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Cannabis One Holdings Inc. Expands Premier Brand Portfolio with Acquisition of "Fat Face Farms" Brand from Cannabis Industry Veteran, JBC Enterprises LLC

VANCOUVER and DENVER – April 1, 2019 – **Cannabis One Holdings Inc. (CSE:CBIS)** ("**Cannabis One**", "**CBIS**" or the "**Company**"), an emerging, premier "House of Brands" in North America, is pleased to announce that it has executed a definitive asset purchase agreement (the "**Definitive Agreement**") to acquire certain assets of Colorado-based JBC Enterprises LLC ("**JBC**" or "**Fat Face Farms**"), which operates the premium, branded cannabis cultivation facility "Fat Face Farms", located in Denver, Colorado. Fat Face Farms is a perennial favourite amongst consumers and was the only entrant in the 2018 Colorado Grow Off -- out of fifty competitors -- to place among the Top 10 in each ranked category: *terpene profile*, *potency*, and *yield*.

Jeffery Mascio, CEO of Cannabis One, commented, "Following on the recent LOI to establish our first out-of-state **The Joint**[™] location in California's retail market, Cannabis One is excited to now announce that we are bringing the Fat Face Farms team and its master grower, Josh Monroe, under the CBIS umbrella." Mr. Mascio continued, "In addition to adding the 'Fat Face Farms' brand to our expanding portfolio and overseeing the development of our proprietary **Cheech's Private Stash**[™]-licensed line of branded products, Mr. Monroe brings a wealth of industry knowledge and experience to Cannabis One. We believe the Fat Face Farms team represents the premier choice in cultivation and we look forward to their leadership and guidance, as we seek to replicate their success, to bring the group's cultivation knowledge and techniques to each state-legal market we may enter."

Following the closing of the transaction contemplated in the Definitive Agreement (the "**Closing**"), the Company anticipates that the acquisition of Fat Face Farms will:

- bolster Cannabis One's unique line of branded cannabis products, to be made available through its flagship retail concept **The Joint**[™] and discerning retailers, alike;
- provide the Company with enhanced management control over its supply chain -- with a projected **31,725 ft²** of system-wide brand cultivation capacity targeted through fiscal 2019 -- ensuring product quality, consistency, and availability meet only the highest standards;
- further the Company's mission to de-commoditize flower products in mature markets, with its continued push into branded products;
- contribute a management estimated annualized **US\$2.5 million** in annual system-wide brand revenue through fiscal 2019, assuming completion of operational upgrades to Fat Face Farms' current facilities and the completion of the proposed greenhouse -- currently under construction -- anticipated to conclude in May and September, respectively; and

- position the Company to target a management estimated annualized **US\$6.8 million** in annual system-wide brand revenue through the Fat Face Farms channel, during fiscal 2020, as Cannabis One further expands its brand reach and cultivation expertise into new, state-legal markets.

Echoing Mr. Mascio's comments, Josh Monroe, Managing Member of Fat Face Farms, remarked, "We are extremely enthusiastic to be joining the Cannabis One family, especially at such an early stage in the development of its North American expansion plan." Mr. Monroe added, "Having already established Fat Face Farms as a leader in the Colorado market over the past nine years -- supplying some of the largest dispensaries in the state -- we are excited by the opportunity to now bring our unique brand of cultivation expertise to canna-curious consumers in new, state-legal markets, such as California, Nevada, and Washington, as such endeavours may arise, and in all new markets we may enter moving forward."

Under the terms of the Definitive Agreement, the Company's wholly-owned Colorado subsidiary shall acquire the business and operating assets of JBC, inclusive of all leasehold rights, intellectual property, and equipment. In accordance with Colorado regulation and legislation, neither the Company, nor its subsidiary, shall acquire any interest in regulated inventory or licenses related to the cultivation, manufacture, distribution, or sale of cannabis or cannabis-related products in connection with the transaction. Consideration payable to JBC in connection with the transaction will be US\$1,100,000 in Class B Super Voting Shares of Cannabis One (the "**CBIS Shares**") at a per CBIS Share price equal to ten times (given that each CBIS Share is convertible into ten Class A Subordinated Voting Shares of Cannabis One (the "**Class A Shares**")) the greater of: (a) the maximum discount allowed under the policies of the Canadian Securities Exchange (the "**CSE**") on the closing price of the Class A Shares one day prior to the announcement by Cannabis One of the execution of the Definitive Agreement; and (b) the ten-day volume-weighted average price (the "**VWAP**") of the Class A Shares immediately following the announcement by Cannabis One of the execution of the Definitive Agreement, converted into United States Dollars using a ten-day simple average of the USD:CAD exchange rate, as published by the Federal Reserve Bank, immediately following the execution of the Definitive Agreement (collectively, the "**Purchase Price**"). The payment of the Purchase Price remains subject to approval by the CSE.

