



YourWay Cannabis Brands Inc. Provides Operational Update and Announces Shareholder Forum

Vancouver, BC, May 26, 2023 - YourWay Cannabis Brands Inc. (CSE:YOUR)(OTC:YOURF)(FSE:HOB) (the “**Company**” or “**YourWay**”), a leading consumer-centric House of Brands committed to redefining the cannabis industry, is providing an operational update and announces the launch of a shareholder forum webcast to be held on June 6, 2023 at 2:00 pm EST. The updates to be provided include details of the initiatives being taken to address the delays in releasing the Company’s audited annual financial statements for the year ended December 31, 2021, and December 31, 2022, financial highlights to date, product launches, and a talent update.

Auditor Update

The Company continues its efforts to engage a suitable auditor, despite facing challenges in identifying an appropriate firm. Since the resignation of Macias Gini & O’Connell LLP (“**MGO**”) effective December 6, 2022, the Company has been actively searching for an auditor to retain. Given that YourWay is a Canadian public company, the auditor needs to be registered with the Canadian Public Accountability Board to be able to accept an engagement. To date, we have contacted 31 firms to gauge their interest in the engagement. Unfortunately, many firms we spoke with indicated an unwillingness to accept the engagement for the reasons MGO resigned, as described in our press release dated December 20, 2022. Other reasons cited by firms included capacity constraints or their policies of not working with cannabis companies in the United States based on federal cannabis laws. We want to reassure our stakeholders that we remain committed to finding an auditor, and our search is ongoing.

Financial Highlights

The market conditions in Arizona have softened considerably, impacting our sales levels. As a result, we have taken proactive measures to address these challenges. We have reviewed and adjusted our cost structure, increased our commitment to our sales force, collaborated with suppliers to improve pricing, and implemented strategies to conserve cash. It is important to note that we do not carry any non-supplier debt. However, we are experiencing difficulty collecting a significant amount owed to the Company by one customer.

Revenues continue to be challenged, primarily driven by the shift in market conditions that led us to engage in opportunistic bulk distillate sales. In fiscal 2021, distillate sales represented approximately 50% of the Company’s sales, which declined throughout fiscal 2022 due to significant price pressures, margin compression, and the downward trend in biomass pricing. We continue to work on solutions internally and with partners to provide a low-cost alternative to compete with the influx of cheaper bulk material in the marketplace.

In fiscal 2022, sales of our butane products, including our flagship shatter category, declined by about 40% but remains our highest-performing category. In addition, sales of our vape cartridges dropped by approximately 19% in fiscal 2022 as compared to fiscal 2021. The overall sales decline in our branded products results from the large multi-state operators vertically integrating their operations to offer more of their own branded products. As a result, the Company has shifted

to offer a mixed balance of white-label and branded products, as we believe there is opportunity in both categories.

Given the continued challenge in sales, the focus has been to invest in innovation, acquire talent, pay down significant vendor payables built up through the second quarter of fiscal 2022, and focus on cost reduction measures. The Company implemented pricing guardrails, minimizing the number of low-margin sales, mitigated the costs of contracts entered into during previous years that are no longer viable and has entered into new supply arrangements that will reduce the cost of goods sold in fiscal 2023.

Talent Update

YourWay is delighted to welcome two highly talented individuals who have joined our organization. Kaiya Bercow has assumed the role of Vice President of Operations. With nearly a decade of experience in the cannabis industry and as the founder of Utopia Cannabis based in California, Kaiya brings invaluable expertise to our team.

Additionally, Vikki Doolittle has joined us as Director of Sales. With her extensive experience in sales, distribution, and the cannabis industry, including her recent role as Wholesale Sales Manager for Trulieve in Arizona, we expect Vikki will play a crucial role in restructuring our sales function and driving our sales growth.

Product Launch

We are thrilled with the successful launch of two new cannabis products under our VenomX brand in Arizona, as previously announced on April 4, 2023. The newly introduced products, Diamond-Infused Pre-Rolls and Live Resin All-in-One Vaporizers were made available to retailers in the first week of April 2023.

