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Canada House Wellness Group Reports Second Quarter Fiscal Year 2020 Results

Toronto, December 27, 2019 (CNW). Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”) is pleased to report its financial results for the three and six months ending October 31, 2019. All amounts are stated in thousands of Canadian dollars. Additional details can be found at www.sedar.com.

Financial Highlights:

- Cash position of \$2,460 as at October 31, 2019 compared to \$3,427 as at April 30, 2019 and \$1,535 as at July 31, 2019. During the quarter, the Company secured \$2.4 million of new financing and spent \$484 on production-related capabilities.
- Revenue for the three months ending October 31, 2019 was \$1,291, an increase of \$51 from \$1,240 in the prior year and \$2,581 for the six months ending October 31, 2019, an increase of \$110 compared to \$2,471 for the same period in the prior year.
- Net Loss and Comprehensive Loss for the three months ending October 31, 2019 was \$1,717 compared to Loss and Comprehensive loss of \$3,007 for the same period in the prior year. For the six-month period ending October 31, 2019, net loss and comprehensive loss was \$3,439 compared to \$5,035 for the same period in the prior year.
- During the quarter ending October 31, 2019, general and administrative expenses decreased by \$463 or 20% to \$1,859 compared to \$2,322 for the quarter ending July 31, 2019.

“Receiving our amended sales license from Health Canada and the ability to sell our own production to medical cannabis patients and provincial retailers beginning October 1st, 2019 was a monumental milestone for Canada House.” says Chris Churchill Smith, CEO, Canada House. “We continue to focus on profitable growth from both Canada House Clinics and our Licensed Producer, Abba Medix Corp. As revenue increases, we will continue to align our cost structure through disciplined cost management to grow stronger and drive profitability on a go-forward basis.”

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.

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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.