



Cansortium Reports First Quarter 2022 Financial Results

05/31/2022

- Q1 Revenue up 30% YoY to a Record \$19.7 Million; Preliminary April Revenue of \$7.5 Million -

- Q1 Adjusted EBITDA up 42% YoY to a Record \$6.2 million -

- Cansortium Reaffirms 2022 Guidance of \$90-\$95 Million of Revenue and \$25-\$28 Million of Adjusted EBITDA -

MIAMI, May 31, 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 interim unaudited financial results for the first quarter ended March 31, 2022. Unless otherwise indicated, all results are presented in U.S. dollars.

"As highlighted on our last quarterly report on May 2, the first quarter reflected continued growth to record levels across our business," said CEO Robert Beasley. "Our recent cultivation improvements and added capacity have supplied us with the product we need to successfully optimize our store productivity. With revenue and adjusted EBITDA hitting record highs and our biomass harvest levels doubling compared to 2021, we are excited to carry this momentum through the rest of the year as we add new stores, grow new patient count, ramp cultivation and continue to optimize the quality of our flower."

Q1 2022 Financial Highlights (vs. Q1 2021)

- Revenue increased 30% to \$19.7 million compared to \$15.1 million.
- Florida revenue increased 26.6% to \$16.6 million compared to \$13.1 million.
- Adjusted gross profit¹ increased 19% to \$11.5 million or 58.6% of revenue, compared to \$9.7 million or 64.2% of revenue.
- Adjusted EBITDA increased 42% to \$6.2 million or 31.5% of revenue, compared to \$4.4 million or 29.0% of revenue.
- At March 31, 2022, the Company had approximately \$7.7 million of cash and cash equivalents and \$67.5 million of total debt, with approximately 252.3 million fully diluted shares outstanding (based on treasury stock method and share price on May 27, 2022).

¹ Adjusted gross profit is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates adjusted gross profit from gross profit plus (minus) the changes in fair value of biological assets, as presented in the consolidated statement of operations.

Operational Highlights

- In Florida, the Company anticipates opening 4-6 new stores in 2022. Four of these locations are already under contract and under construction.
- On April 20, Cansortium opened its third Pennsylvania dispensary in Anville.
- The Company anticipates filing both its 2021 audited annual financial statements and first quarter 2022 unaudited interim financial statements by June 8, 2022. Cansortium expects to host a conference call for shareholders and prospective investors shortly thereafter.

2022 Outlook

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

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.

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.

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.

For further information: www.getfluent.com

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Cansortium Inc.

Statement of operations

For the three months ended March 31, 2022 and 2021

(USD '000)

	Three months ended		
	March 31, 2022	March 31, 2021	Variance
Revenue, net of discounts	\$ 19,712	\$ 15,116	\$ 4,596
Cost of goods sold	8,166	5,407	2,759
Adjusted gross profit ⁽¹⁾	11,546	9,709	1,837
Adjusted gross margin ⁽¹⁾	58.6%	64.2%	-5.7%
Realized fair value of increments on inventory sold	(6,824)	(4,593)	(2,231)
Unrealized change in fair value of biological assets	1,198	6,879	(5,681)
Gross profit	5,920	11,995	(6,075)
Gross margin	30.0%	79.4%	-49.3%
Expenses:			
General and administrative	2,841	3,289	(448)
Share-based compensation	100	3,232	(3,132)
Sales and marketing	4,087	3,546	541
Depreciation and amortization	1,664	1,530	134
Total expenses	8,692	11,597	(2,905)
Income (Loss) from operations	(2,772)	398	(3,170)
Discontinued operations	2	(2)	4
Other expense (income):			
Finance costs, net	3,657	3,130	527
Change in fair market value of derivative	1,702	(408)	2,110
Loss on disposal of assets	-	48	(48)
Other expense	(2)	(113)	111
Total other (income) expense	5,357	2,657	2,700
Income (Loss) before taxes	(8,131)	(2,257)	(5,874)
Income taxes	2,013	2,838	(825)
Net income (loss)	(10,144)	(5,095)	(5,049)

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