



## Choom Announces Q1 2021 Financial Results - Reporting Record Revenue of \$6.1 million

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Vancouver, BC – December 01, 2020– Choom Holdings Inc. (“Choom” or the “Company”) (CSE: CHOO; OTCQB: CHOOF), a fast-expanding retail cannabis company that has established one of the largest store networks in Canada, is pleased to report its financial and operating results for the first quarter of fiscal 2021 ending September 30, 2020.

### First Quarter Financial Highlights:

- **Q1 2021 revenue of \$6.1M**
  - Increase of \$2M and 50% over Q4 2020 revenue of \$4.1M
- **Q1 2021 Gross Margin of 36.33%**
  - Increase of 3.06% over Q4 2020 gross margin of 33.26%
- **Q1 2021 G&A of \$1M or 15.74% of revenue**
  - Versus \$1.2M or 28.68% of revenue Q4 2020
- **Q1 2021 Salary and Wages of \$1.1M or 18.24% of revenue**
  - Versus \$0.8M or 20.17% of revenue Q4 2020

### First Quarter Divisional Highlights:

#### Finance:

Choom continues to make strides in our strategic path to profitability, increasing sales while right sizing expenditures, improving margins, and inventory efficiency through our centralized product team resulting in positive adjusted EBITDA<sup>1</sup> for the quarter of \$35K.

#### Operations:

As we move forward with our new store growth strategy, ground has broken in Yaletown, Vancouver, with an opening set for January 2021. Additionally, a 4<sup>th</sup> development permit was secured in Vancouver, further creating defensibility amongst other national competitors.

During the quarter, we re-opened the Westlock store location that had been previously closed due to COVID-19. Additionally, in Q2 we re-opened Camrose 48<sup>th</sup>, another location that was previously closed, bringing our open and operating store count to 14.

#### Brand:

Choom’s marketing vision receives industry recognition, with nominations for three prestigious awards by ADCANN this November: Storefront Brand of the Year, Marketer of the Year and Best Social Media of the year. Our digital development also continues as we enhance our industry-leading technology on Choom’s 2.0 digital platform, further positioning ourselves as a technology enabled Cannabis retailer, supporting our strategic pillar of creating a true omni-channel experience.

**Culture:**

The further centralization of our business model continues to attract top talent both at our store support center as well as at our retail locations. Work continues to bring key functions of our team in-house, reducing reliance and costs related to contractors and consultants, allowing for improved business support.

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**About Choom™**

Choom™ is a fast-expanding retail cannabis company that has established one of the largest store networks in Canada. The Choom brand is inspired by Hawaii's "Choom Gang"—a group of buddies in Honolulu during the 1970's who loved to 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'. Choom™ is focused on delivering an elevated customer experience through our curated retail environments, offering a diversity of brands for Canadians across a national retail network.

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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 future outlook and anticipated events or results and includes statements or information regarding the future plans 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.*

**1: Non-IFRS Measures – Adjusted EBITDA**

Adjusted EBITDA is a Non-IFRS metric used by management and does not have any standardized meaning prescribed by IFRS. The metric may not be comparable to similar measures presented by other companies. Management defines Adjusted EBITDA as the Income (loss) for the period, as reported, before accretion, interest, tax, share-based compensation, depreciation and amortization, impairment, gains and losses related to the disposition of tangible assets, debt extinguishments and professional fees associated with financing and acquisition activities. Management believes Adjusted EBITDA is a useful financial metric to assess its operating performance.

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