

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR DISSEMINATION IN THE UNITED STATES**



**Canada House Wellness Group Reports Fiscal Year 2019 Results
48% Increase in Revenue Compared to Prior Year**

Toronto - August 28, 2019 (CNW) - Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”) is pleased to report its financial results for the year ending April 30, 2019. All amounts are stated in thousands of Canadian dollars.

Compared to the 12 months ending April 30, 2018:

- Cash position was \$3,427 compared to \$8,953
- Working capital was \$2,191 compared to \$6,670
- Shareholder’s equity was a surplus of \$8,398 compared to \$6,064
- Net cash provided by financing activities was \$5,707 compared to \$14,873 in the prior year
- Revenue for the 12 months ending April 30, 2019 was \$4,875, an increase of 48% compared to \$3,289 in the prior year
- Loss and Comprehensive loss for the year was \$11,415 an improvement of \$1,502 compared to a loss of \$12,917 in the prior year
- EBITDAS⁽¹⁾ of (\$5,376) compared to (\$4,220) in the prior year

Comparison of three months ending April 30, 2019 and April 30, 2018

- Revenue of \$1,229, an increase of \$360 or 41% compared to the same quarter last year
- Loss and Comprehensive Loss of \$3,114, an improvement of \$2,177 compared to the same quarter last year
- EBITDAS⁽¹⁾ of (\$1,847) compared to (\$1,328) the same quarter last year

“Our focus this year is on our Path to Profitability.” said Chris Churchill-Smith, CEO, Canada House. “We invested in the necessary infrastructure to support Abba Medix in the completion of our production facility in Pickering, Ontario. We harvested our first crop in May of this year. As soon as we receive our amended sales license, we will begin selling our own Abba branded, medical grade cannabis to patients and consumers across the country.”

“On the clinic side, we increased our footprint and offered new clinic models that include both physical and virtual meetings. We now have 14 locations across the country to meet the needs of Canadian patients. Our success comes from a clear plan, a focused team, and changes to management. We will continue to accelerate growth, drive profitability, and build shareholder value,” Mr. Churchill-Smith added.

Business Highlights:

Canada House rebranded its clinic group, expanded its target market, and opened new clinics

After five years of servicing Veterans and the public as Marijuana for Trauma, the clinics were legally rebranded to Canada House Clinics Inc. (“CHC”).

CHC increased its clinic count by 40% through July 2019, restructured, initiated new marketing programs, and implemented the next generation of its clinical software. CHC opened its first Toronto clinic in the Champagne Centre (a multidisciplinary medical complex in North York), opened clinics in Halifax and Fredericton, relocated two clinics in order to better serve patient needs, and launched a new embedded clinic model in Edmonton.

Canada House Receives Cannabis Sales Licenses from Health Canada and Expands Production Capacity

Abba Medix Corp. (“Abba”), CHC’s Licensed Producer, completed its Health Canada pre-sales inspection and received an amendment to its Producer’s License from Health Canada to include the sale and provision of cannabis seeds.

To support this sales license, Abba secured an exclusive Canadian distribution agreement with a well-established UK seed producer and launched its online e-commerce platform, www.abbamedixgenetics.com.

Abba received approval from Health Canada to sell cannabis to other Licensed Producers, effective December 21, 2018, in accordance with sections 27 and 289 of the Cannabis Regulations under the Cannabis Act. To expand its production capability, Abba entered into an agreement with a related party to acquire 54 acres of property in the Town of Vegreville.

In July 2019, Abba applied to Health Canada for an amendment to its existing sales license that allows for the sale of its own cannabis. Abba provided a 60-day notice of intent to sell its packaged cannabis, including its own Abba Medix brand, in dried flower format, directly to registered medical patients and authorized provincial/territorial distributors and retailers across Canada. Abba continues to move forward with further amendments to its sales license for oils and other product formats.

Canada House Wellness Group Expanded its Pursuit of the Recreational Market

Canada House Wellness Group Inc. announced that it signed a lease agreement for a licensed Cannabis Dispensary in Southeast Edmonton, Alberta and received a Major Development Permit to begin construction. Canada House's first recreational dispensary will be conveniently located adjacent to the Company's existing medical cannabis location.

Canada House entered into binding agreement with Weedbox Inc. for the completion and operation of its previously announced licensed Cannabis Dispensary in Edmonton, Alberta. The site under the Weedbox lifestyle brand, *Somewhere Variety*[®], will begin in the fall of 2019 with an anticipated opening in spring 2020.

(1) *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. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the Company's financial information reported under IFRS. These non-IFRS measures are used to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company*

also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers and to compare the Company's performance against others in the same industry.

About Canada House Wellness Group Inc.

Canada House Wellness Group Inc. is the parent company of Abba Medix Corp., a Licensed Producer in Pickering, Ontario that produces high quality medical grade cannabis; Canada House Clinics Inc., with clinics across the country that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from simple to complex medical conditions; and Knalysis Technologies, a provider of fully customizable, cloud-based software that links physician, provider, and patient to data that supports treatment with medical cannabis.

Canada House Wellness Group's goal is to become the leading cultivator of premium craft cannabis and provider of cannabinoid therapy, targeting the medical cannabis markets globally.

For more information please visit www.canadahouse.ca.

For further information, please contact:

Liana Del Medico
Director of Communications & Investor Relations
Canada House Wellness Group Inc.
289-980-3584
liana.delmedico@canadahouse.ca

Cautionary Statement Regarding Forward-Looking Information. This press release contains forward-looking statements, including statements that relate to, among other things, the Company's clinic, production and technology businesses, its future plans, the Company's markets, objectives, goals, strategies, intentions, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Material assumptions used to develop forward-looking information in this news release include, among other things, the regulations related to cannabis use under the Access to Cannabis for Medical Purposes Regulations and the act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts, passed by the Canadian Federal government, making cannabis legal for recreational use by October 17, 2018; Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.