

Cannabis One Holdings Inc.

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Cannabis One Holdings and One Cannabis Group create first US-based vertically integrated cannabis franchise and brand company

Cannabis One Holdings Inc's (CSE:CBIS) (OTCMKTS:CAAOF) revealed it is joining forces with One Cannabis Group (OCG Inc) - a first mover in the US cannabis franchise space - to create an EBITDA (underlying earnings) positive group that will be able to swiftly scale up.

"Franchising is the most agile and proven way to scale in the cannabis industry," said Mike Weinberger, COO at One Cannabis Group, which began its franchise program in 2018.

"Our franchisees own and operate their own dispensaries, hire locally and keep money in the communities they serve. The ongoing support and resources we provide allows them to scale more quickly than if they were operating independently."

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OCG has already inked agreements for 15 franchises in five US states - Colorado, Illinois, Massachusetts, Missouri, and Ohio. The model sees franchisees pay a US\$100,000 fee upfront with 5% gross royalty on top-line revenue and a 2% marketing fee.

"The combination of Cannabis One's "house of brands" business model with ONE's unique franchise offering will create a dominant, capital efficient dispensary model and vertical distribution for its brands," said Cannabis One.

The combined entity expects to see solid revenue growth and to be EBITDA positive in 2020 through high-margin franchising, brand distribution and over 85,000 sq ft of indoor cultivation capacity.

CEO Jeff Mascio added it brought together two Colorado born and bred companies that have been in the cannabis sector for over 10 years.

"CBIS's expertise in brand development and distribution has allowed it to create over 900 retail partners for its brands across four states. Together with ONE's franchise model, we are creating an EBITDA positive, highly focused company that has an ability to grow via the use of the national Unity Rd. franchisee network."

Running through the highlights of the deal, Cannabis One said it created a capital efficient model to expand retail brands and created a "sizeable distribution platform for in-house brands". It also combines highly experienced management teams, it said.

Cannabis One will purchase all of the shares of ONE, through its wholly-owned subsidiary, Cannabis One US Inc, in exchange for Class B super voting common shares in the capital of Cannabis One.

The holders of ONE Shares will then hold around 45% of CBIS's issued and outstanding shares on a pro forma basis

Price: 0.14

Market Cap: \$11.64 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: CBIS

Listing: CSE

52 week	High	Low
	4.68	0.11

Sector: Cannabis

Website: cannabisone.life

Company Synopsis:

Cannabis One is headquartered in Denver, Colorado, and positioned to redefine the traditional, vertically-integrated, seed-to-sale business model with a specific focus on aggregating cannabis retail distribution and brand manufacturing.

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and the existing shareholders of CBIS will hold approximately 55% of CBIS's issued and outstanding shares on a pro forma basis. The agreement is expected to close at the end of the first quarter 2020.

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