



**FOR IMMEDIATE RELEASE**

NOT FOR DISTRIBUTION TO NEWSWIRE SERVICES IN THE UNITED STATES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS.

## **High Tide Reports Financial Results for Third Quarter 2019 Featuring a 281% Increase in Revenue over the Same Period of the Previous Year**

Calgary, AB, September 30, 2019 / CNW / – High Tide Inc. (“High Tide” or the “Company”) (CSE:HITI) (OTCQB:HITIF) (Frankfurt:2LY), an Alberta-based, retail-focused cannabis corporation enhanced by the manufacturing and wholesale distribution of smoking accessories and cannabis lifestyle products, has filed its financial results for the third fiscal quarter of 2019 ending July 31, the highlights of which are included in this news release. The full set of Condensed Interim Consolidated Financial Statements and Management’s Discussion and Analysis can be viewed by visiting High Tide’s website at [www.hightideinc.com](http://www.hightideinc.com), its profile page on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s CSE profile page at [www.thecse.com](http://www.thecse.com).

### *Third Quarter 2019 Financial Highlights*

*(In thousands of Canadian dollars)*

- Revenue for the three months ended July 31, 2019 increased by 281%, to \$8,288 from \$2,175 for the same period in the previous year. Revenue for the nine months ended July 31, 2019 increased by 199%, to \$19,885 from \$6,651 for the same period in the previous year. The increases are primarily due to the acquisition of Grasscity, the retail cannabis operations of Canna Cabana which began generating revenue on October 27, 2018 as well as sales made to new customers in the Company’s Wholesale Segment.
- Gross margin for the three months ended July 31, 2019 increased by 160%, to \$3,060 from \$1,177 in the same period in 2018, primarily due to an increase in sales volume. Gross margin for the nine months ended July 31, 2019 increased by 97%, to \$7,202 from \$3,650 in the same period in 2018 due to the same increase in sale volume.
- For the nine months ended July 31, 2019, the Company generated a loss of \$10,864 (2018 – loss of \$687) and had net operating cash outflows of \$12,584 (2018 – outflows of \$1,824). The loss and cash outflows are primarily driven by start-up costs to incorporate and staff High Tide and Canna Cabana, as well as from an increase in professional fees and rent paid.
- For the quarter ended July 31, 2019, the total assets of the Company increased by 6% to \$50,703 from \$47,677 on April 30, 2019.
- High Tide had a working capital surplus of \$13,839 for the three months ending July 31, 2019 (October 31, 2018 - \$14,919), mainly due to an increase in liabilities resulting from expanded operations as Canna Cabana began to operate and Grasscity was acquired.

### *Third Quarter 2019 Corporate Highlights*

*(In thousands of Canadian dollars – except for number of shares)*

- On May 9, 2019, High Tide opened its 14<sup>th</sup> and 15<sup>th</sup> Canna Cabana retail store locations in Fort Saskatchewan, Alberta, and Lacombe, Alberta
- On May 15, 2019, High Tide received approval from the Depository Trust Company (the “DTC”) to make the Company’s common shares eligible to be electronically cleared and settled through DTC, making High Tide’s shares more accessible to investors in the United States
- On May 24, 2019, High Tide announced that it had acquired Dreamweavers Cannabis Products Ltd., a retail cannabis store and e-commerce business currently operating in Swift Current, Saskatchewan
- On May 29, 2019, it was announced that High Tide had partnered with Halo Labs Inc. for the exclusive global distribution of DabTabs™ Home Preparation Kits
- On June 4, 2019, the Company announced the opening of a Smoker’s Corner store in the Royal Chapelle area of Edmonton
- On June 13, 2019, High Tide announced the receipt of AGCO Authorization to open the Canna Cabana Toronto retail cannabis store on Yonge Street, which opened on June 15, 2019
- On June 17, 2019, High Tide closed the final tranche of its oversubscribed convertible debenture offering, with gross proceeds raised of \$11,560
- On June 26, 2019, the Company announced that it had upgraded Grasscity to the Magento 2 e-commerce platform
- On July 3, 2019, a Canna Cabana location began selling cannabis in Grand Prairie with 10 more Alberta stores announced to follow shortly
- On, July 10, 2019, High Tide announced the opening of Canna Cabana locations in Edmonton and Okotoks
- On July 18, 2019, the Company announced research analyst coverage by Canaccord Genuity
- On July 23, 2019, High Tide announced the establishment of a 25,000 square-foot warehouse in Nevada to facilitate the expansion of its Wholesale Segment by reducing lead-times on order fulfilment to High Tide’s growing customer base in the United States
- On July 24, 2019, High Tide announced the voting results from its first Annual General and Special Meeting of Shareholders as a publicly traded company
- On July 25, 2019, the Company announced the opening of three new Canna Cabana stores selling recreational cannabis in Alberta
- On July 29, 2019, the Company announced its 9<sup>th</sup> celebrity licenses secured by Famous Brandz and the renewal of a key existing license
- On July 31, 2019, High Tide announced the opening of a Canna Cabana in Fort Saskatchewan as its 11<sup>th</sup> location selling recreational cannabis in Alberta, bringing its total to 15 branded locations across Canada at that time

Subsequent to the end of the third fiscal quarter of 2019, in chronological order, High Tide:

- On August 8, 2019, High Tide announced the opening of a Canna Cabana in Lloydminster
- On August 15, 2019, the Company announced the opening of a Canna Cabana in Olds
- On August 22, 2019, High Tide announced the opening of a Canna Cabana in Bonnyville
- On August 29, 2019, the Company announced Canna Cabana stores in Calgary, Edmonton and Red Deer
- On September 4, 2019, High Tide announced the acquisition of the Smoker’s Corner franchise on Jasper Avenue in Edmonton for conversion into a Canna Cabana location

