



Blissco Announces Q4 2019 Financial Results

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Vancouver, British Columbia – May 31, 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 fourth quarter and twelve months ended January 31, 2019. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

“This year we made significant progress on our mission to deliver our innovative, quality assured full spectrum cannabis products to market and are pleased with our operational and licensing achievements this quarter,” said Damian Kettlewell, Blissco CEO. “We are excited to have earned our comprehensive dried flower sales licence from Health Canada this quarter and are pleased that revenues commenced in Q1. The team continues to execute operationally to support Blissco’s commercialization strategy. The Cannabis industry remains robust and the demand for our products and expertise is strong. We are committed to expanding our business in the global medical and adult-use cannabis markets.”

Fourth Quarter 2019 Financial Highlights

The increase in net loss for the year ended January 31, 2019 was primarily a result of the Company’s increased operations. The Company recorded a loss of \$4,486,939 for the year ended January 31, 2019 comprised of \$536,645 in share based compensation, \$1,591,488 in general and administrative (“G&A”), \$640,301 in selling and marketing and \$1,881,085 in listing expense related to the RTO.

G&A for the three months period ended January 31, 2019 and 2018 were \$536,344 and \$281,163, respectively. The G&A expenses increased as the Company scaled up to be ready for the Canadian legal recreational market primarily from expenses related to the new facility, administrative, human resources and professional and legal costs. G&A includes an increase in employee compensation due to the increased staff levels as a result of commercializing the Company’s operations in meeting production and shipping targets. G&A also includes an increase professional and legal costs related to business development and expanded operations.

Selling and marketing for the three months period ended January 31, 2019 and 2018 were \$208,684 and \$1,341, respectively. Selling and marketing expenses which includes development of marketing, public relations, logo and branding, digital marketing, development of SKUs and the development of recreational product packaging increased during the period as the Company began branding and promotional initiatives.

Share based compensation expense for the three months period ended January 31, 2019 and 2018 related to options granted to directors, officers, employees and consultants of the Company were \$85,403 and \$nil, respectively.

Business Highlights

- Received a comprehensive sales licence from Health Canada to sell bulk cannabis and pre-packaged, labeled, and tested cannabis products to medical patients and to provinces;
- Signed supply agreement with the British Columbia Liquor Distribution Branch;
- Signed distribution agreement with Pharmadrug in Germany; and



- Signed agreements to supply Saskatchewan with cannabis.

Subsequent to January 31, 2019, the Company:

- Signed agreements to supply New Brunswick and Alberta with cannabis;
- Received initial Good Manufacturing Practices (“GMP”) inspection report;
- Submitted licence amendment to Health Canada to allow sale of cannabis oil;
- 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;
- 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 with a vesting provision over 3 year period;
- 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;
- Entered into a receivables purchase and purchase order financing agreement with Trichome Financial Corp. (“Trichome”), which comprised of the Factoring Facility (the “Factoring Facility”) and Purchase Order Financing (“PO Financing”), up to \$4,500,000 with the following sub-limits: i) \$2,500,000 for the purposes of factoring receivables, and ii) \$2,000,000 for the purposes of providing credit for purchase orders. The Factoring Facility bears an interest rate of 2.25% per month (0.075% per day) on the gross amount of the invoice inclusive of all taxes and surcharges outstanding, to be calculated daily. The PO Financing bears an interest rate of 3.25% per month (0.108% per day) on the amount of credit advanced by Trichome, to be calculated daily;
- Entered into a mortgage agreement with Trichome in the principal amount of \$1,500,000 bearing an interest rate of 8.5% per annum with a maturity date on May 14, 2019;
- 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”).
- 4,802,500 warrants were exercised for gross proceeds of \$1,200,625 and 159,999 stock options were exercised for gross proceeds of \$48,000.

