



## Chemesis International Inc. Reports Q1 Financial Statements

*Chemesis remains in stable financial position, allowing it to continue to execute on expansion plans to increase shareholder value*

**November 25, 2019**

**Vancouver, BC – Chemesis International Inc.** (CSE: CSI) (OTC: CADMF) (FRA: CWAA) (the “Company” or “Chemesis”), today announced its financial results for the first quarter of 2020 ended September 30, 2019. Unless otherwise stated, all referenced to currency are in CDN dollars.

### **First Quarter 2020 Financial & Operational Highlights**

- Revenue of \$4.7 million, representing an increase of 279% from the comparative period of the prior fiscal year, and an increase of 16% from the most recently completed fourth quarter of the prior fiscal year.
- Gross profits excluding the fair value increase in biological assets was \$1.8 million, representing an increase of \$1.6 million from the comparative period of the prior fiscal year and an increase of \$1.2 million from the most recently completed fourth quarter of the prior fiscal year.
- Excluding the unrealized loss on our investment in GSRX, EBITDA is positive at \$107,568.
- Chemesis [completed](#) the acquisition of a majority shareholding interest in GSRX Industries Inc., a leader in retail cannabis dispensaries, distribution, and brand development. GSRX’s assets include dispensaries in Puerto Rico, and a fully licensed cannabis manufacturing facility in Northern California.
- The Company entered into an [agreement](#) to purchase three dispensaries in Puerto Rico, currently awaiting regulatory approval.
- The Company [began](#) process to develop, process, package, and distribute tobacco-free smokeless cannabis chew.
- Chemesis [announced](#) a partnership with Happy Tea, along with a \$4,000,000 USD minimum purchase order to manufacture & distribute Happy Tea’s expanding product catalogue.
- Chemesis [announced](#) a \$6,000,000 USD annual minimum purchase order with PR ONE for dry flower & cannabis infused goods.

### **Recent Highlights & Developments**

- Chemesis to manufacture, distribute, and retail [Hemp Cigarettes](#) across the United States & International markets.
- Chemesis [secures](#) Hemp Biomass supply agreement that will be processed, extracted and manufactured for use within Chemesis’ finished goods portfolio.

Chemesis remains in a stable financial position with access to \$32,625,000 in drawdown equity facilities.



“The Company continues to execute on its strategy by integrating assets, which were acquired during fiscal Q1, 2020,” said Chief Executive Officer, Edgar Montero. “Chemesis will continue to leverage the addition of dispensaries, partnerships, brands, and a team with extensive retail experience to further expand and create more efficient operations.”

**On Behalf of The Board of Directors**

**Edgar Montero**

**CEO and Director**

**About Chemesis International Inc.**

Chemesis International Inc. is a vertically integrated U.S. Multi-State operator with International operations in Puerto Rico and Colombia.

The Company focuses on prudent capital allocation to ensure it maintains a first mover advantage as it enters new markets and is committed to differentiate itself by deploying resources in markets with major opportunities. The Company operates a portfolio of brands that cater to a wide community of cannabis consumers, with focus on quality and consistency.

Chemesis has facilities in both Puerto Rico and California. The Company is positioned to win additional licenses in highly competitive merit-based US states and will expand its footprint to ensure it maintains a first mover advantage.

**Investor Relations:**

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Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Company's business, products and future of the Company's business, its product offerings and plans for sales and marketing, including with respect to the Company's expectations regarding its supply and distribution arrangements, ability to realize benefits from its recent contractual arrangements, its plans to continue to develop dispensaries in Puerto Rico, and its ability to obtain licenses in additional jurisdictions. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected, including, but not limited to, in relation to executing on and maintaining its supply and distribution arrangements and recent contractual arrangements, in relation to developing dispensaries in Puerto Rico, and its ability to obtain licenses in additional jurisdictions. Except as required by law, the Company expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.



Chemesis, Inc. (CSE: CSI) (OTC: CADMF) (FRA:CWAA)



*The CSE has not reviewed, approved or disapproved the content of this press release*



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