



Blueberries Medical Reports 2021 Financial Results

Toronto, Ontario (May 3, 2022) – Blueberries Medical Corp. (CSE: BBM) (OTC: BBRRF) (FRA: 1OA) the Canadian parent of Blueberries S.A.S. (“**BBSAS**”), the premier Latin American licensed cultivator and producer of medicinal cannabis and medicinal-grade cannabis extracts, (together the “**Company**” or “**Blueberries**”), is pleased to report its financial results for the year ended December 31, 2021. Blueberries has filed today its audited consolidated financial statements and related management's discussion and analysis, both of which are available on Blueberries' profile at www.sedar.com. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

"2021 was a year of tremendous changes to the Cannabis Industry, and Blueberries was definitely part of it," said Facundo Garreton, Chairman and Chief Executive Officer, "Due to current market conditions and a decrease in expectations on Cannabis Industry in general, we were faced with a challenging environment during 2021. Additionally, the Cannabis regulations in Colombia has impacted many businesses owned and operated by Canadian and Colombian companies in Colombia. However, the recent changes in Decree 811, that allow the exports of dried flower and CBD derivatives from Colombia, has put the Company in a strong position in 2022 as the Company anticipates growth and improved operation results. The Company's team has been focusing on achieving three primary objectives: cash management, establishing processing and extraction capabilities, and laying the groundwork for meaningful commercial sales growth in 2022."

Financial Highlights Commentary

Revenues - For the year ended December 31, 2021, the Company generated a total revenue of \$138,747, an increase of \$72,769 (or 110%) from comparative period. The Company commenced operations in late second quarter of 2020, with sales of cloned cuttings from its cultivars to associated growers and sales of its cosmetics products. With the delay in the approval of Decree 811 in Colombia, which would allow exports and sales of dried flower outside Colombia, the Company has pivoted and offered services, including but not limited to, providing extraction services to third parties. The Company expects that once Decree 811 is approved, the Company plans to develop markets outside Colombia.

CBD derivatives (standard oil) derived the largest share of the Company's revenue of 55%, followed by extraction services at 30%. Sales from CBD derivatives was mainly exports to Futura Farms in Peru.

The Company is planning to produce THC derivatives in the coming year. Extraction quotas from the Colombia government have been received and the Company is waiting to receive the cultivation quota. The Company plans to operate in a GACP CUMS environment with a strategic partner

Cost of sales and Direct cost of production: Cost of sales and direct cost of production include direct expenses relating to extraction and agricultural operations for propagation including strain management, cost allocated from mother plants, irrigation, nutrients, consumables such as supplements, supplies, spare parts, trays, peat, personnel costs, electricity, and allocation of operational fixed costs.

For the year ended December 31, 2021, the Company incurred \$105,406 (2020 - \$3,579) and \$278,794 (2020 - \$Nil) of cost of sales and direct cost of production, respectively. Costs of sales increased primarily due to the increase in revenue and higher costs directly attributable to the various revenue streams compared to last year, where the Company's sales only consisted of cloned cuttings and cosmetics products. In 2021, the Company has begun to expand its workforce and facilities in anticipation of further expansion of its commercial operations, particularly once Decree 811 is approved

Financial Highlights

	Year Ended December 31	
	2021	2020
Total revenues	\$ 138,747	\$ 65,978
Cost of sales and direct costs	(384,200)	(3,579)
Gross (loss) profit	\$ (245,453)	\$ 62,399
Expenses		
Operating/pre-operating expenses	\$ (116,214)	\$ (988,577)
General and administrative expenses	(554,154)	(2,484,721)
Depreciation and amortization	(828,375)	(713,739)
Finance expense	(269,417)	(119,688)
Foreign exchange gain (loss)	(169,947)	(41,064)
Other Income (expense)	(45,012)	(79,246)
Total operating expenses	(2,228,572)	(4,364,636)
Other Incomes (expenses)		
Other Incomes (expenses)	470,078	(575,471)
Impairment of PPE, intangibles, ROU and inv. Operation	(3,388,518)	-
Net Loss	(5,147,012)	(4,940,107)

Other Comprehensive Loss

Foreign Currency translation Adjustment	(52,312)	(201,440)
Comprehensive Loss	\$ (5,199,324)	\$ (5,141,547)

Net loss per share - basic and diluted \$ (0.04) \$ (0.04)

As at December 31

	2021	2020
Total Assets	\$ 3,593,880	\$ 7,270,212
Total Liabilities	\$ 2,159,134	\$ 3,380,433
Total Equity	\$ 1,434,746	\$ 3,889,779

Pre-operating expenses or Operating Expenses: - Starting 2021, the company is full operational, with capacity for large production of cannabis derivates, . During 2020, the Company was in early stages of commercial operations, material operational costs are included under pre-operating expenses, which are non-capital expenditures relating to Blueberries' cannabis cultivation and extraction operations.

