FLUENT Reports Third Quarter 2025 Results

11/28/2025

Focused on Margin Expansion, Operational Efficiency, and Strategic Market Positioning Ahead of Buffalo, New York and Rosa, Florida Premium Indoor Facility Activations in Q4 2025

TAMPA, Fla., Nov. 28, 2025 (GLOBE NEWSWIRE) -- FLUENT Corp. (CSE: FNT.U) (OTCQB: CNTMF) ("FLUENT" or the "Company"), a vertically-integrated, multi-state cannabis company, today announced its financial and operating results for the third quarter ended September 30, 2025. Unless otherwise indicated, all financial results are presented in U.S. dollars.

Management Commentary

“During the third quarter, we continued to execute on our strategic priorities with a clear focus on reversing the declining margin profile and enhancing operational efficiency across our footprint ahead of our new indoor capacity hitting retail shelves in the fourth quarter,” said Dave Vautrin, Interim CEO of FLUENT. “While consolidated revenue was relatively consistent year-over-year, we recognized pressure on gross margins driven by correcting extraction inefficiencies and a shifting product mix in Florida. We have already taken decisive actions to address these challenges, including optimizing our retail portfolio, improving distillate yields, accelerating product innovation, and bringing key indoor production facilities fully online.”

Vautrin continued, “We have also made disciplined investments during the current quarter in markets where we expect meaningful margin contribution. In Florida, we operationalized our large-scale Rosa indoor cultivation facility in November, nearly doubling our premium flower capacity. The Rosa facility is ramping up as planned and is now delivering true premium-quality flower and measurable improvements in yield, which we expect will support our objectives of achieving stronger margins through larger capture of the Florida premium market opportunity heading into 2026. In New York, we have operationalized our large-scale Buffalo premium indoor cultivation facility in Q4 2025 and are now preparing for the launch of premium SKUs from Connected and Alien Labs, which we believe will energize our efforts to improve our wholesale revenue and margin contribution. Across all markets, our near-term focus remains on optimizing operational excellence, capital efficiency, and driving sustainable margin expansion as we position FLUENT for long-term value creation.”

Q3 2025 Financial Highlights (vs. Q3 2024)

- **Revenue:** $26.0 million compared to $26.1 million in Q3 2024.
- **Florida revenue:** $21.6 million compared to $22.0 million in Q3 2024, reflecting pricing pressures.
- **Gross profit before fair value adjustments[1]:** $8.0 million (31% of revenue) compared to $14.3 million (54.6% of revenue) in Q3 2024.
- **Adjusted EBITDA[2]:** $2.8 million compared to $7.5 million in Q3 2024, primarily due to lower revenue and reduced margins.
- **Cash flow from operations:** Cash used in operations of $.8 million, compared to cash provided by operations of $9.5 million in Q3 2024.
- **Balance sheet:** On September 30, 2025, the Company had cash and cash equivalents of approximately $15.1 million and total debt outstanding of $72.2 million, compared to $8.9 million of cash and cash equivalents and $71.4 million in total debt outstanding on September 30, 2024. Common shares outstanding on an as-converted basis were approximately 714 million in Q3 2025 compared to 342 million common shares outstanding on an as-converted basis in Q3 2024.

Recent Operational Highlights

Company Footprint:

- FLUENT currently operates at a total of 37 retail locations and 8 production facilities across its key markets of Florida, New York, Pennsylvania, and Texas.

Florida:

- Closed five of the lowest-performing dispensaries and opened a new location in Brandon, bringing total number of active stores to 31.
- Anticipated new dispensaries in Orlando Sand Lake (expected to open in Q4 2025) and Palm Bay (expected to open in Q1 2026) to grow statewide reach to 33 locations.
- Relaunched physician and community outreach programs to strengthen patient engagement.
- Completed first harvests at Rosa indoor production facility. Focused on continued scaling up of canopy, improving consistency, yield, and throughput.
- The Company anticipates improved distillate yields will contribute to margin recovery in Q4 2025.
- Launched Bag-O 7g ground flower, now available statewide.

New York:

- Buffalo production facility nearing full operational status; initial retail and wholesale launch of Connected and Alien Labs SKUs expected this December, with 9 Alien Labs and 11 Connected strains in the first wave.
- ENTOURAGE, the Company's wholesale division, continues to expand distribution and revenue statewide.
- Rebranding completed for all three co-located dispensaries in Manhattan, White Plains, and Kingston.
- Closed Syracuse medical-only dispensary, planning a new medical-only location in 2026.

Texas:

- Houston Education and Pick-Up Center expected to open in December 2025.
- Production underway for new Rick Simpson Oil (RSO) and distillate syringe products, with additional SKUs in active R&D.

