

# CLS Holdings Announces Record First Quarter Fiscal 2020 Results

LAS VEGAS, NV / ACCESSWIRE / October 15, 2019 / CLS Holdings USA, Inc. (OTCQB: CLSH, CSE: CLSH.CN) ("CLS" or the "Company"), a diversified cannabis company operating as Cannabis Life Sciences, is pleased to announce financial results for the first quarter ended August 31, 2019.

"First quarter results represent the beginning of what we expect to be a historic year for our company," commented Andrew Glashow, President and COO of CLS Holdings. "These results continue to support and validate our strategy in Nevada, including at our Oasis Cannabis dispensary and within our City Trees line of branded products. Despite the number of records established during Q1 2020, we believe our operations have room to grow and we are excited about the opportunities going forward."

## Q1 2020 Highlights

- Record consolidated revenue of \$2.9 million compared to \$1.7 million in fiscal Q1 2019, an increase of \$1.2 million or 72.7%.
- Record consolidated gross profit of \$1.4 million, a 147.7% increase over the same period a year earlier.
- Record consolidated gross profit margin of 50.6% compared to 35.3% in fiscal Q1 2019.
- Consolidated net loss of \$1.4 million or \$0.01 per share compared to a net loss of \$16.7 million or \$0.23 per share in fiscal Q1 2019.
- Cash and cash equivalents of \$5.9 million as of August 31, 2019.
- Record revenue from the Company's Oasis Cannabis dispensary of \$2.1 million, a 96.6% increase over fiscal Q1 2019 revenue of \$1.1 million.
- Record Oasis Cannabis gross profit margin of 48.3% compared to 35.9% in fiscal Q1 2019.
- A 98.4% increase in dispensary customers, from 26,438 (294 average per day) in fiscal Q1 2019 to a record 52,448 (583 average per day) in fiscal Q1 2020.
- Record revenue per SF of \$397 compared to \$205 per SF during the same period a year earlier, an increase of 93.6%.
- Record revenue from the Company's City Trees' branded products division of \$0.8 million compared to \$0.6 million in fiscal Q1 2019, an increase of \$0.2 million or 33.6%.
- Record City Trees branded products gross profit margin of 56.2% compared to 34.1% in fiscal Q1 2019.

## Subsequent Second Quarter Events

- In Good Health, a licensed medical dispensary, which the Company has the exclusive right to acquire in January 2020, was granted on September 13, 2019 a final license for recreational use at its current location in Brockton, MA.
- Oasis Cannabis dispensary expansion expected to be completed in mid-November, increasing available retail space from 1,750 sf to 2,000 sf.

"We are incredibly pleased with our first quarter 2020 result," commented Mr. Jeffrey Binder, Chairman and Chief Executive Officer of CLS Holdings. "To this end, we reported year over year quarterly revenue growth of 72.7%. We also dramatically increased gross margins from 35.3% in Q1 2019 to 50.6% in Q1 2020, in large part due to the implementation of new processes, the retention of additional skilled employees, and an improvement in inventory purchasing. As a result, I am proud to report that our Oasis Cannabis and City Trees subsidiaries are profitable on a stand-alone basis while our consolidated net loss stems primarily from those costs associated with being a publicly traded company and costs associated with the parent holding company."

### **About CLS Holdings USA, Inc.**

CLS Holdings USA, Inc. (CLSH) is a diversified cannabis company that acts as an integrated cannabis producer and retailer through its Oasis Cannabis subsidiaries in Nevada and plans to expand to other states. CLS stands for "Cannabis Life Sciences," in recognition of the Company's patented proprietary method of extracting various cannabinoids from the marijuana plant and converting them into products with a higher level of quality and consistency. The Company's business model includes licensing operations, processing operations, processing facilities, sale of products, brand creation and consulting services.

<http://www.clsholdingsinc.com>

Twitter: @CLSHusa

### **About Oasis Cannabis**

Oasis Cannabis has operated a cannabis dispensary in the Las Vegas market since dispensaries first opened in Nevada in 2015 and has been recognized as one of the top marijuana retailers in the state. Its location within walking distance to the Las Vegas Strip and Downtown Las Vegas in combination with its delivery service to residents allows it to efficiently serve both locals and tourists in the Las Vegas area. In February 2019, it was named "Best Dispensary for Pot Pros" by Desert Companion Magazine. In August 2017, the company commenced wholesale offerings of cannabis in Nevada with the launch of its City Trees brand of cannabis concentrates and cannabis-infused products.

<http://oaiscannabis.com>

### **About City Trees**

Founded in 2017, City Trees is a Nevada-based cannabis cultivation, production and distribution company. Offering a wide variety of products with consistent results, City Trees is one the fastest growing wholesale companies in the industry. Its products are now available at 44 dispensaries.

<https://citytrees.com>

### **Disclaimer – Fiscal Q1 2019 Results of Operations**

The Company acquired Oasis Cannabis and City Trees effective July 1, 2018. In order to provide comparable three-month quarterly periods for 2019 and 2018, the results of operations for the three months ended August 31, 2019 set forth herein include the results of the Oasis Cannabis dispensary and City Trees for the month of June 2018, when they were owned and operated by their former owners. The inclusion of this information should not be construed as an indication that the Company owned these entities during June 2018 but is only provided to assist readers in comparing current operating results with the prior operating results of these businesses.

### **Forward Looking Statements**

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 (collectively, the "forward-looking statements"). These statements relate to anticipated future events, future results of operations or future financial performance, and anticipated growth, including the timing of anticipated construction and implementation of our expansion plan. In some cases, you can identify forward looking statements by terminology such as "may," "might," "will," "should," "intends," "expects," "plans," "goals," "projects," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. We cannot guarantee future results, levels of activity or performance and we cannot guaranty that the proposed transactions described in this press release will occur. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered together with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, we do not intend to update any of the forward-looking statements to conform these

statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events. See CLS Holdings USA filings with the SEC and on its SEDAR profile at [www.sedar.com](http://www.sedar.com) for additional details.

**Contact Information**

Corporate:

Chairman and CEO

Jeff Binder

[jeff@clsholdingsinc.com](mailto:jeff@clsholdingsinc.com)

888-438-9132

Investor Relations:

Torrey Hills Capital

Clay Chase

[cc@sdthc.com](mailto:cc@sdthc.com)

858-456-7300