

July 13, 2017



Kush Bottles Reports Third Quarter Fiscal 2017 Results

Revenues Increased 103% Year-over-Year to \$4.7 million

SANTA ANA, Calif., July 13, 2017 /PRNewswire/ -- Kush Bottles, Inc. (OTCQB: KSHB), a dynamic sales platform that provides unique products and services for both businesses and consumers in the cannabis industry, today reported financial results for its third fiscal quarter ended May 31, 2017.

Third Quarter Fiscal 2017 Financial Summary

- Revenue was up 103% Year-over-Year to \$4.7 million; revenues included one month of sales from CMP Wellness which was acquired on May 1, 2017
- Gross margins were 33%, compared with 32% in the prior year period
- Net income, including \$0.26 million in non-cash stock compensation, \$29,000 in depreciation and \$1.3 million in SG&A, was \$6,119 compared to net income of \$23,284 in Q3 2016; the increase in operating expenses stems from costs associated with the acquisition of CMP Wellness, as well as higher operational costs to support an expanded outside sales program
- Working capital was \$4.1 million compared to \$2.03 million at August 31, 2016

Executive Commentary

"The third quarter represents an exciting new chapter for Kush Bottles as it transitioned from a cannabis packaging provider to a dynamic, full-service sales platform with significantly increased distribution channels and more diversified product range," commented Nick Kovacevich, co-founder and Chief Executive Officer of Kush Bottles. "We spearheaded this growth through the acquisition of CMP Wellness, a California-based distributor of vaporizers, cartridges and accessories, as well as the acquisition of the Roll-Uh-Bowl.com online distribution platform, which expanded our presence in the B2C market for the first time. This progress was reflected in record revenues in the third quarter, which were up 103% year-over-year and 59% sequentially."

Mr. Kovacevich continued, "To support the scaling of our business, we implemented several operational initiatives in the quarter, including the addition of two new distribution partners in Hawaii and Puerto Rico, which we believe are key medical cannabis markets, as well as the appointment of Kevin Nguyen to lead the Supply Chain & Logistics team.

We remain committed to optimizing our operations and re-investing in the company to support an aggressive long-term growth strategy. Looking ahead to the remainder of fiscal year 2017, our focus is on integrating Roll-Uh-Bowl and CMP Wellness to leverage cross-selling opportunities and grow market share.

"We are better positioned now than we've ever been to benefit from growth in the cannabis market regardless of geography. We see particularly strong growth opportunities in Nevada, where adult-use cannabis sales commenced in July, as well as Northern California and Massachusetts, where we recorded strong sales growth this quarter. Furthermore, we are witnessing a shift in attitudes toward cannabis on a global scale – with major economies such as Germany, Greece and Mexico moving toward legalization – and continue to monitor all potential growth areas for the Company. As a result of this quarter's achievements, Kush Bottles has greater capacity to grow sales. We are excited to see the Company enter this new growth phase in its development," concluded Mr. Kovacevich.

For more information on Kush Bottles, Inc., call: 888-920-5874, or visit: www.kushbottles.com.

To be added to the distribution list, please email ir@kushbottles.com with "Kush" in the subject line.

About Kush Bottles, Inc.

Kush Bottles, Inc. is a dynamic sales platform that provides unique products and services for both businesses and consumers in the cannabis industry.

Founded in 2010 as a packaging and supplies company for dispensaries and growers, Kush Bottles has sold more than 100 million units and now regularly services more than 4,000 legally operated medical and adult-use dispensaries, growers, and producers across North America, South America, and Europe. The company has facilities in the three largest U.S. cannabis markets and a local sales presence in every major U.S. cannabis market.

Kush Bottles aims to be the gold standard for responsible and compliant products and services in the cannabis industry. Kush Bottles has no direct involvement with the cannabis plant or any products that contain THC.

The company has been featured in media nationwide, including [CNBC](#), [Los Angeles Times](#), [TheStreet.com](#), [Entrepreneur](#), and [Inc. Magazine](#).

For more information, visit www.kushbottles.com or call (888)-920-5874.

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Forward-Looking Statements:

This press release may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent our current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this release. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as: "potential," "look forward," "believe," "dedicated," "building," or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings we make with the United States Securities and Exchange Commission (SEC), available at: www.sec.gov, and on our website, at: www.kushbottles.com.

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