



Greenway Reports Second Quarter 2023 Financial Results

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- **Company substantially completes construction of Phase 2 Expansion for a production capacity of up to 24,000 kg of high quality flower**
- **Greenway imports genetics from current and potential customers for future contract grow opportunities**
- **\$0.62 cash cost per gram of finished inventory on hand at end of quarter**

KINGSVILLE, ON, Nov. 29, 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 and six month period ended September 30, 2022 and to consistently report positive Adjusted EBITDA⁽¹⁾.

A copy of the unaudited interim financial statements for the three and six months ended September 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 ended September 30, 2022:

Highlights:

- The Company generated revenue of \$1,264,219, an increase of 9% compared to the same quarter in fiscal 2022
- Cash cost of sales were \$710,795, producing a cash gross margin before fair value adjustments of 44%
- A quarterly positive Adjusted EBITDA of \$94,223
- Greenway sold 927,961 grams of cannabis, a decrease of 30% from the previous quarter
- Greenway accomplished this while the OCS and BCGEU supply issues occurred, essentially deferring one month of sales

"Speaking to our B2B customers, we know that the OCS distribution issues combined with the BCGEU issues pushed back about a month of our sales," said Carl Mastronardi, President of Greenway. "We still had our second-best sales quarter so far, a 9% increase from this quarter in 2021, a decrease in our cost of production all while maintaining a 44% cash gross margin."

"I am pleased we continue to be showing positive Adjusted EBITDA even when we have a revenue reduction due to macro events," said Darren Peddle, CFO of Greenway. "It is proof that we have built the right company cost structure to thrive in this everchanging cannabis market. With our low administrative costs, low overhead, and industry leading production costs our team knows we are going to continue to grow as a preferred B2B partner."

"Greenway is showing quarter over quarter what we can do on just one acre. With our expansion to 4 acres now complete, we can't wait to show the industry what Greenway can accomplish," said Jamie D'Alimonte, CEO of Greenway. "Once our expansion is licensed and running, we will be able

to grow 4 times the cannabis, something our team is primed and ready to execute on. Our best is yet to come."

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 ended September 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 September 30, 2022	
Net Income (Loss)	(452,935)
Amortization – cost of sales	244,314
Fair value adjustment on sale of inventory	293,944
Fair value adjustment on growth o biological assets	(586,650)
Amortization - operating	126,243
Share based compensation	213,050
Transaction costs	34,528
Interest expense	284,229
Rental Income	(62,500)
	\$
Adjusted EBITDA	94,223

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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