

HEMPSANA HOLDINGS LTD.



For Immediate Release
Canadian Securities Exchange
Symbol "HMPS"

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HEMPSANA Announces Q2 2022 Financial Results

Toronto, Ontario – August 26, 2022 – Hempsana Holdings Ltd. (the "**Company**" or "**Hempsana**") today announced three and six months financial results for the period ended June 30, 2022.

Randy Ko, Hempsana's CEO commented: "Despite production setbacks, the second quarter of 2022 was highlighted by the commercialization of cannabiniol ("CBN") with initial orders taking place in June and the successful launch of ufeelu Calm Drops that was made available to consumers in Ontario which has quickly become a top selling CBG/CBD oil extract in Ontario. In this increasing diverse and competitive market, we continue to focus on product quality and improving our operation capabilities of our core B2B products such as distillate and isolate formats of CBD, THC, CBG and now CBN. We continue to focus on consumer data driven insights, innovation and brand development to bring unique products to market and with sights on beginning production and distribution of six new SKUs in Q3 in the pre-roll, health and wellness categories through our newest brands that we have added to our product portfolio: 1337 Elite, Canna Relief, Caviar Gold, Cream of the Crop Therapeutics, Haven and Shyne Botanicals."

Operational Highlights

- Completion of first commercial run of CBN Distillate and Isolate
- Production of over 2500 units of first branded product (ufeelu Calm Drops)
- Commenced production of over 8500 units for five new SKUs in the health and wellness category
- Approval to distribute cannabis finished products into Ontario, British Columbia, Saskatchewan and Yukon

Financial Highlights

- Revenues were \$274,361 for the three months ended June 30, 2022. This represents a 22.7% quarter over quarter decline from Q1 2022's revenues of \$354,855. The Company experienced delays in launching products for contract manufacturing customers and in producing minor cannabinoids, which negatively impacted revenues.
- Revenues were \$629,216 for the six months ended June 30, 2022, compared to \$0 for the six months ended June 30, 2021.
- Gross profit was \$37,126 and gross margins were 13.5% for the three months ended June 30, 2022, and \$212,964 and 33.8% for the six months ended June 30, 2022.
- Gross margins in Q2 of 2022 were negatively impacted by the product mix sold, in which the Company needed to pay for input materials under a revenue sharing arrangement, fewer tolling services revenues and higher contract manufacturing revenues.
- Net loss and comprehensive loss were (\$536,197) in Q2 2022 compared to a net loss of (\$614,539) in Q2 2021.
- Net loss and comprehensive loss were (\$778,572) for the six months ending June 20, 2022 compared to a net loss of (\$1,361,035) for the six months ending June 20, 2021.

- Net loss per share was \$(0.02) in Q2 2022, compared to \$(0.03) in Q2 2021.
- Net loss per share was \$(0.03) for the six months ending June 20, 2022, compared to \$(0.07) for the six months ending June 20, 2021.

Resignation of Sohil Mana from the Board of Directors

The Company announced the resignation of Sohil Mana from the Board of Directors. Mr. Mana was one of the founders of the Company, and will continue to play an active role in advising the Company going forward. Douglas Sommerville, Chairman of the Board, commented: "Sohil's leadership has been instrumental in getting the Company to this point of its evolution. His industry experience and knowledge are exceptional and we look forward to his continued participation in helping grow the Company."

Stock Options Grant

The Board of Directors has granted 750,000 stock options to Randy Ko, CEO. The options have an exercise price of \$0.045 and expires on August 26, 2027.

About Hemsana Holdings Ltd.

The Company's business involves the manufacturing of cannabis derivatives and producing cannabis extracts for use in finished products, including vapeables, topical creams and infused consumables. Hemsana's Health Canada Standard Processing Licensed, and EU-GMP compliant facility provides the Company with access to wholesale and retail channels in Canada and internationally.

Additional Information

For additional information regarding Hemsana, please contact:

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FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian and U.S. securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the business and operations of the Company. The forward-looking statements and information are based on certain key expectations and assumptions made by management, including expectations and assumptions concerning the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information. There can be no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, general economic conditions and the state of the regulatory environment. Please refer to the Company's public record on SEDAR at www.sedar.com for more details on the risks faced by the Company. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward- looking information for anything other than its intended purpose. Management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.