



Blissco Announces Q1 2020 Financial Results

- 1st quarter reporting company revenue of \$742,285
- 21 dried flower & pre-rolled Blissco products for sale in select Canadian provinces
- Subsequent to quarter end, entered into definitive arrangement agreement with the Supreme Cannabis Company Inc.

Not for distribution in the U.S. or to U.S. Newswires

Vancouver, British Columbia – June 28, 2019 – Blissco Cannabis Corp. (CSE: BLIS) (OTCQB: HSTRF) (FRA:GQ4B), (“Blissco” or the “Company”) is a Canadian wellness cannabis brand based in British Columbia and licensed producer, processor, and distributor of premium dried cannabis and cannabis oil. Today, the Company reported financial results for the first quarter and three months ended April 30, 2019. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

“Blissco realized significant achievements in the first three months of fiscal 2020. In the quarter, we continued to expand our product mix and now offer 21 pre-rolled and dried flower products from seven cannabis cultivars. Our licensed cannabis oil extraction lab is increasing production and we are in the advanced stages of earning our cannabis oil sales license. For our next phase of growth, Blissco is focused on introducing innovative and premium CBD wellness extract and topical products to the Canadian and global markets,” said Damian Kettlewell, Blissco CEO & Founder.

First Quarter 2020 Financial Highlights

During the three months period ended April 30, 2019, the Company incurred a net loss of \$1,245,450 or \$0.01 per share as compared to a net loss of \$2,529,003 or \$0.06 per share for the comparative three months period ended April 30, 2018. The decrease in net loss during the three months period ended April 30, 2019 was primarily a result of the Company’s reverse takeover transaction which incurred listing expenses totaling \$2,045,285 and expenses related to the commencement of operations.

General and administrative expenses for the three months period ended April 30, 2019 increased primarily as a result of expenses related to the new facility, administrative, HR, IT and legal consulting services and hiring of operational staff as the Company commercialize and completed its first sale to the British Columbia Liquor Distribution Branch. Selling and marketing expenses increased in the period as the Company began branding and promotional initiatives. Share based compensation increased in the period due to vesting of stock options granted to directors, officers, employees and consultants.

Business Highlights

During the three months period ended April 30, 2019, the Company:

- Recorded sales revenue of \$742,285.
- Shipped its first order to the British Columbia Liquor Distribution Branch.
- On February 19, 2019, the Company issued 155,000 incentive stock options at an exercise price of \$0.40 per share to employees expiring on February 18, 2024 with a vesting provision over 3-year period.



- On February 22, 2019, the Company issued 210,000 incentive stock options at an exercise price of \$0.38 per share to a director of the Company expiring on August 22, 2021 vesting immediately.
- On March 5, 2019, the Company issued 50,000 incentive stock options at an exercise price of \$0.35 per share to a director of the Company expiring on March 4, 2024 with a vesting provision over 3-year period.
- On April 1, 2019, the Company entered into a promissory note agreement with The Supreme Cannabis Company, Inc. ("Supreme Cannabis") in the principal amount of \$500,000 bearing an interest rate of 10% per annum until the principal amount has been paid in full in which interest will be payable on the termination date; and

Subsequent to April 30, 2019:

- Established \$4.5 million trade finance facility and a \$1.5 million mortgage loan with Trichome Financial Corp.; and
- Entered into a definitive arrangement agreement (the "Arrangement Agreement") with Supreme Cannabis. Pursuant to the Arrangement Agreement, Supreme Cannabis will acquire all of the issued and outstanding shares of the Company not already owned by Supreme Cannabis. Supreme Cannabis will issue 0.24 common shares of Supreme Cannabis for each common share of the Company (the "Exchange Ratio").

About Blissco Cannabis Corp.

Blissco Cannabis Corp. (CSE:BLIS) (OTCQB:HSTRF) (FRA:GQ4B) is a Canadian wellness cannabis brand based in British Columbia and a multi-licensed processor, cultivator, and distributor of premium cannabis. Blissco owns and operates an 18,000 square foot, state-of-the-art extraction, processing and cultivation facility located in Metro Vancouver, British Columbia. Blissco is supplying premium cannabis and Reserve whole flower and dried flower pre-rolls to the 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.



