

Cannabis One Holdings Inc. Reports Continued Brand Development and Growth in Pacific Northwest through its Licensed Manufacturing and Distribution Partnerships

VANCOUVER, BRITISH COLUMBIA and DENVER, COLORADO – June 20, 2019 – Cannabis One Holdings Inc. (CSE: CBIS) ("Cannabis One", "CBIS", or the "Company") is pleased to provide an operational update to report on the continued growth and expansion of its brand reach within the Pacific Northwest region.

Over the last thirty days, Cannabis One's 'Honu' brand line, through its licensed manufacturing and distribution partners in Washington State and Oregon (each, a "Licensed Partner"), has continued to exceed Company management expectations as the brand continues its pursuit of a dominant position in the highly competitive Pacific Northwest cannabis-infused products markets, through third-party manufacturing and sales channels.

The following is a summary of certain performance achievements and highlights within the Washington State and Oregon markets, the collection of which is estimated to produce forward-looking annualized brand manufacturing contract fee revenue in excess of **US\$8.85MM** per year, with an EBITDA margin of approximately **32%**, which includes the effects of certain cost synergies that Company management reasonably expects will reduce brand-related expenses by up to **US\$750,000**:

Washington State

- Cannabis One's Licensed Partner has commenced production of concentrates under the 'Honu' brand label in Washington State and has reported to Cannabis One that, based on pre-orders received to-date and current sales channel data, 'Honu'-branded concentrates manufactured and sold by the Licensed Partner are anticipated to generate approximately **US\$850,000** per year in annualized brand manufacturing contract fee revenue to Cannabis One through this vertical, at an estimated EBITDA margin of approximately **35%**, assuming product demand aligns with the Licensed Partner's forecasted manufacturing and sales goals.
- The Company's Licensed Partner introduced and launched sales of disposable vaporizer products under Cannabis One's 'INDVR Strains' brand label in the Washington State market and, based on initial sales data collected by the Licensed Partner, has reported to Cannabis One that annualized brand manufacturing contract fee revenue to Cannabis One is anticipated to exceed **US\$1.2MM** per year through this vertical, at an estimated EBITDA margin of approximately **30%**, assuming the Licensed Partner meets its manufacturing and sales targets it has set for the product line.
- Cannabis One was further notified by LV 3480 Partners LLC ("Evergreen"), whom the Company has entered into a definitive agreement to acquire (the "Agreement"), per the announcement dated April 22, 2019, that its Licensed Partner has received State approval to commence the production and sale of certain infused products under Evergreen's 'Evergreen Organix' brand label, pursuant to a manufacturing and distribution agreement between Evergreen and the Licensed Partner – Based on initial forecasts made available to Cannabis One by Evergreen and the Licensed Partner, Evergreen anticipates annualized brand manufacturing contract fee revenue through the Licensed Partner to contribute approximately **US\$4.0MM** per year to Cannabis One (upon the closing of the transaction contemplated in the Agreement), at an estimated EBITDA margin of approximately **35%**, following the successful product and sales launch of 'Evergreen Organix'-branded product by the Licensed Partner.

Oregon State

- Cannabis One's Licensed Partner notified the Company that it has received approval for **eighteen (18) SKUs** labeled under the Company's 'Honu' brand banner in the State of Oregon, including approval for nine (9) THC-based and nine (9) CBD-based products – Initial sales orders received by the Licensed Partner suggest to the Company management that Cannabis One may anticipate annualized brand manufacturing contract fee revenue generate approximately **US\$1.1MM** per year to Cannabis One through this vertical, at an estimated EBITDA margin of approximately **35%**, assuming the successful manufacturing and sales launch of the 'Honu' brand by the Licensed Partner in Oregon.
- The Licensed Partner further reported to Cannabis One that it has now received State approval for a **50 mg** edible SKU branded under the 'Honu' label – Based on existing sales forecast information and initial purchase orders received by the Licensed Partner, Cannabis One expects this unconventional, but popular variety of 'Honu' branded edible to produce an estimated **US\$1.2MM** per year in annualized brand manufacturing contract fee revenue through the Licensed Partner, at an estimated gross margin of approximately **77.0%**, assuming the successful fulfillment of certain anticipated purchase orders by the Licensed Partner from its downstream retailers.
- Cannabis One would further like to provide an update on the development of the Company's proposed Oregon manufacturing and processing facilities, announced May 14, 2019, which are intended to be used for the production of THC and CBD products, following the receipt of all necessary governmental and regulatory approvals – located near Portland, Oregon, the Company anticipates development of the **21,000 ft²** state-of-the-art facility, to be designed and built in accordance with **GMP (Good Manufacturing Practices)** standards, to commence in July 2019.

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 ability of the

Company's brands to achieve a dominant position in the Washington State and Oregon markets; CBIS's ability to achieve its annual estimate for system-wide annualized brand revenue and EBITDA margin; CBIS's ability to maintain its cost synergies realized in the current period; CBIS's ability to maintain its licensed partnerships in Washington State and Oregon; CBIS realizing the anticipated brand manufacturing contract fee revenue and EBITDA margin associated with each vertical in Washington State and Oregon; CBIS's Licensed Partners realizing the anticipated production and sales targets for each vertical in Washington State and Oregon; Closing of the transaction contemplated in the Agreement with Evergreen; CBIS realizing the benefits of the closing of the transaction contemplated in the Agreement with Evergreen; Evergreen realizing the anticipated brand manufacturing contract fee revenue and EBITDA margin associated with the Licensed Partner's production and sales goals; CBIS realizing the benefits of the Oregon manufacturing and processing facilities; CBIS's ability to begin development of the facilities in July 2019; and CBIS securing the requisite governmental and regulatory approvals for the sale of THC-based and CBD-based products in the State of Oregon. 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.

"Brand manufacturing contract fee revenue" and "EBITDA" (earnings before interest, tax, depreciation and amortization) do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and, therefore, are considered non-GAAP measures and may not be comparable to similar measures presented by other issuers. Cannabis One believes the non-GAAP measure of "brand manufacturing contract fee revenue" and "EBITDA", combined with IFRS measures, such as revenue and net loss, are useful measures to its shareholders as management relies on such measures to provide insight into future operations. Readers are cautioned, however, that "brand manufacturing contract fee revenue" and "EBITDA" should not be construed as an alternative to financial measures determined in accordance with GAAP or IFRS as an indicator of the Company's financial performance. Readers are also advised 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. Cannabis One intends to conduct its U.S. cannabis operations in a manner consistent with the applicable State laws and in compliance with regulatory and licensing requirements applicable in the applicable State. 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