The Good Shroom Co Achieves First Fully Profitable Year

MONTREAL, Nov. 27, 2024 /CNW/ - The Good Shroom Co. Inc. ("Good Shroom" or the "Company") (TSXV: MUSH), an emerging cannabis company, is proud to announce its first fully profitable fiscal year, a rare achievement in its industry. This milestone reflects the strength of Good Shroom's management and the effectiveness of its business model.

Highlights of Fiscal Year 2024 (ended July 31, 2024)

Good Shroom demonstrated year-over-year growth across key financial metrics, underscoring its ability to adapt and thrive in a challenging industry landscape. Key highlights include:

- **Net Revenue (excluding excise taxes)**: Increased by 23% to **$3.89 million**, up from **$3.16 million** in FY2023.
- **Net Profit**: Achieved a net profit of **$40,603**, a remarkable turnaround from a net loss of **$(452,140)** in FY2023.
- **Gross Margin**: Expanded to **26.4%**, compared to **16.4%** the previous year, driven by higher-margin product diversification and cost efficiencies.
- **EBITDA**: Reached **$116,826**, reflecting disciplined cost management and operational improvements.
- **Long-Term Debt**: The Company continues to operate without any long-term debt (**$0**).

"Achieving profitability in an industry as challenging as ours is an accomplishment we take pride in," said Eric Ronsse, CEO of The Good Shroom Co Inc. "While this milestone reflects the strength of our asset-light business model and financial discipline, our focus remains firmly on the future—continuing to innovate, expand, and deliver lasting value."

Expansion Strategy and Plans for 2025

Good Shroom is advancing a dual-focused strategy that includes maximizing local opportunities in Quebec while driving national growth through innovation.

- **Quebec Market**: The Company remains focused on expanding its position in Quebec, where two annual product calls by the provincial cannabis regulator determine opportunities for portfolio expansion. Good Shroom has consistently performed well in aligning its offerings with demand, though growth is influenced by the regulator's selective focus on certain categories. New product launches are anticipated in early Q3 2025, pending approval, further bolstering its presence in the province.
- **National Growth**: Outside Quebec, Good Shroom is pursuing a strategy rooted in innovative products designed for broad consumer appeal. The **THC-infused DYP pouches**, which sold out within 24 hours of launching in Alberta, represent a key pillar of this approach. Re-orders are already occurring, and true sales velocity will be evaluated by Q2 2025. The Company plans to launch a similar product in Ontario, Canada's largest cannabis market, in late Q2 2025, and is participating in product calls in select provinces to make its innovative offerings available in more provinces.

About The Good Shroom Co. Inc.

The Good Shroom Co. Inc. is one of the rare emerging cannabis companies that is profitable. The Company primarily operates in Quebec's cannabis market while pursuing a national expansion strategy rooted in innovation. In addition to its cannabis offerings, Good Shroom also produces a line of non-cannabis wellness beverages designed to meet evolving consumer demands.

Website

www.thegoodshroom.co

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Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Corporation with respect to future business activities and sales, including the anticipated orders to be placed by the SQDC and other provinces. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions. Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect the Corporation's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected are the following: market acceptance of the Company's hash and other cannabis products, changes in the vendor's business or strategy, changes in our supplier's operations and pricing, expectations regarding competition and their pricing strategy; maintaining in good standing all necessary regulatory licenses and authorizations for its products; the benefits, safety, efficacy, dosing and social acceptance of cannabis related products and no material changes in the legal environment; changes in applicable laws and regulations compliance with extensive government regulation; operational risks related to and COVID-19 or other pandemic and supply chain disruptions and shortages. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. The Company does not intend, and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law. Trading in the securities of the Company should be considered highly speculative.

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