



Cansortium Completes \$71 Million Debt Financing

April 30, 2021

Debt Maturities Extended to April 2025

Additional Liquidity Significantly Strengthens Balance Sheet

Proceeds to Fund Expansion in Florida, Pennsylvania and Michigan

MIAMI, April 30, 2021 /CNW/ - Cansortium Inc. ("Cansortium" or the "Company") (CSE: TIUM.U), (OTCQB: CNTMF), a vertically-integrated cannabis company operating under the Fluent™ brand, today announced it has closed a US\$71 million Senior Secured Term Loan due April 29, 2025 (the "Term Loan") with a syndicate led by U.S.-based institutional lenders.



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The Term Loan will bear interest of 13% annually, with a four-year maturity and 18 months of call protection. The Term Loan consists of a \$50 million tranche priced with an original issue discount of 3% that includes warrants to acquire 12.5 million common shares of common stock at an exercise price of \$1.20 per share, as well as a \$21 million tranche priced with an original issue discount of 7% with no equity component. Subject to certain conditions of the Term Loan, the Company can increase the Term Loan by up to \$20 million.

"Today marks a new beginning for Cansortium as we now have the financial flexibility and liquidity that the Company needs to continue growing its attractive asset base," said Chief Executive Officer Robert Beasley. "Proceeds from the Term Loan have been used to satisfy substantially all of the Company's existing indebtedness, including repaying \$27.1 million of convertible debentures due in May. These actions have resulted in more than \$40 million of cash being added to our balance sheet from the Term Loan and the equity offering completed earlier this month. With a strengthened balance sheet and simplified capital structure, we are now firmly positioned to execute our growth and expansion initiatives in our core Florida, Pennsylvania and Michigan markets."

Neal Hochberg, Cansortium's Chairman of the Board added, "For the past two years, management and the Company's Board of Directors have worked tirelessly to right-size the Company's operations and strengthen its balance sheet. We deeply appreciate the support from many of our key stakeholders during this period, and we are excited to welcome a new group of institutional investors to the Company. By extending our debt maturities by four years and bolstering our liquidity, the Company can now focus all of its attention on maximizing value."

Mr. Beasley added, "Since taking over as CEO in September 2020, we have made dramatic improvements across key aspects of our business, particularly in Florida where we have significantly increased cultivation yields, introduced new SKUs and form-factors such as edibles, and expanded cultivation and production capacity to better supply our 24 operational dispensaries (expected to increase to 27 by year-end). Florida remains the single largest limited-license cannabis market in the U.S. and we currently have the sixth largest footprint in the state. I am proud of our team's early accomplishments up to this point and look forward to capitalizing on the many growth opportunities ahead."

Seaport Global Securities LLC acted as lead placement agent and Canaccord Genuity Corp. acted as co-manager for the Term Loan. INFOR Financial Inc. served as financial advisor to the Company.

The Company will announce its results for the fourth quarter and full year ended December 31, 2020 on May 3, 2021, and will host a conference call and live audio webcast on May 4, 2021 at 5:00 P.M. Eastern time, to discuss its 2020 financial results and initial 2021 outlook. Details for the call will be included in the May 3, 2021 release.

Certain directors of the Company participated in the aggregate amount of \$6 million, as part of the \$21 million tranche of the Term Loan, which constitutes a "related party transaction" as this term is defined in Multilateral Instrument 61-101: Protection of Minority Securityholders in Special Transactions ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the aggregate amount of the portion of the Term Loan from directors does not exceed 25% of the Company's market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of this transaction as the details and amounts of the directors' participation under the transaction were not finalized until closer to the closing and the Company wished to close the transaction as soon as practicable, which the Company deemed reasonable as it was striving to improve its financial position by refinancing its debt as soon as possible.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The warrants and any underlying securities shall be subject to a four month hold period from the closing date for Canadian holders. The securities being offered have not been, nor will they be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Consortium in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Consortium Inc.

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

Consortium Inc.'s common shares trade on the CSE under the symbol "TIUM.U" 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.otcm Markets.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 many 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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