



**MTL Cannabis Reports Q4 and Record Full Year 2024 Financial Results Driven by \$83.1M of Revenue, \$13.2M of Adjusted EBITDA, and \$13.8M of Cash Flows from Operations**

*Pickering, Ontario – July 29, 2024 (CNW)* – MTL Cannabis Corp. (CSE: MTLC) (“MTL” or the “Company”) is pleased to report it has filed the annual financial statements for the year ending March 31, 2024. Complete details may be found at [www.sedarplus.ca](http://www.sedarplus.ca).

**Full Year Consolidated Financial Highlights for MTL:**

*Income Statement:*

- Revenue of \$83,063,888, an increase of \$51,804,240, or 165.7%, compared to \$31,259,648 in the prior year.
- Net Revenue of \$65,293,669, an increase of \$40,723,631 or 165.7%, compared to \$24,570,038 in the prior year.
- Gross margin before fair value adjustments of 45.6%, and increase of 9.9%, compared to 35.7% in the prior year.
- Operating Income of \$4,612,670, an increase of \$5,805,585 or 486.7%, compared to (\$1,192,915) in the prior year.
- Net Income and Comprehensive Income of \$2,449,523, an increase of \$4,662,038 or 210.7%, compared to (\$2,212,515) in the prior year.
- Adjusted EBITDA<sup>(1)</sup> of \$13,161,130, an increase of \$7,238,461 or 122.2%, compared to \$5,922,669 in the prior year.

*Statement of Cash Flows:*

- Net cash inflows from operating activities of \$13,780,880, an increase of \$14,495,322, compared to (\$714,442) in the prior year.
- Net cash used in investing activities of (\$2,210,938), an increase of \$1,263,849, compared to (\$947,089) in the prior year.
- Net cash used in financing activities of (\$10,655,358), an increase of \$12,283,881, compared to \$1,628,523 provided by financing activities in the prior year.
- Overall net cash increased to \$1,352,135, an increase of \$914,584, compared to \$437,551 at the beginning of the fiscal year.

(1) See “Non-IFRS financial measures” section for reconciliation of Adjusted EBITDA.

## **Key Business Updates:**

- **Retrofit Completion:** As of the fiscal year ending March 31, 2024, MTL completed the retrofits of all three operating facilities, specifically Montréal Cannabis Medical Inc., IsoCanMed Inc., and Abba Medix Corp. The retrofits allow MTL to expand its consolidated estimated cultivation capacity by up to 6,500 kg per year, bringing total estimated cultivation capacity for the consolidated entity up to 19,500 kg per annum.
- **Brand Recognition:** The MTL Cannabis brand has received recognition for performance in the Canadian recreational cannabis space, specifically winning Brand of the Year at the 2024 Grow Up Conference as well as being named the #1 recommended brand by budtenders in Canada in the 2024 Canadian Budtender Survey Results conducted by the Brightfield Group and O2O.
- **Abba Medix Veteran Milestone:** MTL recently achieved a milestone with more than 3,000 veterans currently registered as patients at Abba Medix Corp., a wholly owned subsidiary, which focuses on medical fulfillment and distribution in the Canadian medical cannabis sector.
- **Commercialization of Export Channels:** MTL successfully completed two exports during the fiscal year, successfully establishing a new commercial channel which allows the Company to expand distribution globally to regulated international jurisdictions with established medical markets, in addition to the Canadian recreational and medical markets.

## **Management Commentary:**

“MTL’s Q4 and record full year results represent the unwavering commitment from our team to delivering high-quality and consistent cannabis products and services to our customers and patients, while delivering strong results and fundamentals to our shareholders,” said Michael Perron, CEO of MTL. “As we move forward, MTL will continue to build on the foundation we have established and ensure that we continue to be a be a trusted partner to the ever-growing global cannabis industry.”

Richard Clement, Chair of the Board, commented “I am extremely proud of our team and how we have positioned ourselves to be a leader in the industry. We look forward to continuing to deliver for our customers, patients, and shareholders.”

## **Non-IFRS financial measures**

In addition to results reported in accordance with IFRS, the Company uses certain non-IFRS financial measures as supplemental indicators of its financial and operating performance. These non-IFRS financial measures include Adjusted EBITDA. The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business.

