



# Greenway Announces Second Quarter Financial Statements

KINGSVILLE, ON, Nov. 29, 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 interim financial statements for the quarter ended September 30, 2023.

The Company is pleased to report the following results for the quarter ended September 30, 2023:

## Highlights:

- The Company announced the planned launch of its first branded products with the OCS, to be on store shelves in February of 2024. Management is pleased to transition a portion of production to retail sales with the introduction of two new brands to the consumer market: EPIC and MillRite.
- In a recent private placement, the Company was oversubscribed for \$3.5 million in gross funds, indicating continued investor support in an environment where fundraising is challenging in the cannabis industry.
- Over the quarter, Greenway reported \$1,185,611 of revenue
- Cost of sales comprised of \$826,836 of cash expenses and \$229,577 of amortization expense resulting in a total gross margin before inventory impairment and fair value adjustments of 11%
- An average cash cost per gram expensed for the quarter of \$0.67, comprised of all crop inputs and wages, bulk packaging, shipping and facility repairs and maintenance
- A weighted average cash cost per gram of \$0.66 of finished goods inventory on hand as at September 30, 2023

"As the greater cannabis market feels price compression, we as wholesalers are feeling the same pressure. Although I am pleased we sold more cannabis this quarter than we did in the same quarter last year, we must continue to strive for innovative strains that differentiate us," said Jamie D'Alimonte, CEO of Greenway. "We continue to operate a highly-skilled and streamlined team, which continues to deliver one of the lowest costs of production in the industry - one I am confident will help steer us back towards profitability."

"While this quarter's revenue experienced a slight dip at \$1,185,611, our unwavering dedication to maintaining an industry-leading production cash cost of \$0.75 per gram positions us strategically in the cannabis landscape. We understand the market's fluctuations and are steadfast in our commitment to optimizing processes and seizing opportunities. Our focus remains unwavering on turning Greenway into a household name, with the next step of that being launching our own consumer brands in early 2024."

A copy of the interim financial statements for the quarter ended September 30, 2023 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](http://www.sedarplus.ca). All amounts expressed in this press release refer to Canadian dollars.

## **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 and six months ended September 30, 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 three months ended September 30, 2023	
<b>Net Income (Loss)</b>	<b>(662,213)</b>
Amortization – cost of sales	229,577
Fair value adjustment on sale of inventory	48,226
Fair value adjustment on growth of biological assets	-
Amortization – operating	84,542
Share-based compensation	-
Investor relation services payable by common shares	-
Bad debt	-
Interest expense	187,647
Rental income	-
	\$
<b>Adjusted EBITDA</b>	<b>(112,221)</b>

## **Shares for Debt Settlement**

The company is happy to announce a proposed settlement agreement with certain vendors regarding the construction of the recent facility expansion, and pursuant thereto shall settle an aggregate debt of \$180,000 (the "**Debt**") through the issuance of 720,000 shares (the "**Settlement Shares**") at a deemed issuance price per share of \$0.25.

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

*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.sedarplus.ca](http://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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