Pennsylvania:

- The Company currently operates three dispensaries in south-central Pennsylvania (Hanover, Mechanicsburg and Annville).
- The Company continues to evaluate regulatory developments to assess future growth opportunities.

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[1] Gross profit before fair value adjustments 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 gross profit before fair value adjustments from gross profit plus (minus) the changes in fair value of biological assets, as presented in the consolidated statement of operations.

[2] Adjusted EBITDA 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 EBITDA as EBITDA (being calculated as the net income (loss), plus (minus) interest expense (income) and finance transactions costs, plus taxes, plus depreciation and amortization) plus (minus) the changes in fair value of biological assets, plus (minus) the changes in fair market value of derivatives, plus (minus) certain one-time non-operating expenses, as determined by management.

Regulatory Progress

The United States federal government recently announced plans to close what proponents call the hemp-derived THC loophole created under the 2018 Farm Bill that allowed hemp-derived products containing tetrahydrocannabinol, or THC, to be sold. Management views this as a potentially meaningful tailwind for regulated operators that is expected to curb the widespread availability of intoxicating hemp products that currently operate outside the licensed cannabis framework.

The impact is expected to be particularly significant in Florida and Texas:

- **Florida:** Unregulated hemp-derived THC has impacted pricing and category mix in the Florida market. A federal crackdown is expected to reduce illicit competition and support margin recovery in the regulated medical market. Currently, the Florida Department of Agriculture and Consumer Services estimates that there are more than 9,500 hemp retailers in the state[3], while Florida's office of Medical Marijuana Use reports 734 licensed dispensaries [4], meaning for every one legal licensed dispensary there are approximately 12 resellers of hemp derived cannabis in Florida.
- **Texas:** With more than 8,000 hemp resale licenses in Texas[5], the state has become a major market for hemp-derived THC products. Management of the Company believes that the recent regulatory changes in Texas and the recently announced U.S. federal action are expected to materially rebalance the competitive landscape in Texas and enhance long-term economics for compliant medical operators in the state.

FLUENT anticipates these regulatory developments may pave a path forward for a more stable, regulated market environment, which will in turn support the Company's focus on improving margins across its portfolio.

Conference Call

The Company will not host an earnings call for the quarter.

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[3] Source: https://www.miamiherald.com/news/politics-government/state-politics/article294313734.html

[4] Source: https://knowthefactsmmj.com/about/weekly-updates/

[5] Source: https://www.bakerinstitute.org/research/texas-lawmakers-have-chance-get-hemp-regulation-right

About FLUENT Corp.

FLUENT, a national cannabis consumer packaged goods company and retailer, is dedicated to being one of the highest quality cannabis companies for the communities it serves. This is driven by FLUENT's unrelenting commitment to operational excellence in cultivation, production, distribution, and retail experience. FLUENT produces an assortment of cannabis products under a diverse portfolio of brands including MOODS, Knack, Wandr, Bag-O and Hyer Kind. FLUENT operates in Florida, New York, Pennsylvania, and Texas.

Headquartered in Tampa, Florida, FLUENT employs 700 employees across 8 cultivation and manufacturing facilities, 37 active retail locations and a wholesale division which trades under ENTOURAGE servicing third party retailers in New York. For more information on the Company's wholesale division ENTOURAGE, please visit https://entouragewholesale.com/.

FLUENT's common shares trade on the Canadian Securities Exchange under the symbol "FNT.U" and on the OTCQB Venture Market under the symbol "CNTMF". For more information about the Company, please visit www.getFLUENT.com and investors.getFLUENT.com/.

Forward-Looking Information

Certain information in this news release may constitute forward-looking information within the meaning of applicable securities laws 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" or similar expressions and includes, but is not limited to, statements with respect to the Company's focus on reversing declining margins and enhancing operational efficiency across the Company's footprint; expectations regarding the Company's new indoor capacity; expectations regarding stronger margins, wholesale revenue and margin contribution; the timing, occurrence and expectations regarding future product offerings, dispensaries, medical-only locations and pick-up centers; the Company's ongoing evaluation of regulatory developments and the timing, occurrence expectations of such developments; the anticipated impacts of recent regulatory changes in Florida and Texas; and the Company's expectations regarding operational excellence, capital efficiency, driving sustainable margin expansion and long-term value creation. 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. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the Company's ability to execute its go-forward strategy; stock market volatility; changes in the business activities, focus and plans of the Company and the timing associated therewith; the timing of any changes to federal laws in the U.S. to allow for the general cultivation, distribution, and possession of cannabis; regulatory and licensing risks; changes in cannabis industry growth and trends; changes in general economic, business and political conditions, including changes in the financial markets; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; risks relating to anti-money laundering laws; compliance with extensive government regulation, including the Company's interpretation of such regulation; public opinion and perception of the cannabis industry; and the risk factors described in the public filings of the Company filed with Canadian securities regulators and available under the Company's SEDAR+ profile at www.sedarplus.ca. 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.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

