

# The Hash Corporation Issues a Letter to Shareholders

Toronto, Ontario--(Newsfile Corp. - February 1, 2023) - The Hash Corporation (CSE: REZN) ("HashCo" or the "Company"), a business focusing on the production of hashish and other premium cannabis products using the adaptation of old-world traditions, is pleased to provide its year-end letter to shareholders.

#HASH Update#

Dear HashCo shareholders,

2022 was an active year for the HashCo team, and we are excited to highlight our accomplishments and provide an update on challenges and expectations for 2023.

## 2022 HIGHLIGHTS AND CHALLENGES

- **Licensed Facility Partnerships.** In the onset of 2022 HashCo recognized that we were building out production capabilities that were not yet shown necessary. To alleviate and reduce the cost burden of the excess capacity we terminated our agreement to produce products at the Black Rose facility. We continue to occupy and produce products in our dedicated production space within the Medz Cannabis facility located in Etobicoke, Ontario.
- **HashCo Products in Ontario.** 2022 marks the first full year of HashCo branded products being available to consumers. Beginning the year with 2 SKU's available, we increased to 5 SKU's available to the Ontario market by the end of the calendar year, with an additional SKU accepted for spring 2023.
- **Medical Offering.** In Q2 HashCo products became available to medical cannabis patients coast to coast via Mendo Medical Cannabis online ordering platform.
- **Canadian Expansion.** HashCo has progressed its brand reach by successfully listing products in Saskatchewan and Nunavut with several other provincial applications in process.
- **Smoking Accessories.** Early in 2022 HashCo teamed up with a renowned Canadian glass artist to create a unique hash smoking device. The branded "HashCo Hash Kettle" has been offered throughout the year to preferred cannabis retail partners in Ontario. The launch of HashCo accessory products has proven a useful tool in creating marketing buzz, especially on social media platforms.
- **Operational Restructure.** Over the course of the year management identified inefficiencies in our fulfillment process. Preparing and packaging products based on forecasts from wholesale partners, we found ourselves over inventoried and staffed at various points throughout the year. At the end of Q3 we transitioned our production strategy to produce and package materials on-demand, greatly improving our production efficiency.
- **Capital Markets.** Capital markets remain difficult for the cannabis industry with little to no appetite for investors to make new investments to the industry. We were not immune to the cash flow crunch and attempted to raise capital through debt in Q2, and only officers participated.
- **Inconsistent Forecasting.** Forecasting production needs has been consistently challenging within the cannabis industry. Retailers in every province operate differently and almost all have a private or crown corporation acting as gatekeeper between the producers and retailers. HashCo's recent restructure allows us to remain lean and nimble in fulfilling orders to multiple provinces

quickly and efficiently.

- **Supply Agreement.** HashCo throughout 2021 and Q1 and Q2 of 2022 HashCo was supplying Canada House Wellness Group with Hashish for the Quebec market. In Q3 the agreement was not extended.

## **LOOKING FORWARD**

- **Wholesale Supply.** In Q4 HashCo began providing a preroll supplier with hashish to be utilized in their "infused prerolls". We are committed to working with this client to satisfy the specific material requirements necessary for their products, and to continue working with leading Canadian brands in development of innovative hash products.
- **Provincial Expansion.** Management is actively working to secure agreements for all additional provinces, with the goal of having HashCo branded SKU's available on retail shelves coast to coast.
- **Product Launches.** HashCo is anticipating several new product launches in 2023 while remaining committed to producing hashish and hashish-based products. Our focus on being best in class for a narrow category is what will continue to set us apart from our jack of all trades competitors.
- **Smoking Accessories.** We will continue to build on the "Hash Kettle" accessory business by bringing new designs and a larger volume of HashCo branded accessories to market.
- **Strategic Capital Markets Planning.** HashCo's management and board of directors are working to analyze the best path forward to unlock maximum shareholder value, including restructuring and transactional opportunities.

"HashCo has made difficult decisions during 2022 to rightsize its production, the industry overall is in a consolidation phase and HashCo must be open to all strategic opportunities to attempt to unlock value for its shareholders." - Donal Carroll, CFO

"HashCo's adaptability has made it possible to sustain a 100% fulfillment rate across a growing list of SKU's through a demanding reorganization period. With planned expansion into new markets throughout 2023 HashCo looks forward to a very exciting year of consistent, practical growth." - Tyler Metford, COO

"HashCo experienced a very challenging Q3 – Provincial orders stalled for a period, delaying the launch of two new products, and a large wholesale agreement ended. At the end of the quarter we took steps to mitigate our fixed costs and switched to an on-demand model for production and order fulfillment. This operational restructure gives us more flexibility in the utilization of our inventory, as well, placing labour on a direct cost basis for product already sold to a licensed buyer." - Chris Savoie, CEO

Thank you for your support,

Chris Savoie

Neither the Canadian Securities Exchange nor its Market Regulator (as such term is defined in the CSE policies) has reviewed or accept responsibility for the adequacy or accuracy of this news release.

