



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

49% Increase in Revenue Compared to the Same Period in the Prior Year

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TORONTO, March 29, 2019 -- Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”) is pleased to report its financial results for the fiscal quarter ending January 31, 2019. All amounts are stated in thousands of Canadian dollars.

### Financial Highlights:

- Revenue for the three months ending January 31, 2019 was \$1,176, an increase of \$386 or 49% compared to \$790 in the prior year.
- EBITDAS<sup>(1)</sup> for the three months ending January 31, 2019 was a deficit of (\$1,497) compared to (\$1,131) during the same period in the prior year.
- Loss and Comprehensive loss was (\$3,263) for the three months ending January 31, 2019 compared to (\$4,785) for the same period in the prior year, an improvement of \$1,522 or 32%.
- Cash position was \$2,638 compared to \$8,953 as at April 30, 2018 and \$4,259 as at October 31, 2018. During the quarter, the Company spent \$2,192 on production-related capabilities and secured \$650 of new financing from the exercise of warrants and a private placement.
- Working capital was \$754 compared to \$6,670 as at April 30, 2018 and \$3,355 as of October 31, 2018.
- Of the \$8.6 million of convertible debentures issued in December 2017, \$1,170 remained outstanding as of January 31, 2019. The conversion price of these debentures is \$0.40/share.

(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 a non-GAAP measure and, as such, does not have a standardized meaning and may not be comparable to other companies’ similar non-GAAP measures, but is considered by the Company to be a useful measure of cash-flow from operations.

“This is the third consecutive quarter revenue has increased by approximately 50% compared to comparable period in the prior year,” says Chris Churchill-Smith, CEO. “During the quarter ending January 31, 2019, we planted our first crop, and we expect to be harvesting our first premium craft cannabis by June, 2019. As revenue increases, we intend to add an additional 160,000 s.f. of capacity, in a modular fashion as we sell-out our existing production capacity,” concludes Mr. Churchill-Smith.

### Business Highlights for the Quarter:

- Announced that it received approval from Health Canada to sell Cannabis, effective December 21, 2018, in accordance with sections 27 and 289 of the Cannabis Regulations under the Cannabis Act. This approval comes by way of amendment to the license held by the Company’s wholly owned subsidiary and Licensed Producer, Abba Medix Corp. (“Abba Medix”), to include the sale of dried cannabis, cannabis oil, seeds, cannabis plants, and fresh cannabis for medical purposes.
- Abba Medix completed the harvest of four batches of premium medical cannabis at its Pickering, Ontario facility and submitted them for lab analysis.
- Canada House Clinics, entered into a strategic partnership with Peak Pharma Solutions, leveraging its new clinic branding and organizational changes to position itself for accelerated growth. Canada House Clinics’ superior clinic operation, trusted by physicians for medical cannabis referrals, will be able to access proven pharmaceutical industry sales experts to educate more physicians about the benefits and advantages of referring patients to CHC.
- Provided details of Abba Medix Corp’s acquisition of all the assets of an Alberta based cannabis production license applicant, including approximately 54 acres of property in the town of Vegreville, Alberta. The acquisition includes two properties located, approved for cannabis production by the county and assigned the zoning of Marijuana Processing Facility-Direct Control District. The property is serviced with natural gas, water, sewer, and power and the vendor’s Standard Cultivation and Processing Application, which is currently in the review and security stage with Health Canada, as well as an approved conceptual scheme, site surveys, geotechnical survey, and Development Permit Application.
- Initiated the process for its Pickering facility to become EU-GMP compliant through discussions with a European based consulting firm and acquiring a software licensing platform to support EU GMP compliance.
- Announced a new medical cannabis partnership with HelloMD, a leading online cannabis telehealth company to support Canada House’s 2019 growth through expanded access to practitioner-led advice. Canada House Clinics will deploy

HelloMD's white-label telehealth platform to supplement its own practitioner's services and telemedicine capabilities. The turnkey and on-demand nature of the HelloMD offering will allow Canada House Clinics to handle growth spikes when patient demands exceed its own internal practitioner supply and also take advantage of HelloMD evening and weekend availability.

### **Canada House Wellness Group Inc.**

Canada House is the parent company of Canada House Clinics 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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