



HERITAGE CANNABIS
Holdings Corp.

Heritage Cannabis to Acquire Colorado-based Opticann Inc.

Founded by former MedReleaf executives, Opticann provides strategic access to the rapidly growing multi-billion dollar U.S. CBD market.

Toronto, ON, August 5, 2020 – [Heritage Cannabis Holdings Corp.](#) (CSE: CANN) (OTCQX: HERTF) (“**Heritage**” or the “**Company**”), today announced that it has entered into an agreement (the “**Agreement**”) to acquire all of the issued and outstanding equity of Opticann Inc., (“**Opticann**”), a Colorado based oral and topical cannabinoid company with the rights to exclusively sell CBD and CBG products made with the patented VESIsorb® drug delivery system for optimized absorption and stability.

Under the terms of the Agreement, Opticann will receive initial consideration of up to CDN\$5.0 million of common shares and warrants of Heritage. The Agreement additionally includes a series of possible earn-outs with a potential value of up to CDN\$30.0 million contingent upon achieving significant financial and enterprise milestones over the next five years. Opticann was founded by several former executives of MedReleaf Corp. (“**MedReleaf**”), a Canadian medical cannabis company that was acquired by Aurora Cannabis Inc. for \$3.2 billion in 2018.

Opticann has a supply and distribution agreement with Geocann LLC (“**Geocann**”), a global cannabis organization with the exclusive worldwide rights to the patented VESIsorb® delivery technology for cannabinoids, terpenes, and flavonoid formulations. The agreement between Opticann and Geocann provides Opticann exclusive distribution rights to brand and market a select portfolio of VESIsorb® formulated oral and topical CBD and CBG products to major U.S. retailers that dominate the U.S. food, drug, and mass retailer market, including CVS, Walgreens, Rite-Aid, and Walmart, among others.

VESIsorb® is a leading delivery system innovation for dramatically improving the stability and absorption (bioavailability) of natural ingredients like cannabinoids, and is backed by a robust body of supporting scientific evidence spanning several decades. Most recently, the peer-reviewed journal, *Molecules*, published the results of a double-blind, cross-over study (*Molecules* 2019,24(16), 2967; <https://doi.org/10.3390/molecules24162967>) comparing the absorption parameters (pharmacokinetics) of a CBD extract formulated with VESIsorb® to that of the same CBD extract formulated with industry standard (MCT) oil. Overall, the VESIsorb® formulation showed statistically significant improvements for all measured parameters, including much higher total absorption (a 440% increase in maximum plasma CBD concentration (C_{max}), and a 285% increase in total CBD exposure over 8 hours [area under the curve (AUC)]) and the time to reach the peak concentration 300% faster than the standard formulation (1 hour for VESIsorb® versus 3 hours for the standard to reach T_{max}).

Opticann was founded by former MedReleaf executives including Neil Closner (founder and former CEO), Umar Syed (former SVP Corporate Development), Angelo Fefekos (former SVP of Clinical Affairs & Quality Compliance) and Ori Sher (former Sr. Director of Procurement and Security). Following the completion of the acquisition, Opticann will nominate a person to join Heritage’s Board of Directors, and Messrs. Closner, Syed, Fefekos, and Sher will remain as special advisors to Heritage. Prior to being acquired in July 2018, MedReleaf was one of the most successful Canadian LPs in the industry with strong sales and development in the

Tel: 1-888-940-5925 email: info@heritagecann.com website: www.heritagecann.com

medical cannabis market and was the creator of some of the dominant brands in today's adult-use market.

"The patented VESIsorb® technology enables the creation of next generation CBD and CBG products that are proven to be far superior in performance over other products in the market", remarked Neil Closner, Chairman of the Board of Opticann. "These products are backed by human clinical data published in a peer reviewed scientific journal showing enhanced absorption and performance versus other CBD and hemp products. These products are manufactured within Geocann's advanced GMP compliant and highly scalable supply chain, and are ideal for building leading brands at large national U.S. retailers. We are looking forward to bringing the Opticann team and this technology to Heritage and to successfully executing the business plan."

"The acquisition of Opticann is a strategically significant move, and an important milestone for Heritage as we expand our expertise and look to advance our plan to grow our U.S. presence and participate in the rapidly growing multi-billion dollar U.S. CBD market," stated Clint Sharples, CEO of Heritage. "We are excited to have Opticann join the Heritage family and have the talented and proven medical cannabis executives and team members from the former MedRelief as part of Heritage's future success. Heritage will also leverage Opticann's international experience and relationships with plans to build an international medical product sales footprint."

"The increased awareness, acceptance and utilization of science-backed formulations is emerging in the cannabinoid marketplace, and the exceptional pedigree of Heritage and Opticann will make VESIsorb® branded hemp products as market leaders in the pharmacy mass market," said Jesse Lopez, founder and CEO of Geocann. "The founders of Opticann have a successful track record of building brands for mass retailers and delivering value to the cannabis and hemp industries with a focus on differentiation based on superior innovation, unmatched quality, consumer education, and strategic retail partnerships."

This transaction is subject to customary closing conditions and is expected to be completed by the end of August 2020.

About Heritage Cannabis Holdings Corp.

Heritage Cannabis Holdings Corp. is a vertically integrated cannabis company that owns two Health Canada approved licenced producers, Voyage Cannabis Corp. and CannaCure Corp., both of which also have industrial hemp licenses. Additionally, Voyage recently received its sales license from Health Canada, and the Company will be launching its own products in the BC, AB, and MB markets in summer 2020, with other provinces to follow. Working under its licenses, Heritage has two additional subsidiaries, Purefarma Solutions, that provides extraction services, and a Medical Services Division which is focused on cannabis based medical solutions. Heritage as the parent company, provides the synergies and resources for its subsidiaries to advance their medical and adult use products and services both domestically and internationally.

About Opticann Inc.

Opticann is dedicated to bringing medical hemp-based cannabinoid products backed by objective scientific data on safety, performance, and effectiveness to the market. Opticann was established by former executives and pioneers from the medical, pharmaceutical and medical cannabis industries from the federally legal Canadian market at MedRelaf Corp. Our founders have a strong belief in the power of phytocannabinoids for multiple medical and health benefits based on a sound understanding of the scientific rationale. Our mission is to market products that are clearly differentiated versus other hemp-based



cannabinoid products and non-hemp based standard therapies. We believe in consumers and health care professionals choosing well-formulated products based on superior performance backed by sound and objective testing and both clinical and non-clinical scientific research.

About Geocann LLC

Geocann is a global cannabis organization led by experienced leadership with scientific and technical expertise for pioneering new innovations in natural health products and solutions. Its focus is combining clinically-researched cannabinoids with technologically-advanced and patented innovations that provide product differentiation with superior therapeutic performance and unmatched supporting evidence. For more information, please visit www.geocann.com.

ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORP.

"Clint Sharples"

Clint Sharples
CEO

For more information contact:

Clint Sharples
Tel: 416-705-8529
csharples@heritagecann.com

or

Kelly Castledine
Tel: 647-660-2560
kcastledine@heritagecann.com

The Canadian Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, assumptions related to cash flow and capital resources, and expectations related to the supply and manufacturing agreements, the intended expansion of the Company, and partnerships and Joint Venture Partnerships.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risks and Uncertainties" Factors" in the Company's annual management discussion and analysis for the year ended October 31, 2019 and dated February 28, 2020, as well as the interim

management discussion and analysis for the quarter ended April 30, 2018 and dated June 29, 2020. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.