The CBIS Shares issued to JBC in connection with the transaction shall be subject to a trading restriction, pursuant to applicable securities legislation, of four (4) months and one (1) day. Additionally, JBC has agreed to grant Cannabis One, and its wholly-owned Colorado subsidiary, a sixty (60) day right-of-first-refusal (a "**ROFR**") to purchase, or identify a third-party purchaser for, any such CBIS Shares intended to be sold by JBC.

About Cannabis One

IF WE BRAND IT, THEY WILL COME -- Cannabis One Holdings Inc. (**CSE:CBIS**) is focused on aggregating and optimizing popular cannabis brands throughout North America. With its unique, franchise-ready retail brand, The Joint™, and through targeted acquisition and partnership opportunities, Cannabis One intends to become the premier, globally-recognized, "House of Brands", holding a client portfolio of award-winning products with an extensive market footprint. Through the Company's The Joint™ retail concept, Cannabis One intends to leverage the consumer and brand data harvested from its retail locations to bring data-driven analytics to an emerging, branded industry. For consumers, Cannabis One desires to become the definitive source for unparalleled product selection and renowned service in an otherwise fragmented market.

Disclaimer and Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "anticipate", "could", "intend", "expect", "believe", "will", "projected", "potential", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. These statements are only predictions. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Forward looking statements include, but are not limited to: the successful Closing; CBIS realizing the anticipated benefits of the Closing; anticipated management estimated annualized system-wide brand revenue being realized by fiscal year end 2019 and 2020, which depends on number of factors, including, but not limited to: Fat Face Farms' historical yield (in weight) per light staying consistent for 2019 and 2020 fiscal year and completion of operational upgrades to Fat Face Farms' current facilities and the completion of the proposed greenhouse being concluded as anticipated in May and September, respectively; planned expansion of the Company's operations and product offerings; and receipt of conditional approval of the CSE. The Company assumes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

"System-wide brand revenue" does not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and, therefore, is considered a non-GAAP measure and may not be comparable to similar measures presented by other issuers. Cannabis One believes the non-GAAP measure of "system-wide brand revenue", combined with IFRS measures, such as revenue and net loss, is a useful measure to its shareholders as management relies on it to provide insight into future operations, given that while Cannabis One realizes certain revenue through long-term service arrangements with its client brands, current state regulatory restrictions and U.S. federal restrictions may prevent Cannabis One from consolidating the financial results of such brands.

Cannabis is legal in certain States in the United States ("U.S."), however cannabis remains illegal under U.S. federal laws. The U.S. Department of Justice issued guidance in 2013 indicating that it will focus on certain enforcement priorities, outside of which it will generally not enforce federal prohibitions on cannabis in U.S. states that have authorized this conduct so long as the U.S. state has implemented a strong and effective regulatory program. This federal guidance is subject to change, rescission or alteration by other federal government policy pronouncements at any time. Cannabis One intends to conduct its U.S. cannabis operations in a manner consistent with the applicable State laws in compliance with regulatory and licensing requirements applicable in the applicable State. However, the readers should be aware that change in federal guidance on enforcement actions could adversely affect Cannabis One's ability to access private and public capital required in order to support continuing operations and its ability to operate in the U.S.

Unlike in Canada which has Federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Act (Federal), readers are cautioned that in the U.S., cannabis

is largely regulated at the State level. To the knowledge of Cannabis One, there are to date a total of 33 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the U.S. and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. Federal law. Strict compliance with State laws with respect to cannabis will neither absolve Cannabis One of liability under the U.S. Federal law, nor will it provide a defense to any Federal proceeding, which may be brought against Cannabis One. Any such proceedings brought against Cannabis One may materially adversely affect its operations and financial performance in the U.S. market.

Further Information: For investment inquiries, please contact Scott Koyich, Investor Relations at Scott@briscocapital.com or (403) 619-2200.

Related Links

www.cannabisone.life