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THC BioMed Releases First Quarter Results

THC - CSE

THCBF - OTC

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Vancouver, Canada, December 1, 2021 -- THC BioMed Intl Ltd. (CSE:THC) ("THC BioMed" or the "Company") is pleased to report its financial results for the three months ended October 31, 2021.

Q1 HIGHLIGHTS

- Produced a gross margin profit after fair value adjustments of \$711,761 and net income of \$25,006
- Sales revenue increased 83% period to period
- Sales of edibles in Q1 made up 21.3% of total sales
- Facility buildout completed
- Received a Notice of Allowance from the Canadian Patent and Trademark Office regarding its patent application for the invention of a Contrast Illuminated Tamper Resistant Plant Shipping Container, or the Clone Shipper unit. The Notice of Application is not a grant of patent rights at this time but a notice from the Examiner that the Application is being allowed.

HIGHLIGHTS SUBSEQUENT TO OCTOBER 31, 2021

- On November 1, 2021, the Company entered into a lease for an additional unit at the facility on Acland Road in Kelowna, British Columbia. The lease is for a five year term expiring October 31, 2026. The monthly lease payment is \$2,500 plus costs of \$726 excluding the Goods and Services Tax. This unit will be used for administration

MANAGEMENT COMMENT

"We are pleased to report net income for the quarter. This reflects the hard work to streamline production, especially regarding our edible products," said THC BioMed President and CEO, John Miller. "Going forward, we intend on concentrating on the edibles market and specifically our *THC Kiss Beverage Shot*, *THC Kiss Gummies* and *THC Kiss Biscuits* which will continue to improve our gross margin and subsequent bottom line."

SUMMARY OF QUARTERLY RESULTS

Quarter Ended		Revenue	Net Income (Loss)	Income (Loss) Per Share
Q1/2022	October 31, 2021	\$ 1,136,796	\$ 25,006	\$ -
Q4/2021	July 31, 2021	\$ 1,020,804	\$ (1,426,064)	\$ (0.01)
Q3/2021	April 30, 2021	\$ 1,109,503	\$ (1,319,503)	\$ (0.01)
Q2/2021	January 31, 2021	\$ 1,021,989	\$ (2,921,510)	\$ (0.02)
Q1/2021	October 31, 2020	\$ 622,025	\$ (692,177)	\$ -
Q4/2020	July 31, 2020	\$ 990,940	\$ (642,989)	\$ (0.01)
Q3/2020	April 30, 2020	\$ 896,104	\$ (295,717)	\$ -
Q2/2020	January 31, 2020	\$ 1,246,625	\$ 88,191	\$ -

STATEMENT OF NET AND COMPREHENSIVE LOSS SUMMARY

	For the three months ended	
	October 31 2021	October 31 2020
Revenue	\$ 1,136,796	\$ 622,025
Production costs	(1,069,111)	(729,379)
Gross profit before fair value adjustments	67,685	(107,354)
Net change in fair value of biological assets	644,076	20,353
Gross margin	711,761	(87,001)
Total expenses	686,755	605,176
Net and comprehensive income (loss) for the period	\$ 25,006	\$ (692,177)

STATEMENT OF FINANCIAL POSITION SUMMARY

As at	October 31 2021	July 31 2021
Current assets	\$ 5,266,701	\$ 4,271,435
Total assets	\$ 18,250,253	\$ 17,396,441
Current liabilities	\$ 5,035,152	\$ 5,968,492
Total liabilities	\$ 8,308,698	\$ 7,613,032
Working capital	\$ 231,549	\$ (1,697,057)
Accumulated deficit	\$ 30,482,330	\$ 30,551,021

CASH FLOW STATEMENT SUMMARY

	For the three months ended	
	October 31 2021	October 31 2020
Net and comprehensive income (loss) for the period	\$ 25,006	\$ (692,177)
Cash, end of the period	\$ 377,096	\$ 232,091

NON-IFRS EARNINGS MEASURE

	For the three months ended	
	October 31 2021	October 31 2020
Net and comprehensive income (loss) for the period	\$ 25,006	\$ (692,177)
Add back		
Interest	103,585	51,504
Depreciation and amortization	219,852	241,882
EBITDA from continuing operations	348,443	(398,791)
Share-based compensation	94,204	34,620
Net changes in fair value of biological assets	(711,761)	87,001
Adjusted EBITDA	\$ (269,114)	\$ (277,170)

The Company defines Adjusted EBITDA as net income (loss) excluding fair value changes on growth of biological assets, realized fair value changes on inventory sold or impaired, amortization of property plant and equipment & intangible assets, share based payments, finance expense, loss on disposal of property plant and equipment, unrealized gains or losses on investments and income taxes. This non-IFRS measure is defined in the Company's MD&A for the three months ended October 31, 2021 and 2020.

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 Condensed Interim Consolidated Financial Statements and Management's Discussion & Analysis for the three months ended October 31, 2021 and 2020, which has been filed on SEDAR (www.sedar.com).

ABOUT THC

THC BioMed is one of Canada's oldest active licensed cannabis companies. It was first licensed to deal with cannabis in 2013 under a Health Canada Section 56 exemption under the *Controlled Drugs and Substances Act* and has been a Licensed Producer under the current regime since 2016. It is a small batch producer and aims to be a leader in the beverage and edible space.

THC BioMed is a Licensed Producer of medical and recreational cannabis under the *Cannabis Act*. 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. THC BioMed is well-positioned to be in the forefront of this rapidly growing 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 be on the forefront of this rapidly growing industry. Although THC BioMed 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 BioMed 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.