

## **SPEAKEASY CANNABIS CLUB LTD.**

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For Immediate Release

September 2, 2021

### **Speakeasy Receives Amendment to its Sales Licence from Health Canada to Sell Extract Products**

**Rock Creek, B.C. – SpeakEasy Cannabis Club Ltd. (CSE: EASY) (Frankfurt: 39H)** (the “Company” or “SpeakEasy”) a holder of a federal licence to cultivate, process, and sell cannabis under the Cannabis Act is pleased to announce that it has received an amendment to its sales licence that allows the sale of concentrates, edibles and topicals directly to the medical and recreational markets in Canada.

#### **About the Sales Amendment**

Health Canada has amended SpeakEasy’s current licence to include authorization for the Company to sell additional classes of cannabis including extracts, concentrates, topicals and edibles. The amendment also allows the Company to sell extracts, concentrates edibles and topicals into the recreational market and also directly to medical patients. This amendment allows the Company to ship products across the country into one of the fastest growing product categories in the Canadian cannabis market.<sup>(2)</sup>

Founder, Marc Geen states, *“This is a major milestone for SpeakEasy, becoming as vertically integrated as possible, in order to be efficient and cost effective has been a goal from the beginning and achieving this licence, was an extremely important piece of that strategy. With our huge low-cost outdoor grow facility, our on-site lab, on-site packaging fulfilment and finally sales and distribution direct to the consumer and recreational market, we now have everything we need to bring our high quality and low-cost products directly to market. With this final piece, our brands can come to life, the journey of fulfilling our vision of becoming a recognized brand in the industry, can begin.”*

#### **Consumer Facing Brands**

As SpeakEasy continues to build on its agricultural success, the focus has never shifted from the opportunity in establishing consumer brand loyalty. The agricultural foundation that the Company has achieved is a critical steppingstone into this next phase. The stage is set, as SpeakEasy continues to build on its core principles - product quality, respecting the culture and achieving a competitive price point. The Company believes that the Canadian cannabis market is years from maturity and full of opportunity and is excited about this next phase of their business.

#### **Additional Revenue Stream**

The amendment to SpeakEasy’s licence allows the Company the opportunity to pursue additional revenue streams in addition to the established business-to-business sales, with potential for increased margins and more consistent cash flows. The business will continually seek innovative ways to establish new revenue streams in the evolving market while building strong relationships.

## **Extracts Processing Infrastructure**

SpeakEasy continues to process its 2020 outdoor harvest into a variety of extract products. The Company anticipates processing the remainder of the yield before the end of the calendar year.

The onsite extraction facility is fully operational and has the ability to produce up to 250 KG of concentrates per month, or 3,000,000 grams per year and is capable of covering the entire spectrum of the extraction market. The Company anticipates processing its estimated 144,000 KG 2021 outdoor harvest within a 12 month period.

SpeakEasy has been dedicated to building a solid portfolio of extraction assets to compete with the rapidly growing extracts market. The Company is excited to increase its line of value-added products while continuing to increase margins. SpeakEasy extracts brands will focus on delivering high-quality extracts to the consumer market.

This sales licence amendment brings SpeakEasy one step closer to becoming one of Canada's leading cannabis companies.

## **About Canada's Cannabis Market**

The Canadian cannabis market grew 118% in 2020 to \$2.6B and is expected to grow another 60% by the end of 2021.<sup>(1)(3)</sup>

Sales of cannabis extracts and concentrates tripled between the first and final quarter of last year, ending 2020 with approximately \$324 million in retail sales, according to Statistics Canada data<sup>(2)</sup>. In the January-March period, the extracts products made up 7.4% of sales. By the end of the fourth quarter, they increased to 14.9%.<sup>(2)</sup>

Founder Marc Geen, further states: *"This industry keeps getting more exciting as it grows and matures. Informed, educated consumers, higher-quality and the demand for fair pricing are the driving forces within the Canadian cannabis market and I feel we can accommodate all of those demands. Right now is a great time to be in this industry, it's the golden era of cannabis and we feel that SpeakEasy has positioned itself correctly to be able to leverage all of our strengths. As always, thank you to our incredible staff, shareholders and everyone in the SpeakEasy family, without you none of this would be possible."*

## **About SpeakEasy Cannabis Club Ltd.**

SpeakEasy Cannabis Club Ltd. holds a cultivation, processing and sales licence issued by Health Canada under the *Cannabis Act*. [SpeakEasy](#) owns 290 acres of land in Rock Creek, British Columbia, and leverages five generations of farming experience in B.C. as well as its favourable location to grow and process high-quality cannabis products at low cost. SpeakEasy cultivates small batch, high quality craft cannabis at scale in a portion of its 63,200-square foot indoor cannabis complex and has completed its harvest of its 60-acre outdoor field. Total yearly production of cannabis flower and biomass is projected to be in excess of 144,000 kilograms in 2021.

## ***On behalf of the Board of the Directors***

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### **Forward Looking Statement**

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause SpeakEasy's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include statements concerning SpeakEasy's expectation that the receipt of the amendment to its license will allow it to pursue additional revenue streams, expectations concerning potential for increased margins and more consistent cash flows; its expectations that it will process the balance of its 2020 harvest before the end of the calendar year, projections that its total yearly production of cannabis flower and biomass will be in excess of approximately 144,000 kilograms in 2021 and the expected timing to process scuh production, its expectations concerning the projected growth of Canada's cannabis industry, including sales of cannabis extracts and concentrates, and its intent to produce and sell high quality craft cannabis, and all other statements that are not statements of historical fact.

Although SpeakEasy believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by their nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; COVID-19, adverse industry events; future legislative and regulatory developments involving cannabis; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the cannabis and hemp industries and markets in Canada and generally; the demand for CBD distillate, cannabis and cannabis related products, the ability of SpeakEasy to implement its business strategies; competition; the ability of SpeakEasy to obtain and retain all applicable licences under the Cannabis Act and other assumptions, risks and uncertainties.

**THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.**

*The Canadian Securities Exchange nor its Regulation Services accepts responsibility for the adequacy or accuracy of this release.*

<https://www.forbes.com/sites/javierhasse/2021/04/14/canada-cannabis-sales-doubled-in-2020-hitting-26b-heres-whats-next/?sh=19c1d546494f>

<https://mjbizdaily.com/canadian-cannabis-extracts-topped-ca324-million-in-sales-in-2020/#:~:text=Canadian%20cannabis%20extracts%20topped%20CA%24324%20million%20in%20sales%20in%202020,-Published%20May%206&text=Sales%20of%20cannabis%20extracts%20and,to%20new%20Statistics%20Canada%20data>.<sup>(2)</sup>

[https://global-uploads.webflow.com/596691afde3c5856d866ae50/6064d8c226e976f615298217\\_Q121\\_CA%20Cann\\_Brand%20Health\\_Market%20Report\\_FI\\_NAL.pdf](https://global-uploads.webflow.com/596691afde3c5856d866ae50/6064d8c226e976f615298217_Q121_CA%20Cann_Brand%20Health_Market%20Report_FI_NAL.pdf) <sup>(3)</sup>