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# Outperforming The Market: CLS Holdings USA, Inc. Reports Its Second Quarter Results with Latest 10Q

**LAS VEGAS, NV / ACCESSWIRE / January 13, 2022** /CLS Holdings USA, Inc. (OTCQB:CLSH)(CSE:CLSH), the "Company" or "CLS", a diversified cannabis company operating as Cannabis Life Sciences, today announced its operational and financial results for the second quarter of fiscal 2022, ended November 30, 2021.

## Key Q2 Financial & Operational Accomplishments

- The Company saw meaningful revenue growth for the quarter ended November 30, 2021 with an increase in revenue of 10% compared to the quarter ending November 30, 2020
- Revenue growth at City Trees proved to be significant with an increase of 55% compared to last year's Q2 numbers
- City Trees continued to show positive momentum with a 4% increase in revenue quarter over quarter for fiscal '22
- CLS was able to achieve its goal of a gross profit margin of 50% or greater for the quarter
- Oasis Cannabis, CLS' retail division, continued to see an average spend per customer of greater than \$55, remaining consistent with the prior year's quarter
- City Trees, the Company's branded product division, saw a number of successes this quarter:
  - Recorded a continued increase in monthly year-over-year net revenue for the quarter
  - Awarded top-performing brand of Nevada, November 2021 by Leafink, which considers data and analytics across a multitude categories, states, and markets
  - Recognized as winner for fastest growing THC Distillate and top-selling THC Distillate in Leafink List, 2021 in the concentrate category
  - Milestone reached for selling over \$1 million of one gram cartridges for the quarter
  - Continued as the number one selling tincture brand in the state of Nevada according to BDS Analytics
  - Number one brand for the entire concentrate category in units sold in the state of Nevada during the quarter, selling over 125,000 units, according to BDS Analytics
  - Number one brand for the dabbable concentrate category in both dollars and units sold in the state of Nevada during the quarter, according to BDS Analytics

"Despite a downturn in the legal cannabis market, we have seen a solid increase in City Trees' numbers," said Company President & COO Andrew Glashow. "This is a testament to

the traction the brand has gained over the past year and its loyal customer base. Our ability to offer a consistently reputable and reliable product at an affordable price has been our strong suit and the brand's continued growth is a powerful indication of its resonance with consumers.'

According to BDSA, the legal cannabis industry in Nevada, while doing more than \$1 billion in sales, showed a decrease in its growth during 2021. State sales for September and October were down 8.4% compared to the previous respective months and down more than 10% from the comparable months during 2020. In addition, the market saw a downturn in cannabis flower numbers of 25% from last year. The market decline can be attributed to a few factors including the new wave of COVID-19 and the consequences of such, decreased tourism in the region, an increase in consumers needing to take quarantine measures, the trend of inexpensive flower flooding the market, and varying employment numbers in the state. While the market softened, the Company saw an increase in quarterly revenue year over year primarily driven by the Company's branded product division, City Trees.

City Trees has maintained significant quarterly year-over-year sales increases with a 55% increase in net income from the prior year's quarter. Further, the brand continues to see month over month gains with a 4% increase in revenue compared to the quarter prior. When looking at the six months ended November 2021, City Trees saw an increase in revenue of 91% compared to the six months ended November 2020. The brand also received a number of accolades for sales growth.

While the Company's retail division, Oasis Cannabis saw a slight decline in revenue of 3.8% for the quarter, the Nevada legal cannabis market was down over 10% during this period giving the Company a positive indicator when the market turns around.



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>



**CITYTREES**

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, our estimates of future revenue, gross margin, number of transactions at our dispensary and average order size, the timing of the commencement of manufacturing operations for our pre-roll joint venture, the number of products expected to be produced each month and how long it will take the pre-roll joint venture to achieve expected monthly sales, the acceptance of our joint venture products by customers, whether other companies will enter into license agreements to have our pre-roll joint venture produce pre-rolls for them, whether our New Mexico venture and other licensing opportunities will lead to expansion in other states, and other factors and issues typically related to and encountered by a growth stage venture. These statements will also be impacted by 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](http://www.sedar.com) for additional details.

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