



**CANSORTIUM**

## **Cansortium Reports Preliminary Unaudited Q4/FY 2021 and Q1 2022 Results**

May 2, 2022

- FY 2021 Revenue up 22% YoY to \$63.7 Million; Adjusted EBITDA up 90% YoY to \$19.6 million -

- Q4 2021 Revenue up 13% YoY to \$16.5 Million; Adjusted EBITDA up 55% YoY to \$5.1 million -

- Preliminary Q1 2022 Revenue up 33% YoY to \$20.1 Million -

- Filing of Audited Annual Financial Statements and Related Materials Delayed -

- Management Conference Call Scheduled for Today at 5:00 p.m. Eastern Time -

MIAMI, May 2, 2022 /PRNewswire/ - [Cansortium Inc.](#) (CSE: TIUM.U) (OTCQX: CNTMF) ("Cansortium" or the "Company"), a vertically-integrated cannabis company operating under the Fluent™ brand, today announced preliminary unaudited financial results for the fourth quarter and full year ended December 31, 2021. The Company is also providing select preliminary unaudited first quarter results for the quarter ended March 31, 2022. Unless otherwise indicated, all results are presented in U.S. dollars.

"We ended 2021 on a high note with record fourth quarter results, and our momentum has carried into the first quarter of 2022," said CEO Robert Beasley. "We have grown revenue sequentially every month between October 2021 and March 2022 due to both cultivation improvements across our facilities in Florida as well as new capacity coming online in December and February. We are now harvesting double the biomass per week compared to last year. The recent 4/20 holiday was also our strongest day of sales in company history, further reflecting our continued momentum into Q2. I cannot thank our team enough for their hard work over the past year to help us reach this inflection point.

"Although our results are dramatically improving, we are disappointed to report that our auditors require more time to complete their audit procedures, delaying the filing of our 2021 audited financial statements. We understand the frustration this will cause with our shareholders, and we are equally frustrated as our auditors previously communicated that our required filings would be completed by today's deadline. We have provided all the required information for the auditors to complete their review and expect to have our various filings completed soon.

"Despite this frustration over the audit process, we expect another strong year of growth highlighted by new store openings, continued new patient acquisition, ramping new cultivation and further improving our flower quality. For the first time, we now have an adequate level of supply for our 27-store footprint in Florida, and our results over the past couple months validate that our stores can thrive with more product to sell. Our management team is highly motivated by the dramatic uptrend in sales and the morale within the company is at an all-time high."

### **Q4 2021 Preliminary Financial Highlights (vs. Q4 2020)**

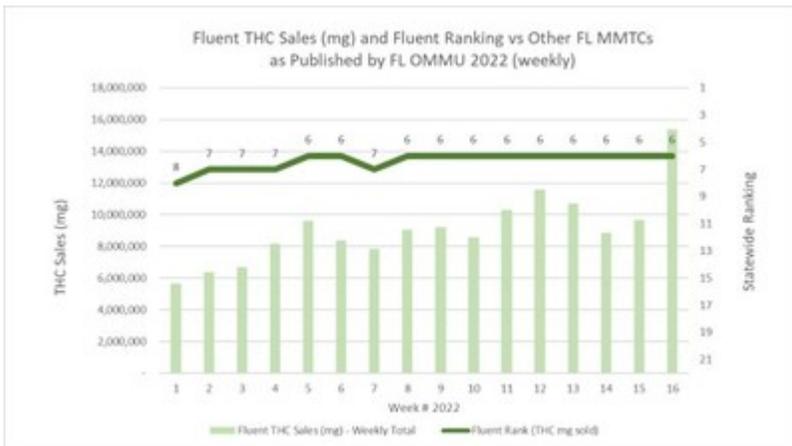
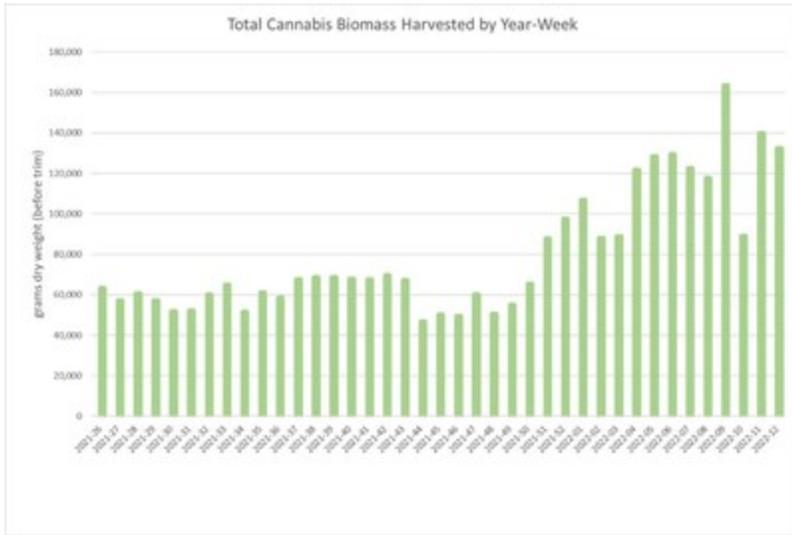
- Revenue increased 13% to \$16.5 million compared to \$14.7 million.
- Expected Operating loss decreased to \$(1.6) million compared to \$(9.7) million.
- Expected Adjusted EBITDA increased 55% to \$5.1 million or 31.0% of revenue, compared to \$3.3 million or 22.5% of revenue.

