



## Hempsana Inc. Announces Appointment of a Proposal Trustee

TORONTO, March 13, 2024 -- Hempsana Holdings Ltd. (HMPS.CN) announces that on March 11, 2024, its wholly-owned operating subsidiary, Hempsana Inc. (the “**Company**”), filed a Notice of Intention to make a Proposal (“**NOI**”) under Section 50.4 of the Bankruptcy & Insolvency Act R.S.C. 1985, c. B-3, as amended (the “**BIA**”). B. Riley Farber Inc. (the “**Proposal Trustee**”) accepted the appointment as Trustee in the Proposal of the Company.

The Company has reduced its operations in order to preserve cash during this process. However, the Company is still taking and fulfilling orders for its CBD, CBG, THC bulk cannabis products that are in stock. Please contact the Company to get full list of our available inventory for sale.

Randy Ko, President of Hempsana Inc., said, “The Company remains a fundamentally good business, with high quality products, profitable margins, great customers, highly-skilled employees, and a strong supply-chain. Unfortunately, we face liquidity constraints due to a combination of historical, non-recurring events that have now been addressed.”

The Company has a commitment from a DIP lender to provide additional funding in the form of a debtor-in-possession facility that should provide adequate liquidity during the Sale Process. The Company anticipates that all key staff members will continue to be paid and that suppliers will be paid for the goods and services provided post-filing on an ongoing basis. The Company’s obligations incurred before the filing of the NOI will be addressed in any plan that may be presented under the NOI proceedings.

The Company intends to apply to Court to seek an Order (the “**Sale Process Order**”) for, among other things, approving the sale process (the “**Sale Process**”) authorizing the Proposal Trustee to conduct the Sale Process. Interested parties will be given the opportunity to submit offers for the acquisition of all or substantially all of the Company’s assets and business once the Sales Process has been approved by the Court.

Further details respecting the NOI filing, the proposed Sale Process Order and the Sale Process and copies of the aforementioned will be filed under the Company’s profile on SEDAR+ ([www.sedar.com](http://www.sedar.com)) and will also be available on the Proposal Trustee website (<https://brileyfarber.com/engagements/hempsana-inc/>). Readers are urged to consult the full text of all of those documents for further, more detailed information.

### For further information on the Company

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*Neither the Canadian Securities Exchange nor its Regulation Services Provider has reviewed or accepts responsibility for the adequacy or accuracy of this press release.*

### About Hempsana Holdings Ltd. and Hempsana Inc.

Through its wholly owned subsidiary, Hempsana Inc., Hempsana Holdings Ltd. is a public company involved with the manufacturing of major and minor cannabinoid derivatives and producing cannabis extracts for use in finished products and other infused consumables. The business of subsidiary Hempsana Inc. is the principal business of listed issuer Hempsana Holdings Ltd. Hempsana’s Health Canada Standard Processing Licensed, and EU-GMP compliant facility provides the Company access to wholesale and retail channels in Canada and internationally. Hempsana currently offers a wide range of product formats, including cannabis concentrates, diamonds, tablets, topicals, tinctures, salves, infused pre-rolls, and hemp-based CBD products that are all manufactured and distributed by Hempsana.

### Forward-Looking Information

This news release contains certain information that constitutes forward-looking information under applicable securities legislation. All information other than statements of historical fact is forward-looking information. In some cases, forward-looking information can be identified by terminology such as “will”, “expect”, “plan”, “intend”, “should”, “plan”, “estimate”, “potential”, “continue”, or the negative of these terms or other comparable terminology. The forward-looking information included in this news release includes, without limitation, information concerning the NOI filing, the Sale Process Order, and the Sale Process and the terms, timing, and process associated therewith.

The forward-looking information included in this press release is based on the NOI provisions in the BIA and the Sale Process Order received by the Company together with, expectations, estimates, projections and assumptions, which the Company believes are reasonable, but which may prove to be incorrect and therefore such forward-looking information should not be unduly relied upon. The forward-looking information provided by the Company in this news release is based on a number of assumptions regarding, among other things, that: the Sale Process will proceed in accordance with the terms of the Sale Process Order currently in place; the NOI proceedings will unfold in a manner compliant with applicable law and materially consistent with the BIA and the Sale Process Order; all parties involved in the NOI filing, Sale Process Order and Sale Process will undertake all of their current duties in a diligent manner consistent with past practice and applicable industry and professional standards; the actions and potential claims of other stakeholders of the Company will be resolved in a manner consistent with the BIA and the Company's current obligations; the Company will maintain its operations in a manner consistent with its expectations; and the Company will continue through the NOI proceedings in a manner consistent with its current expectations.

The forward-looking information contained herein also involves a significant number of known and unknown risks and uncertainties which may cause actual results or performance to be materially different from any future results or performance expressed or implied herein. Along with the general risks faced by the Company, these risks, uncertainties and other factors may include, but are not limited to: the inherent authority and discretion of the Ontario Superior Court may result in unforeseen changes outside the Company's control to the NOI proceedings, the Sale Process Order and the Sale Process, or otherwise in a manner not currently contemplated or controlled by the Company; the level of indebtedness of the Company; the Sale Process and related transactions require a certain degree of diversion of management time and attention which may impact other projects or operations of the Company; future actions and co-operation of the creditors of the Company may impact the Sale Process and any related transactions; the Company's ability to generate sufficient cash-flow from operations or to obtain adequate financing on an ongoing basis to fund working capital needs and to meet the Company's ongoing obligations; the ability of the Company to maintain relationships with suppliers, customers, employees, shareholders and other third parties may be compromised as a result of the NOI filing, Sale Process Order, or the Sale Process; and the success, form and procedures of the Sale Process may change in a manner outside the Company's control. Additional risks and uncertainties affecting the Company and its business and affairs are described in further detail in the Company's ongoing continuous disclosure documents, as filed under the Company's profile on SEDAR+ ([www.sedar.com](http://www.sedar.com)).

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.