Local Brand City Trees is the #1 Selling Brand in Nevada by Units Sold

LAS VEGAS, NV / ACCESSWIRE / July 12, 2022 / In an industry dominated by multi-state operators (MSOs), it takes a lot for a local independent name to gain significant brand recognition, let alone reach a number one status above the rest. But when consistent, quality products meet an honest, culture- and education-driven operation, it's no surprise that consumers flock to the small fish in a sea of giants.

Amongst hundreds of competing brands, CLS Holdings USA, Inc. (OTCQB:CLSH) (CSE:CLSH), a diversified cannabis company operating as Cannabis Life Sciences, is proud to announce that the company's branded product division, City Trees, has become Nevada's bestselling concentrate brand. From January to May 2022, City Trees sold over 190K units of vapes and dabbable concentrates, according to BDS Analytics. The brand also continues its reign as the number one selling tincture brand in both dollars and units sold. City Trees now holds over 6% market share in Nevada, more than any other brand in the state.

Despite Nevada's cannabis market facing dramatic losses this year, with dollar sales falling 12% from Q4 2021 [Source: <u>BDS Analytics, 2022</u>], City Trees' revenue continues to grow. From January to May 2022, City Trees' retail sales totaled \$5.22 million, a 16% increase from the same period last year. From June 2021 to June 2022, City Trees achieved a YOY net revenue increase of 43.5%; while Nevada's cannabis industry as a whole fell 22% from the beginning of last year, <u>according to BDS Analytics</u>.

The City Trees product line includes disposable vapes, cartridges, dab-oil syringes, tinctures, and various live and cured resin concentrates. The Cannabis Life Sciences-owned brand can be found across more than 50 dispensaries in Nevada, both large and small, as well as CLS's own Oasis Cannabis, a locals' go-to that is deeply rooted in the Las Vegas community. Oasis is home to the largest selection of City Trees products in Nevada, with nearly 100 of its products consistently stocked. The widespread availability has made City Trees a household name among Nevada cannabis consumers, and one that's often recommended to those visiting.

"We wouldn't have been able to achieve what we have without our outstanding retail partners," said CLS President & COO Andrew Glashow. "We are more than appreciative of their support and effort when it comes to showcasing our local brand in the market. We will continue to support them with high-quality, innovative products at prices attainable by all."

Its innovative and meticulous extraction processes are what sets apart these boutique products in terms of quality, while the ingenious "Blends" and highly sought after "Strain" profiles are what get the attention of consumers. City Trees further sets themselves apart by working with some of the top cultivators in the cannabis market to ensure the input material matches the quality and care the brand puts into all of its products. Each Blend contains a thorough description of the flavors, terpenes, and experience, allowing the purchaser to make an easy, well-informed decision. Additionally, budtenders are able to make better-educated recommendations to consumers based on these product descriptions. This keeps new business flowing in and existing customers coming back, creating a loyal following in a place that faces the hardest obstacles for repeat business.

With Nevada's economy fueled almost entirely by tourism, the state's cannabis industry greatly benefits from the action but also finds its own set of challenges. Loyal, returning customers are the lifeline of most businesses, with dispensaries as no exception. With many cannabis purchasers visiting from out-of-state, brand recognition as well as retaining local customers are crucial for cannabis businesses in Nevada. While many MSOs and mega brands attract the attention of tourists, City Trees remains at the forefront of the conversation among locals and visitors alike.

"As one of the original Nevada cannabis brands, we are a small fish going against goliath-sized companies. Despite our stature, our numbers are mighty - outselling even the biggest in the industry to become the state's number one concentrate brand for units sold and continuing to be the number one tincture brand for dollars and units sold," stated Glashow. "This industry is extremely competitive and price-sensitive - and these are not easy times given the overall market downturn. But despite these obstacles, we continue to perform at a high level, outpacing our competition. Consumers are voting with their dollars and they are choosing City Trees."

Building on the success in Nevada, City Trees is now looking to expand the brand into other states. As Nevada tourism continues to regain traction, the brand has found customers who visit and try the products often reach out inquiring how to purchase the brand in their states.

With recognizable branding, informative packaging, accessibility, and consistently high-quality products, the City Trees recipe builds trust and loyalty among customers which keeps them returning for more.

Much of the recent upward trend can be contributed to the rise in post-pandemic travel to Las Vegas and surrounding areas. With the Nevada adult-use market only 1.5 years old when the COVID-19 pandemic hit, brands were put to the true test when tourism <u>declined 50% in 2020</u>. Because City Trees is rooted in the culture, a large segment of customers are Nevada locals so the brand thrived despite uncertain times. Now, as tourism is on a steady rise again— with a 69% increase in visitors in 2021 and a 45% increase in 2022 in Las Vegas [Source: <u>Las Vegas</u> <u>Convention and Visitors Authority</u>, 2021 & 2022] — City Trees holds onto their loyal local customer base and welcomes the wave of tourists looking to enjoy quality cannabis products in the entertainment capital of the world.

The increase in popularity of vape and concentrate products can also be a contributing factor to City Trees' growth. While many brands focus on flower or offering every type of cannabis product, City Trees keeps its attention on what the brand does best: extracts.

Between 2018 and 2021, vape pens saw an increase in use from 20% to 27% of cannabis users, in addition to being 27% of all legal sales in the US [Source: <u>Oracle, 2022</u>]. Further, vape

pens make up 19% of cannabis sales in Nevada in 2022 [Source: <u>Headset, 2022</u>], while concentrates make up around 5%. Live resin, the most popular concentrate in the US in 2022 with a 34% market share [Source: <u>Headset, 2022</u>], makes up the majority of City Trees' dabbable products.

With a focus on clean, sustainable practices and the use of only high-quality materials, City Trees creates some of the state's purest craft cannabis concentrates, with no cutting agents or premade terpene profiles.

Per the City Trees website,

"Using a proprietary ethanol extraction system, unseen anywhere else in the cannabis industry, we're producing craft concentrates, pure distillate products, and versatile custom blended tinctures – no premade terpene profiles or cutting agents here. You can feel comfortable knowing that all City Trees distillate products contain nothing but 100% cannabinoids and terpenes. Our concentrates are stored in meticulously monitored, temperature-controlled environments, away from damaging light and heat, ensuring the products you receive are as clean, fresh, and effective as possible."

City Trees has formed a respected and trusted name in the state of Nevada and nationally with consistent positive reviews, recommendations, local buzz, and media coverage. In 2022, MJ Business Insider named City Trees one of the "top 5 brands to watch in the Nevada market" (via BDS Analytics), recognizing its status as a top-ten brand by overall dollar sales in the state.

With a line of innovative products and partnerships as well as a loyal customer base and devoted employees, Cannabis Life Sciences foresees a continuing upward trend for the City Trees brand.

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

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

products are available in numerous dispensaries throughout the state of Nevada. <u>https://citytrees.com</u>