



Greenway Announces Record Revenue Quarter

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

KINGSVILLE, ON, Aug. 16, 2022 /CNW/ - Greenway Greenhouse Cannabis Corporation (CSE: GWAY) ("Greenway" or the "Company") a cultivator of high-quality greenhouse cannabis for the Canadian market, is pleased to announce the release of its unaudited interim financial statements for the three month period ending June 30, 2022 and to report positive Adjusted EBITDA.

A copy of the unaudited interim financial statements for the three months ending June 30, 2022 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 quarter ending June 30, 2022:

Highlights:

- The Company generated revenue of \$1,963,709, almost equaling the entire revenue of Greenway's previous fiscal year of \$1,984,317.
- Greenway's revenue is approximately 70% greater this quarter than the previous best quarter of \$1,156,930 in Q2/F22.
- Cost of sales were \$1,375,551, producing a gross margin before fair value adjustments of 30%.
- A weighted average cash cost per gram of \$0.64 of finished goods inventory on hand as at June 30, 2022 (excludes depreciation and fair value portions)
- Quarterly operating expenses were \$677,457, up \$193,731 or 40% from Q1/F22 which compares favourably since the Company launched operations and has become a public company in the last year
- A quarterly positive Adjusted EBITDA of \$390,094
- Greenway doubled the amount of unique business-to-business partners from the previous quarter.

"This was an amazing quarter for Greenway, where we are seeing what our team can do even before we scale up," said Carl Mastronardi, President of Greenway. "We keep improving our quality, and will continue to hone in our growing technique. I believe this quarter shows what we can do moving forward."

"Our revenue in this quarter alone was almost 99% of our revenue of the previous fiscal year, and 70% greater than our previous highest quarter" said Darren Peddle, CFO of Greenway. "We sold over 1.3 million grams of cannabis, a huge feat with only 41,750 ft² of growing space. Greenway is currently expanding our production facilities to four times the current production capacity, which will bring economies of scale as well as widen our appeal to institutional and individual investors."

"This quarter we achieved record revenue, a record amount of cannabis sold, and record positive Adjusted EBITDA, all while keeping our overheads extremely low," said Jamie D'Alimonte, CEO of Greenway. "Our team has decades of experience in the hydroponic greenhouse industry, and it is showing. We believe Greenway can compete with any cannabis producer of any size. Our strategy is exactly how we scaled other crops; start small, prove we can deliver a quality product, then

expand the footprint. Our commitment is to grow high-quality cannabis at scale, while maintaining low costs of production and overheads."

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 three months ending June 30, 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 three months ended June 30, 2022 (\$)	
Net income (loss) and comprehensive income (loss)	(52,876)
Interest expense	278,416
Rental income	(62,500)
Fair value adjustment on sale of inventory	253,930
Fair value adjustment on growth of biological assets	(506,269)
Amortization - operating	126,243
Amortization - cost of sales	258,750
Share-based compensation	94,400
	\$
Adjusted EBITDA	390,094

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.

SOURCE Greenway Greenhouse Cannabis Corporation

 View original content to download multimedia:
<http://www.newswire.ca/en/releases/archive/August2022/16/c4774.html>

%SEDAR: 00046137E

For further information: Investor Contact: Sam Nehmetallah, Greenway Greenhouse Cannabis Corporation samn@greenway.ca, 1-519-819-5145; Company Contact: Darren Peddle, Director and CFO, Greenway Greenhouse Cannabis Corporation darrenp@greenway.ca, 1-519-712-0311

CO: Greenway Greenhouse Cannabis Corporation

CNW 08:00e 16-AUG-22