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KushCo Provides 2020 Election Results Commentary

Five Additional States Legalize Adult Recreational and Medical Cannabis Use, Further Supporting Company's Strategy of Focusing on the Leading Multi-State-Operators

CYPRESS, CA / ACCESSWIRE / November 10, 2020 /KushCo Holdings, Inc. (OTCQX:KSHB) ("KushCo" or the "Company"), a premier provider of ancillary products and services to the legal cannabis and CBD industries, has provided commentary on the 2020 Election results.

New Jersey, Arizona, Montana, and South Dakota represented the 12th, 13th, 14th, and 15th states to legalize adult recreational cannabis use. In addition, voters in Mississippi and South Dakota approved medical cannabis use. Overall, all five states with legalization ballot initiatives in 2020 approved their respective measures, representing a 100% win rate at the state level for the legal cannabis industry.

According to Marijuana Business Daily, New Jersey's legal cannabis market is estimated to approach \$1 billion in annual sales in 2024, whereas Arizona is projected to generate \$760 million in annual sales in 2024. The Company believes that New Jersey's recent success in approving adult recreational cannabis use may create a "domino effect" in galvanizing other key medical markets in the U.S. Northeast-such as New York, Pennsylvania, Connecticut, and Maryland-to advance cannabis legalization. Several elected officials in these states have expressed interest in legalizing adult recreational cannabis use, especially in light of the significant budget deficit problems created by the COVID-19 pandemic. In addition, the Company believes that the legalization initiatives approved in Mississippi and South Dakota represent important symbolic victories for the legal cannabis industry, as more traditionally "red states" continue to embrace and legalize cannabis use.

"As we forecasted in the months leading up to the election, 2020 has been a banner year for the legal cannabis industry," said Nick Kovacevich, KushCo's Co-founder, Chairman and Chief Executive Officer. "Not only has the industry shown remarkable resiliency and strength following the onset of the COVID-19 pandemic, but with the recent legalization victories, it is reaching new horizons, opening up markets that, in the aggregate, are estimated to generate in excess of \$2.5 billion in annual sales in the next five years. We are thrilled to see these markets approve legalization, especially in states like Arizona and New Jersey, where our customer base of leading multi-state-operators and brands have been making significant inroads in recent months. We believe these wins further support our strategy to focus on the leading MSOs-who are continuing to expand their geographic footprint and customer reach-and should help drive continued growth for KushCo, especially considering the fact that our business does not require incremental capital expenditures and is already equipped to service these customers once the regulators approve the commercialization of these markets. Overall, this is a proud and defining moment in our industry's history, as we further expand legal cannabis access to millions of patients and adult consumers across the

country."

At the national level, former Vice President Joseph Biden (D) secured the presidential election, paving the path to potentially decriminalize cannabis and legalize medical use at the federal level, per Biden's and Sen. Bernie Sanders' (D) joint task force's policy statement released in July 2020.

At the congressional level, the Democrats retained control of the House of Representatives. The race for the control of the Senate is still outstanding, and final Senate control will likely not be decided until January 2021. Several important cannabis bills, such as the SAFE Banking Act, have stalled in the currently Republican-controlled Senate, despite 91% of U.S. adults stating that they are in favor of legalizing either medical and/or adult recreational cannabis use, according to a 2019 survey conducted by the Pew Research Center.

Kovacevich added: "While we are delighted by the unanimous outcome of the statewide legalization ballot initiatives, we are disappointed that the near-term path toward full federal legalization was not opened up as wide as it could have been, especially given how an overwhelming majority of Americans are in favor of cannabis legalization. We remain hopeful that the future Biden administration can help alleviate the onerous 280E tax implications that have acutely impacted our customers, particularly the large MSOs. Although KushCo is not subject to 280E, given the fact that we are a 'non-plant touching' business, this stringent taxation has impacted our customers' ability to grow profitability; and if these tax implications are removed, we would expect more significant growth from our customer base. We also believe that there needs to be more social equality in our industry, including continuing to help the victims of the War on Drugs and expunging criminal records for nonviolent minor cannabis possession. We are proud of the work that we have done to advance this issue over the course of our 10-year history, including most recently by our partnership with Mission Green to offer social equity programs for industry inclusion. However, our industry needs much more, and we are hopeful that the future Biden administration and Congress can work together to not only give the American people what they want-namely, the legalization of cannabis-but also usher in the significant benefits that legalization can help bring, including more jobs, tax revenue, social equality, and safer communities."

About KushCo Holdings

KushCo Holdings, Inc. (OTCQX:KSHB) (www.kushco.com) is a premier provider of ancillary products and services to the legal cannabis and CBD industries. KushCo Holdings' subsidiaries and brands provide product quality, exceptional customer service, compliance knowledge and a local presence in serving its diverse customer base, which consists of leading multi-state-operators (MSOs), licensed producers (LPs), and brands.

Founded in 2010, KushCo Holdings has now sold more than 1 billion units to growers, brand owners, processors and producers across North America, South America, and Europe, specializing in child-resistant compatible and fully customizable packaging, exclusive vape hardware and technology, and complementary solvents and natural products.

As a pioneer in the industry, KushCo continues to work to create a positive impact on the environment, society, and community through CSR and ESG initiatives, such as: offering sustainable and compostable packaging; donating PPE supplies to healthcare workers on the frontline fighting the COVID-19 pandemic; partnering with organizations such as Mission Green to offer social equity programs for industry inclusion; being one of the first in the

industry to award paid time-off for all employees on November 3, 2020 ("Election Day"); and working to incorporate industry-leading corporate governance practices and a more diverse board makeup.

For more information on KushCo's commitment to CSR and ESG initiatives, please visit the Company's #KushCares page at www.kushco.com/kushcares/.

KushCo has been featured in media nationwide, including CNBC, Fox News, Yahoo Finance, Cheddar, Los Angeles Times, TheStreet.com, and Entrepreneur, Inc Magazine. For more information, visit www.kushco.com or call (888) 920-5874.

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