

HEMPSANA HOLDINGS LTD.



**For Immediate Release
Canadian Securities Exchange
Symbol “HMPS”**

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HEMPSANA Announces Q3 and Year to Date 2023 Financial Results

Toronto, Ontario – November 29, 2023 – Hempsana Holdings Ltd. (the “**Company**” or “**Hempsana**”) today announced financial results for the three and nine months period ended September 30, 2023.

Randy Ko, Hempsana’s CEO commented: “This quarter was one of realignment and adjustment. The Company focused on improving its manufacturing capabilities and production processes. The new equipment that was acquired last quarter was put into production and we focused on getting our production team and processes aligned to operate the new equipment optimally. We also worked closely with our contract manufacturing customers to develop new products this quarter. We anticipate that these efforts will result in greater sales in 2024.”

Financial Highlights

- During the quarter, the Promissory Note held by a former Director had matured. The total principal and accumulated interest owing of \$313,565 was fully repaid. The Company subsequently issued \$350,000 in new Promissory Notes. These notes bear interest at 1.0% per month, accrued from the date of the initial advance until repayment in full on the maturity date of December 31, 2024.
- Net revenues were \$150,669 for the three months ended September 30, 2023, a 40% decrease from Q3 2022’s net revenue of \$251,631. This also represents a 64% quarter over quarter decrease from Q2 2023’s net revenues of \$422,170. During the quarter, the Company focused on getting the new equipment purchased last quarter operational. This negatively impacted revenues as our production was partially offline during the quarter.
- Net revenues were \$983,122 for the nine months ended September 30, 2023. This was 12% higher than the net revenues for the nine months ended September 30, 2022 of \$880,846.
- Gross profit was (\$7,612) and gross margins were (5.1%) for the three months ended September 30, 2023, compared to \$69,498 and 27.6% for the three months ended September 30, 2022. Gross margins were negatively impacted by higher costs for input materials and a change in sales mix away from manufacturing services which have a higher margin compared to the sale of goods.
- Gross profit was 326,881 and gross margins were (33.2%) for the nine months ended September 30, 2023, compared to \$229,029 and 26.0% for the nine months ended September 30, 2022.
- Net loss and comprehensive loss were (\$504,192) in Q3 2023 compared to a net loss of (\$486,432) in Q3 2022. The higher net loss was mainly due to lower revenues and lower margins, partially offset by lower operating expenses.
- Net loss and comprehensive loss were (\$1,211,598) for the nine months ending September 30, 2023 compared to a net loss of (\$1,265,004) for the nine months ending September 30, 2022.
- Net loss per share was \$(0.01) in Q3 2023, compared to \$(0.02) in Q3 2022.

- Net loss per share was \$(0.03) for the nine months ending September 30, 2023, compared to \$(0.03) for the nine months ending September 30, 2022.

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

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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.