The Diamond-Infused Pre-Rolls represent a groundbreaking addition to our VenomX flower products, combining pure THCa diamonds with premium cannabis. In addition, the Live Resin All-in-One Vaporizers offer a 1.0g device that delivers an all-cannabis-derived experience with the combination of live resin high terpene extract and distilled cannabis oil. We are pleased with consumers' reception of our innovative products and look forward to further expanding the reach of the VenomX brand through our dedicated marketing and innovation teams.

Shareholder Forum Webcast

On Tuesday, June 6, 2023, at 2:00 pm EST, Acting Chief Executive Officer, Jakob Ripshtein will host an online and dial-in forum exclusively for our shareholders consisting of prepared remarks followed by a question and answer session related to the Company's operational update.

“This forum reflects our ongoing commitment to transparency and accountability in our communications with all stakeholders.” said Acting Chief Executive Officer, Jakob Ripshtein. “We value your continued support as we strive to build a stronger, more resilient company, and we are eager to share our progress with you.”

The agenda for the forum will include:

- The status of our audit, providing context for the delay in filing our financial statements

- The status of our cease trade order
- The status of our House of Brands strategy
- Recent product innovation
- Financial performance update
- New hires who are leading our effort to advance our strategy

Details of the webcast and dial-in:

- Webcast attendees can pre-register at the following link: <https://app.webinar.net/mlJwOdv2RL7>
- For individuals who cannot attend the webcast, dial-in access will be provided; please use the following phone numbers:
 - Local: 416-764-8668
 - North American Toll-Free: 888-390-0561

We encourage all shareholders to participate and engage with us during this forum.

About YourWay Cannabis Brands Inc.

YourWay is a publicly traded, multi-state and consumer-centric House of Brands committed to redefining the way consumers and cannabis brands interact, with sales and operations in Arizona. By building their own brands, partnering with others, and supporting retail partners control brand strategy, they are dedicated to expanding their reach; remolding the cannabis industry and ultimately redefining consumers and cannabis brands interact.

YourWay aims to connect with the cannabis consumer on a deeper level, utilizing decades of brand-building expertise and an integral understanding of the customer experience to create an intuitive suite of branded products that closely align with consumer need states. The YourWay portfolio is an all-encompassing house of brands designed to create a sense of belonging for every cannabis consumer regardless of their relationship with the plant.

Please visit www.yourwaycannabis.com or follow on Twitter at [@yourwaycannabis](https://twitter.com/yourwaycannabis) for the latest news and information about YourWay and its brands.

Website: www.yourwaycannabis.com

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release includes certain “forward-looking information” as defined under applicable Canadian securities legislation, including statements regarding the plans, intentions, beliefs, and current expectations of the Company with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: the shareholder forum webcast to be held on June 6, 2023 and the updates to be provided at such webcast; the Company’s ongoing commitment to finding

an auditor; the Company's continued efforts to provide a low-cost alternative to compete with the influx of cheaper bulk material in the marketplace; the opportunities for the Company in white-label and branded products; the Company's expectations for a reduced cost of goods sold in 2023; the Company's expectations regarding the new Vice President of Operations and the Director of Sales' expected role in restructuring the Company's sales function and driving sales growth; the Company's expectations for the continued growth and expansion of the VenomX brand; and expectations for other economic, business, and/or competitive factors. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information.

Investors are cautioned that forward-looking information is not based on historical fact but instead reflects management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance, or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the launch of the new products; changes in consumers demand and preferences; changes in general economic, business and political conditions, including changes in the financial markets; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; compliance with extensive government regulation; public opinion and perception of the cannabis industry; and the risk factors set out in the Company's annual information form dated August 28, 2020, filed with Canadian securities regulators and available on the Company's profile on SEDAR at www.sedar.com.

The Company, through several of its subsidiaries, is indirectly involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where the Company operates permit such activities however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the US Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable United States federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward nonenforcement against individuals and businesses that comply with recreational and medicinal cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those

described herein as intended, planned, anticipated, believed, estimated, or expected. Although the Company has attempted to identify important risks, uncertainties and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information, which speak only as of the date of this news release. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.