



Choom Announces Q1 Financial Results with \$5.07M of Net Income

Vancouver, BC – November 30, 2021– Choom Holdings Inc. (“**Choom**” or the “**Company**”) (CSE: CHOO; OTCQB: CHOOF), a Canadian retail Company focused on delivering an elevated customer experience through high quality service, is pleased to report its financial and operating results for Q1 2022, ending September 30, 2021.

Q1 2022 Financial Highlights:

- **Revenue of \$4.84M versus \$4.88M in Q4 2021**
- **Gross Margin of 37.17% versus 38.35% in Q4 2021**
- **SG&A of \$2.16M versus \$2.29M in Q4 2021**
- **Total Liabilities decreased by \$14.02M from Q4 2021**
- **Net Income of \$5.07M**

“The market continues to be hyper competitive, both through price disruption and a significant increase in new competitor locations. Choom’s strategy remains focused on what we do best by providing an elevated customer experience through high quality service” says Choom CEO, Corey Gillon. “We believe there is continued demand and a gap in the market for a premium option that we deliver on with every customer interaction at Choom. We are pleased with the strides we have made across the entire business and most notably on the restructuring and balance sheet improvements in Q1.”

Q1 Operational Highlights:

We continue to focus on our customer and solicit feedback, ensuring we understand what is most important to them. Product selection, store location and friendly and knowledgeable staff continue to be the three most important attributes for consumers, with price ranking fourth. Choom’s customer NPS score for the quarter was 99.7%.

Sales results varied by province, with BC revenue increasing over 200% compared to Q1 2021. The Ontario and Alberta market continue to feel pressure from the significant increase of new cannabis retail licenses granted by the province as well as the expansion of discount players. In Q1 the concurrent financing and restructuring was completed, significantly improving Choom’s balance sheet and reducing total liabilities by \$14.02M.

Margins increased by 1.72% over Q1 2021. We continue to invest in emerging categories and have seen a migration of customers from dried flower to the more convenient pre-roll category over the past twelve months. Choom’s product strategy is to win in the more margin accretive 2.0 categories. As an example, the BC market achieved a 10% contribution from the edible category, nearly two times the national average. Margins decreased slightly from Q4 to Q1, as a result of some strategic price reductions to clear out low performing SKUs.

The increase of inventory in the quarter was a result of the investment in two new locations in Ontario. The business remains focused on maintaining a highly efficient inventory management program.

We continue to further develop Choom.ca into a prominent digital platform within the retail cannabis landscape, with a robust roadmap for 2022 further positioning Choom as a leader in the space. We continue to execute on our one-site, one-sound message across the website and stores, further integrating marketing, product and operations.

Choom opened the Toronto Liberty Village location in the quarter, and we are pleased with early results. Subsequent to the quarter, we opened our Hamilton location.

About Choom™

Choom™ is a fast-expanding retail cannabis Company that has established an extensive store network across Canada. Choom™ is focused on delivering an elevated customer experience through high quality service. The Choom brand is inspired by Hawaii's "Choom Gang"—a group of friends in Honolulu during the 1970s who loved to have fun and smoke weed—or as the locals called it, "Choom". Evoking the spirit of the original Choom Gang, our brand caters to the Canadian market with the ethos of 'cultivating good times'.

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Cautionary Statement on Forward-looking information

This news release contains forward-looking information relating to the Company's proposed activities and other statements that are not historical facts. Forward-looking information relates to management's outlook and anticipated events or results and includes statements or information regarding the future or prospects of the Company. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. These factors include risks and uncertainties associated with or arising as a result of delays in obtaining or an inability to obtain required regulatory approvals, access to sufficient quantities of cannabis, the results of diligence investigations, the actions of third parties, the results of negotiations with third parties, developments in the cannabis sector, the ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays and other risks and uncertainties discussed in the management discussion and analysis section of the Company's interim and most recent annual financial statement or other reports and filings, including those made with the CSE and applicable Canadian securities regulators. There can be no assurance that such forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information.

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