### **FY 2021 Preliminary Financial Highlights (vs. FY 2020)**

- Revenue increased 22% to \$63.7 million compared to \$52.4 million.
- Expected Operating loss decreased to \$(2.4) million compared to \$(8.4) million.
- Expected Adjusted EBITDA increased 90% to \$19.6 million or 30.8% of revenue, compared to \$10.3 million or 19.6% of revenue.

### **Q1 2022 Preliminary Results & Recent Highlights**

- Revenue increased 33% year-over-year to \$20.1 million compared to \$15.1 million.
- In Florida, average biomass harvested per week has increased approximately 100% in Q1 2022 compared to Q4 2021 due to new cultivation ramping.
- Inventory shipped in Florida increased 75% in March 2022 compared to December 2021, reflecting the highest levels of inventory in company history.
- Sales in milligrams ("mgs") of THC increased by 173%, from 5.6 million mgs in the first week of Q1 2022 to 15.4 million mgs in the 16th week of 2022.
- New patient acquisition in Florida increased approximately 16% in Q1 2022 compared to Q4 2021 due to increased community outreach engagement, competitive pricing and fully stocked inventories.
- In late April, the Company opened its third dispensary in Pennsylvania in Annville.



**2022 Outlook**

The Company expects revenue in 2022 to range between \$90-\$95 million, reflecting an approximate 45% increase from 2021 at the midpoint. Consortium also expects adjusted EBITDA in 2022 to range between \$25-\$28 million, reflecting an approximate 35% increase from 2021.

**Delayed Filing of Audited Annual Financial Statements and Related Materials**

As a result of additional time required by the Company's auditors to complete their remaining audit procedures, Consortium will not be filing its periodic disclosure documents (the "Annual Filings") by the filing deadline of May 2, 2022. The Company has sought from, and is in communication with, the Ontario Securities Commission ("OSC") concerning the availability of a management cease trade order in respect of the missed deadline for the Annual Filings.

If an MCTO is granted, it is expected that the general investing public will continue to be able to trade in the Company's listed common shares, however, the Company's Chief Executive Officer and Chief Financial Officer will not be able to trade in the Company's common shares. The Company confirms it will comply with the provisions of the alternative information guidelines under National Policy 12-203 – Management Cease Trade Orders for so long as an MCTO remains in effect.

The Company has been actively engaged in discussions with its auditors over the past two weeks and was only recently informed that they would not complete the filings ahead of the deadline.

The causes of the delay are not material to the Company nor its operations. Notwithstanding the delay, the Company continues to operate normally without disruption and is working diligently and expeditiously with its auditors to complete the Annual Filings as soon as possible.

The Company is not currently subject to any insolvency proceedings. The Company also confirms that there is no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of this press release.

The Company will advise, by way of press release, if the MCTO is granted. If the MCTO is not granted, it is expected that the OSC will issue a failure-to-file cease trade order. If a failure-to-file cease trade order is made, the Company will advise, by way of press release, setting out the particulars thereof and will comply with its related obligations.

#### **Conference Call**

The Company will host a conference call and live audio webcast today at 5:00 p.m. Eastern time to discuss its preliminary financial results, operational highlights and the delayed filing, followed by a question-and-answer period.

Toll-free dial-in number: (800) 319-4610

International dial-in number: (604) 638-5340

Conference ID: 10018936

Link: [Cansortium Conference Call](#)

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Elevate IR at (720) 330-2829.

The conference call will also be available for replay via the News & Events section of the Company's investor relations website at <https://investors.getfluent.com/>.

#### **About Cansortium Inc.**

Cansortium is a vertically-integrated cannabis company with licenses and operations in Florida, Pennsylvania, Michigan and Texas. The Company operates under the Fluent™ brand and is dedicated to being one of the highest quality cannabis companies for the communities it serves. This is driven by Cansortium's unrelenting commitment to operational excellence in cultivation, production, distribution and retail. The Company is headquartered in Miami, Florida.

Cansortium Inc.'s common shares trade on the CSE under the symbol "TIUM.U" and on the OTCQX Best Market under the symbol "CNTMF." For more information about the Company, please visit [www.getfluent.com](http://www.getfluent.com).

#### **Forward-Looking Information**

Certain information in this news release may constitute forward-looking information within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. 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 the Company's expectations, estimates, and projections regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements or information with respect to the Annual Filings, whether the Company will receive an MCTO rather than the CTO, and if issued whether the MCTO or CTO can be timely lifted or limited in scope.

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](http://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 further information: [www.getfluent.com](http://www.getfluent.com)

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