



Cansortium Announces a Reorganization of Senior Management and its Board of Directors, Significant Cost Reductions and the Prioritization and Acceleration of Growth in the U.S. Markets, Particularly Florida

October 22, 2019

Miami, Florida--(Newsfile Corp. - October 22, 2019) - Cansortium Inc. (CSE: TIUM.U) (OTCQB: CNTMF) ("Cansortium" or the "Company") and its Board of Directors (the "Board") have implemented a series of important corporate initiatives aimed at driving sustainable, profitable growth in the Company's core market of Florida by allocating the necessary capital to expand the number of dispensaries in the state to twenty by the end of 2019. These initiatives are also aimed at ensuring that the Company has the operational flexibility and necessary liquidity to expand on its cultivation and dispensary footprint in the highly attractive markets of Michigan, Texas and Pennsylvania. Consistent with this refocused growth strategy, the Company is evaluating strategic alternatives with respect to non-core assets in Canada, Puerto Rico and Colombia to allow management to focus its attention exclusively on its U.S. markets.

The Board has been reduced to four members, three of whom are independent directors with deep business and corporate governance expertise. Additionally, the Board has established a special committee (the "Special Committee") comprised of its three independent directors, Neal Hochberg, David Abrams and John McKimm, that has engaged financial and legal advisors to assist in the execution of the Company's strategic reorganization and growth initiatives. As previously announced, Jose Hidalgo, Cansortium's Co-Founder and Chief Executive Officer, has resigned from the position of Chairman, which has been assumed by Mr. Hochberg. Mr. Hochberg will also act as Chair of the Special Committee.

Staff and Cost Reductions and Board of Directors Reorganization

Following a comprehensive review of Cansortium's corporate structure and management positions, the Board has approved the implementation of cost saving initiatives resulting in more than \$4.5 million of aggregate annualized savings. Cost savings were derived from reductions in the workforce, the elimination of senior management positions and reductions in executive management compensation. The Special Committee believes that these improvements to the Company's cost structure will enable management to execute on the Company's growth plan and generate sustainable profits by the end of 2019.

In connection with a streamlined growth strategy and staff realignment, the Company has accepted the voluntary resignations of Patrick Maloy as Chief Operating Officer and Director, and Jeffrey Reath as Executive Vice President Finance and Investor Relations and Director. Each will be retained as consultants and continue to assist the Company in achieving its 2019 business and revenue goals.

In addition, Co-Founder Henry Batievsky has been named Chief Production Officer to solely focus on matching production to consumer demand and driving sales growth. Marcos Pedreira, formerly Cansortium's Head of Finance, will assume the role of Chief Financial Officer, leveraging his previous public company financial and reporting experience. Mr. Hidalgo, Mr. Batievsky and Mr. Pedreira will be responsible for executing the strategy that has been approved by the Board.

Acceleration of Florida Expansion

Cansortium is undergoing a period of rapid growth in its Florida operations with monthly average sales increasing in its dispensary network. The Company expects to be operating at full capacity in its cultivation facility in Tampa by the end of 2019, which management believes will provide sufficient flower and oil to meet demand as the Company expands its dispensary footprint in highly strategic locations. It is a top strategic priority of the Company to have all dispensaries permitted under the Company's license operational as soon as practicable. The Company expects to open its seventeenth and eighteenth Florida dispensaries in Jacksonville and Kendall, respectively, by the middle of November 2019, with two additional dispensaries scheduled to open during Q4 2019 in Lakeland and Coral Gables. This will expand the Company's footprint from the current sixteen operational dispensaries to twenty dispensaries across Florida prior to year-end 2019. The Company's twenty-first location, in the heart of Miami Beach, is expected to open by early 2020. An additional six locations are in the permitting and zoning stages with plans to open in 2020.

Other Attractive U.S. Markets

As a vertically-integrated operator in Florida, Cansortium has developed strong proficiencies in each of cultivation, processing, retail, and distribution activities. This expertise positions Cansortium to drive significant value from its license and operations in Texas, where Cansortium is one of only three licensed cannabis companies and where regulations are becoming increasingly more favorable for driving revenue growth. The Company also operates a dispensary in Pennsylvania, with the option to open two additional dispensaries in the south central region. Cansortium is also active in Michigan, where its in-market partner is currently cultivating and has licenses pending for further cultivation, as well as for processing and retail operations.

