



Building Sustainably: Greenway Greenhouse Initiates Expansion of Facilities

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KINGSVILLE, ON, Feb. 28, 2022 /CNW/ - Greenway Greenhouse Cannabis Corporation (CSE: GWAY) ("Greenway Greenhouse" or the "Company") is pleased to announce the expansions of both their Cultivation and Nursery facilities. Through this initiative, Greenway Greenhouse expects to increase the production and output capacity by 300%.

"We have had a tremendous first year, and to keep up with the demand we are seeing for our product we have decided now is the right time to expand," said Carl Mastronardi, President of Greenway Greenhouse. "With this new space, we will be seeing a 300% increase in growing space, a 46.6% increase in processing space, and a 430% increase in space at our nursery. We are excited to get this project started so we can show this industry exactly what we are made of."

"Our team has taken it's time with this project, making sure that the construction won't interfere with the current operations or growing cycles," said Jamie D'Alimonte, CEO of Greenway Greenhouse. "After our first year in operation, we are ecstatic with the quality of our growing areas, so this expansion will be using the same core design elements. Our team took the time before we built out our current facilities to hyper focus on things like product flow, material systems and operational capacities. Keeping the same systems and materials in place for this round of expansions has helped immensely in our budgeting and planning process, which is why we believe our team can deliver the project on time and on budget. Having members of our team who have previously scaled up greenhouse companies into the 100s of acres, we are very confident we will be able to deliver this project on time and within our budget."

"As this industry stays hyper competitive, we know our advantage is our ability and experience to grow on scale and at comparatively low cost. There is no way to fast-track a team's experience and knowledge of growing," said Darren Peddle, CFO of Greenway Greenhouse. "There will be a ramp up period to our production in the new space, but we believe keeping the design the same as our original cultivation, nursery and processing spaces should help us become acclimated to this increased footprint quickly. After this expansion is complete and we have had time to intelligently ramp up, we should have the potential to produce up to 24,000 KG⁽¹⁾ of biomass every year. We anticipate that the expanded nursery should be able to supply plants for up to 500,000 ft² ⁽²⁾ of growing space, and will provide us with more room to expand our research, product development and breeding programs. We want to make sure that every cultivar we put out is as honed-in as possible for the market, both by its potency and its marketability."

Beginning as a 'right-sized' cultivator, Greenway Greenhouse has optimised their facility for the unique climate of Southwestern Ontario, their unique cultivated genetics, and numerous product-related goals. This expansion marks the culmination of over one year of successful operations, and the enlargement and evolution of a 'dialled-in' production pipeline.

HIGHLIGHTS

- Project budget of \$15,000,000 ⁽³⁾
- Projected expansion start date of Q2 2022

- Projected facilities completion date of Q1 2023 ⁽⁴⁾
- After the expansion is complete, Greenway Greenhouse estimates to have the potential to get up to \$20m EBITDA when running at full capacity ⁽⁵⁾
- Expanding flowering space from 41,750 to 167,000 ft², a 300% increase. Greenway Greenhouse estimates that this increased capacity can grow up to 24,000 KG a year of high-quality cannabis ⁽⁶⁾
- Expanding processing space from 15,000 to 22,000 ft², a 46.6% increase. Greenway Greenhouse estimates that this can process for B2B sales up to 500,000 ft² of flowering space.⁽⁷⁾ This is more than sufficient to handle the existing as well as the projected expansion capacity
- Expansion of the nursery from 10,000 to 53,000 ft², a 430% increase in space. Greenway Greenhouse estimates that this can supply plants to 500,000 ft² of flowering space ⁽⁸⁾

¹ Current facilities 41,750 ft² has a potential output of 6,000 KG/year when running at peak efficiency. The 24,000 KG numbers assumes roughly the same per ft² output across the flowering area.

² Current facility is 10,000 ft² and can produce enough clones for up to 100,000 ft² at peak efficiency. The 500,000 ft² numbers assumes roughly the same per ft² output after the expansion to 53,000 ft².

³ The project budget is based off of initial conversation with contractors and the current cost of materials and labour.

⁴ This represents the projected date of completion for the physical expansion. This projected date does not include any required licensing amendments required by Health Canada.

⁵ Management projects future financial performance by using assumptions on the increased market opportunities that arise from the consistent supply of high-quality cannabis at a larger scale. Current levels of operational efficiency are expected to be maintained.

⁶ This expanded capacity is when the facility is fully operational and running at maximum efficiency.

⁷ Calculated by assuming similar output per ft² as the current processing space

⁸ Calculated by assuming similar output per ft² as the current nursery space

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About Greenway

Greenway Greenhouse Cannabis Corporation is a federally licensed cultivator for the Canadian cannabis marketplace. Greenway is headquartered in Kingsville, Ontario, and leverages its agriculture and cannabis expertise in its aspiration to be a leading cannabis cultivator in Canada. More information can be found on [Greenway.ca](https://www.greenway.ca) and updates can be followed on [Instagram](#), [Twitter](#), [Facebook](#), and [LinkedIn](#).

The CSE has in no way passed upon the merits of the business of the Company and has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.


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