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**Canada House Clinics Provides Business Update for the Fourth Quarter of Fiscal 2020**

*Toronto, June 16, 2020 (CNW).* Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”), a fully integrated medical cannabis company, is pleased to provide a business update for its wholly owned subsidiary Canada House Clinics Inc. (“**CHC**”). CHC generated increased Revenue and Adjusted EBITDA of \$362K in Q4, driven by cost reduction and growth of its Veteran patient base.

CHC was founded in 2013 by Veterans who understood how medical cannabis could aid in effectively treating many post-combat conditions and illnesses such as post-traumatic stress syndrome (PTSD) and chronic pain. CHC continues to improve its support for Veterans with expert guidance for medical cannabis, helping Veterans navigate their benefits, providing a supportive environment and relevant events at its clinics. It has expanded to serve all Canadians with medical staff at fourteen locations across Canada.

In support of Canada House’s overall aggressive pursuit of a path to profitability, CHC has increased revenue and made staffing cuts, operational improvements, and reductions to its prescriber costs, to increase profitability while expanding from 11 to 14 clinic locations across Canada. For the fourth quarter ending April 30, 2020, revenue increased by 13% or \$146K to \$1,288K compared to \$1,142K during the same quarter the prior year. On a proforma basis, Adjusted Operating Expenses decreased by \$281K or 23% to \$927K compared to \$1,207K during the same period in the prior year. Adjusted EBITDA increased by 652% or \$427K with Q4 FY2020 Adjusted EBITDA of \$362K compared to a loss of \$66K during the same quarter the prior year.

CHC has remained fully operational via telemedicine during the Covid-19 outbreak leveraging its cannabis patient management software developed by Knalysis Technologies, another Canada House division. Currently 10 of 14 clinics have now physically re-opened with appropriate protocols and the remaining 4 will open as conditions warrant by early July.

**Key Updates and Statistics for CHC Division**

- CHC patients purchase over \$25M of legal medical cannabis on an annual basis from over 20 Licensed Producers, including recently Abba Medix Corp.
- CHC has served over 14,000 patients historically and has about 25% of the important Veteran market. Veterans with certain conditions and benefits have significant medical cannabis coverage.

- Veteran patients with active medical documents have grown from about 2,400 Veterans in Jan 2019 to currently approximately 2,900 Veterans.
- CHC has increased its pool of licensed prescribers and decreased its associated costs. CHC now works with over 5 Physicians and 3 Nurse Practitioners and has expanded provincial billing in Ontario and Nova Scotia.
- CHC now has 14 clinics across Canada, compared to 11 in early 2019. These clinics include two embedded clinics where CHC pays minimal or no rent while providing an educator inside an existing medical practice to help that practice deliver cannabinoid therapy.
- During calendar 2019, working with Knalysis Technologies, CHC implemented a major replacement of its Cannabis Patient Management Platform called CPM 2.0. This platform includes workflow management, an embedded fully secure telemedicine platform suitable for mobile devices, automation for Licensed Producer education fee reconciliation, digital treatment plans, physician portals, patient portals, monthly tracking of per patient ordering, and significantly improved efficiency and reporting.
- CHC expanded its Veteran services with additional peer support programs, free processing room services in its flagship clinic in Oromocto, New Brunswick, medical paperwork supports and increased frequency and sponsorship of relevant Veteran events.

“Building on our special relationship with Veterans, Canada House is helping all Canadians who are serious about using medical cannabis to improve their health and well-being,” says Chris Churchill-Smith, Canada House CEO. “Our Clinic Division is a valuable medical distribution channel for Abba Medix to grow into and CHC has delivered significant cost reduction and profit improvement.”

“I am proud of the growth, improvements and costs savings delivered by the CHC team,” added Alex Kroon, President of Canada House Clinics. “Our medical educators help all Canadians find the right medical cannabis treatment plan, and I’m particularly proud of our expanding support for our Veteran patients.”

#### **Note Regarding Use of Non-GAAP Financial Measures**

In this press release, the Company presents “Adjusted Operating Expenses” and “Adjusted EBITDA.” These measures are not in accordance with International Financial Reporting Standards (“**IFRS**”) but are key measures used by our management and board of directors to understand and evaluate our core operating performance and trends and to prepare and approve our annual budget. Accordingly, we believe that Adjusted Operating Expenses and Adjusted EBITDA provide useful information to investors and analysts in understanding and evaluating our operating results in the same manner as our management and board of directors. Our use of Adjusted Operating Expenses and Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under IFRS. Adjusted Operating Expenses and Adjusted EBITDA exclude interest and interest accretion, income taxes and all amortization related to CHC’s operations. These adjustments to our IFRS financial measures reflect the exclusion of items that are recurring and will be reflected in our financial results for the foreseeable future. In addition, these measures may be calculated differently from similarly titled non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

## **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; IsoCanMed Inc., a Licensed Producer in Louiseville, Quebec growing best-in-class indoor cannabis, in its 64,000 sq.ft. production facility employing state-of-the-art vertical, aeroponic production methodologies; 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](http://www.canadahouse.ca) or the Company's public filings at [www.sedar.com](http://www.sedar.com).

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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 and cannabis based edibles, vapes and oils legal for recreational use on October 17, 2018 and October 17, 2019; 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.*

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