



Lighting It Up: CLS Holdings USA, Inc. Reports Third Quarter Results as Las Vegas Makes a Comeback

LAS VEGAS, NV April 15, 2021 -- CLS Holdings USA, Inc. (OTCQB: CLSH) (CSE: CLSH), the "Company" or "CLS", a diversified cannabis company operating as Cannabis Life Sciences, today announced its operational and financial results for the third quarter of fiscal 2021, ended February 28, 2021.

Key Q3 Financial & Operational Accomplishments

- CLS continues to outperform operationally, achieving a 44.7% increase in total revenue in the first nine months of fiscal 2021 compared to the comparable period of fiscal 2020.
- The Company achieved total revenue of \$4,544,082 for the quarter ended February 28, 2021 - a 40.9% increase over the quarter ended February 29, 2020.
- Gross margin for the quarter was 45.2%, and 51% for the nine month period ended February 28, 2021 compared to gross margin of 52.3% and 50.4% respectively, for the comparable period during fiscal 2020.
- In January 2021, the Company began formally offering toll-processing extraction services to cultivators and brands currently operating in, or considering licensure in, Nevada through its Trichome Harvest Company division of City Trees.
- City Trees, the Company's branded product division, added an additional five blends of cannabis distillate oil to its offerings, developed over the course of the quarter through extensive research and development. Total revenue for the third quarter of fiscal 2021 rose by 97.5% for this division compared to the same period in fiscal 2020. Gross margin for the third quarter of fiscal 2021 was 45.2% compared to 52.3% during the comparable quarter of fiscal 2020.
- The Company added Mr. Ross Silver to its Board of Directors in February 2021.

Response to the Pandemic Pause

When the COVID-19 pandemic spread in the United States, Nevada, and notably Las Vegas, was one of the hardest hit communities in the nation. With an economy primarily driven by entertainment and tourism, Las Vegas was struck by record unemployment and economic

hardship, causing many businesses to either close their doors or find unique modes of service and promotions to drive local consumers. CLS' Nevada subsidiaries, while certainly impacted by this sudden shift, were well positioned for this challenge through their already-developed focus on local consumers. In spite of the costs associated with retrofitting existing facilities to comply with state and local ordinances related to COVID-19, including \$54,213 over the course of the third quarter, the Company maintained strong growth year-over-year. Staffing at CLS subsidiaries also remained stable, and the Company has retained these levels throughout the fiscal year.

“That we have achieved all of this during a pandemic which resulted in a complete shutdown of travel and tourism, as well as massive unemployment, is amazing, and with all of the things that make Vegas famous coming back, we think, looking ahead, that the future is really bright” said Company President & COO Andrew Glashow.

In Good Health Lawsuit Update

On February 27, 2021, In Good Health notified the Company that it did not plan to make further payments in accordance with the terms of its promissory note due to the Company on the theory that the break-up fee associated with the agreement to acquire In Good Health excused such additional payments. The Company vehemently disagrees with this assertion. The Company has requested permission from the court to file an amended complaint to accelerate the due date of all remaining accounts under the IGH Note and receive default interest as a result of In Good Health's breach of the promissory note, as well as to add a fraud count to the complaint.

Retail Results

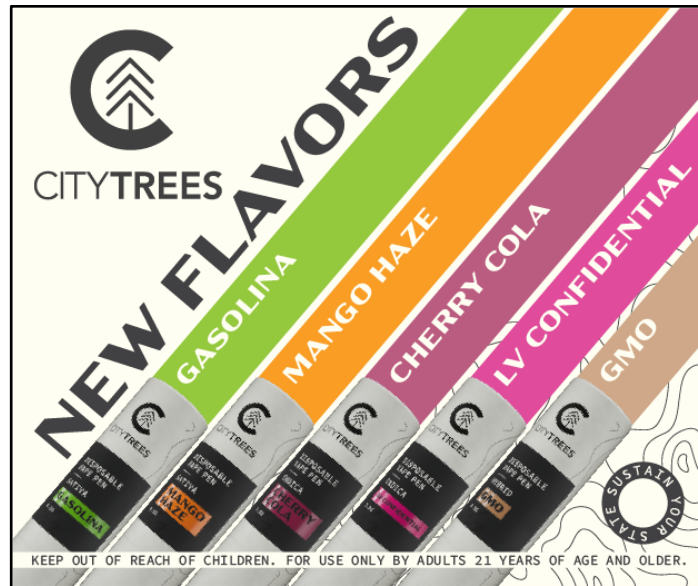
The Company's Las Vegas retail storefront, Oasis Cannabis Dispensary, continued to achieve strong results through the third quarter of fiscal 2021, despite a continued year-over-year reduction in tourism and anticipated seasonal slow-down. Throughout this period, the dispensary focused on lowering costs for consumers with aggressive promotional pricing to ensure accessibility of products despite the community's economic challenges. While in-store capacity remains limited, Oasis has continued to drive strong traffic through all three modes of service - delivery, curbside pickup, and in-store shopping. Despite the storefront serving an average of 697 customers per day in this quarter, down from 803 customers per day for the same period in 2019-2020, the average transaction total rose by 49.8% year-over-year, from \$35.97 to \$53.90. Compared to the same quarterly period in fiscal 2020, Oasis revenue rose by 28.3%.



