



Heritage Cannabis Announces Corporate Update and Highlights Significant Sales Growth, Market Share and Growing Distribution

Heritage is now the #1 seller of concentrates in the Country

Toronto, ON, May 11, 2022 – Heritage Cannabis Holdings Corp. (CSE: CANN) (OTCQX: HERTF) (“Heritage” or the “Company”), is pleased to provide an update on recent activities including sales, market share, growing distribution, and the Company’s expansion into the United States.

Year End Financials

Heritage’s financial results for the year ended October 31, 2021 will be issued the afternoon of Wednesday May 11, 2022.

During 2021, Heritage and Premium 5 came together and formed a foundation on which a strategically transformed company was built. The management team spent the year positively changing the direction of the company, and change takes time. The results of some of the efforts put in during the year are reflected in the 2021 results with a number of non-cash related items that address the changes made during the year. These items were required in order to set the stage for the new and improved Heritage.

In the coming weeks, Heritage will issue the financial results for the first quarter ended January 31, 2022 and will then be back on schedule. The Company is stronger than ever as shown in the below sales and market performance details.

Recent Sales Activities and Market Performance¹

Overall Market Share Rankings and Sales Performance across BC, Alberta, Saskatchewan and Ontario

- Continued sequential sales growth in Q1 with fourth straight quarter of 25%+ growth, based on shipped orders
- Heritage ranks #17 out of 267 Canadian cannabis companies for recreational revenue
- Heritage’s top performing brand is RAD which ranks #24 out of over 500 brands across the country, this is without any significant presence in flower and prerolls which hold the largest category share. This is a notable achievement as the RAD brand only came to market in late 2020
 - RAD re-launched Radsicles for the summer season and are seeing significant distribution into retail across the country.
 - RAD has increased to a 1% share of Canadian recreational market sales, and overall, Heritage has 1.5% of the recreational market

¹ National Headset Data

Provincial Market Details

- Heritage has market share of 2.6%, 3.5% and 2.9% in Alberta, British Columbia, and Saskatchewan respectively
- Heritage has the #1 and #4 best selling concentrate SKUs in Alberta
- As of April 2022, in Ontario (Canada’s largest market), in the concentrates category excluding hash, Heritage has the #1 and #2 selling concentrates
 - Heritage is nearing 1% market share with 24 stock keeping units (“SKUs”) available in Q1 through the OCS and an additional 17 recently accepted for a total of 41 available products. This represents a 583% increase from when we initially launched in Ontario in early 2021
- In Manitoba in the second quarter, Heritage saw 43% growth in sales over the first quarter
- Added significant net new SKU listings in Newfoundland and Nova Scotia
- Achieved 22 new SKU listings in Prince Edward Island during the second quarter

National Product Rankings

- Heritage is #1 in Canadian recreational sales of concentrates (up from #2 in Q1) with 15.2% of market share
- #10 in recreational vape sales with 2.7% of the market
- #4 in the oils category with 7.5% market share

Medical

- Additional medical sales are additive with Heritage having products listed on Canada’s two largest medical platforms

Industry Growth Rates

According to the latest Headset data Heritage saw 26% growth in sales for the three months ending March 2022, which has Heritage leading growth in sales amongst industry leaders.

	Market Cap \$mm (May 6)	Mar-22	CAGR	
		3 mth trailing seq growth rate	August 2021 to March 2022	February 2021 to March 2022
Canopy Growth	3,030	-20.6%	-3.8%	-3.4%
Tilray	3,108	-19.9%	-5.9%	-3.1%
Cronos Group	1,430	-12.2%	1.9%	5.1%
Sundial	1,408	2.2%	2.3%	4.7%
Aurora Cannabis	836	-32.3%	-9.4%	-7.8%
Organigram	559	-4.4%	3.8%	8.2%
Village Farms	454	1.5%	-0.6%	4.4%
Valens	94	9.5%	4.4%	9.8%
HEXO	194	-14.6%	-3.1%	-1.6%
Average	1,235	-10.1%	-1.1%	1.8%
Market		-4.5%	0.7%	2.8%
Heritage	40	26.1%	7.3%	13.1%

“Heritage has continued to improve our rankings for product sales across multiple categories provincially across the country. We are ecstatic that our products continue to receive positive reactions and our mission to create forever SKUs is translating into revenue growth commented David Schwede, CEO of Heritage. “We have proven we can deliver products that are in-demand across the country, but most importantly that have customers coming back for more. We thank all the retailers and budtenders for helping us drive our brands and also want to thank our medical platform partners for trusting us to supply their patients.”

Sequential Growth in Provincial Sales Rankings

Province	Q2 2022	Q1 2022
Alberta	#12	#22
British Columbia	#10	#24
Ontario	#31	#34
Saskatchewan	#7	#12

Flower and Pre Rolls

In 2021, Heritage launched into pre rolls and flower SKUs in multiple provinces with encouraging provincial orders. Already in a short time-frame, Heritage ranks #25 in pre-rolls and #45 in flower. Heritage continues to add new products including infused pre-rolls and blunts to the flower category, and with growing popularity is expected to take an increasing share of the largest cannabis product segment in the Canadian market.

US Expansion Update

Heritage has made significant progress on the licensed manufacturing facility build-out in support of the relationship with 3Fifteen Primo Cannabis in the state of Missouri. The Heritage team has progressed with establishing the biomass supply chain and is in the process of training staff for the facility. Production is expected to begin in Q3, with revenue from the sale of branded products to medical cannabis consumers in Missouri following shortly after.

About Heritage Cannabis Holdings Corp.

Heritage Cannabis is a leading cannabis company offering innovative products to both the medical and recreational legal cannabis markets in Canada and the U.S., operating under two licensed manufacturing facilities in Canada. The company has an extensive portfolio of high-quality cannabis products under the brands Purefarma, Pura Vida, RAD, Premium 5, feelgood., the CB4 suite of medical products in Canada and ArthroCBD in the U.S.

ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORP.

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Forward-Looking Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, assumptions related to cash flow and capital resources, and expectations related to the supply and manufacturing agreements, the intended expansion of the Company, and partnerships and Joint Venture Partnerships.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risks and Uncertainties" in the Company's annual management discussion and analysis for the year ended October 31, 2021, and dated May 10, 2022. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.