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**THC BioMed Reports Gross Profit in First Quarter Results  
Begins Growing Cannabis in Asia**

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**THC - CSE**

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**Vancouver, Canada, December 29, 2022** -- 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, 2022.

**Q1 HIGHLIGHTS**

- The Company reported a gross profit before fair value adjustments for the three months ended October 31, 2022 of \$275,934 or 41%
- The Company reported a gross profit after fair value adjustments for the three months ended October 31, 2022 of \$180,951 or 27%
- Sales of the Company’s newly developed line of CBD products began
- Sale of edibles made up 31% of total sales in Q1
- Identified and began construction of medical cannabis Grow facility in Asia.

**HIGHLIGHTS SUBSEQUENT TO OCTOBER 31, 2022**

- On December 28, 2022, *THC Kiss Cocoa Biscuits* were #1 on the bestselling edibles list on the Ontario Cannabis Store website.
- On December 28, 2022, *THC Kiss Shortbread Biscuits* were #1 on the bestselling edibles list on the BC Cannabis Store website.
- On December 28, 2022, *THC Kiss Mango Beverage Shots* and *THC Kiss Guava Beverage Shots* were #1 and #2 on the bestselling beverages list on the Ontario Cannabis Store website.
- On December 28, 2022, *THC Kiss Mango Beverage Shots* were #6 on the bestselling edibles list on the BC Cannabis Store website and the Headset website.
- Due to the high demand of the Company’s Kiss Beverage Shot, the Company began automating its beverage production line.
- The Company acquired a 40% share in an Asian company that is licensed to grow and sell medical cannabis in that country. THC will bring its intellectual property and fund the construction of the grow facility as well as being the financier for running the business. THC has dispatched cultivation experts who will assist in the construction design and management of the facility.
- The Company completed construction of the grow facility in Asia in November.
- In December, the Company began growing cannabis in its newly constructed facility in Asia.

## MANAGEMENT COMMENT

“The loss at October 31, 2022 is significant due to factors affecting the fair value changes of the biological assets and inventory (\$94,983), cost of sales (\$391,942) and expenses (\$497,799). We are continually working to create production efficiencies and lower costs,” said THC BioMed President and CEO, John Miller. “Going forward, we intend to concentrate on the edibles market and specifically our *THC Beverage Shot*, *THC Kiss Gummies*, and *THC Kiss Biscuits* which will improve our gross margin and, we believe, our subsequent bottom line.”

## SUMMARY OF QUARTERLY RESULTS

	Quarter Ended	Revenue	Net Income (Loss)	Income (Loss) Per Share
Q1/2023	October 31, 2022	\$ 667,876	\$ (331,478)	\$ -
Q4/2022	July 31, 2022	\$ 897,371	\$ (1,653,118)	\$ (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)

## STATEMENT OF NET AND COMPREHENSIVE INCOME AND LOSS SUMMARY

	For the three months ended	
	October 31 2022	October 31 2021
Revenue	\$ 667,876	\$ 1,136,796
Cost of sales	(391,942)	(1,069,111)
Gross profit before fair value adjustments	275,934	67,685
Net change in fair value of biological assets	(94,983)	644,076
Gross profit after fair value adjustments	180,951	711,761
Total expenses	(497,799)	(677,992)
Total other income (expense) items	(14,630)	(8,763)
<b>Net and comprehensive income (loss) for the period</b>	<b>\$ (331,478)</b>	<b>\$ 25,006</b>

## STATEMENT OF FINANCIAL POSITION SUMMARY

As at	October 31 2022	July 31 2022
Current assets	\$ 3,953,497	\$ 4,291,954
Total assets	\$ 14,548,892	\$ 14,746,366
Current liabilities	\$ 7,225,116	\$ 6,844,658
Total liabilities	\$ 7,925,324	\$ 7,813,235
Working capital	\$ (3,271,619)	\$ (2,552,704)
Accumulated deficit	\$ (25,637,769)	\$ (25,337,925)

## CASH FLOW STATEMENT SUMMARY

	For the three months ended	
	October 31 2022	October 31 2021
Net and comprehensive income (loss) for the period	\$ (331,478)	\$ 25,006
Cash, end of the period	\$ 168,170	\$ 377,096

## NON-IFRS EARNINGS MEASURE

	For the three months ended	
	October 31 2022	October 31 2021
Net and comprehensive income (loss) for the period	\$ (331,478)	\$ 25,006
Add back		
Interest	81,174	103,585
Depreciation and amortization	212,224	219,852
<b>EBITDA from continuing operations</b>	<b>(38,080)</b>	348,443
Accretion expense on convertible debentures	13,790	8,695
Share-based compensation	-	94,204
Net changes in fair value of biological assets	94,983	(644,076)
<b>Adjusted EBITDA</b>	<b>\$ 70,693</b>	<b>\$ (192,734)</b>

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 and 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.

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. This news 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, 2022 and 2021, which has been filed on SEDAR ([www.sedar.com](http://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](http://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.***