“The holiday shopping season does not typically apply to cannabis in the same regard as traditional retail,” noted Oasis general manager Lissa Lawatsch. “Nevertheless, Oasis continued to draw its loyal, local customers throughout this quarter, and we kept cannabis accessible to our community while they focused on recuperating from the challenging year we all had. Tourism has also started to bounce back, and we’re expecting to see a significant amount of travel to Las Vegas in the coming months.”

Brand Building Successes

In the third quarter of fiscal 2021, the Company also strengthened its branded wholesale and manufacturing division, City Trees. In this period, the brand released 8 new products, including 3 limited batch concentrate products and 5 additions to its core product line. Revenue for the third fiscal quarter from third-party sales and toll-processing transactions through this division rose by 97.5% year-over-year. January 2021 represented the highest revenue month in the brand’s history, with February 2021 representing the second highest. During the third fiscal quarter of 2021, the number of wholesale orders placed rose successively each month, increasing by 31.9% from December to January and by 11.3% from January to February. During this quarter, City Trees also maintained its position as the #1 selling tincture brand in Nevada, and rose to the #7 selling vape brand in the state for the quarter, up from #8 in the third quarter of fiscal 2020 with a 34.9% increase in the number of units sold at the retail level compared to the comparable period during fiscal 2020. The brand also held the #19 position in the dabbable concentrate category, with a 56.4% increase in retail sales over the same period of fiscal 2020 .



“We’ve dramatically streamlined our processes and lowered our costs at City Trees, and have been able to produce truly excellent products thanks to our team and our strong relationships with renowned cultivators in Nevada,” said City Trees general manager Jimmy Gabany. “Every month, we get closer to profitability - a remarkable feat in the one year that our extraction facility has been fully operational. The market for craft-with-a-conscience cannabis is expanding, and City Trees is primed to take on more market share as we continue to innovate, and we have the capacity to continue adding to this positive trajectory we’re seeing at the start of our fourth quarter.”

The Company began formally offering toll processing services through its City Trees extraction facility in January 2021 through a new division of City Trees - Trichome Harvest Company. To date, the Company has processed over 2,000 pounds of plant material through third party agreements, with an additional 4,000 pounds slated for extraction through the remainder of calendar year 2021. Through these services, continued product innovation, expansion within its existing markets, and introduction into new markets, CLS continues to build a strong foundation for long term growth, increased cash flow, and profitability.



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.

<https://www.clsholdingsinc.com/>

Twitter: @CLSHoldingsUSA



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://oasiscannabis.com>





CITYTREES

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 products are available in numerous dispensaries throughout the state of Nevada. <https://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, among other things, the impact of the COVID-19 virus on our business, the results of our initiatives to retain our employees and strengthen our relationships with our customers and community during the pandemic, the effect of our initiatives to expand market share and achieve growth during and following the pandemic, results of operations and financial performance, anticipated future events, and the effectiveness of our business practices during the pandemic. The continued spread of COVID-19 could have, and in some cases already has had, an adverse impact on our business, operations and financial results, including through disruptions in our cultivation

and processing activities, supply chains and sales channels, and retail dispensary operations as well as a deterioration of general economic conditions including a possible national or global recession. Due to the uncertainties associated with the continued spread of COVID-19 and the timing of vaccinations, it is not possible to estimate its impact on our business, operations or financial results; however, the impact could be material. 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. 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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