherbinskis, Dunn Cannabis, FRESH and Wyld. BZAM operates facilities in BC, Ontario and Quebec, as well as a retail store in Regina, Saskatchewan.

BZAM's shares and certain BZAM warrants issued under the indentures dated June 12, 2020, October 23, 2020 and December 10, 2020 currently trade on the CSE under the symbol "BZAM", "BZAM.WR", "BZAM.WA", and "BZAM.WB" respectively. The BZAM Shares trade in the U.S. on the OTCQX under the symbol "BZAMF".

Forward-Looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Any such forward-looking statements may be identified by words such as "will", "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this release include statements regarding: BZAM's expectation that the business operations of the BZAM Group will not be interrupted as a result of the CCAA proceedings; BZAM's belief that the stay of proceedings and DIP Financing will provide the BZAM Group with the time and stability required to consider potential restructuring transactions and maximize the value of its assets for the benefit of its creditors and other stakeholders; BZAM's intention to effect the SISP; and the trading and listing of BZAM's common shares and warrants. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive creditor or regulatory approvals; the ability to complete any future potential transactions in connection with the SISP in CCAA proceedings and the terms and conditions thereof; the availability of DIP Financing; the application of federal, state, provincial, county and municipal laws; the impact of increasing competition; those additional risks set out in BZAM's public documents filed on SEDAR+ at www.sedarplus.com. Although BZAM believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, BZAM disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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For further information: For further information about BZAM and the CCAA proceedings, please contact the Monitor: FTI Consulting Canada Inc., Phone: 416-649-8065, Toll Free: 1-833-446-7441, Email: bzam@fticonsulting.com or Matt Milich, CEO, mmilich@bzam.com, 778-655-6335

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