

Lotus Ventures Reports Profitable First Half Financial Results

VANCOUVER, May 6, 2020 /CNW/ - **Lotus Ventures Inc. (CSE: J) (FRA: LV9) (OTC: LTTSF)** ("**Lotus**" or the "**Company**") the publicly traded licensed producer that owns Lotus Cannabis Co, a premium BC cannabis brand in Canada is pleased to report over \$1 million in sales during the period ending February 29, 2020.

First Half Financial Results

Income Statement

- Revenue increased to \$1,071,252 (from nil in the same period the previous year)
- Cost to produce per gram: \$1.16
- Gross margin (before fair value changes): \$741,904
- Six-month net income: \$503,666 (see comments below)

Balance Sheet

- Accounts receivable: \$318,552
- Biological assets: \$458,601
- Inventory: \$1,309,245
- Total assets: \$16,541,664

First Half Operating Results

- Harvests are averaging 60,000 to 70,000 grams of cannabis every two weeks
- Average THC% remains above 20% with recent batches testing up to 26%
- Established wholesale relationships with three licensed producers

The ramp-up of the Company's selling cycle is progressing well and receivable payments for its product and the pace of sales is solid. Sales to date in Q3 are strong and will be detailed in the subsequent quarterly financial statements. "The Company incurred net income of \$503,666 for the 6 months ending February 29, 2020 as we have ramped up to full production, sales and accounts receivable. The fair value accounting treatment required under the complex IFRS protocol doesn't put a spotlight on our core result: Lotus is reliably producing high yields of a premium product at a low cost of goods sold of \$1.16 per gram." said Dale McClanaghan, President and CEO of Lotus.

Investor Material

The Company has a new Investor Presentation and Fact Sheet for Q3, 2020 which is now available at lotuscannabis.ca/investors, or can be downloaded directly at the links below.

Investor Presentation: https://lotuscannabis.ca/-/media/Lotus_Invest_Presentation_Q3_2020.pdf

Fact Sheet: https://lotuscannabis.ca/-/media/LotusFactSheetQ3_2020.pdf

The Company's Interim Financial Statements and accompanying Management Discussion and Analysis for the period can be found on its SEDAR profile at www.sedar.com.

ON BEHALF OF THE BOARD:

Lotus Ventures Inc.

"Dale McClanaghan"

Dale McClanaghan, President and CEO

About Lotus Ventures Inc.

Lotus Ventures Inc. is the publicly traded licensed producer that owns Lotus Cannabis Co, a premium cannabis brand in Canada. The Company is a craft grower at scale focused on cultivating cannabis that resonates with consumers. Lotus operates an innovative purpose-built facility with unique proven strains, and an entirely handcrafted production process created by one of the region's most experienced growing teams.


To learn more, visit <https://lotuscannabis.ca/> or follow us on Twitter: @lotuscannabisco Facebook: @lotuscanna Instagram: @lotuscannabisco LinkedIn: @lotuscannabisco

Forward Looking Information:

The information contained within this news release has been prepared by Lotus Ventures Inc. This document includes certain statements that are not descriptions of historical facts but are forward-looking statements. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, our future operating results, our expectations regarding the market for medical and recreational cannabis products, our expectations regarding the continued growth of the medical and recreational cannabis market, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. Users are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause our actual results to differ materially from those anticipated, expressed or implied in the forward-looking statements. These risks and uncertainties have not been documented or mentioned in this document nor other communications made by the company. The words "believe," "expect," "anticipate," "project," "targets," "optimistic," "intend," "aim," "will" or similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update any forward-looking statements, except as required by law.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

SOURCE Lotus Ventures Inc.

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/May2020/06/c3943.html>

%SEDAR: 00036638E

For further information: Dale McClanaghan, President & CEO, dalemccclanaghan@gmail.com, 604-644-9844; Investor Relations & Media Contact: Daniel McRobert, investors@lotuscannabis.ca, 604-842-4625

CO: Lotus Ventures Inc.

CNW 09:00e 06-MAY-20