



Hollister Biosciences Inc. Reports First Quarter 2021 Financial Results

- First quarter revenue was USD \$23.1 million compared to USD \$0.95 million in the first quarter of 2020 and up 97% sequentially from USD \$11.7 million in the fourth quarter of 2020
- First quarter net income was USD \$2.0 million compared to a net loss of USD \$2.2 million in the first quarter of 2020
- Adjusted EBITDA was USD \$2.80 million in the first quarter compared to a loss of USD \$1.1 million in the first quarter of 2020

VANCOUVER, BC, June 1, 2021 /CNW/ - Hollister Biosciences Inc. (CSE: HOLL) (OTC: HSTRF) (FRANKFURT: HOB) (the "Company", "Hollister Cannabis Co." or "Hollister") a diversified cannabis branding company with products in over 280 dispensaries throughout California, and over 95 dispensaries throughout Arizona, today reported its financial and operating results for the first quarter of 2021. All financial information is presented in U.S. dollars unless otherwise indicated.

First Quarter 2021 Financial Results

- Total revenue in the first quarter was \$23.1 million compared to \$0.95 million in the first quarter of 2020 and up 97% sequentially from \$11.7 million in the fourth quarter of 2020
- Net income in the first quarter was \$2.0 million compared to a net loss of \$2.2 million in the first quarter of 2020
- Adjusted EBITDA was \$2.80 million in the first quarter compared to a loss of \$1.1 million in the first quarter of 2020

First Quarter 2021 Business Highlights

- On March 2nd, 2021, Hollister announced the closing of its brokered private placement of 21,635,094 Special Warrants at a price of CDN \$0.365 per Special Warrant, raising gross proceeds of CDN \$7.9 million
- On March 8th, 2021, Hollister was pleased to announce that its direct-to-consumer delivery platform, Dreamy Delivery, was the official delivery platform of the 2021 Emerald Cup Awards

Venom Extracts ("**Venom**") product suite is a category leader in Arizona, accounting for up to 30 percent of category sales state-wide. Venom is positioned for continued growth in Arizona, it has a strong brand recognition and distribution network, with products in the vast majority of dispensaries statewide.

Venom Extracts operates a 11K sq. ft. facility located in Phoenix, AZ which can produce approximately 5 million grams of extract annually in its current and >15 million grams with planned equipment and production enhancements.

Arizona is one of the largest medical marijuana markets in the world with over \$1B in 2020 sales. Legal sales of adult-use cannabis in Arizona commenced midday on Friday January 22nd, several months ahead of industry expectations, and the fastest that any of the 15 states with recreational marijuana has gone from voter approval to actual sales. The state realized over \$2.9M in recreational sales within 10 days of legalization. "Marijuana Business Daily projects that the state's recreational market could generate up to \$400 million in revenue its first year and more than \$700 million by 2024."

Use of Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures as defined by the SEC. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included below. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. Our management uses adjusted EBITDA to evaluate our operating performance and trends and make planning decisions. Our management believes adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the items that we exclude. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making.

Reconciliation of Non-GAAP Financial Measures

The table below reconciles Net income (loss) to Adjusted EBITDA for the periods indicated.

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
	\$	\$

Net income (loss) and comprehensive income (loss)	1,986,802	(2,153,479)
Add (deduct) impact of:		
Accretion	-	3,150
Depreciation	304,041	77,099
Finance costs	101,182	109,682
Foreign exchange gain	(28,296)	-
Interest expense	17,514	12,500
Transaction costs	-	828,100
Interest income	(25,610)	-
Income tax expense	808,000	-
Deferred income tax recovery	(55,000)	-
Foreign currency translation adjustment	(298,166)	75,713
Adjusted EBITDA	2,810,467	(1,047,235)

About Hollister Biosciences Inc.

Hollister Biosciences Inc. is a multi-state company with a portfolio of innovative, high-quality cannabis & hemp branded consumer products and white-labeling manufacturing. Our products are sold in 370 dispensaries across Arizona and California. Hollister Biosciences wholly-owned brand, Venom Extracts, is a category-leading brand that sold more than 4 million grams in 2020, accounting for up to 30 percent of category sales in Arizona.

Products from Hollister Biosciences Inc. include HashBone, the brand's premier artisanal hash-infused pre-roll, along with concentrates (shatter, budder, crumble), distillates, solvent-free bubble hash, pre-packaged flower, pre-rolls, tinctures, vape products and full-spectrum high CBD pet tinctures. Our wholly-owned California subsidiary Hollister Cannabis Co is the 1st state and locally licensed cannabis company in the city of Hollister, CA, birthplace of the "American Biker".

Website: www.hollisterbiosciences.co

The CSE, nor its regulation services provider, does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Information: This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on www.sedar.com

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For further information: Company Contact: Melanie Barbeau, ir@hollisterbiosciences.co, Tel: (416) 644-2020 or (212) 812-7680

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