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.** (formerly Trigen Resources Inc.)**Consolidated Statements of Financial Position**

(Expressed in Canadian Dollars)

	January 31, 2019	January 31, 2018
ASSETS		
Cash and cash equivalents	\$ 774,975	\$ 97,757
Restricted cash	50,000	-
Accounts receivable	185,233	129,906
Biological assets	96,825	-
Inventory	1,831,516	-
Prepaid expenses and deposits	33,398	29,335
	<u>2,971,947</u>	<u>256,998</u>
Property, plant and equipment	5,886,400	4,622,488
	<u>\$ 8,858,347</u>	<u>\$ 4,879,486</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 499,262	\$ 759,761
Note payable	-	144,754
Loan payable	-	250,000
Mortgage payable-current	1,107,792	7,792
	<u>1,607,054</u>	<u>1,162,307</u>
Mortgage payable	-	1,100,000
	<u>1,607,054</u>	<u>2,262,307</u>
SHAREHOLDERS' EQUITY		
Share capital	9,541,505	2,964,995
Reserves	2,695,331	150,787
Deficit	(4,985,542)	(498,603)
	<u>7,251,294</u>	<u>2,617,179</u>
	<u>\$ 8,858,347</u>	<u>\$ 4,879,486</u>



BLISSCO CANNABIS CORP. (formerly Trigen Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended January 31,	
	2019	2018
Revenue		
Production sales	\$ -	\$ -
Production cost of sales	-	-
Gross profit (loss) before fair value adjustments	-	-
Unrealized gain on fair value of biological assets	621,868	-
Gross profit (loss)	621,868	-
Operating expenses		
General and administration	\$ 1,591,488	\$ 416,194
Selling and marketing	640,301	2,440
Share based compensation	536,645	-
Amortization	264,769	-
	(3,033,203)	(418,634)
OPERATING LOSS BEFORE OTHER ITEMS	(2,411,335)	(418,634)
Other items		
Interest and other expenses	(86,519)	(29,976)
Listing expense	(1,881,085)	-
Loss on settlement	(108,000)	-
	(1,453,736)	(29,976)
COMPREHENSIVE LOSS FOR THE YEAR	\$ (4,486,939)	\$ (448,610)
Net loss per common share		
-basic and diluted	\$ (0.09)	\$ (0.01)
Weighted average number of common shares outstanding		
-basic and diluted	49,028,792	53,717,902

**BLISSCO CANNABIS CORP.** (formerly Trigen Resources Inc.)**Consolidated Statements of Cash Flows**

(Expressed in Canadian Dollars)

	Year ended January 31,	
	2019	2018
Cash provided by (used in):		
Operating:		
Net loss for the year	\$ (4,486,939)	\$ (448,610)
Items not involving cash:		
Amortization	276,874	-
Share-based compensation	536,645	-
Listing expense	1,743,792	-
Interest expense	(993)	8,785
Unrealized gain on fair value of biological assets	(621,868)	-
Loss on settlement of convertible debt	108,000	-
	<u>(2,444,489)</u>	<u>(439,825)</u>
Changes in non-cash operating working capital items:		
Accounts receivable	(52,798)	(129,265)
Biological assets	512,938	-
Inventory	(1,831,516)	-
Prepaid expenses and deposits	15,520	(31,335)
Accounts payable and accrued liabilities	(279,009)	164,612
	<u>(4,079,354)</u>	<u>(435,813)</u>
Investing		
Acquisition of property, plant and equipment	(1,511,423)	(4,022,379)
	<u>(1,511,423)</u>	<u>(4,022,379)</u>
Financing		
Net cash acquired on reverse takeover	174,676	-
Proceeds from issuance of shares, net	5,605,205	2,964,994
Exercise of warrants	558,125	-
Exercise of options	1,000	-
Share issuance costs	(21,011)	-
Mortgage payable	-	1,100,000
Note payable	-	150,000
Loan payable	-	250,000
Shareholder loan advances	-	61,519
	<u>6,317,995</u>	<u>4,526,513</u>
Change in cash during the year	727,218	68,321
Cash, beginning of year	97,757	29,436
Cash and restricted cash, end of year	\$ 824,975	\$ 97,757



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, Founder & CEO

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