- On September 6, 2019, the Company announced the opening of Canna Cabana stores in Calgary and Vegreville
- On September 12, 2019, High Tide announced the opening of a Canna Cabana in St. Alberta and that it had secured a location in Banff
- On September 13, 2019, the Company announced the opening of its first KushBar location, bringing its total to 25 branded retail cannabis stores across Canada

## SUMMARY OF KEY FINANCIAL MEASURES

For the nine months ended July 31, 2019

\$ Millions (except where noted)	Nine months ended July 31	
	2019	2018
	\$	\$
Revenue	19.9	6.7
Gross Margin	7.2	3.6
Gross Margin Percentage	36%	55%
Total Expenses	(21.8)	(4.3)
Loss Before Taxes	(14.6)	(0.7)
Net Loss for the Period	(10.9)	(0.7)
Loss Per Share (Basic)	(0.06)	(0.01)
Loss Per Share (Diluted)	(0.06)	(0.01)

## SUMMARY OF QUARTERLY MEASURES

(C\$ in millions, except per share amounts)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net Revenue	8.3	6.6	5.0	2.1	2.2	1.7	2.7	2.5
Income (Loss) Before OCI	(3.8)	(3.3)	(3.8)	(3.8)	(0.6)	(0.4)	0.3	0.3
Basic EPS	(0.02)	(0.02)	(0.02)	(0.05)	-	-	0.01	-
Diluted EPS	(0.02)	(0.02)	(0.02)	(0.05)	-	-	0.01	-

## About High Tide Inc.

High Tide is an Alberta-based, retail-focused cannabis corporation enhanced by the manufacturing and wholesale distribution of smoking accessories and cannabis lifestyle products. It is a vertically-integrated company in the Canadian cannabis market, with portfolio subsidiaries including RGR Canada Inc., Famous Brandz Inc., Kush West Distribution Inc., Smoker's Corner Ltd., Grasscity.com, Canna Cabana Inc. and the majority of KushBar Inc. High Tide's strategy as a parent company is to extend and strengthen its integrated value chain, while providing a complete customer experience and maximizing shareholder value. Key industry investors in High Tide include Aphria Inc. (TSX: APHA) (NYSE: APHA), Aurora Cannabis Inc. (NYSE: ACB) (TSX: ACB) and FSD Pharma Inc. (CSE: HUGE) (OTC: FSDDF) (FRA: 0K9).

Representing the core of High Tide's business, RGR Canada Inc. is a high-quality and innovative designer, manufacturer and distributor of cannabis accessories. Famous Brandz Inc. is a dominant manufacturer of licensed lifestyle accessories, through partnerships with celebrities and entertainment companies including Snoop Dogg and Paramount Pictures. Famous Brandz' products are sold to wholesalers and retailers around the world. Founded in 2009 and approved by the Canadian Franchise Association, Smoker's Corner Ltd. is among Canada's largest counter-culture chains with 13 locations. Kush West Distribution is in the process of becoming a cannabis wholesaler in the province of Saskatchewan. Based in Amsterdam since 2000, Grasscity.com is the world's preeminent and most searchable online retailer of smoking

accessories and cannabis lifestyle products with approximately 5.8 million site visits annually. With the deregulation of recreational cannabis for adult use across Canada, Canna Cabana Inc. and its 25 branded stores, is a sizeable retail business with a sophisticated yet playful customer experience. KushBar Inc. is a retail cannabis joint venture with 1 location in Alberta, offering a modern experience that is focused on the growing customer bases in Alberta and Ontario.

For more information about High Tide Inc., please visit [www.hightideinc.com](http://www.hightideinc.com) and its profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Forward-Looking Information**

Certain statements in this news release are forward-looking information or forward-looking statements. Such information and statements, referred to herein as “forward-looking statements” are made as of the date of this news release or as of the date of the effective date of information described in this news release, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (generally, forward-looking statements can be identified by use of words such as “outlook”, “expects”, “intend”, “forecasts”, “anticipates”, “plans”, “projects”, “estimates”, “envisages”, “assumes”, “needs”, “strategy”, “goals”, “objectives”, or variations thereof, or stating that certain actions, events or results “may”, “can”, “could”, “would”, “might”, or “will” be taken, occur or be achieved, or the negative of any of these terms or similar expressions, and other similar terminology) are not statements of historical fact and may be forward-looking statements.

Such forward-looking statements are based on assumptions that may prove to be incorrect, including but not limited to the ability of High Tide to execute on its business plan and that High Tide will receive one or multiple licenses from Alberta Gaming, Liquor & Cannabis, British Columbia’s Liquor Distribution Branch, Liquor, Gaming and Cannabis Authority of Manitoba, Alcohol and Gaming Commission of Ontario or the Saskatchewan Liquor and Gaming Authority permitting it to carry on its Canna Cabana Inc. and KushBar Inc. businesses. High Tide considers these assumptions to be reasonable in the circumstances. However, there can be no assurance that any one or more of the government, industry, market, operational or financial targets as set out herein will be achieved. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking statements contained herein are current as of the date of this news release. Except as required by law, High Tide does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement, nor does it intend, or assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances. Any and all forward-looking statements included in this news release are expressly qualified by this cautionary statement, and except as otherwise indicated, are made as of the date of this news release.

SOURCE High Tide Inc.

For further information, please contact Nick Kuzyk, Chief Strategy Officer & SVP Capital Markets at High Tide Inc.; Tel: (403) 265-4207; Email: [Nick@HighTideInc.com](mailto:Nick@HighTideInc.com); Web: [www.HighTideInc.com](http://www.HighTideInc.com).