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Abba Medix Signs Medical Cannabis Supply Agreement with Franchise Cannabis Corp's wholly owned German subsidiary ACA Müller ADAG Pharma Vertriebs GmbH for the Supply of Products to the European Union

Toronto – November 25<sup>th</sup>, 2019 (CNW) - Canada House Wellness Group Inc. (CSE: CHV) ("Canada House" or the "Company"), is pleased to announce its wholly owned subsidiary, Abba Medix Corp. ("Abba"), has entered into a two-year Medical Cannabis Supply Agreement (the "Supply Agreement") with Franchise Cannabis Corp.'s ("Franchise") wholly owned subsidiary, ACA Müller ADAG Pharma Vertriebs GmbH ("ACA Müller"), the first company in Germany licensed to distribute medical cannabis, for the sale and export of a minimum of 200 kg of pharmaceutical-grade EU-GMP cannabis flower into the European Union each year.

Under the Supply Agreement, Abba will acquire genetics from Europe's first legal registered seed bank. Franchise's collection of genetics consists of over 220 strains, bred by award winning and world-renowned breeder Charles Scott. Mr. Scott has won numerous globally recognized awards including an induction into the High Times Hall of Fame and 19 Cannabis Cups for THC strains such as Love Potion #1, Willie Nelson, and Pink Kush.

All products delivered under the Supply Agreement will be derived from plants grown in Abba's cultivation facility using Franchise's Genetics. At today's exchange rates, the minimum quantity deliverable under the Supply Agreement equates to minimum approximate revenue of \$1.2M CAD during each year of the Supply Agreement (\$2.4M CAD over the two-year term). Subject to the existing right of first refusal under the supply agreement announced by Abba on October 31, 2019,

Franchise will have the first right during the term to purchase all EU-GMP certified products shipped by Abba to the European Union at a set price.

ACA Müller and Abba will begin exports into Germany and other European Union countries upon Abba receiving EU-GMP certification by relevant authorities. Abba remains on track to obtain EU-GMP Certification in mid-2020.

"Based on multiple visits to Abba's Pickering facility, we feel very confident with the prospect of Abba achieving EU-GMP status during 2020. With only 8 EU-GMP Certified facilities in the world this will be a huge accomplishment," said Clifford Starke, Franchise Cannabis's CEO. "We look forward to working with Chris and his team as long term partners for the production and distribution of EU-GMP medicinal cannabis."

"Establishing this relationship with the first licensed German distributor of medical cannabis is an exciting step for our business in diversifying our distribution into international markets," said Chris Churchill-Smith, CEO of Canada House. "We have now signed high margin European supply agreements with cumulative minimum commitments representing approximately 20% of our near-term annualized internal production, maximizing the profitability from Abba's existing facility. Through this relationship, Abba will benefit from one of the most complete and sought-after genetics collections in the world. In addition, Abba's Canadian medical cannabis patients will benefit from our ability to offer a wider variety of proven and established high THC medical cannabis strains grown in a craft setting."

## **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 and 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. Please visit www.canadahouse.ca.

#### **About Franchise Cannabis Corp.**

Franchise Cannabis is a global, fully integrated medical cannabis company with a leading German distribution platform built upon the first license granted in March 2017. With two distribution

facilities in Germany serving a vast pharmacy network, a licensed cultivator in Denmark currently producing high quality medical cannabis, and supply relationships with prestigious cannabis groups globally, Franchise is on the cutting edge of the European medical cannabis market. Franchise is the first legal registered seed bank in Europe and has one of the most complete and sought-after genetics collections in the world with over 220 strains, many of which have won Cannabis Cups and also has licensed CBD cultivation and extraction operations in Colombia and Uruguay. For more information, please visit: <a href="https://www.franchisecannabis.com">www.franchisecannabis.com</a>

#### For further information, please contact:

## Canada House Wellness Group Inc.

Liana Del Medico, Director of Communications & Investor Relations 416-553-3820 liana.delmedico@canadahouse.ca

## Franchise Cannabis Corp.

info@franchisecannabis.com

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