The Company, through several of its subsidiaries, is directly involved in the manufacture, possession, use, sale, and distribution of cannabis in the adult-use and medical cannabis marketplace in the United States. Local state laws where the Company operates permit such activities however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the United States Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute, or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable United States federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward nonenforcement against individuals and businesses that comply with adult-use and medical cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect operations and financial performance.

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 visit: https://getfluent.com/ and https://investors.getFLUENT.com/

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FLUENT CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2025 and December 31, 2024
(USD '000)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents (includes $4,500 of restricted cash)	$ 15,112	$ 40,106
Accounts receivable	862	422
Biological assets	3,112	3,162
Inventory, net	15,795	15,155
Prepaid expenses and other current assets	2,826	2,587
Total current assets	**$ 37,707**	**$ 61,432**
Property and equipment, net	54,549	52,200
Right-of-use assets, net	68,585	46,731
Intangible assets, net	37,259	37,590
Goodwill	1,525	1,525
Deferred tax assets	1,899	1,039
Other assets	2,107	6,476
Total assets	**$ 203,631**	**$ 206,993**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	$ 5,343	$ 6,332
Accrued expenses	9,852	8,423
Income taxes payable	-	1,003
Derivative liabilities	1,616	2,148
Short term provision liability	-	4,957
Current portion of notes payable	1,983	755
Lease obligations - current portion	5,572	4,751
Total current liabilities	**$ 24,366**	**$ 28,369**
Long-term liabilities		
Notes payable, net of current portion and financing costs	70,202	68,775
Lease liabilities, net of current portion	70,806	51,727
Deferred tax liability	4,708	4,817
Uncertain tax position	55,994	43,314
Long term provision liability	7,414	9,044
Convertible notes, net	7,258	6,482
Other long-term liabilities	3,447	3,447
Total long-term liabilities	**$ 219,829**	**$ 187,606**
Total liabilities	**$ 244,195**	**$ 215,975**
Shareholders' equity		
Share capital	206,629	206,419
Share-based compensation reserve	7,492	7,275
Equity conversion feature	7,097	7,097
Warrants	29,634	29,634
Accumulated deficit	(290,220)	(258,211)
Accumulated other comprehensive loss	(1,196)	(1,196)
Total shareholders' equity	**$ (40,564)**	**$ (8,982)**
Total liabilities and shareholders' equity	**$ 203,631**	**$ 206,993**

FLUENT CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the three and nine months ended September 30, 2025 and 2024
(USD '000)

	For the three months ended	For the nine months ended

	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue, net of discounts	$ 26,037	$ 26,147	$ 79,485	$ 78,643
Cost of goods sold	18,008	11,859	48,503	38,315
Gross profit before fair value adjustments	8,029	14,288	30,982	40,328
Fair value adjustments on inventory sold	611	(2,099)	(1,876)	(2,259)
Unrealized gain (loss) on changes in fair value of biological assets	(551)	(611)	1,475	8,704
Gross profit	8,089	11,578	30,581	46,773
Expenses				
General and administrative	4,319	3,913	13,325	12,483
Sales and marketing	5,685	5,846	18,507	17,298
Depreciation and amortization	2,005	1,737	6,184	5,247
Share-based compensation	(101)	228	217	419
Total expenses	11,908	11,724	38,233	35,447
Income (loss) from operations	(3,819)	(146)	(7,652)	11,326
Other expense (income)				
Finance costs, net	5,535	5,154	15,606	14,700
Change in fair value of derivative liability	144	(898)	(532)	(8,292)
Change in remeasurement of provision liabillity	67	-	(4,723)	-
Loss on disposal of assets	343	-	519	212
Loss from termination of a contract	6	-	6	5
Other expense (income)	45	-	15	-
Total other (income) expense	6,140	4,256	10,891	6,625
Income (loss) before income taxes	(9,959)	(4,402)	(18,543)	4,701
Income tax expense	3,628	7,379	13,466	19,700
Net comprehensive income (loss)	$ (13,587)	$ (11,781)	$ (32,009)	$ (14,999)
Net loss per share				
Basic and diluted - continuing operations	$ (0.02)	$ (0.04)	$ (0.06)	$ (0.05)
Weighted average number of shares				
Basic number of shares	604,753,362	300,522,916	517,497,692	299,617,665
Diluted number of shares	700,549,856	341,807,051	697,326,649	341,616,139

FLUENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOW
For the nine months ended September 30, 2025 and September 30, 2024
(USD '000)

	For the nine months ended September 30, 2025	2024
Cash flows provided by operating activities		
Net loss	$ (32,009)	$ (14,999)
Adjustments for non-cash items:		
Unrealized gain on changes in fair value of biological assets	(1,475)	(8,704)
Realized loss on fair value amounts included in inventory sold	1,876	2,259
Share-based compensation expense	217	419
Depreciation and amortization	17,853	11,366
Accretion and interest expense	16,118	14,680
Loss on disposition of fixed assets	490	212
Gain on remeasurement of provision liability	(4,654)	-

Loss on lease modification		2		-
Loss on termination of contract		6		-
Loss on loan modification		36		-
Change in fair value of derivative		(532)		(8,292)
Uncertain tax position		12,680		38,816
Deferred tax expense		(969)		4,835
Net change in non-cash working capital				
Accounts receivable		(440)		164
Biological assets		(16,977)		(11,294)
Inventory		15,986		10,944
Prepaid expenses and other current assets		1,802		960
Right of use assets/liabilities		(10,097)		(3,520)
Other assets		4,369		(466)
Accounts payable		(2,993)		2,510
Accrued expenses		709		(4,354)
Other long-term liabilities		-		(435)
Income taxes		(1,003)		(18,672)
Net cash provided by operating activities	**$**	**995**	**$**	**16,429**
Cash flows used in investing activities				
Purchases of property and equipment		(14,119)		(10,543)
Purchase of intangible assets		(318)		(1,332)
Net cash used in investing activities	**$**	**(14,437)**	**$**	**(11,875)**
Cash flows used in financing activities				
Proceeds from issuance of convertible debenture and warrants		210		-
Proceeds from issuance of convertible debenture and warrants		-		3,983
Payments of lease obligations		(3,433)		(2,126)
Net proceeds from equipment loan		-		48
Principal and interest repayments of notes payable		(8,329)		(8,048)
Net cash used in financing activities	**$**	**(11,552)**	**$**	**(6,143)**
Net decrease in cash		(24,994)		(1,589)
Cash, beginning of period		40,106		10,521
Cash, end of period	**$**	**15,112**	**$**	**8,932**

FLUENT CORP.
EBITDA AND ADJUSTED EBITDA CALCULATION
For the three and nine months ended September 30, 2025 and September 30, 2024
(USD '000)

	Three months ended		
	September 30, 2025	**September 30, 2024**	**Variance**
Net loss	$ (13,587)	$ (11,781)	$ (1,806)
Interest expense	5,535	5,154	381
Income taxes	3,628	7,379	(3,751)
Depreciation and amortization	6,105	3,801	2,304
EBITDA	$ 1,681	$ 4,553	$ (2,872)

	Three months ended		
	September 30, 2025	**September 30, 2024**	**Variance**
EBITDA	$ 1,681	$ 4,553	$ (2,872)
Change in fair value of biological assets	(60)	2,710	(2,770)
Change in fair market value of derivative	144	(898)	1,042
Change in provision liability	67	-	67

Professional fees	132	529	(397)
One-time employee costs	124	162	(38)
Share-based compensation	(101)	228	(329)
Loss on disposal of assets	343	-	343
Other non-recurring expense	507	243	264
Adjusted EBITDA	$ 2,837	$ 7,527	$ (4,690)

	Nine months ended		
	September 30, 2025	**September 30, 2024**	**Variance**
Net loss	$ (32,009)	$ (14,999)	$ (17,010)
Interest expense	15,606	14,700	906
Income taxes	13,466	19,700	(6,234)
Depreciation and amortization	16,177	11,274	4,903
EBITDA	$ 13,240	$ 30,675	$ (17,435)

	Nine months ended		
	September 30, 2025	**September 30, 2024**	**Variance**
EBITDA	$ 13,240	$ 30,675	$ (17,435)
Change in fair value of biological assets	401	(6,445)	6,846
Change in fair market value of derivative	(532)	(8,292)	7,760
Change in provision liability	(4,723)	-	(4,723)
Professional fees	216	4,170	(3,954)
One-time employee costs	302	776	(474)
Share-based compensation	217	419	(202)
Loss on disposal of assets	519	212	307
Other non-recurring expense/(income)	477	486	(9)
Adjusted EBITDA	$ 10,117	$ 22,001	$ (11,884)