



Cansortium Inc. Provides Update On Strength Of Its Florida Business, Announces The Return Of Approximately 26 Million Shares By Current And Former Senior Executives And Progress On Key Growth Initiatives

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MIAMI, Nov. 6, 2019 /PRNewswire/ -- [Cansortium](#) Inc. (CSE:TIUM.U) (OTCQB: CNTMF) ("Cansortium" or the "Company") and the recently-formed Special Committee of the Board of Directors today announced the continued strong growth of its Florida business and shared progress on the implementation of key elements of its new growth plan to attract capital and strategic operating partners to drive sustainable, profitable growth.

Cansortium's Florida business, which generates the vast majority of the Company's sales, generated record monthly sales of \$2.8 million in October, representing growth of 43 percent over September. The Company also highlighted that, since June 2019, when Florida legalized the sale of smokable cannabis in licensed dispensaries, Cansortium's smokable premium flower products have grown to represent more than one-third of its Florida sales. Management noted that the expected regular availability of flower products resulting from expansion of its cultivation facilities will continue to be a key driver of revenue growth.

Mr. Hochberg, Chairman of the Board and of the Special Committee, commented "Florida represents the Company's largest market and an immediately actionable opportunity for both profitability and growth. Over the near-term, we are focusing the Company's resources in Florida, while laying important groundwork to expand cultivation, production and dispensary operations in Michigan, Texas and Pennsylvania as we move into 2020, and continuing to evaluate strategic alternatives with respect to non-core assets."

Several factors are expected to drive continued sales growth in Florida during the remainder of 2019 and into 2020.

- The Company's 60,000 square foot Tampa cultivation facility is expected to achieve full production capacity during the fourth quarter, enabling the Company to provide a larger, more consistent supply of dry flower and other product varieties to its network of Fluent-branded dispensaries in highly-populous Florida markets. In addition, by having dry flower in stock more regularly, sales of non-flower products have increased by as much as 25 percent.
- The Company is targeting opening four new Florida dispensaries in November and December, subject to DOH and local market regulatory approvals, with the goal of bringing its Florida dispensary network to 20 locations by the end of the year. In addition, the Company has five more Florida dispensaries in development and targeted to open during the first half of 2020.

The Company also announced that it has reached an agreement with co-founders José Hidalgo and Henry Batievsky, along with two other former senior executives, for their immediate return of more than 26 million shares of stock, in aggregate, representing approximately 14 percent of Cansortium's outstanding shares on an as-converted basis. The executives have agreed to transfer these shares for nominal consideration, at the Special Committee's discretion, to the Company for cancellation or to assist in the recapitalization of the Company.

The strategic reorganization and capital allocation initiatives previously announced and being implemented by the Special Committee and management are expected to improve the Company's liquidity position and financial performance. Phase 1 of cost-saving initiatives, consisting primarily of reductions in the workforce, elimination of senior management positions and reductions in executive management compensation, was implemented in September and is expected to produce annual operating expense savings of approximately \$2.6 million. Phase 2 is being implemented during the fourth quarter and is expected to generate incremental annual operating expense savings of approximately \$2.1 million.

Mr. Hochberg emphasized, "In combination with the anticipated sales growth noted above, we expect these cost-saving initiatives to position the Company to drive sustainable, profitable growth in 2020. The Special Committee is committed to ensuring that the company is adequately capitalized and positioned to drive value for all of Cansortium's stakeholders by focusing on the opportunities with the highest near-term returns and by further monetizing the considerable market opportunities in front of it."

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.

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