	Operating expenses		Pre-operating expenses
	Cultivation	Extraction services	2020
For the years ended December 31,	2021		
Salary, wages, and benefits	\$ 12,434	\$ 12,763	\$ 439,375
Supplies, spare parts and equipment	-	-	110,517
License costs	-	-	3,389
Facilities	4,415	-	68,260
Laboratory	-	-	34,350
Consultants	-	-	26,182
Fuel and oil	-	-	24,125
Transportation	21,431	-	25,796
Utilities	4,961	-	56,669
Other	59,195	1,015	199,914
Total	\$ 102,436	\$ 13,778	\$ 988,577

General and Administrative (“G&A”) Expenses – The Company incurred a total G&A expenses of \$554,154, a decrease of \$1,930,567 (78%), compared to \$2,484,721 incurred in the comparative period. The nature of G&A expenses is as follows:

For the years ended December 31,	2021	2020
Audit and accounting	\$ 85,474	\$ 76,800
Consulting	45,737	219,943
Director and management fees	100,700	464,701
Filing and transfer agent fees	79,750	55,409
General office	25,395	109,381
Insurance	79,547	53,645
Legal	19,087	149,552
Marketing and investor relations	46,455	68,990
Other	(16,809)	52,039
Salary, wages, and benefits	418,901	418,007
Share based compensation (recovery) expense	(339,564)	805,914
Travel	9,481	10,340
Total general and administrative expenses	\$ 554,154	\$ 2,484,721

Finance Expense - On July 16, 2020, Blueberries closed \$1,000,000 unsecured convertible debentures (the “Debentures”), maturing 24 months from the date of closing, and bearing interest at a rate of 13% per annum, with an effective interest rate of 32.36%. The finance expense consists of accrued interest of \$130,000 (2020 – \$60,667) on the convertible debenture and the accretion of convertible debt liability of \$139,417 (2020 - \$59,021)..

Changes in Fair Value of Derivative Liabilities – The Company recognized a gain of \$479,466 (2020 - \$575,471) from the changes of fair value of derivative liability in connection with the convertible debenture of \$1,000,000 completed in 2020. The gain in 2021 is due to the reduced derivative liability compared to 2020, which derived primarily from lower share price in 2021 compared to 2020

Long-lived assets impairments

The Company recognized impairment charges as follows: Impairment of property, plant and equipment of \$1,936,390 (2020 - \$Nil). During the year ended December 31, 2021, as management concluded that an impairment test was required under IAS 36, the Company engaged a third-party consultant to provide a valuation of its property, plant and equipment. In addition, for certain equipment not appraised, the Company has evaluated the replacement costs based on third-party quotes to determine any potential impairment. Based on these assessments, the Company recognized an impairment of property, plant and equipment of \$371,234 (2020 - \$Nil). Impairment of right-of-use assets of \$289,386 (2020 - \$Nil) and Impairment of intangible assets \$590,586 (2020 - \$Nil). These impairments were recognized due to continued uncertainty of local and export markets in Colombia, management performed cash flow analysis. While management continues to believe that the future market for Colombian cannabis products is strong, the timing and amount of future cash flows from potential revenue streams, were not sufficient to meet the current cost structure of the Company. Impairment of investment in joint operation \$572,156 (2020 - \$Nil). During the year ended December 31, 2021, as management concluded that an impairment test was required under IAS 36, the Company engaged a third-party consultant to provide a valuation of the farmland and based on the result, the Company recognized an impairment of property, plant and equipment of \$1,565,970 (2020 - \$Nil) related to the farmland in the consolidated statements of loss and comprehensive loss.

