



CLS Holdings Releases 2019 Year-End Statement for CLS Nevada

LAS VEGAS, NV, Jan. 30, 2020—CLS Holdings USA, Inc (OTCQB: CLSH; CSE: CLSH) (“CLS” or “The Company”), a diversified, integrated cannabis producer and retailer, has just released its 2019 calendar year-end statement for CLS Nevada.

While 2019 was a significant growth year for CLS and its Nevada subsidiaries (“CLS Nevada”), both 2018 and 2019 were turbulent years for cannabis sector stocks as a whole. After multiple market scares and volatility, many cannabis stocks remain at a fraction of their peak value.

CLS is committed to its shareholders and to building a robust and sustainable business with an emphasis on careful, profitable growth.

December 2019 Financial Highlights (CLS Nevada)

- 114.64% increase in number of customers served (23,479 in Dec. 2019 vs. 10,939 in Dec. 2018)
- 26.10% increase in total net revenue (\$996,673.18 vs. \$790,396.21 in Dec. 2018)
- 69.41% increase in gross profit (\$486,249.81 vs. \$287,022.30 in Dec. 2018)
- 34.35% increase in gross margin (48.79% vs. 36.31% in Dec. 2018)

The Company continues to reinvest and expand our Nevada operations with internally generated cash flow.

CLS Nevada 2019 Calendar Year Highlights & 2020 Forecast

2019 has been an exceptional year for CLS Nevada. We made substantial investments into our Nevada operations, hired some terrific people, completed 3 renovations of our dispensary and saw remarkable growth in revenue, customer traffic and turned EBITDA positive. The new year is off to a remarkable start and we anticipate continued substantial revenue and EBITDA growth.

We saw the number of transactions increase at our Oasis Cannabis dispensary from 115,768 in 2018 to 203,127 in 2019, an increase of 75%. We did this while substantially increasing our gross margin, becoming EBITDA positive and experiencing exceptional revenue growth.

We are forecasting CLS Nevada 2020 revenue of \$17 million and positive EBITDA of \$4 million. The company has the human resources necessary to exploit our share of the rapidly evolving Nevada cannabis market.

CLS Nevada 2019 Calendar Year Operational Highlights

2019 was a major transition year for the CLS Nevada subsidiaries. Improvements to both the Las Vegas dispensary (Oasis Cannabis) and the North Las Vegas production facility (City Trees) have allowed CLS Nevada to greatly expand its footprint in a very competitive cannabis marketplace.

2019 Improvements (CLS Nevada):

- Completed \$3M conversion and extraction facility in North Las Vegas
- 3 renovations and expansions of retail dispensary
- Increased average daily transactions from 300 to 700
- Completely overhauled our marketing approach
- Hired some incredibly talented professionals
- On-boarded more efficient software systems to create better data tracking
- Oasis Cannabis voted best dispensary for Pot Pros in March 2019

CLS Nevada plans on reinvesting in and expanding both Oasis Cannabis and City Trees throughout 2020 to further increase market share while pursuing additional licensing opportunities.

2020 Business Plan (CLS Nevada):

- Increase sales by 100% at City Trees by eliminating low return on investment SKUs, re-branding, increasing visibility through better marketing channels and creating some of the best and most unique products in Nevada.
- Expand Oasis Cannabis parking lot and vault to allow us to efficiently serve 1250 customers a day
- Create new revenue streams by offering advertising opportunities to brands and partners.

- Continue to source quality product at price points that meet the demands of our rapidly growing customer base.

Andrew Glashow, President and COO of CLS Holdings, stated: “In general, 2019 has been a watershed year for us, and our Nevada operations have seen massive traffic expansion, which has led to impressive results. Internally generated cash flow provides the basis for continued expansion.

“Since coming on board as President and COO, our team has accomplished a lot in a short amount of time. We are thankful to the regulatory authorities for their commitment to a safe, robust cannabis market and their approval of our state-of-the-art North Las Vegas extraction facility, which allows us to produce some of the most unique, safest, high-quality products in the industry.”

Jeff Binder, Chairman and CEO stated “I can assure you we are all working diligently to enhance value every single day. Improvements have been made and will continue to be made and we are looking out for the best interests of all our shareholders by building a robust, compliant and profitable business.”

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.

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.

www.oasiscannabis.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 of the fastest growing wholesale companies in the industry. Its products are now available at 44 dispensaries.

www.citytrees.com



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 expansion plans, the creation of new revenue streams and the sourcing of

high-quality product at certain price points. In some cases, you can identify forward looking statements by terminology such as "2020 Business Plan," "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. 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 for additional details.

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