



Bluma Wellness Inc. Provides Selected Highlights from Q2 Interim Condensed Consolidated Financial Statements

- **Bluma Wellness reports Revenue of \$2,121,843 for Q2 2020, a 190% increase over Revenue of \$1,112,290 in Q1 2020.**
- **Bluma Wellness Achieves GAAP-adjusted margin of 60%¹ in Q2 2020.**
- **Based upon the Company's execution of its ramp-up plan, already underway with its new Indiantown cultivation and processing facilities in full operation, the Company expects to generate positive cash flow from operations before the end of Q4 2020.**

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TORONTO--(BUSINESS WIRE)--Bluma Wellness Inc. (the "**Company**" or "**Bluma Wellness**") (CSE: BWEL.U) today provides selected highlights of its financial information for the second quarter of 2020, in conjunction with the release of the Company's unaudited consolidated interim financial statements for the three and six months ended June 30, 2020. All financial information is reported in U.S. dollars unless otherwise specified.

Bluma Wellness is pleased to provide the following financial highlights from the second quarter of 2020.

Financial Highlights, Q2 2020

As set out in the Company's interim condensed consolidated financial statements, Bluma Wellness achieved revenue of \$2,121,843 in the second quarter of 2020, an increase of 190% over Q1 2020 revenue of \$1,112,390, as attained by CannCure Investments Inc. ("**CannCure**"), prior to the completion of the reverse takeover of the Company by the shareholders of CannCure.

NOTE	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	\$	\$	\$	\$

Revenue		2,121,843	-	3,234,223	-
Cost of sales					
Cost of inventory sold		(873,692)	-	(1,290,495)	-
Inventory impairment		(1,764,839)	-	(1,764,839)	-
Production salaries and wages		(404,448)	-	(675,130)	-
Production supplies and expense		(1,620,131)	-	(2,109,849)	-
Revenues less cost of sales before fair value adjustments		(2,541,267)	-	(2,606,090)	-
Fair value adjustment on inventories	6	(1,687,893)	(121,402)	(1,696,826)	(199,754)
Fair value adjustment on growth of biological assets	6	3,773,275	710,245	5,002,888	1,494,889
Revenue less cost of sales and fair value adjustments		(455,885)	588,843	699,972	1,295,135
Expenses:					
Amortization and depreciation	10,11,12	1,132,908	822,755	2,241,642	1,637,495
Stock-based payments	16	2,945,337	-	5,474,213	-
Finance expense	15,17,18	1,898,271	398,160	3,285,509	413,526
Foreign exchange loss		21	-	(3,285)	-
Gain on change					

in fair value of contingent consideration		-	-	-	(545,243)
Gain on derivative liability	15,17	(2,861,042)	-	(2,861,042)	
General and administrative		2,179,649	1,581,840	4,500,965	2,272,792
Insurance		187,126	-	498,176	-
Transaction costs	4	1,471,792	158,000	2,759,340	158,000
Professional fees		478,175	1,701,730	836,896	2,023,788
Office expense		10,772	-	10,772	-
Gain on disposal of assets		-	-	(660,634)	-
		7,443,009	4,662,485	16,082,552	5,960,358
Net Loss		(7,898,894)	(4,073,642)	(15,382,580)	(4,665,223)
Other					
Comprehensive Loss					
Change in foreign exchange		648	-	648	-
Net loss and comprehensive loss		(7,899,542)	(4,073,642)	(15,383,228)	(4,665,223)
Net loss per share - Basic and diluted					
Basic and diluted		\$ (0.09)	\$ (0.06)	\$ (0.18)	\$ (0.07)
Weighted average shares outstanding		83,957,843	71,540,478	83,684,840	66,363,201

The Company achieved a GAAP-adjusted margin of 60%² for the second quarter of 2020. GAAP-adjusted margin for the second quarter of 2020 was reduced as a result of additional capital and operational costs incurred by the Company to open its new cultivation and processing facility in Indiantown, Florida.

Additionally, Bluma Wellness saw a 66% increase in pounds of dried medical cannabis flower sold, and a 20% increase in the price per pound of dried medical cannabis flower sold, in each case from the first quarter to the second quarter of 2020, according to data from Biotrak's seed to sale system.

"Bluma Wellness is pleased to report such robust and efficient quarter-over-quarter growth in the second quarter of 2020, anchored by the power of our innovative delivery network and curbside pick up segments," said Brady Cobb, CEO of Bluma Wellness. "The Covid-19 pandemic caused a prolonged physical and economic lockdown of Florida during Q2, and we are proud to have been able to safely serve our patients via our fully operational e-commerce-driven system, our curbside pick up option, and our fleet-optimized home delivery network. Bluma Wellness was the only MMTC to close its retail stores during the lockdowns, yet we still enjoyed significant revenue growth, which is a testament to the quality of our flower and flower-derived products as well as our innovative home delivery and curbside pickup options."