BLISSCO CANNABIS CORP.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	April 30, 2019	January 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Cash and cash equivalents	\$ 690,476	\$ 774,975
Restricted cash	50,000	50,000
Accounts receivables	978,640	185,233
Subscription receivable	25,000	-
Biological assets	-	96,825
Inventory	2,121,656	1,831,516
Prepaid expenses and deposits	92,523	33,398
	3,958,295	2,971,947
Capital asset in progress	33,379	-
Property, plant and equipment	5,836,026	5,886,400
	\$ 9,827,700	\$ 8,858,347
LIABILITIES		
Accounts payable and accrued liabilities	\$ 797,369	\$ 499,262
Note payable	500,000	-
Mortgage payable-current	1,107,792	1,107,792
	2,405,161	1,607,054
SHAREHOLDERS' EQUITY		
Share capital	10,753,595	9,541,505
Reserves	2,899,936	2,695,331
Deficit	(6,230,992)	(4,985,542)
	7,422,539	7,251,294
	\$ 9,827,700	\$ 8,858,347



BLISSCO CANNABIS CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars)

	Three months ended April 30,	
	2019	2018
Gross revenue	\$ 742,285	\$ -
Excise taxes	(28,537)	-
Net revenue	713,748	-
Production cost of sales	(516,082)	-
Gross profit (loss) before fair value adjustments	197,666	-
Loss on fair value of biological assets	(155,809)	-
Gross profit (loss)	41,857	-
Operating expenses		
General and administration	741,192	310,464
Selling and marketing	198,230	20,181
Share based compensation	230,570	112,698
Amortization	96,451	40,637
	(1,266,443)	(483,980)
OPERATING LOSS BEFORE OTHER ITEMS	(1,224,586)	(483,980)
Other items		
Interest and other expenses	(20,864)	262
Listing expense	-	(2,045,285)
	(20,864)	(2,045,023)
COMPREHENSIVE LOSS FOR THE YEAR	\$ (1,245,450)	\$ (2,529,003)
Net loss per common share		
-basic and diluted	\$ (0.01)	\$ (0.06)
Weighted average number of common shares outstanding		
-basic and diluted	102,887,000	43,055,091



BLISSCO CANNABIS CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Three months ended April 30,	
	2019	2018
Cash provided by (used in):		
Operating:		
Net loss for the period	\$ (1,245,450)	\$ (2,529,003)
Items not involving cash:		
Amortization	96,451	40,637
Share-based compensation	230,570	112,698
Listing expense	-	1,907,992
Interest expense	-	(933)
Loss on fair value of biological assets	155,809	-
	<u>(762,620)</u>	<u>(468,669)</u>
Changes in non-cash operating working capital items:		
Accounts receivable	(793,407)	(65,505)
Biological assets	(58,984)	-
Inventory	(81,332)	-
Prepaid expenses and deposits	(59,125)	(1,661)
Accounts payable and accrued liabilities	58,138	623,991
	<u>(1,697,330)</u>	<u>(1,159,826)</u>
Investing		
Acquisition of property, plant and equipment	(14,915)	(567,574)
Capital asset in progress	(33,379)	-
	<u>(48,294)</u>	<u>(567,574)</u>
Financing		
Net cash acquired on reverse takeover	-	174,676
Proceeds from issuance of shares, net	-	5,584,195
Exercise of warrants	1,118,125	-
Exercise of options	43,000	-
Loan payable	500,000	-
	<u>1,661,125</u>	<u>5,758,871</u>
Change in cash during the period	84,499	4,031,471
Cash, beginning of period	774,975	97,757
Cash, end of period	\$ 690,476	\$ 4,129,228



Cautionary Statements

This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively “forward-looking statements”). The use of any of the word “will” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such forward-looking statements should not be unduly relied upon. This news release contains forward-looking statements and assumptions pertaining to the following: the ability to execute on our strategic plans and the impact on our future operations, capital expenditures, receipt of a cannabis oil licence and a licence to sell dried cannabis and other objectives. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. The Company does not undertake to update these forward-looking statements, except as required by law.

The CSE has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

On Behalf of the Board of Directors

BLISSCO CANNABIS CORP.

Damian Kettlewell, CEO & Founder

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