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THC BioMed Releases Year End Results

THC - CSE

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Vancouver, Canada, November 24, 2022 -- THC BioMed Intl Ltd. (CSE: THC) (“THC BioMed” or the “Company”) is pleased to report its financial results for the three months and year ended July 31, 2022.

Q4 HIGHLIGHTS

- The Company reported a gross profit for the year ended July 31, 2022.
- The Company completed a Broker and Commercial Sales Agreement with World Wide Brands Limited (“WWB”) for sales and distribution in the Province of Saskatchewan. This agreement appoints WWB as its exclusive agent in Saskatchewan. WWB will assist the Company in developing a commercial marketing plan in the province. This agreement replaces the commercial agreement with National Cannabis Distribution which has expired.
- Sale of edibles made up 37% of total sales in Q4.

HIGHLIGHTS SUBSEQUENT TO JULY 31, 2022

- In October, 2022, *THC Kiss Cinnamon Biscuits* were on the bestselling edibles list on the Ontario Cannabis Store website.
- In October, 2022, *THC Kiss Mango Beverage Shots* were on the bestselling beverages list on the Ontario Cannabis Store website.
- In October, 2022, *THC Kiss Mango Beverage Shots* were #10 on the Headset bestselling list of cannabis beverages.
- On November 23, 2022, the BC Cannabis Store website listed the THC Kiss Shortbread, Cinnamon, and Cocoa Biscuits as the #1, #2, and #4 bestselling edibles respectively.
- On November 23, 2022, the BC Cannabis Store website listed the THC Kiss Guava Shot and THC Mango Shot as the #6 and #9 bestselling cannabis beverages respectively.
- On November 23, 2022, the BC Cannabis Store website listed the Company’s Dragon’s Lettuce Premium Sativa as the #5 bestselling high-THC flower and #13 bestselling dried flower.
- Due to the high demand of the Company’s Kiss Beverage Shot, the Company began automating its beverage production line.
- Has developed a line of CBD products: *CBD Kiss Biscuits* in cocoa, cinnamon, and shortbread flavours; and *CBD Kiss Mango Beverage Shot*.

MANAGEMENT COMMENT

“The loss at July 31, 2022 is significant due to factors affecting the fair value changes of the biological assets and inventory. The fair values of the biological assets and inventory were revised downward again reflecting lower selling prices. As the market matures and the business moves to profitability, our assessment of the biological assets and inventory needed to be refined to reflect real-time values,” said THC BioMed President and CEO, John Miller. “Going forward, we intend on concentrating on the edibles market and specifically our *THC Beverage Shot*, *THC Kiss Gummies*, and *THC Kiss Cookies* which will improve our gross margin and subsequent bottom line.”

SUMMARY OF QUARTERLY RESULTS

Quarter Ended		Revenue	Net Income (Loss)	Income (Loss) Per Share
Q4/2022	July 31, 2022	\$ 897,371	\$ (1,412,730)	\$ (0.01)
Q3/2022	April 30, 2022	\$ 699,004	\$ (131,108)	\$ -
Q2/2022	January 31, 2022	\$ 606,826	\$ (1,547,016)	\$ (0.01)
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)	\$ -

For the quarter ended July 31, 2022, we produced 419.2 kilograms of dried cannabis and sold 198.2 kilograms at an average net selling price of \$2.50 per gram reflecting overall lower selling prices in the retail market.

STATEMENT OF NET AND COMPREHENSIVE LOSS SUMMARY

	For the three months ended		For the year ended	
	July 31 2022	July 31 2021	July 31 2022	July 31 2021
Revenue	\$ 897,371	\$ 1,020,804	\$ 3,339,997	\$ 3,774,321
Cost of sales	(994,033)	(841,558)	(3,331,247)	(4,024,679)
Gross profit (loss) before fair value adjustments	(96,662)	179,246	8,750	(250,358)
Net change in fair value of biological assets	(501,930)	(712,031)	(1,038,397)	(2,923,903)
Gross loss after fair value adjustments	(598,592)	(532,785)	(1,029,647)	(3,174,261)
Total expenses	(803,325)	(893,279)	(2,630,140)	(3,160,470)
Total other income (expense) items	(10,813)	-	593,939	(24,523)
Net and comprehensive loss for the period	\$ (1,412,730)	\$ (1,426,064)	\$ (3,065,848)	\$ (6,359,254)

STATEMENT OF FINANCIAL POSITION SUMMARY

As at	July 31 2022	July 31 2021
Current assets	\$ 4,291,954	\$ 4,271,435
Total assets	\$ 14,746,366	\$ 17,396,441
Current liabilities	\$ 6,844,658	\$ 5,968,492
Total liabilities	\$ 7,813,235	\$ 7,613,032
Working capital	\$ (2,552,704)	\$ (1,697,057)
Accumulated deficit	\$ 25,337,925	\$ 30,551,021

CASH FLOW STATEMENT SUMMARY

	For the three months ended		For the year ended	
	July 31	July 31	July 31	July 31
	2022	2021	2022	2021
Net and comprehensive loss for the period	\$ (1,412,730)	\$ (1,426,064)	\$ (3,065,848)	\$ (6,359,254)
Cash, end of the period	\$ 484,085	\$ 1,665,020	\$ 484,085	\$ 1,665,020

NON-IFRS EARNINGS MEASURE

	For the three months ended		For the year ended	
	July 31	July 31	July 31	July 31
	2022	2021	2022	2021
Net and comprehensive loss for the period	\$ (1,412,730)	\$ (1,426,064)	\$ (3,065,848)	\$ (6,359,254)
Add back				
Interest	165,096	168,989	433,515	212,544
Depreciation and amortization	243,755	247,554	928,537	979,957
EBITDA from continuing operations	(1,003,879)	(1,009,521)	(1,703,796)	(5,166,753)
Accretion expense on convertible debentures	13,767	22,321	30,179	22,321
Extinguishment of accounts payable	(3,587)	-	(173,824)	-
Gain on sale of asset	-	-	(455,381)	-
Share-based compensation	43,236	139,766	137,440	671,011
Net changes in fair value of biological assets	501,930	712,031	1,038,397	2,923,903
Adjusted EBITDA	\$ (448,533)	\$ (135,403)	\$ (1,126,985)	\$ (1,549,518)

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, gain or 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 years ended July 31, 2022 and 2021.

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 years ended July 31, 2022 and 2021, 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.