



Nabis Holdings Inc. Reports Second Quarter 2020 Financial Results

- Q2 2020 top line revenue increased 73% to \$4.0M from \$2.3M in Q1 2020
- Q2 2020 Gross Margin increased 4% to 46% compared to Q1 2020

VANCOUVER, British Columbia, Sept. 01, 2020 -- Nabis Holdings Inc. (CSE: NAB) (OTC: NABIF) (FRA: A2PL) (“Nabis” or the “Company”) reports its financial results for the three and six-month periods ended June 30, 2020. All financial information is provided in Canadian dollars unless otherwise indicated.

Results of Operations

Retail revenue for the three and six-month periods ended June 30, 2020 was \$3,987,777 and \$6,294,736 respectively. (2019-\$nil). Cost of goods sold for the same periods was \$2,144,880 and \$3,475,693 (2019-\$nil) and gross profit was \$1,842,897 and \$2,819,043 or 46.2% for the three month period and 44.8% for the six month period ended June 30, 2020 (2019-\$nil).

Basic and diluted loss per share for the three and six month periods ended June 30, 2020 was a loss of \$0.02 and a loss of \$0.05 per share compared to a loss of \$0.04 and \$0.09 per share during the three and six-month periods ended April 30, 2019.

During the three-month period ended June 30, 2020, the Company incurred \$1,805,685 in selling, general and administrative expenses (“SG&A”), a decrease of \$1,560,695 or 86% when compared to \$3,366,380 in the comparative three-month period ended April 30, 2019. SG&A expenses during the six-month period ended June 30, 2020 were \$3,679,995, a decrease of \$2,026,698 or 55% when compared to \$5,706,693 in the comparative six-month period ended April 30, 2019.

The decrease in SG&A expenses is due to significant decreases in consulting and management fees, professional fees, business development and investor relation fees, offset by increases in salaries, benefits, rent and occupancy costs. During the comparative periods, the Company was incurring due diligence related costs to secure appropriate cannabis assets whereas the costs incurred during the current periods ended June 30, 2020 are costs incurred operating the dispensary in Phoenix, Arizona, as well as corporate costs supporting the Company’s other cannabis assets.

Share-based compensation costs during the three and six-month periods ended June 30, 2020 were \$6,632 and \$153,757 respectively, significantly reduced from \$150,182 and \$1,326,619 reported during the comparative three and six-month periods decreased. The decrease in share-based compensation expense is due to the Company issuing fewer options during the quarter, at reduced Black Scholes valuations.

Total operating expenses decreased by \$1,354,318 or 62% and \$2,475,920 or 54% during the three and six-month periods ended June 30, 2020 when compared to the three and six-month periods ending April 30, 2019. The decrease in total operating expenses is a result of the Company’s recent cost cutting exercise which has resulted in cost reductions in SG&A in fiscal 2020. As a result of this exercise, Management conservatively estimates an expected annualized savings in 2020 of approximately \$3,000,000 largely due to the termination, or non-renewal of non-essential sales and marketing, business development and investor relations agreements.

“We are very pleased with the progress our team has made at our Emerald dispensary, in Phoenix, Arizona,” commented Mark Krytiuk, COO. “Our results speak for themselves. Since October we have been able to double top line monthly revenue and our profit margins have seen double digit increases. We expect to see further improvements as our Infusion Edibles line is fully relaunched. It is definitely an exciting time to be in Cannabis in the State of Arizona.”

About Nabis Holdings Inc.

Nabis Holdings is a Canadian investment issuer that invests in high quality cash flowing assets across multiple industries, including real property and all aspects of the U.S. and international cannabis sector. The Company is focused on investing across the entire vertically integrated aspects of the space with a focus on revenue generation, EBITDA and growth. For more information, please visit <https://www.nabisholdings.com/>.

Going Concern

The Company has incurred losses and has had negative cash flows from operations from inception that have primarily been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. As at June 30, 2020, the Company had a working capital deficiency of \$14,811,051 and an accumulated deficit of \$38,859,180. Of the total mortgages outstanding on June 30, 2020, \$4,609,011 was due on August 31, 2020. The Company will not make the August 31, 2020 principal payment and are in discussions with the mortgage holder to either extend the payment due date, failing which, default proceedings are expected to commence. On June 30, 2020, the Company did not make the quarterly interest payment accrued on the convertible debentures as a result of a Force Majeure event as set out in the convertible debenture trust indenture. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, through the private placement of common shares, issuance of loans and convertible loans.

Forward-Looking Statements

All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The risks are without limitations: that the acquisitions will be completed by the Company or completed upon the terms disclosed; the price for cannabis and related products will remain consistent and the consumer demand remains strong; availability of financing to the Company to develop the retail locations; retention of key employees and management; changes in State and/or municipal regulations of retail operations and changes in government regulations generally. Important factors that could cause actual results to differ, materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission.

The Canadian Securities Exchange has neither reviewed nor approved the contents of this news release and accepts no responsibility for the adequacy or accuracy of this release.

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