

# Heritage Cannabis Holdings Corp.

11:41 28 Feb 2020

## Heritage Cannabis reports FY2019 results; brings in first cannabis revenue

Heritage Cannabis Holdings Corp (CSE:CANN) reported fiscal 2019 full-year results on Friday that included the company's first revenue from cannabis operations in the fourth quarter.

The Toronto-based company brought in \$3.6 million in the 12 months ended October 31, all from the fourth quarter, compared to no revenue the year before. Its net loss was \$13.2 million, \$0.03 per share, narrower than its \$6.4 million loss, \$0.04 per share, in 2018.

"We are very pleased to report that the fourth quarter saw our first revenue from cannabis operations which is a major milestone for the company as we advance our strategy in a well-paced manner," CEO Clint Sharples said in a statement. "We have continued to gain momentum in the first quarter of this year and are well-positioned and funded to advance our growth strategy throughout 2020."

### READ: Heritage Cannabis strikes C\$6.7M loan deal ahead of receiving potential sales license

The company hasn't generated positive cash flow from operations yet, but its management team expects to achieve that feat by the third quarter of 2020. Until that point, the company said it has enough capital to execute its business strategy.

At the end of October, the company has a cash position of \$11.5 million, including GICs totaling \$9.1 million and working capital of \$11.7 million. That compares to \$1.2 million and working capital of \$900,000 at the end of fiscal 2018.

The company noted highlights from the year, including a pair of agreements with Weed Me Inc in September. The first deal is a bulk order of cannabis biomass, the first shipment of which arrived during the last week of August. The second is a right of first offer agreement, which guarantees access to future dried cannabis as each Weed Me harvest is conducted.

Later that same month, the company:

- signed a 700-kilogram hemp processing agreement with Truro Cannabis Co
- signed a letter of intent with Empower Clinics Inc (CSE:CBDT) (OTCMKTS:EPWCF) to establish a medicinal hemp joint venture
- entered into a two-year supply and contract manufacturing agreement for 100 kg of dried cannabis per month with Sugarbud Craft Growers Corp

Since transitioning to fiscal 2020, the company:

- entered into a supply and manufacturing agreement with James E. Wagner Cultivation Corporation for the filling and packing of vape pen cartridges

**Price:** 0.14

**Market Cap:** \$66.32 m

### 1 Year Share Price Graph



### Share Information

**Code:** CANN

**Listing:** CSE

**52 week High Low**  
0.6 0.105

**Sector:** Cannabis

**Website:** heritagedcann.com

### Company Synopsis:

The Company is focused on becoming a vertically integrated cannabis provider that currently has two Health Canada approved licenced producers, through its subsidiaries PhyeinMed Inc. and CannaCure Corp. both regulated under the Cannabis Act Regulations.

action@proactiveinvestors.com

- received Health Canada approval for the expansion of three additional rooms at its CannaCure subsidiary's facility in Fort Erie, Ontario
- announced a partnership with Brock University to further Brock's research of cannabis tissue culture
- entered into a 24-month term loan agreement with Trichome Financial Corp for total proceeds of \$6,700,000

Heritage is a vertically integrated cannabis provider that currently has two Health Canada approved licensed producers, through its subsidiaries Voyage Cannabis and CannaCure Corp.

Contact Andrew Kessel at [andrew.kessel@proactiveinvestors.com](mailto:andrew.kessel@proactiveinvestors.com)

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