

Supreme.

blissco 

Supreme Cannabis to Close Acquisition of Premium Wellness Brand and Extraction Company Blissco

- Blissco to expand Supreme Cannabis' portfolio of premium cannabis brands into the wellness category.
- Will provide in-house extraction capabilities for other Supreme Cannabis brands, including 7ACRES.
- Will expand Supreme Cannabis' product portfolio to include CBD and THC wellness products and pre-rolls.

Vancouver, British Columbia – July 11, 2019 – [The Supreme Cannabis Company](#), Inc. ("Supreme Cannabis" or the "Company") (TSX: FIRE) (OTCQX: SPRWF) (FRA: 53S1) and [Blissco Cannabis Corp.](#) ("Blissco") (CSE: BLIS) (OTCQB: HSTRF) (FRA: GQ4B:GR) are pleased to announce that the Supreme Court of British Columbia has issued a final order (the "Final Order") approving the [previously announced](#) plan of arrangement (the "Arrangement") between Supreme Cannabis and Blissco. Subject to the terms of an arrangement agreement between Supreme Cannabis and Blissco dated May 16, 2019 (the "Arrangement Agreement"), Supreme Cannabis will acquire all of the issued and outstanding common shares of Blissco (the "Blissco Shares") not already owned by Supreme Cannabis. Having received the Final Order, Supreme Cannabis and Blissco intend to close the Arrangement on July 12, 2019.

Today's announcement follows the special meeting of shareholders of Blissco ("Blissco Shareholders") held on July 9, 2019 where, as [previously announced](#) by Blissco, the Arrangement was approved by Blissco Shareholders, with approximately 99.28% of proxies cast in favour of the Arrangement. As announced on May 16, 2019, under the terms of the Arrangement Agreement, each Blissco Shareholder will receive 0.24 of a common share of Supreme Cannabis for each Blissco common share held, as further described in Blissco's management information circular (the "Circular"), which is available under Blissco's profile on SEDAR.

"With the closing of this acquisition, Supreme Cannabis will expand its portfolio to include a consumer focused brand that specializes in products for the premium global wellness category," said Navdeep Dhaliwal, CEO of Supreme Cannabis. "In addition to gaining an established wellness brand, Supreme Cannabis will acquire Blissco's facility built to EU GMP standards that has been extracting oils for the Canadian market since August 2018. Blissco's scaled capabilities allow for Supreme Cannabis' high-quality inputs to be processed in-house, creating a near-term large-scale extraction opportunity to serve multiple brands under the

Supreme Cannabis umbrella. As we integrate Blissco's operations, we continue to identify strong synergies between our businesses to create long term value."

"Operating as Supreme Cannabis' wellness brand will allow Blissco to focus its operations and effectively pursue opportunities in the premium wellness space," said Damian Kettlewell, CEO of Blissco. "We look forward to working with Supreme Cannabis' management team and benefitting from the Company's shared corporate services model, including best-in-class processes, commercialization experience, regulatory, marketing and brand building expertise."

Additional Scale and Processing Capabilities

With the closing of the Blissco acquisition, Supreme Cannabis will gain advanced extraction infrastructure and expertise. Blissco's production facility in Langley, British Columbia (the "Facility") has been producing cannabis oils and pre-rolls since receiving its cultivation, cannabis sales and oil production licenses in 2018. The facility houses a state-of-the-art cannabis oil extraction lab with a CO2 extractor capable of producing full spectrum oil. Planned additions to the Facility include the installation of an ethanol extractor that will serve the increasing demand for full spectrum CBD and THC derivative products. By the end of 2019, it is expected that the Facility will have the capacity to produce over 7,000,000 tincture bottles annually.

Supreme Cannabis intends to leverage Blissco's growing processing capacity and know-how for future in-house extraction. Products created using cannabis extracts are expected to account for approximately 50%¹ of the total addressable market by 2025, giving Supreme Cannabis significant flexibility to create and distribute products in this category.

Focused Efficiency

Supreme Cannabis intends to streamline Blissco's production operations to create a highly focused facility dedicated to cannabis extraction and the creation of extract-derived products. As such, Supreme Cannabis intends to decommission all cultivation activity at Blissco and redirect that space for extraction and product manufacturing. The Company believes that operational focus will allow Blissco to become a significant revenue generator for Supreme Cannabis in the near term.

With Blissco's operational re-focusing and integration, Supreme Cannabis will identify select opportunities to supply Blissco with premium inputs from its wholly-owned licensed producer, [7ACRES](#). The Company intends to bring together 7ACRES' reliable high-quality inputs and Blissco's advanced extraction capabilities to create high-margin, premium wellness products.

¹ *GMP Securities*, April 2019

Global Wellness Brand

Supreme Cannabis is known for launching two of the most recognizable and successful premium brands in the Canadian recreational market, 7ACRES and [Khalifa Kush Enterprises](#) (“KKE”). With the acquisition of Blissco, Supreme Cannabis will gain a dedicated wellness brand that will exclusively focus on this growing consumer segment globally. Products launched under the Blissco brand are expected to include CBD extracts, pre-rolls and topicals.

