



Greenway Greenhouse Announces Audited Year End Financial Statements

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KINGSVILLE, ON, July 29, 2022 /CNW/ — Greenway Greenhouse Cannabis Corporation (CSE: GWAY) ("Greenway Greenhouse" or the "Company"), a cultivator of high-quality greenhouse cannabis for the Canadian market, today reported its audited annual financial statements for the year ending March 31, 2022.

A copy of the audited annual financial statements for the year ending March 31, 2022 are prepared in accordance with International Financial Reporting Standards (IFRS) and the related Management's Discussion and Analysis are available under the Company's profile on www.sedar.com. All amounts expressed in this press release refer to Canadian dollars.

The Company is pleased to report the following results for the year ending March 31, 2022:

Highlights:

- Over the first fiscal year of being a licensed producer, Greenway reported an -298,497 Adjusted EBITDA on \$1,984,317 of revenue
- Greenway harvested its first crop in April 2021, and commenced sales in July 2021, providing the Company with three quarters to produce revenue.
- Observed the THC content, quality and quantity, improve with every subsequent crop.
- Achieved an industry leading cost per gram to produce
- In September, 2021, Greenway listed its common shares on the Canadian Stock Exchange (CSE) under the GWAY stock symbol.
- Greenway completed a non-brokered private placement that was fully subscribed, raising aggregate gross proceeds of \$8,000,000.
- In February, 2022, the Company announced an expansion that will provide Greenway with 167,000 ft², which will increase capacity to produce cannabis by 300%

"Our team is proud of what we have been able to accomplish so far," said Carl Mastronardi, President of Greenway Greenhouse. "We have grown extremely high- quality cannabis, which we have seen reflected in both our testing results and the way the public has been reviewing our products. We are proud of the partnerships we have that are currently in the market, and look forward to expanding the partnerships and the public's access to our cannabis over the next year."

"Greenways management has been thankful for the support it has received from the public and shareholders over the course of our first year. From our quality, to our lean overheads and our fiscal transparency Greenway is continuing to strive to be the best in the industry. said Jamie D'Alimonte, CEO of Greenway Greenhouse. "We are continuously making every effort to become more efficient and profitable, and we believe this upcoming year will see us take another large step towards showing our true potential."

"For our first fiscal year of revenue, of which only the last 9 months had revenue, I am quite pleased that we have a negative Adjusted EBITDA of \$298,497 for the full twelve months. In this competitive industry, it is not feasible to have a long list of customers in its first year of sales. However, by the end of the fourth quarter, the reputation of the high quality of our cannabis had certainly contributed

to the acquisition of new customers. Management is very positive about the future of this company." said Darren Peddle, CFO of Greenway Greenhouse.

Amending the Three Month Period Ending December 31, 2021.

As well, the Company, after careful consideration, has decided it will be filing an amended third quarter financial statement. As of December 31st, 2021, the Company had a receivable balance of \$673,530 from dried cannabis that had been sold and shipped to Agro-Greens Naturals Ltd ("Agro-Greens"). In the subsequent month, Agro-Greens announced to the public that they were ceasing operations. Due to issues of collectability, the Company chose to reverse the sales transactions for the balance owing and classify it as a contractual asset. In the subsequent quarter, the contractual asset was fully impaired.

The Company would like to note that, subsequent to year end, all balances included in accounts receivable at March 31st, 2022, have been collected in full without any issues. Greenway Greenhouse has acquired new customers that have improved profitability and collectability.

Non-IFRS Measures

Management uses a non-IFRS measure to assess the Company's performance. Non-IFRS measures do not have any standardized meaning under IFRS and are not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Please refer to page 1 of the Company's Management's Discussion and Analysis for an explanation of the composition of Adjusted EBITDA, an explanation of how it provides useful information to an investor and a quantitative reconciliation to the most directly comparable financial measure under IFRS, all of which is hereby incorporated by reference in this press release.

Reconciliations of Non-IFRS Measures

The following table reconciles the non-IFRS measure to the most comparable IFRS measure for the twelve months ending March 31, 2022. This measure does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies.

For the year ended March 31, 2022	
Net Income (Loss)	(2,922,914)
Interest (income) expense, net	850,358
Rental income	(250,000)
Fair value adjustment on sale of inventory	507,701
Fair value adjustment on growth of biological assets	(599,116)
Amortization – operating	538,007
Amortization - cost of sales	175,293
Share-based compensation	312,784
Transaction costs	191,425
Impairment of inventory	211,395
Bad debt	13,040
Impairment of contractual asset	673,530
	\$
Adjusted EBITDA	(298,497)

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States unless registered under the 1933 Act and any applicable securities laws of any state of the United States or an applicable exemption from the registration requirements is available.

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.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements that constitute forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements in this news release that are not purely historical statements of fact are forward-looking statements and include statements regarding the Offering and the intended use of proceeds thereof, and the Company's beliefs, plans, expectations, future, strategy, objectives, goals and targets, the development of future operations, and orientations regarding the future as of the date of this news release. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "aim", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements, and includes those risks described in the Company's final prospectus dated September 3, 2021, a copy of which is available under the Company's profile at www.sedar.com. Forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements.

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