The Company defines Adjusted EBITDA as income (loss) from continuing operations, as reported, adjusted for depreciation and amortization, financing costs, gains and losses on sale of marketable securities, interest and accretion, share-based payments, change in fair value of biological assets realized through inventory sold, and unrealized gains and losses on changes in fair value of biological assets. The Company uses Adjusted EBITDA to assist with comparatives to other companies by

eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets and inventory, which may be volatile on a period-to-period basis. Adjusted EBITDA should not be considered alternatives to net income (loss), cash flow from operating activities or other measures of financial performance defined under IFRS. Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and is widely used by industry analysts and investors to compare the Company to its competitors and derive expectations of the future financial performance of the Company.

The Company's method of calculating Adjusted EBITDA may differ from other companies and, accordingly, they may not be comparable to measures used by other companies.

The tables below provide a reconciliation of Operating Income as reported under IFRS in the annual financial statements to Adjusted EBITDA for the twelve-month period ended March 31, 2024.

	2024	2023
Net Income (loss)	\$2,449,523	\$(2,212,515)
Fair value adjustments on biological assets	\$2,845,987	\$6,126,189
Share-based compensation	\$61,777	-
Finance expense, net	\$3,490,433	\$1,915,982
Amortization and depreciation	\$3,949,847	\$676,016
Tax expense recovery	(\$662,739)	(\$583,003)
Severance	\$1,026,302	-
<b>Adjusted EBITDA</b>	<b>\$13,161,130</b>	<b>\$5,922,669</b>

### About MTL Cannabis Corp.

MTL Cannabis Corp. is the parent company of Montréal Medical Cannabis Inc. ("MTL Cannabis"), a licensed producer operating from a 57,000 sq ft licensed indoor grow facility in Pointe Claire, Québec; Abba Medix Corp., a licensed producer in Pickering, Ontario that operates a leading medical cannabis marketplace; IsoCanMed Inc., a licensed producer in Louiseville, Québec growing best-in-class indoor cannabis, in its 64,000 sq. ft. production facility; and Canada House Clinics Inc., operating clinics across Canada that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from simple and complex medical conditions.

As a flower-first company built for the modern street, MTL Cannabis uses proprietary hydroponic growing methodologies supported by handcrafted techniques to produce products that are truly craft for the masses. MTL Cannabis focuses on craft quality cannabis products, including lines of dried flower, pre-rolls and hash marketed under the "MTL Cannabis", "Low Key by MTL" and "R'belle" brands for the Canadian market through nine distribution arrangements with various provincial cannabis distributors. MTL Cannabis has also developed several export channels for bulk and unbranded GACP quality cannabis.

It is MTL's goal for Abba Medix Corp. to become the leading distributor of medical cannabis in Canada and for Canada House Clinics to be the leading Canadian provider of medical cannabis clinic services.

For further information, please visit [www.mtlcorp.ca/](http://www.mtlcorp.ca/) or the Company's public filings at [www.sedarplus.ca](http://www.sedarplus.ca).

**For further information, please contact:**

**Michael Perron, CEO**

MTL Cannabis

1-877-685-2266

[investors@mtlcannabis.ca](mailto:investors@mtlcannabis.ca)

**Cautionary Statement Regarding Forward-Looking Information.**

This press release contains forward- looking statements, including statements that relate to, among other things, the Company’s clinic, production and technology businesses, its future plans, the Company’s markets, objectives, goals, strategies, intentions, beliefs, expectations and estimates, and can generally be identified by the use of words such as “may”, “will”, “could”, “should”, “would”, “likely”, “possible”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “objective” and “continue” (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Material assumptions used to develop forward-looking information in this news release include, the regulations related to cannabis use under the *Cannabis Act* (Canada); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities and repay its outstanding indebtedness; level of competition; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; the ability to execute strategic plans; continued integration of business unit, expansion activities at all our operating locations; and the leveraging of cash flow from operations to accelerate growth and further improve the Company’s balance sheet. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company’s Listing Statement dated August 14, 2023 and its most recent annual and interim Management’s Discussion and Analysis under “Risk and Uncertainties” as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.

*Neither the Canadian Securities Exchange (the “CSE”) nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*