In addition to accelerating Supreme Cannabis’ entrance into Canada’s wellness space, Blissco will provide the Company with a future platform for entry into international wellness markets. Blissco has built its extraction labs to EU GMP standards and has initiated the EU GMP certification process. Upon receipt of Blissco’s EU GMP certification, Supreme Cannabis intends to address opportunities in select international wellness markets.

New Product Categories

In addition to creating Blissco branded full spectrum CBD and THC derivative products for wellness consumers, Supreme Cannabis will utilize Blissco’s existing infrastructure to produce pre-roll products under select Supreme Cannabis brands. Blissco has been manufacturing pre-roll products under its brand since January 2019, which receive premium pricing of up to \$25 per gram in select provinces. Supreme Cannabis will continue to scale Blissco’s pre-roll production capacity in order to meet the growing demand for this product form, which is anticipated to account for 20%² of the dried flower smokables market by 2025.

Management and Board Changes

Supreme Cannabis and Blissco thank Blissco’s board members for their strong governance and service to Blissco shareholders. Going forward, Damian Kettlewell will continue to lead Blissco while benefiting from Supreme Cannabis’ guidance and expertise. Mr. Kettlewell has committed to remaining employed at Supreme Cannabis as well as retaining at least 75% of his shares for a minimum of two years.

It is anticipated that the Blissco Shares will be delisted from the Canadian Securities Exchange (“CSE”) as of the close of trading on July 12, 2019.

About Blissco Cannabis Corp.

Blissco Cannabis Corp. is a Canadian wellness cannabis brand based in British Columbia and a multi-licensed processor and distributor of premium cannabis. Blissco owns and operates an 18,000 square foot, state-of-the-art extraction and processing facility located in Metro Vancouver, British Columbia. Blissco is supplying premium cannabis products to the

² *GMP Securities*, April 2019

Canadian market with supply agreements in British Columbia, Alberta, Saskatchewan, and New Brunswick. In support of Blissco's global distribution strategy, the company has initiated its EU GMP certification process and has completed its first inspection by German authorities. Learn more at Blissco.com.

About Supreme Cannabis

[The Supreme Cannabis Company, Inc.](#), is a global diversified portfolio of distinct cannabis companies, products and brands. Since 2014, the Company has emerged as one of the world's fastest-growing, premium plant driven-lifestyle companies by effectively deploying capital, with an emphasis on disciplined growth and high-quality products.

Supreme Cannabis' portfolio includes [7ACRES](#), its wholly-owned subsidiary and multi-award-winning brand; [Cambium Plant Sciences](#), a plant genetics and cultivation IP company; [Medigrow Lesotho](#), a cannabis oil producer located in southern Africa; [Supreme Heights](#), a investment platform focused on CBD brands in the UK and Europe and a brand partnership and licensing deal with [Khalifa Kush Enterprises Canada](#).

Supreme Cannabis trades as FIRE on the Toronto Stock Exchange (TSX: FIRE), SPRWF on the OTC Exchange in the United States (OTCQX: SPRWF) and 53S1 on the Frankfurt Stock Exchange (FRA: 53S1). Follow us on [Instagram](#), [Twitter](#), [Facebook](#) and [YouTube](#).

We simply grow better.

Forward-Looking Information

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to anticipated events or results and include, but are not limited to: statements regarding the expected benefits to result from the Arrangement; the effect of the Arrangement on both companies going forward; the expected closing date of the Arrangement; the planned expansion of the Facility, the timing thereof and its expected capacity by the end of 2019; the expected portion of the addressable market served by products created using cannabis extracts; that Blissco will become a significant revenue generator for Supreme Cannabis in the near term; Supreme Cannabis' plans to bring together 7ACRES' inputs and Blissco's extraction capabilities; Supreme Cannabis' plans following its receipt of Blissco's EU GMP certificate; the anticipated demand for pre-roll products and Supreme Cannabis' intention to continue to scale Blissco's pre-roll production capacity; and the anticipated timing of the de-listing of the Blissco Shares from the Canadian Securities Exchange. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking statements are current as of the date they are made and are based on

applicable estimates and assumptions made by management of Blissco and Supreme Cannabis at the relevant time in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors that they believe are appropriate and reasonable in the circumstances. However, neither Blissco nor Supreme Cannabis undertakes to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. There can be no assurance that such estimates and assumptions will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the risk that the Arrangement does not occur; the ability to realize expected benefits from the Arrangement; the timing to consummate the Arrangement; regulatory risks and changes in law; market and general economic risks; and any other risk factors discussed in any public filings of Supreme Cannabis and Blissco filed with the Canadian securities regulators, including the "Risk Factors" section of Supreme Cannabis' Annual Information Form dated October 2, 2018 ("AIF"). A copy of the AIF and the Supreme Cannabis' other publicly filed documents can be accessed under the Company's profile on SEDAR at www.sedar.com. Supreme Cannabis and Blissco caution that the foregoing list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

More Information:

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