Role of the Special Committee

Each of the Special Committee members has had distinguished careers, with proven track records in investments, financial services, operations and management. The Special Committee has retained INFOR Financial Inc., a leading independent Canadian investment bank, to provide financial advisory services, and McCarthy Tétrault LLP, a leading Canadian law firm, to provide legal advice.

"The Special Committee is highly engaged and committed to dedicating significant time and effort to ensure that Cansortium is in a position to fully capitalize on the considerable market opportunities in front of the Company," states Chairman Neal Hochberg. "The cannabis sector continues to rapidly evolve, and I am confident that with the unwavering support and dedication of the Special Committee to the Company, Cansortium is

well-positioned to deliver sustainable positive results to its shareholders and other key stakeholders. I would like to thank Patrick and Jeffrey for their vision and tireless efforts in helping to build Cansortium to its current level and I look forward to working closely with the Special Committee, other senior management and existing investors and advisors as we implement the strategies to drive profitable growth in Cansortium's next phase of development."

Special Committee Members

Neal Hochberg

Mr. Hochberg, the Chairman of Cansortium's Board, is a Certified Public Accountant with a distinguished 40-year career in financial services. He was a Financial Advisory Partner at both PWC and KPMG and is a Senior Advisor to the leadership of FTI Consulting Forensic & Litigation Consulting segment, previously serving on FTI's Executive Committee. Recently, he was also appointed by the Supreme Court of Florida to membership on the Florida Board of Bar Examiners. Previously, he served as the project delegate to the World Economic Forum Partnering Against Corruption Initiative for five years.

David Abrams

Mr. Abrams has more than 30 years experience in the financial services industry as a distressed debt, real estate and private equity investment professional, as well as an investment banker with significant restructuring and capital markets expertise. Currently, Mr. Abrams is the Chief Investment Officer for Harris Blitzer Sports & Entertainment, a global sports and entertainment business which owns the Philadelphia 76ers (NBA), the New Jersey Devils (NHL) and the Prudential Center in New Jersey. Previously, Mr. Abrams was the Founder and Managing Partner of the Apollo European Principal Finance Funds franchise at Apollo Global Management, which had approximately \$10 billion of assets under management with a primary focus on acquiring distressed debt, real estate and non-performing loans. Mr. Abrams was also a Partner focusing on Global Corporate Credit and Distressed Debt at Cerberus Capital, a leading investment firm with more than \$32 billion in assets under management. Mr. Abrams is currently a member of the Board of Directors of Norwegian Cruise Lines, the 3rd largest operator of cruise ships in the world with an equity market capitalization of \$11.0 billion.

John McKimm

Mr. McKimm's experience spans over 35 years serving as a director, officer and investor of many public and private companies, providing operations, investment banking, and corporate finance expertise. Mr. McKimm possesses in-depth knowledge in dealing with emerging and growing companies, having personally identified, negotiated, and executed more than 150 individual mergers, acquisitions, financing, reorganization and recapitalization transactions. Mr. McKimm has extensive expertise in corporate, financial and strategic reorganizations on a global basis, across multiple industry sectors and regulatory environments.

About Cansortium Inc.

Headquartered in Miami, Florida, and operating under the Fluent™ brand, Cansortium is focused on being the highest quality cannabis company in the State of Florida driven by unrelenting commitment to operational excellence from seed to sale. Cansortium has developed strong proficiencies in each of cultivation, processing, retail, and distribution activities, the result of successfully operating in the highly regulated cannabis industry. In addition to Florida, Cansortium is seeking to create significant shareholder value in the attractive markets of Texas, Michigan and Pennsylvania, where the Company has secured licenses and established operations.

Cansortium Inc.'s common shares and warrants trade on the CSE under the symbol "TIUM.U" and "TIUM.WT.U", respectively, and on the OTCQB Venture Market under the symbol (OTCQB: CNTMF). Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on www.otcmarkets.com.

Forward-Looking Information

Certain information in this news release, may constitute forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this news release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in the public documents of the Company available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

For information on Cansortium Inc., please visit www.cansortium.com

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