Operational Highlights, Q2 2020

1. During the second quarter of 2020, Bluma Wellness and its wholly-owned operating subsidiary, doing business as "One Plant Florida," focused heavily on scaling up its operations, with a particular emphasis on executing its long-envisioned supply ramp-up plan. The Company's new cultivation and processing facilities in Indiantown, Florida, became fully operational during the second quarter of 2020, with the resulting increase in supply of medical cannabis from the Indiantown facility expected to serve as a springboard for planned openings of new retail dispensaries and the expansion of the Company's innovative delivery and curbside pickup network.

As a result of the Company's ramp-up plan, capital expenditures necessary to finance the completion of the new Indiantown facilities, and the operational expenses necessary to expand the cultivation and processing teams at the new Indiantown facility, were higher in Q2 2020 than they otherwise would have been.

2. During the second quarter of 2020, One Plant Florida expanded its retail dispensary footprint in the State of Florida with the opening of two (2) new retail dispensary locations in St. Petersburg and Port St. Lucie. Notably, the Company's Port St. Lucie retail dispensary opened four days before the end of the financial quarter, on June 26, 2020. The Company expects revenue growth from the Port St. Lucie location will be realized in subsequent quarters.

3. During Q2 2020, One Plant Florida completed the construction of, and moved into, its new 54,000 square-foot Nexus hybrid greenhouse cultivation facility at its 33-acre farm at its Indiantown, Florida facility, with the Company moving plants into the facility for the first time on April 8, 2020. On June 28, 2020, One Plant Florida conducted the first harvest of its premium medical cannabis flower from the new Nexus hybrid greenhouse at the Company's Indiantown facility. The facility is now fully operational, and One Plant Florida's experienced grow team has implemented and will carefully supervise a perpetual harvest cycle at the new facility under which the Company expects to harvest premium medical cannabis from one of the eight flower rooms will every seven (7) days.

One Plant Florida's Nexus hybrid greenhouse at the Indiantown facility consists of ten (10) approximately 5,000 square-foot cultivation rooms, each of which features individual and customizable climate control systems that allow for the use of natural sunlight while still maintaining preset temperature and humidity levels of approximately 75 degrees Fahrenheit and relative humidity of under 55%. This allows the Nexus greenhouse to create cultivation conditions that are normally only found in Florida within indoor cultivation facilities that rely solely on artificial lighting, while being able to harness natural sunlight and operate more efficiently. The facility also includes automated shade control and light deprivation systems, a CO2 infusion system, a Ridder hortimax automated

irrigation and fertigation system, and a network of ten (10) sensors in each room that track and feed real time data into One Plant Florida's data analytics system. The Nexus greenhouse houses some of One Plant Florida's best-known and rare strains of premium cannabis flower, including Mac1, Runtz, SherbD, ChemD, Chem91, I75, Fish Whistle, Dirty Lemons, and Ebony and Ivory, among others.

4. The Company is pleased to announce that premium dried medical cannabis flower taken from the first harvest at its Indiantown Nexus greenhouse facility arrived at One Plant Florida retail dispensaries and delivery hubs on August 1, 2020. The first harvest exceeded the Company's yield estimates by eighty-five pounds (300 pounds of dried flower forecasted, 385 pounds of dried flower in actual yield). One Plant Florida anticipates that the Indiantown Nexus greenhouse facility will provide at least 600,000 grams, or 1,300 pounds, of premium dried medical cannabis flower per month for its retail dispensaries and delivery hub locations, as well as the current harvest yields from its Ruskin, Florida cultivation facility.

Post-Q2 Achievements

1. Based upon the Company's execution of its ramp-up plan, already underway with the Indiantown facilities in full operation, the Company expects to generate positive cash flow from operations before the end of Q4 2020.

2. Bluma Wellness and One Plant Florida enjoyed a 35% month-over-month increase in ounces of flower sold from July 2020 through August 2020, according to figures from the Florida Office of Medical Marijuana Use (OMMU), as a result of increased supply of medical cannabis from the Company's Indiantown facilities.

3. Bluma Wellness intends to open One Plant Florida's fifth retail dispensary location and delivery hub in Ocala, Florida no later than September 15, 2020, pending the receipt of all required regulatory approvals from the Florida OMMU. The Company also plans to open four (4) additional One Plant Florida retail locations and/or delivery hubs in Avon Park, Orlando (Fern Park), North Miami, and Bonita Springs by the end of 2020, pending receipt of all required regulatory approvals from the Florida OMMU.

