



Greenway Announces Audited Year End Financial Statements

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KINGSVILLE, ON, July 31, 2023 /CNW/ - Greenway Greenhouse Cannabis Corporation (CSE: GWAY) (OTCQB: GWAYF) ("Greenway" or the "Company"), a cultivator of high-quality greenhouse cannabis for the Canadian market, today reported its audited annual financial statements for the year ended March 31, 2023.

A copy of the audited annual financial statements for the year ended March 31, 2023 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.sedarplus.ca. All amounts expressed in this press release refer to Canadian dollars.

The Company is pleased to report the following results for the year ended March 31, 2023:

Highlights:

- Over the fiscal year, Greenway reported a Positive Adjusted EBITDA of \$603,188 on \$5,621,933 of revenue, a 183% increase in revenue over the prior fiscal year
- Cost of sales comprised of \$3,154,061 of cash expenses and \$853,333 of amortization expense resulting in a total gross margin before inventory impairment and fair value adjustments of 29%
- An average cash cost per gram expensed for the year of \$0.76, comprised of all crop inputs and wages, bulk packaging, shipping and facility repairs and maintenance
- Inventory impairment of \$354,256, comprised of \$278,616 of cash costs and \$75,640 of amortization costs, due to low market prices for wholesale cannabis as at March 31, 2023
- A weighted average cash cost per gram of \$0.58 of finished goods inventory on hand as at March 31, 2023
- Expanded into new markets, with over 96% of Canadian cannabis users now having access to Greenway cannabis
- Increased licensed cultivation area, and received a Standard Processing License
- In December, 2022, Greenway listed its common shares on the OTCQB® Venture Market ("OTCQB"), under the ticker symbol GWAYF
- Recognized a gain on the sale of the surplus asset of \$193,484

"Our team is proud of what we have been able to accomplish this year, from the large increase in revenue and ensuring our product is available to as many Canadians as possible" said Carl Mastronardi, President of Greenway. "We have another full year under our belts of growing great products, delivering value to our customers, and creating memorable experiences for consumers."

"We have been able to maintain one of the lowest costs of production across the Canadian market, while at the same time we have increased our production and our potency," said Jamie D'Alimonte, CEO of Greenway. "Greenway has hit significant milestones this year; new licenses, new customers and new cultivars. I am excited about having our own Processing License, as it provides a pathway for more Canadians to experience Greenway brands and products."

"I am pleased that at this stage of the company's development that we have positive adjusted EBITDA," said Darren Peddle, CFO of Greenway. "Greenway will be a leader in the industry because we have a significantly low cost per gram and equally as important, we have low administrative expenses. The Company's focus now transitions to increasing revenue. Despite all of the challenges in the Canadian cannabis industry, it is nearly a \$5 billion consumer market. In my opinion, Greenway will achieve a significant market share in the years to come"

Debt Settlement Share Transfer to Hybrid Financial

As well, the Company, announces that it has issued 964,285 common shares (the "Settlement Shares") to Hybrid Financial Ltd., a marketing services provider, in partial settlement of outstanding debt in accordance with the debt settlement agreement previously announced by the Company on July 14, 2023. The Settlement Shares have a deemed issuance price of \$0.28 per share.

The Settlement Shares were issued in reliance on a prospectus exemption pursuant to securities legislation and are subject to a four-month plus one day statutory hold period ending on November 25, 2023. The issuance of the Settlement Shares in partial settlement of the Debt remains subject to all necessary regulatory approvals including final acceptance by the Canadian Securities Exchange.

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 ended March 31, 2023. 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, 2023	
Net Income (Loss)	(2,605,705)
Amortization – cost of sales	853,333
Inventory impairment	354,256
Fair value adjustment on sale of inventory	1,778,591
Fair value adjustment on growth of biological assets	(1,260,298)
Amortization – operating	237,112
Share-based compensation	692,888
Transaction Costs	51,654
Gain on sale of surplus asset	(193,484)
Interest expense	882,341
Rental income	(187,500)
	\$
Adjusted EBITDA	603,188

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 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.sedarplus.ca. 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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