Highlights

- On January 19, 2021, Blueberries completed a private placement for aggregate gross proceeds of C\$1,000,000. In connection with the private placement, Facundo Garretón was named Chairman and Interim Chief Executive Officer. Previous directors Christian Toro, Fabio Valencia Cossio, Dr. Andres Vidal, Francisco Sole, Matthew Bajurny and Paola Castañeda have all stepped down from the Board, with the new Board being comprised of the following four directors: Facundo Garretón, Patricio Villalba, Catherine Lathwell and Sebastian Hochbaum. The Audit Committee of the Board was reconstituted to include Catherine Lathwell, Patricio Villalba and Facundo Garreton.
- On February 16, 2021, Blueberries appointed Mr. José María Forero, the former Global Head of B2B of Clever Leaves Holdings Inc. as President of Latin American Operations.
- On March 15, 2021, BBSAS entered into an agreement to supply premium, formulated cannabis oil to Futura Farms, a licensed distributor serving the Peruvian market.
- On March 24, 2021, Blueberries signed a framework agreement with YVY Life Sciences for mutual development of strains and genetics in Colombia and exporting dry cannabis flower of mutual strains from Uruguay.
- On May 31, 2021, Blueberries today also announced the appointment of Mr. Guillermo P. Rodriguez as Chief Financial Officer (“CFO”) effective June 1, 2021, following the resignation of Ian D. Atacan, the Company's CFO.
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- On September 9, 2021 Blueberries completed a non-brokered private placement consisting of the sale of 20,813,817 common shares (“Common Shares”) at a price of C\$0.10 per Common Share for aggregate gross proceeds of C\$1,901,382 (or approximately US\$1,500,000) (the “Offering”), of which 19,013,817 Common Shares was paid for in cash and 1,800,000 Common Shares was issued in connection for past services provided to the Company by an arm’s length third party service provider. The Offering was led by Terraflos Inc. (“Terraflos”), a cannabis company with operations throughout Latin America that was founded, and is controlled, by Facundo Garreton, the Chairman, interim-CEO and a director of the Company.
- On October 4, 2021 Blueberries announced its wholly owned subsidiary Blueberries SAS (has exported) a total of 150 kg of premium CBD 5% Full Spectrum Oil to Futura Farms Peru, a leading licensed distributor serving the Peruvian market The CBD oil shipped will be used as the primary ingredient for compounding formulations that Futura Farms is distributing to pharmaceutical establishments that have fulfilled their Good Storage Practices (“GSP”) requirements issued by Peru's General Directorate of Medicines, Supplies and Drugs (“DIGEMID”).
- On October 19, 2021 Blueberries Medical Corp Announces that its subsidiary Blueberries SAS has obtained the qualification as Breeding Unit and Exporter of Selected Seeds. This authorization by the Colombian Agricultural Institute (ICA), the authority responsible for the surveillance and control of the agricultural sector in Colombia, allows the company to consolidate its research and development activity around new cultivars with integral improvements from three points of view: increase performance and yield, extend cannabinoids and terpenes profiles, and simply agronomic management to improve the cost-effectiveness of the operation

About Blueberries Medical Corp.

Blueberries is a Latin American licensed producer of naturally grown premium quality cannabis with its primary operations ideally located in the Bogotá Savannah of central Colombia. The Company is led by a specialized team with proprietary expertise in agriculture, genetics, extraction, medicine, pharmacology and marketing, Blueberries is fully licensed for the cultivation, production, domestic distribution, and international export of CBD and THC-based medical cannabis in Colombia. Blueberries' combination of leading scientific expertise, agricultural advantages and distribution arrangements has positioned the Company to become a leading international supplier of naturally grown, processed, and standardized medicinal-grade cannabis oil extracts and related products.

Additional information about the Company is available at www.blueberriesmed.com. For more information, please contact:

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Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking statements relate, among other things, to: commencement of commercial production of CBD-dominant oils and products, successful implementation of full GMP standards at its extraction facility to allow for additional export potential to international markets, achieving additional milestones is contemplated, or at all, ability to expand distribution networks, ability to expand and upgrade the Company's cultivation facilities in Colombia, internal expectations, expectations regarding the ability of the Company to access new Latin American and international markets, the ability to attract and retain new customers, and future expansion plans including development of the cultivation, production, industrialization and marketing of cannabis for commercial and scientific purposes.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Colombian and international medical cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in Colombia, Argentina and elsewhere; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Additional information regarding the Company, and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's Listing Statement dated January 31, 2019 filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.