## **About The Hash Corporation**

The HashCo is a Canadian company positioning itself to focus on the production and sale of cannabis-based hashish and other cannabis products. HashCo intends to apply its separation and curing techniques to produce a suite of high-quality cannabis resin products, which are all-natural and free of additives and carcinogenic solvents. The Company intends to tailor its product offerings to pay tribute to historic traditions, fragrances and tastes, while upholding the highest health and safety standards.

As of the date of this press release, HashCo is actively seeking and developing partnerships and collaborations with licensed cultivators and other strategic partners within Canada, with the goal of crafting and introducing to the regulated market authentic products which reflect quality and innovation.

**For further information, please contact:**

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***Forward-Looking Information and Cautionary Statements***

*Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include statements relating to: the Company positioning itself to focus on the production and sale of cannabis-based hashish and other cannabis products; the Company's intention to produce high-quality cannabis resin products, which are all-natural and free of additives and carcinogenic solvents; the Company's intention to provide product offerings to pay tribute to historic traditions, fragrances and tastes, while upholding the highest health and safety standards; the Company's plans in seeking and developing partnerships and collaborations with licensed cultivators and other strategic partners and the goals thereof; the Company's expectations that it will be able to continue to produce its products in its facilities; the Company's intention to apply to various provincial purchasers for the listing of the Company's products and the receipt of continued approvals thereof; the continued positive marketing feedback of the Company's accessory products; the Company to continue to benefit from its recent restructuring; the Company's continued work with certain clients and leading Canadian brands in the development of innovative hash products; the Company's anticipated product launches in 2023, its commitment to producing hashish and hashish based products, and its focus to being best in class; the Company's continued work on the "Hash Kettle" accessory business; the Company's continued work to unlock maximum shareholder value; the Company's planned expansion into newmarkets and its anticipation that 2023 will be a year of consistent and practical growth; and the Company's restructuring to continue to provide the Company flexibility in the utilization of its inventory and placing labour on a direct cost basis for products already sold to a licensed buyer.*

*Forward-looking information in this press release are based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; the continued commercial viability and growth in popularity of craft-style hash products; the Company's ability to continue to develop its products offerings; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company's ability to finance the sale of its products; the Company's ability to effectively scale-up its production activities; the Company's ability to seek and develop partnerships and collaborations with licensed cultivators and other strategic partners; the Company's ability to continue to produce its products in its facilities; the Company's ability to apply to various provincial purchasers for the listing of the Company's products and maintain the continued approvals thereof; the Company to continue to receive positive marketing feedback of the Company's accessory products; the Company's ability to continue to benefit from its recent restructuring; the Company's ability to work with certain clients and leading Canadian brands in the development of innovative hash products; the Company's ability to carry out its product launches in 2023, its commitment to producing hashish and hashish based products, and its focus to being best in class; the Company's ability to work on the "Hash Kettle"*

*accessory business; the Company's ability to unlock maximum shareholder value; the Company's ability to carry out its planned expansion into newmarkets and that 2023 will be a year of consistent and practical growth for the Company; and the Company's restructuring will continue to provide the Company flexibility in the utilization of its inventory and place labour on a direct cost basis for products already sold to a licensed buyer.*

*These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern; the risks associated with the cannabis and hash industry in general; increased competition in the cannabis and hash market; the potential future unviability of craft-style hash products; the inability of the Company to sell its cannabis-based hash products; the inability of the Company to apply to various provincial purchasers for the listing of the Company's products and the maintenance of such listings thereof; lack of demand for the Company's craft-style hash products, and potential inaccuracy with respect to the effect said demand will have on the number of SKUs; the Company's potential inability to apply its separation and curing techniques to produce a suite of high-quality cannabis resin products; the inability of the Company to develop partnerships and collaborations with licensed cultivators and other strategic partners; and risks associated with a potential collapse in the value of cannabis and craft-style hash products; risks associated with the Company's ability to continue generating a profit; the continued growth of the Company; the Company's ability to finance the sale of its products; the Company's ability to effectively scale-up its production activities; the Company's inability to continue to produce its products in its facilities; the Company to continue to receive positive marketing feedback of the Company's accessory products; the Company's inability to continue to benefit from its recent restructuring; the Company's inability to work with certain clients and leading Canadian brands in the development of innovative hash products; the Company's inability to carry out its product launches in 2023, its commitment to producing hashish and hashish based products, and its focus to being best in class; the Company's inability to work on the "Hash Kettle" accessory business; the Company's inability to unlock maximum shareholder value; the Company's inability to carry out its planned expansion into newmarkets and that 2023 will not be a year of consistent and practical growth for the Company; and the Company's restructuring will not continue to provide the Company flexibility in the utilization of its inventory and will not place labour on a direct cost basis for products already sold to a licensed buyer.*

*Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.*

*Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.*

## **THE HASH CORPORATION**

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