4. Additionally, One Plant Florida expanded its solventless concentrate offerings in July with the introduction of live rosin products, as well as an expansion of its distillate and pre-roll product lines. The Company also launched sales of its first THC and 1:1 Balm, and intends to soon launch its first THC tincture. Qualified patients can learn more about these expanded offerings by visiting www.oneplant.us.

5. In August of 2020, the Company launched its own proprietary e-commerce and real-time KPI tracking system, in collaboration with its technology and information systems partner Next Choice Advisors. More information on the system will be provided in a future press release.

For more information, please refer to Bluma Wellness's unaudited interim condensed consolidated financial statements for Q2 2020.

Non-IFRS Measures

This press release makes reference to certain financial metrics that have not been prepared in accordance with IFRS. These non-IFRS Measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Accordingly, these non-IFRS Measures should not be considered in isolation, as superior to, nor as a substitute for, and should only be considered in conjunction with, analysis of financial information reported under IFRS. These

non-IFRS Measures may be used by management in addition to IFRS financial measures to understand and compare operating results across accounting periods, for financial and operational decision-making, for planning and forecasting purposes and to evaluate the Company's financial performance. The Company includes non-IFRS Measures because it believes such Measures enable investors to assess the financial performance of the Company in the same manner as management and highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS measures.

The non-IFRS Measure used in this press release is "GAAP-adjusted margin", which is calculated by the Company as gross revenue less cost of inventory sold (as shown on the Company's income statement) and does not include inventory impairment, production salaries and wages, production supplies and expenses, or fair value adjustments. GAAP-adjusted margin represents revenue less cost of inventory sold (as seen on the income statement) and does not include inventory impairment, production salaries and wages, production supplies and expense or fair value adjustments.

GAAP Adjusted Margin is a measure defined under US GAAP and is a non-IFRS Measure without a comparable to an IFRS Measure.

About Bluma Wellness Inc.

Bluma Wellness Inc. owns and operates a vertically-integrated, licensed medical cannabis company in the State of Florida doing business as "One Plant Florida." One Plant Florida cultivates, processes, dispenses and retails medical cannabis to qualified patients in the State of Florida through multiple retail dispensaries and an innovative next-day door-to-door e-commerce home delivery service, thereby offering convenient access for its customers and meeting the demands of an evolving retail landscape. Bluma Wellness plans to continue expanding its cultivation and distribution operations as the Florida market grows and may enter into other US states where the production, distribution and use of cannabis is permitted under state law.

Additional Information

The Company's securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws including information relating to: the expectation that the Company will generate positive cash flow from operations before the end of Q4 2020, the opening of One Plant Florida's Ocala, Florida retail dispensary and delivery hub, the planned opening of additional retail dispensaries and delivery hubs in Florida, the expansion of the Company's delivery and curbside pickup network, the realization of revenue growth from the Company's Port St. Lucie retail dispensary, the expected increased production of medical cannabis due to the Indiantown facility becoming fully operational, the frequency of medical cannabis production from the Nexus greenhouse at the Indiantown facility, the quantity of medical cannabis anticipated to be produced at the Indiantown facility, the Company's plans to launch new product offerings and the Company's strategic business plans. Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other

factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements due to a variety of known and unknown risks and uncertainties including, without limitation: risks relating to cannabis being illegal under US federal law and risks of US federal enforcement actions related to cannabis activities; the Company's ability to comply with all applicable governmental regulations in a highly regulated business; negative changes in the political environment or in the regulation of medical cannabis in the state of Florida; the risk of any disruptions to the Company's business and operations as a result of the COVID-19 pandemic; negative shifts in public opinion and perception of the cannabis industry and cannabis consumption; increasing competition in the industry; risks of product liability and other safety-related liability as a result of usage of the Company's cannabis products; the Company's limited operating history with no assurance of profitability; the ability of the Company to access future financing if needed or on terms acceptable to the Company; the risk of defaulting on its existing debt; risk of shortages of or price increases in key inputs, suppliers and skilled labor; the risks inherent in running agricultural operations such as pests and crop failure; loss of licenses; reliance on key personnel; cybersecurity risks; constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks and risk of litigation.

The forward-looking information in this press release are made as of the date of this release. The Company does not undertake any obligation to update forward-looking information except as required by applicable securities laws.

¹ GAAP-adjusted margin is a non-IFRS reported measure. See "Non-IFRS Measures" below.

² GAAP-adjusted margin is a non-IFRS reported measure. See "Non-IFRS Measures" below.

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