



## Canada House Wellness Group Reports Second Quarter Fiscal Year 2019 Results

**54% Increase in Revenue compared to the same Period in the Prior Year**

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TORONTO, Dec. 13, 2018 -- Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”) is pleased to report its financial results for the three months ending October 31, 2018. All amounts are stated in thousands of Canadian dollars.

### Financial Highlights:

- Cash position was \$4,259 compared to \$8,953 as at April 30, 2018 and \$5,844 as at July 31, 2018. During the quarter ended October 31, 2018, the Company spent \$1,489 on production-related capabilities, including the remaining \$577 licensing fee to Medicine Man Technologies for an exclusive licensing agreement for deployment of its intellectual property and product lines (Three a Light ®, Success Nutrients ®, General Intellectual Property) into the Canadian marketplace.
- During the quarter ended October 31, 2018, the Company secured \$1,540 of new financing from the exercise of warrants and a private placement and incurred net interest and financing charges of \$148.
- Working capital was \$3,355 compared to \$6,670 as at April 30, 2018 and \$4,492 as of July 31, 2018.
- Of the \$8,624 of convertible debentures issued in December 2017, only \$3,342 remained outstanding as of October 31, 2018. As of December 12, 2018, \$1,120 remain outstanding and the conversion feature of the debentures has increased from \$0.19/share to \$0.40/share.
- Revenue for the three months ending October 31, 2018 was \$1,240, an increase of \$436 or 54% compared to \$804 in the prior year and \$9 better than the previous quarter ending July 31, 2018.
- EBITDAS <sup>(1)</sup> for the three months ending October 31, 2018 was a deficit of (\$1,124) compared to (\$700) during the same period in the prior year. EBITDAS for the three months ending October 31, 2018 included \$326 of one-time payments related to the transition and restructuring activities of the senior management team and Board of Directors and higher than normal expenses related to audit and legal fees.
- Loss and Comprehensive loss for the year was (\$3,007) for the three months ending October 31, 2018 compared to (\$1,261) for the same period in the prior year

*(1) “EBITDAS” is comprised of Loss and Comprehensive Loss for the Year plus Depreciation and amortization plus Interest, Taxes, Impairment and Stock Based Compensation. EBITDAS is considered by the Company to be a useful measure of cash-flow from operations.*

“This is the second consecutive quarter revenue has increased by over 50% compared to the same periods in the prior years, further substantiating our medical cannabis clinic model” says Chris Churchill-Smith, CEO. “During the quarter ending October 31, 2018, we also completed our first sale of seeds to a Licensed Producer, thereby diversifying our revenue stream and we also initiated new efforts with third party patient-detailing companies to grow our patient base. As revenue increases, we are matching our growth in production facilities with known demand from our clinic and retail channels to drive profitability on a go-forward basis.” concludes Mr. Churchill-Smith.

### Business Highlights for the Quarter:

- After five years of serving veterans as Marijuana for Trauma, rebranded its clinic division as Canada House Clinics
- Awarded a dispensary license in Edmonton, Alberta
- Announced the closing of the first tranche of financing for \$1 million under its \$25 million facility with Alumina
- Provided an update on the construction work at its production facility, noting that it continues to make good progress and expects to begin production by the end of the first calendar quarter of 2019
- To address the shortage of quality genetics as the adult-use recreational market became legal on October 17, 2018, launched its new website, [www.abbamedixgenetics.com](http://www.abbamedixgenetics.com) to support seed sales to Licensed Producers
- Held its Annual Shareholder Meeting on October 30, 2018

### Canada House Wellness Group Inc.

Canada House is the parent company of Marijuana for Trauma Inc., Knalysis Technologies and Abba Medix Corp. The Company's goal is to become a marketplace leader through strategic partnerships, mergers, and acquisitions to create a fully

integrated cannabis therapy company. For more information please visit <http://www.canadahouse.ca> or [www.sedar.com](http://www.sedar.com)

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