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THC BioMed Releases Year End Results

THC - CSE

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Vancouver, Canada, November 13, 2020 -- THC BioMed Intl Ltd. (**CSE:THC**) (“THC BioMed” or the “Company”) is pleased to report its financial results for the fiscal year ended July 31, 2020.

Annual Highlights:

- Annual Revenue of \$4,178,179
- EBITDA (Earnings Before Interest Taxes, Depreciation, and Amortization) of \$1,167,003

STATEMENT OF COMPREHENSIVE INCOME (LOSS) SUMMARY

	July 31 2020	July 31 2019
Revenue	\$ 4,178,179	\$ 1,489,603
Cost of sales	(3,074,092)	(1,502,452)
Gross profit before fair value adjustments	1,104,087	(12,849)
Net change in fair value of biological assets	2,139,877	1,515,266
Gross margin	3,243,964	1,502,417
Total expenses	3,405,554	14,201,764
Net and comprehensive loss for the year	\$ (161,590)	\$ (12,699,347)

BALANCE SHEET SUMMARY

As at	July 31 2020	July 31 2019
Current assets	\$ 8,039,001	\$ 5,217,996
Total assets	\$ 21,774,654	\$ 18,058,337
Current liabilities	\$ 5,569,427	\$ 3,290,724
Total liabilities	\$ 6,901,682	\$ 4,603,731
Working capital	\$ 2,469,574	\$ 1,927,272
Accumulated deficit	\$ 27,309,521	\$ 28,400,635

CASH FLOW STATEMENT SUMMARY

	July 31 2020	July 31 2019
Net and comprehensive loss for the year	\$ (161,590)	\$ (12,699,347)
Cash, end of the year	\$ 751,459	\$991,155

NON-IFRS EARNINGS MEASURE

	July 31 2020	July 31 2019
Net and comprehensive loss for the year	\$ (161,590)	\$ (12,699,347)
Add back		
Interest	314,237	74,616
Depreciation and amortization	1,014,356	604,692
EBITDA⁽¹⁾ from continuing operations	1,167,003	(12,020,039)
Accretion expense on convertible debentures	26,513	-
Fair value of earn out shares to be issued	-	3,377,877
Financing fees	-	4,458,153
Realized fair value changes in biological assets included in inventory sold	1,269,559	175,055
Share-based compensation	698,494	3,903,587
Unrealized gain on changes in fair value of biological assets	(3,409,436)	(1,690,321)
Adjusted EBITDA⁽¹⁾	\$ (247,867)	\$ (1,795,688)

(1) These non-IFRS measures are defined in the Company's MD&A for the year ended July 31, 2020.

MANAGEMENT COMMENTARY

"Sales in Q4 improved over sales in Q3 due to the quantity of product sold. The overall selling prices for cannabis in the retail market are lower, putting pressure on Licensed Producers to improve production efficiencies. Although the quarter ended July 31, 2020 resulted in a loss of \$642,989, for the year ended July 31, 2020, the net and comprehensive loss was \$161,590. Our focus now is on production of our cannabis beverage shot, *THC Kiss*, and our *Pure Cannabis Sticks* which will improve our gross margin," said THC BioMed President & CEO, John Miller.

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. This press release is intended to be read in conjunction with the Company's Audited Consolidated Financial Statements and Management's Discussion & Analysis for the year ended July 31, 2020, which has been filed on SEDAR (www.sedar.com).

SUMMARY OF QUARTERLY RESULTS

	Quarter Ended		Revenue	Net Income (Loss)	Income (Loss) Per Share
Q4/2020	July 31, 2020	(1)	\$ 990,940	\$ (642,989)	\$ (0.01)
Q3/2020	April 30, 2020	(1)	\$ 896,104	\$ (295,717)	\$ -
Q2/2020	January 31, 2020	(1)	\$ 1,246,625	\$ 88,191	\$ -
Q1/2020	October 31, 2019	(1)	\$ 1,044,510	\$ 688,925	\$ 0.01
Q4/2019	July 31, 2019		\$ 382,096	\$ (4,177,572)	\$ (0.04)
Q3/2019	April 30, 2019		\$ 354,326	\$ (4,905,797)	\$ (0.03)
Q2/2019	January 31, 2019		\$ 474,041	\$ (4,722,819)	\$ (0.04)
Q1/2019	October 31, 2018		\$ 279,140	\$ 1,106,841	\$ 0.01

⁽¹⁾ Includes excise taxes

For the quarter ended July 31, 2020, we produced 913.0 kilograms of dried marijuana and sold 238.7 kilograms at an average selling price of \$3.33 per gram reflecting overall lower selling prices in the retail market.

Q4 HIGHLIGHTS

- Revenue for the quarter increased 159% compared to the same period last year
- Delivered our largest single sales order in the quarter ended July 31, 2020 of just over \$550,000
- Began shipment of our cannabis beverage shot, *THC Kiss*, to the adult recreational cannabis market
- Filed for a U.S. trademark for the use of “THC Kiss” in the U.S. THC BioMed Ltd. owns the common-law rights and the trademark application for “THC Kiss” in Canada.
- Began production of its *Pure Cannabis Sticks*; however, delivery has been delayed due to supply chain issues as a result of the general slowdown caused by COVID-19.

HIGHLIGHTS SUBSEQUENT TO JULY 31, 2020

- Began shipment of its *Pure Cannabis Sticks* for the recreational market
- Has submitted the 60-day notice period for new products to Health Canada for *THC Kiss Gummies* and *THC Kiss Water*
- On October 21, 2020, the Company completed the first tranche of a private placement to total \$1,500,000. In the first tranche, the Company issued 1,363,637 units (“Units”) at a price of \$0.11 per Unit, for total proceeds of \$150,000. Each Unit consists of one common share and one common share purchase warrant. Each Unit warrant entitles the holder to purchase one common share of the Company for a period of 24 months from closing at a price of \$0.15 per share. Commission of 7% cash was paid and 7% broker warrants for 95,455 broker warrants were issued. The broker warrants have the same terms as the Unit warrants. The Company intends to close additional tranches in the near-term.

ABOUT THC

THC BioMed is a small batch *Cannabis Act* Licensed Producer of medical and recreational cannabis. It is licensed to cultivate and sell dried, extract, edible and topical cannabis. The Company is on the leading edge of scientific research and the development of products and services related to the cannabis industry.

Please visit our website for a more detailed description of our business and services available.
www.thcbiomed.com

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Forward-Looking Information:

This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of THC BioMed Intl Ltd. ("THC"). Forward-looking information is based on certain key expectations and assumptions made by the management of THC. In some cases, you can identify forward-looking statements by the use of words such as "will," "may," "would," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "could" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements in this press release are made as of the date of this press release and include that THC will focus now on production of *THC Kiss* and *Pure Cannabis Sticks*. Although THC believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because THC can give no assurance that they will prove to be correct. THC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.