



Chemesis International Inc. Reports Q3 2020 Financial Statements

June 2, 2020

Vancouver, BC – [Chemesis International Inc.](#) (CSE: [CSI](#)) (OTC: [CADMF](#)) (FRA: [CWAA](#)) (the “Company” or “Chemesis”), announced its financial results for the third quarter of 2020 ended March 31, 2020. Unless otherwise stated, all references to currency are in CDN dollars.

Third Quarter 2020 Financial & Operational Highlights

- Revenues of \$4,529,524 and gross profit margin of 36% before biological assets, the comparative period of the prior fiscal year generated \$3,762,139 million with gross profit margin of 25% for a year over year improvement of 11%.
- On February 3, 2020, the Company received a favourable result pursuant to an injunction filed in Puerto Rico and was able to resume licensed activities. In addition, the Company realized an increase in demand for our products amidst the COVID-19 pandemic. Both of these factors have led to a considerable turnaround compared to the prior quarter’s revenues of \$944,457. Management expects to see this positive trend continue into Q4 and fiscal 2021.

Subsequent to the period ended March 31, 2020,

- The Company announced the appointment of [Josh Rosenberg](#) as President of Chemesis. Mr. Rosenberg is a seasoned corporate executive with a proven track record in global foodservice and other product distribution and executive leadership. Josh led the successful buyout of Accent Food Services and transitioned the enterprise to private equity ownership and management. During Josh’s six years at the helm, the company grew top line revenue by more than six-fold, expanded operations to cover 11 U.S. states, and grew to encompass more than 600 associates, 14,000 customers, and the service of more than 750,000 customers a day;
- Chemesis [announced](#) its exclusive partnership with Via-Touch Media for its [VICKI](#) IoT (“Internet of Things”) self-checkout solution for retail. Chemesis has exclusive rights across North America for VICKI machines containing cannabis products and will announce its initial roll-out plan in the coming weeks.
- In the month of May 2020, Chemesis [closed two private placements](#) for an aggregate gross proceeds of CDN \$1,346,250.
- The Company [announced](#) the intention to spin out La Finca Interactiva-Arachna MED SAS (“La Finca”), its integrated Colombian cannabis company, into a wholly-owned subsidiary, 1247262 B.C. Ltd.



("SpinCo") through a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"). Upon completion of the Arrangement, La Finca will become a wholly-owned subsidiary of SpinCo.

- The Company has entered into debt settlement agreements to settle outstanding accounts payable liabilities of CDN \$639,070 with 660,800 common shares and convertible debt with a balance of USD\$1,073,056 with 1,552,186 common shares of the Company at a conversion price of USD\$0.69.

Josh Rosenberg, President of Chemesis International Inc., remarked, "The Company continued to see significant demand for its products throughout the COVID-19 pandemic. The team continues to ensure our dispensaries are operational throughout the pandemic and will continue to ensure consumers can safely receive the products they need. The team does recognize the reduction in new patient traffic at dispensaries due to the pandemic, however, to ensure safety and compliance the Company will continue to adhere to regulations regarding reduce business hours and other safety restrictions. Chemesis remains in a stable financial position and we will continue to build our footprint and execute a sustainable business plan moving towards a path of profitability."

On Behalf of The Board of Directors

Josh Rosenberg
President

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.

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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.

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