



VIVO Cannabis™ Reports Record Revenue for Q3 2018

- **Revenue of \$2.3 million**
- **Pro-Forma Revenue of \$4.4 million**

NAPANEE, Ontario, November 30, 2018 (GLOBE NEWSWIRE) -- VIVO Cannabis Inc. (TSX-V: VIVO, OTCQX: VVCIF) (“**VIVO**” or the “**Company**”), a licensed producer of cannabis under the *Cannabis Act* through its wholly-owned subsidiaries, ABCann Medicinals Inc. (“**ABCann**”) and Canna Farms Limited (“**Canna Farms**”), is pleased to announce the release of its financial results for the three and nine months ended September 30, 2018. The results represent the Company’s strongest financial performance to date.

“The acquisition of Canna Farms represents a transformational transaction in the evolution of VIVO that has led to a record quarter of \$2.3 million revenue, with \$4.4 million of pro forma revenue for the full quarter. Not only has this acquisition provided a significant revenue impact, it has tripled our production capacity, expanded our product range and substantially increased our medical patient base,” stated Barry Fishman, CEO of VIVO.

Q3 2018 Highlights

- Q3 revenue of \$2.3 million
- Completion of the acquisition of Canna Farms on August 31, 2018, resulting in pro forma Q3 revenue of \$4.4 million (the revenue that VIVO would have reported had Canna Farms been owned for the entire quarter)
- At the end of Q3 2018, total medical cannabis patients of 18,000 compared to 2,000 at the end of Q2 2018 (representing a 9-fold increase)
- Entry into adult-use supply agreements with British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and the Yukon, and Canna Farms achieving one of the best order fulfillment rates in the industry
- Beacon Medical™ product was introduced into the Australian market
- The upgrading of the Company’s common shares to the OTCQX® Best Market in the United States
- Completion of corporate re-branding, including name change to VIVO Cannabis and the launch of the Beacon Medical™ cannabis brand
- Introduction of the Lumina™ and Fireside™ adult-use cannabis brands
- Expansion of senior level management team and appointment of Daniel Laflamme to the Company’s board of directors.

Highlights Subsequent to Q3 2018

- The launch of Harvest Medicine’s HMed Connect telemedicine app, which allows patients across Canada to access Harvest Medicine’s class-leading education and patient-centric model at any

time, and is expected to create significant partnership opportunities with pharmacies, long-term care facilities and insurance companies

- Acquisition of Trauma Healing Centres (“THC”), a leading east coast chain of medical cannabis clinics, resulting in Harvest Medicine and THC currently operating six clinic locations across four provinces representing a total of 22,000 active patients
- Strategic equity investments in Canadian cannabis retailers, National Access Cannabis Corp. and Westleaf Cannabis Inc.
- VIVO’s capacity to supply both the medical and adult-use markets will be enhanced in the first half of 2019 with internal expansion in BC and Ontario and through certified third-party partner supply agreements.

Financial Results

VIVO reported revenues of \$2.3 million and a net loss of \$9.1 million for the third quarter of 2018, as the Company continues to invest to drive future growth. Non-recurring advertising and promotion expenses incurred in preparation for the launch of the adult-use market on October 17, 2018 and expenses related to the Canna Farms acquisition were a material factor in the increase in net loss.

As at September 30, 2018, the Company had \$100 million in cash, cash equivalents and short-term investments, total assets of \$285 million, total liabilities of \$61 million, and 291 million common shares outstanding.

Key Financial Metrics <i>(in millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Sales	2.3	0.2	3.9	0.6
Adjusted EBITDA ⁽¹⁾	(4.7)	(3.7)	(11.6)	(7.9)
Cash and short-term investments	100.4	43.4	100.4	43.4

⁽¹⁾ Adjusted EBITDA is not a measure of financial performance under IFRS. The definition for Adjusted EBITDA can be found in the Company’s management discussion and analysis for the period ended September 30, 2018 at www.sedar.com.

Additional details with respect to the Company’s results of operations are available in its management’s discussion and analysis and condensed interim consolidated financial statements for the period ended September 30, 2018, both of which can be found on SEDAR at www.sedar.com.

Strategic Agreements

Since June 30, 2018, the Company has entered into a number of agreements that will provide a strong platform for future growth, including:

- an agreement with Pharmascience Inc., a global pharmaceutical company based in Montreal that is a Licensed Dealer, to develop a line of specific medical cannabis formulations on behalf of the Company that are intended to maximize therapeutic benefit to patients by using pharmaceutical quality and precise dosing standards

- an applied research agreement with Loyalist College's Applied Research Centre for Natural Products and Medical Cannabis (ARC) to investigate and develop innovative processes for the extraction and formulation of cannabis oils
- an agreement between Harvest Medicine and Think Research, a leading digital healthcare platform provider, to enhance its national medical cannabis care and education platform
- a multi-year agreement with national cannabis distributor, Green Hedge Education & Distribution Services Ltd., to provide sales and distribution services to licensed cannabis wholesalers and retailers across Canada.

About VIVO Cannabis™

VIVO is recognized for trusted, high-quality products and services. Through Canna Farms and ABCann Medicinals, it holds production and sales licences for cannabis and cannabis oils from Health Canada and operates world-class indoor cultivation facilities with proprietary plant-growing technology. VIVO has a collection of brands targeting unique customer segments, including Beacon Medical™, FIRESIDE™, Canna Farms™ and Lumina™. VIVO acquired Canna Farms, a premium cannabis company based in Hope, British Columbia, in August 2018. Canna Farms was BC's first Licensed Producer and has several years of craft cultivation experience and expertise.

The Company is significantly expanding its production capacity and pursuing partnership and product development opportunities domestically, as well as in select international markets, including Germany and Australia. In the fourth quarter of 2018, VIVO also acquired THC, which was subsequently amalgamated with Harvest Medicine. Harvest Medicine and THC operate a patient-centric and highly scalable network of specialty medical cannabis clinics in Alberta and on the east coast of Canada, as well as HMED Connect, a free telemedicine service.

VIVO has a healthy balance sheet and is well-positioned to accelerate the growth of its business, in Canada and internationally.

More Information

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ON BEHALF OF THE BOARD OF DIRECTORS

Barry Fishman (CEO and Director)

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Disclaimer for Forward-Looking Information

All dollar amounts in this news release are in Canadian dollars. Certain statements in this news release are forward-looking statements, which are statements that are not purely historical, including statements regarding the beliefs, plans, expectations or intentions of VIVO and its management regarding the future. Forward-looking statements in this news release include statements relating to the Company's plans to expand production capacity and pursue partnership and product development opportunities domestically and internationally. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, including: (i) that the Company may not be able to achieve its production capacity targets at some or all of its production facilities; (ii) that the Company may not be able to launch new products in the time expected or at all; (iii) that the Company may not be able to achieve competitive margins; (iv) that the Company may not be able to increase the sales of its products in the current domestic market or to successfully launch new product lines in the time expected or at all; (v) that new products, if launched, may not be accepted by the market or may become subject to product liability claims; (vi) that the Company may not be able to obtain a distribution/import license or a cultivation license for Germany or other emerging markets it is targeting; (vii) that the Company may not be able to serve larger and broader markets as a result of its production increase; (viii) that the Company may be unable to retain its key talent; and (ix) other factors beyond the Company's control. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are urged to consider these factors, and the more extensive risk factors included in the Company's annual information form dated April 30, 2018, which is available on SEDAR, carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements in this news release are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.