

February 8, 2022



CLS Holdings USA, Inc. Reports Record Breaking and Award-Laden 2021

LAS VEGAS, NV February 2, 2022 -- CLS Holdings USA, Inc. (OTCQB: CLSH) (CSE: CLSH), the "Company" or "CLS", a diversified cannabis company operating as Cannabis Life Sciences, releases its 2021 highlights and is proud to announce its multitude of financial and operational successes that made it the most profitable and recognized year to date.

Year-in-review

2021 has been a year to remember. We set out to accomplish some lofty goals and shake things up in the cannabis industry. We knew that if we were disciplined and focused on what we can control, we had the potential to achieve our best year ever and set ourselves up for success long into the future. What we didn't know was how much fun we were going to have doing it and the wonderful people we would continue to surround ourselves with along the way. While the legal cannabis market in Nevada saw a decrease in growth in 2021 our small but mighty company grew. This has everything to do with the teams we have in place on the ground working tirelessly to achieve a common goal, simply put, to be the best version of ourselves. We take great pride in contributing to the cannabis industry as a whole and fostering change within our community. With that said, we would like to share some of the highlights from the year and to thank all of those who have contributed to our successes.

Rolling into the Future

The Company announced a joint venture to manufacture pre-rolls, a category that represented approximately 11% of overall cannabis sales in Nevada in 2020. This collaborative venture will allow for the rapid production of high quality, low-cost pre-rolls - a category we are excited to be a part of. While we will be manufacturing pre-rolls for other brands under exclusive licensing agreements, we will also be creating our own line of branded pre-rolls under the Naked City Pre-Roll moniker. We also look forward to creating additional jobs and opportunities that will benefit the community around us.

Going to the Flower Market

For the first time in The Company's history, we will be entering the flower market. In 2021, we announced a landmark joint venture with the Fort McDermitt Paiute and Shoshone Tribe in Northern Nevada, creating a premier cultivator of low-cost, high-quality flower in the state. Unlike the rest of Nevada, the Tribe's land near Oregon is an ideal location for growth, boasting optimal climate for cultivation. We are excited about the possibilities of this partnership, and its potential to increase our profit margins.

Strength in Numbers

Our 2021 numbers surpassed expectations. With the hard work and dedication of our team,

The Company achieved the milestone of greater than \$20 million in net income for the first time in company history which was an increase of 44% from the year prior. City Trees, The Company's branded product division, achieved a YOY net revenue increase of 112% while maintaining above a 50% gross profit margin. Oasis Cannabis Dispensary, The Company's retail division, saw a 26% increase in net revenue compared to 2020. Further, Oasis saw YOY growth of 15% with respect to average number of transactions and a 7% increase on the average ticket spend totaling \$57 per transaction. Oasis proudly filled over 260k orders in 2021, which was a 14.6% increase from 2020 and had their largest individual net sales day ever on 4/20.

Small but Mighty

We take great pride in being a local company that understands our customer and brings them the highest quality product at the best price. We believe that is why CityTrees continued to outpace the market despite competing against large multi-state operators. According to BDSA, from January 2021 - November 2021, CityTrees owned 6.5% Brandshare across all occupied categories (vapes, concentrates, tinctures) in Nevada. In addition, City Trees accomplished a significant milestone of selling over \$1 million dollars of one gram cartridges in a 90 day period. According to BDS Analytics for the months of September, October and November (December hasn't been reported), City Trees was the number 1 brand for the entire concentrate category in units sold and number 2 in dollars sold. Within the subcategory of dabbable concentrates, City Trees was the number 1 brand in both dollars and units sold in the state of Nevada. For the entire year City Trees was the number 3 selling brand for dollars sold in the overall concentrate market as well as the number 2 brand for the entire category in units sold. Moreover, City Trees continued its reign as the number 1 selling tincture brand in the state of Nevada also according to BDS Analytics. Beyond the momentous accomplishments of the branded City Trees products, The Company also saw an increase of 3rd party sales from roughly \$3 million in 2020 to \$5.5 million in 2021 year over year, representing an 81% increase. Further, The Company saw a significant growth of bulk oil production sales from roughly \$100 thousand in 2020 to \$1.1 million in 2021. Due to its successes, the brand grew its team of 19 at the end of 2020 to 44 by the end of 2021 adding more jobs to the market and industry, an accomplishment that The Company values tremendously.

With Hard Work Comes Great Reward

City Trees was awarded 3 different awards by Leafink, the cannabis industry's wholesale marketplace, which considers data and analytics across a multitude of categories, states, and markets. Their LeafLink List is where they recognize outstanding businesses in the LeafLink community that are advancing the cannabis industry through their quality and ingenuity. This year LeafLeak awarded City Trees a top performing brand in Nevada as well as the winner in two concentrate categories: the fastest growing THC Distillate and top selling THC Distillate.

City Trees also won two first place awards at the 2021 High Times Cannabis Cup: People's Choice Edition. The largest pool of judges in history selected City Trees as the winner in two categories: Sativa Concentrates (awarded to Apricot Crumble Sativa Live Resin Sauce) and Sativa Vape Pens (Apricot Crumble Sativa Live Resin Vape).

These wins are a testament to the quality of product the City Trees' team is producing as

well as their hardwork and dedication to the craft of cannabis as a whole.

What to expect in 2022

CLS recognizes the key to success is to focus on what you can control. With the announcement of the new joint ventures, The Company will have direct control over its expansion into the flower and pre-roll categories while continuing to capitalize on the current successes of City Trees and Oasis. This next year has a lot in store, full of new products and stories to tell. We are excited about growing into other markets while giving back to the communities around us and continuing to invest in our people. As a whole, The Company expects 2022 to also be a profitable year, as we anticipate to see a 50% increase in revenue due to organic growth.



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



Oasis Cannabis has operated a cannabis dispensary in the Las Vegas market since dispensaries first opened in Nevada in 2015 and has been recognized as one of the top marijuana retailers in the state. Its location within walking distance to the Las Vegas Strip and Downtown Las Vegas in combination with its delivery service to residents allows it to efficiently serve both locals and tourists in the Las Vegas area. In February 2019, it was named "Best Dispensary for Pot Pros" by Desert Companion Magazine. In August 2017, the company commenced wholesale offerings of cannabis in Nevada with the launch of its City Trees brand of cannabis concentrates and cannabis-infused products. <http://oasiscannabis.com>



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.
<https://citytrees.com>



Forward Looking Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 (collectively, the "forward-looking statements"). These statements relate to, among other things, the impact of the COVID-19 virus on our business, the results of our initiatives to retain our employees and strengthen our relationships with our customers and community during the pandemic, the effect of our initiatives to expand market share and achieve growth during and following the pandemic, results of operations and financial performance, anticipated future events, and the effectiveness of our business practices during the pandemic. The continued spread of COVID-19 could have, and in some cases already has had, an adverse impact on our

business, operations and financial results, including through disruptions in our cultivation and processing activities, supply chains and sales channels, and retail dispensary operations as well as a deterioration of general economic conditions including a possible national or global recession. Due to the uncertainties associated with the continued spread of COVID-19 and the timing of vaccinations, it is not possible to estimate its impact on our business, operations or financial results; however, the impact could be material. In some cases, you can identify forward looking statements by terminology such as "may," "might," "will," "should," "intends," "expects," "plans," "goals," "projects," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered together with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events. See CLS Holdings USA filings with the SEC and on its SEDAR profile at www.sedar.com for additional details.

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