



Heritage Cannabis Provides Corporate Update and Highlights Growing Sales, New Products, and Growing Distribution

Toronto, ON, November 7, 2022 – Heritage Cannabis Holdings Corp. (CSE: CANN) (OTCQX: HERTF) (“Heritage” or the “Company”), is pleased to provide an update on recent activities including sales, new products, growing distribution, and the Company’s expansion into the United States.

During recent months, the Heritage team focused on further product innovation and the rationalization of stock keeping units (“SKUs”) in order to maximize distribution of high performing SKUs in the coming quarters. In the third quarter, Heritage saw quarter-over-quarter sales of \$10.7 million representing growth of 3.3%, which in light of the market turbulence was its 8th quarter of successive growth, and from Q3 to Q4 Heritage saw growth between 2-3%. This growth, had been driven by the result of increased SKUs being offered as well as broader distribution of Heritage products across the provinces while our recent focus has been to drive longer term sustainable growth.

Heritage has launched many new products across the country including 19 in Ontario, seven in BC, eight in Saskatchewan, 18 in Manitoba, three in Nova Scotia, and four new products in Newfoundland. Heritage has also focused on growing provincial portfolios with existing products and recently added 31 SKUs in Manitoba and 24 in Saskatchewan.

In the recent Ontario call for products, Heritage had 17 new SKUs accepted 6 of which are from the newly launched brand Thrifty that will be focusing on the high volume categories of vapes and prerolls. Heritage will also be providing nine new SKUs to Aurora for sale on their online medical sales platform, all of which will ship in the first quarter.

“Now that we have the in-house expertise in a large part of the supply chain, Heritage is focused on furthering distribution in Canada with new and innovative SKUs, scaling up on our best performing products, and expanding our reach in the U.S. and globally,” said David Schwede, CEO of Heritage. “We spent the past quarter working on our product portfolio and we are hitting our stride in the Canadian market. With the upcoming launch of our new brands and our U.S. strategy in Missouri and West Virginia we have added a few new revenue streams to contribute to our future growth.”

New Products and Developments

The Heritage innovation team continues to deliver new products and with recently completed upgrades to our Cannacure facility that enable the manufacturing of gummies we are entering the edibles category with the launch of RAD Razzlers, Mad Hatter and White Rabbit. RAD Razzlers will be launching through a relationship with White Rabbit, a well known gummy brand, that expedites Heritage’s launch into the edible vertical.

Recently, Heritage executed a letter of intent with Golden Triangle Health (“GTH”) and its publicly traded parent company NRF Instant, for the distribution of Heritage’s branded dried Cannabis flower products in Thailand. This is the first partnership of its kind to support the recent legalization of cannabis in Thailand. GTH holds a distribution license in Thailand and will distribute Heritage’s RAD and Pura Vida branded flower products. Heritage has filed all necessary documentation to be granted an export license by Health Canada, and upon approval will sign a definitive agreement and start exporting product to GTH in Thailand.

Under the terms of the agreement, net revenue from the sale of dried cannabis flower products will be split between Heritage and GTH. GTH has strong brand equity in Thailand and across Asia and will market and distribute Heritage products through over 500 outlets as well as its extensive online presence and its seven medical cannabis clinics. The joint venture includes an option to renew at the end of the three-year period.

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. 3Fifteen recently received a license to operate, and production has started on vapes and concentrates. 3Fifteen expects to ship product to the dispensaries in the coming weeks. This is timely as earlier in 2022, Missouri's secretary of state confirmed that constituents of the state will vote on the approval of the legalization of adult-use cannabis in November, a move that is expected to significantly expand the market once passed.

Heritage also entered a relationship with Harvest Care Medical, LLC, ("Harvest Care"), a leading grower, processor, and provider of top-quality medical cannabis products in the state of West Virginia, with ten dispensary licenses of which two are currently in operation. Heritage recently oversaw the first production run and Harvest Care shipped products to dispensaries in West Virginia, which are now available for purchase. First products to ship include RAD flavoured distillate vapes, with RAD live resin and live rosin now in production and shipping within the coming weeks. This milestone marks Heritage's first U.S. product shipment, and with further expansion into additional states in our U.S. strategic plan, we are poised to capture market share with our established brands and formulations, and add a high gross margin revenue streams to the business.

Distribution

Heritage has transitioned over the last 18 months to a true product and brand company, creating "forever SKUs" that have seen solid uptake in the Canadian cannabis market. Now with in-house expertise in production, manufacturing, white labelling, pick and pack, and distribution, Heritage has developed several relationships to leverage this expertise.

The Company has entered distribution relationships with a number of well known companies and brands including Aurora Medical, Canopy Growth Corp, Violet Tourist, OMG, White Rabbit, Panacea, North 40, and Mad Hatter.

To extend Heritage's capabilities in the cannabis market, the Company will consider opportunities to extend in other areas of the supply chain that will provide vertical integration and positively impact margins.

Recent Sales Activities and Market Performance¹

- Heritage ranks #17 out of 267 Canadian cannabis companies for recreational revenue
- Heritage's top performing brand is RAD which ranks #23 out of over 500 brands across the country, this is without any significant focus in flower which holds the

¹ National Headset Data

largest category share. This is a notable achievement as the RAD brand only came to market in late 2020

- RAD has increased to a 1.1% share of Canadian recreational market sales

National Product Rankings

- Heritage remains #1 in Canadian recreational sales of concentrates
- Recreational vape sales with 2% of market share
- #3 (up from #4 in Q2 2022) in the oils category
- Prerolls #19 (up from #26 in Q2 2022) with 2% of market share

Medical

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

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, Thrifty, 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.

"David Schwede"

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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.