

Lotus Completes Record Harvests and Reports Profit in Fiscal Year 2020 Results

VANCOUVER, BC, Dec. 30, 2020 /CNW/ - **Lotus Ventures Inc. (CSE: J) (OTC: LTTSF) (FRA: LV9)** ("Lotus" or the "Company") the licensed producer that owns Lotus Cannabis, a trusted cannabis brand in Canada is pleased to report approximately \$4.6 million in sales and \$1.5 million in net income for the twelve-month period ending August 31, 2020.

Fiscal Year 2020 Business Highlights

- Lotus completed **31 harvests** during Fiscal Year 2020 ("FY 2020") and passed all required third-party laboratory tests. The bulk of production was of our unique, high-quality Kalifornia strain that averaged **24.4% THC** and with up to **3%** in terpene content.
- Lotus started recognizing sales in the Second Quarter of FY 2020 and only recognized three quarters of sales in the FY 2020 Financial Statements. Sales have continued to be strong into the First Quarter of Fiscal Year 2021 ("FY 2021").
- Lotus reached profitability during the first year of production. The result of a disciplined team using years of experience and innovation.
- Lotus has proven to be capable of consistently producing cannabis with high THC and high terpene content which is in high demand for flower offerings.
- Lotus now has a proof of concept with its initial prototype facility and is ready to expand operations in the North Okanagan once construction financing is obtained.

Fiscal Year 2020 Financial Results (Compared to Fiscal Year 2019 Results)

Income Statement

- Revenue increased significantly to **\$4.6 million** compared to nil.
- Gross margin (after fair value changes on biological assets) of **80%** or **\$3.7 million** compared to \$250 thousand.
- Earnings per share of **0.02 cents** compared to a loss per share of 0.04 cents.

Balance Sheet

- Cash increased to **\$282 thousand** from \$142 thousand.
- Total assets increased to **\$16.9 million** compared to \$15.5 million.
- Deferred revenue decreased to **\$150 thousand** from \$1.3 million.

Fiscal Year 2020 Operating Highlights

- Lotus established wholesale relationships with multiple licensed producers across Canada with flower production being distributed in eight provinces by wholesale partners.

- **1.2 million** grams of cannabis sold represented in cost of sales.
- Operating expenses of **\$2.2 million** compared to \$3.1 million.

Fourth Quarter FY 2020 Results (Compared to the Third Quarter, FY 2020)

- Revenue increased to **\$1.78 million** compared to \$1.77 million.
- The Company recognized a net loss of **\$231 thousand** compared to a gain of \$1.2 million. However, this was the second consecutive quarter of revenues exceeding \$1.75 million with an average net income of approximately \$495 thousand for the two most recently completed quarters.

Subsequent Events

- The Lotus Kalifornia strain was launched in collaboration with Kolab Project in BC, Alberta, Ontario and New Brunswick with additional provinces to follow.
- The Kalifornia reached the **6th best-selling** SKU in the Ontario dried cannabis flower market while gaining a **1.2%** market share during the same period.
- The Kalifornia reached the number 1 selling SKU in New Brunswick during the same period since launching.

During the first year of production "The Lotus cultivation team has demonstrated the value of combining years of growing experience with a sophisticated production facility. The Lotus strains have consistently yielded high THC and terpene levels. This has been the bedrock of our success this year where we've had significant progress in regard to sales and marketing, increasing our brand's awareness and establishing reliable wholesale relationships across Canada. We look forward to expanding our existing production and continuing our strong sales over the next fiscal year," said Lotus CEO Dale McClanaghan.

The audited Annual Financial Statements and accompanying Management Discussion and Analysis for the period ending August 31, 2020 is available on the Company's SEDAR profile at [sedar.com](https://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. (CSE: J) is the publicly traded licensed producer that owns Lotus Cannabis Co., a trusted cannabis brand in Canada. Lotus grows rare and new-to-market strains of cannabis, while providing consistency and reliability through its innovative purpose-built facility that was created in BC's North Okanagan region. The initial facility was designed for the ideal growing conditions that cannabis plants need to thrive in, using a high-performance harvest schedule with fresh biweekly harvests. Lotus has decades of growing experience and uses an entirely handcrafted production process created by one of the region's most knowledgeable growing teams.

To learn more, visit lotuscannabis.ca/investors or follow the Lotus brand on social media.


Twitter: [@lotuscannabisco](https://twitter.com/lotuscannabisco) , LinkedIn: [@lotuscannabisco](https://www.linkedin.com/company/lotuscannabisco) , Instagram: [@lotuscannabisco](https://www.instagram.com/lotuscannabisco) Facebook: [@lotuscannabisco](https://www.facebook.com/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/December2020/30/c1737.html>

%SEDAR: 00036638E

For further information: President & CEO, Dale McClanaghan, dalemccclanaghan@gmail.com, 604-644-9844; Investor Relations, Daniel McRobert, daniel.mcrobert@lotusventures.ca, 604-842-4625

CO: Lotus Ventures Inc.

CNW 09:00e 30-DEC-20