



## Blueberries Medical Reports 2022 Financial Results

TORONTO, April 24, 2023 -- Blueberries Medical Corp. (CSE: BBM) (OTC: BBRRF) (FRA: 10A) 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, 2022. 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](http://www.sedar.com). All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

"2022 was an extremely challenging year for the Cannabis Industry, and Blueberries performance was remarkable," said Facundo Garreton, Chairman and Chief Executive Officer, "Although expectations for the industry are still not optimistic, we increased our sales in 70% vastly surpassing the competitor's figures. We have consolidated our sales in Argentina and sent our first shipment to Australia, starting the path to reach the sales level required to achieve the break-even point. On the regulatory side, Colombia operation is still waiting for the approval of adult use, however, we don't expect this will happen during 2023. The Company's team has been focusing on achieving three primary objectives: connecting with demand by focusing on market needs and client final products to offer the best value proposition, operate with efficiency by improving processing and extraction performance and cash management by optimizing structure and carefully reviewing every single cost."

### Fiscal 2022 Highlights

#### Financial position

	As at December 31, 2022	As at December 31, 2021
Total current assets	\$ 2,185,642	\$ 1,563,617
Total assets	3,354,162	3,593,880
Total liabilities	1,886,394	2,159,134
Total equity	\$ 1,467,768	\$ 1,434,746

#### Financing

On July 29, 2022, the Company entered into an amendment agreement to extend the expiry term of Debentures closed in July 2020, from July 13, 2022 to July 13, 2023. All the remaining terms of the amended debentures remain the same as the initial debentures. As consideration for the extension, the Company agreed to pay a total of \$163,800 to the holders of the debenture in cash, or at the option of the holders of the debenture, in the common shares of the Company at a conversion price of \$0.05 per share, on the new maturity date.

On November 28, 2022, the Company completed a non-brokered private placement for an aggregate gross proceed of \$1,471,470 (US\$1,100,000) from the sale of 54,498,889 common shares at a price of \$0.027, which was entirely purchased by Terraflos, a cannabis company with operations throughout Latin America that was founded, and is controlled, by Facundo Garreton, the Company's Chairman, CEO and Director.

#### Operating

For the years ended December 31,	2022	2021
Revenues	<b>235,449</b>	138,747
Cost of sales	<b>(143,552)</b>	(105,406)
Direct cost of production - extraction services	<b>(65,226)</b>	(91,432)
Direct cost of production - cultivation	<b>(44,391)</b>	(187,362)
<b>Gross loss</b>	<b>(17,720)</b>	<b>(245,453)</b>
<b>Expenses</b>		
Operating expenses - extraction services	<b>(95,173)</b>	(13,778)
Operating expenses - cultivation	<b>(46,218)</b>	(102,436)
General and administrative expenses	<b>(1,219,448)</b>	(554,154)
Depreciation and amortization	<b>(296,325)</b>	(828,375)
Recovery (expected) credit loss	<b>34,298</b>	(45,012)
Finance expense	<b>(360,077)</b>	(269,417)
Foreign exchange loss	<b>(123,113)</b>	(169,947)
<b>Total expenses</b>	<b>(2,106,056)</b>	(1,983,119)

<b>Other income (expense)</b>		
Impairment of property, plant and equipment	-	(1,936,390)
Gain on disposal of property, plant and equipment	16,994	-
Impairment of right-of-use assets	-	(289,386)
Impairment of intangible assets	-	(590,586)
Impairment of investment in joint operation	-	(572,156)
Gain on termination/modification of lease	215,294	18,998
Loss on modification of convertible debt	(85,916)	-
Changes of fair value of derivative liabilities	527,042	479,466
Gain on debt settlement	-	66,596
Other expense	(17,514)	(94,982)
<b>Total other income (expenses)</b>	<b>655,900</b>	<b>(2,918,440)</b>
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<b>Net loss</b>	<b>(1,467,876)</b>	<b>(5,147,012)</b>
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<b>Other Comprehensive Loss</b>		
Foreign currency translation adjustment	(99,574)	(52,312)
<b>Comprehensive loss</b>	<b>(1,567,450)</b>	<b>(5,199,324)</b>

**Revenues** - For the year ended December 31, 2022, the Company generated a total revenue of \$235,449, an increase of \$96,702 (or 70%) from comparative period. The increase is primarily due to the introduction of the new product CBD isolate. 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 70%, followed by extraction services at 20%. The remaining, 10% of the revenue, was generated from clones' sales, which mainly derived from CBD seeds.

**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, 2022, the Company incurred \$143,552 (2021 - \$105,406) and \$109,617 (2021 - \$278,794) of cost of sales and direct cost of production, respectively. Costs of sales increased primarily due to the increase in revenue. In 2021, the Company began to expand its workforce and facilities in anticipation of further expansion of its commercial operations, particularly once Decree 811 is approved. The Company pivoted its focus from cultivation to extraction services, which began in 2021, has resulted in the decrease in net loss of \$227,732 (or 93%) from comparative year.

**Pre-operating expenses or Operating Expenses:** The combined operating expense for the year ended December 31, 2022 was \$141,391, an increase of \$25,177 from comparative period of \$116,214. The increase is primarily driven from the additional costs incurred for maintenance of equipment, offset by the decrease in salary, wages and benefits of \$17,544 compared to 2021.

	Operating expenses		Operating expenses	
	Cultivation	Extraction services	Cultivation	Extraction services
	2022		2021	
Salary, wages, and benefits	362	7,291	12,434	12,763
Supplies, spare parts and equipment	452	-	-	-
Facilities	14,328	22,975	4,415	-
Fuel and oil	311	-	-	-
Transportation	139	12,437	21,431	-
Utilities	982	4,234	4,961	-
Other	27,538	48,236	59,195	1,015
Leases	2,106	-	-	-
<b>Total</b>	<b>46,218</b>	<b>95,173</b>	<b>102,436</b>	<b>13,778</b>

**General and Administrative ("G&A") Expenses** – The Company incurred a total G&A expense of \$1,219,448, an increase of \$665,294 (120%), compared to \$554,154 incurred in the comparative period. The nature of G&A expenses is as follows:

For the years ended December 31,	2022	2021
Audit and accounting	\$ 227,256	\$ 85,473
Consulting	137,897	45,737

Director and management fees	84,132	100,700
Filing and transfer agent fees	79,246	79,750
General office	31,639	25,395
Insurance	111,465	79,547
Legal	18,306	19,087
Marketing	3,692	46,455
Other	4,918	(16,809)
Salary, wages, and benefits	385,314	418,901
Share based compensation expense (recovery)	133,395	(339,563)
Travel	2,188	9,481
<b>Total</b>	<b>\$ 1,219,448</b>	<b>\$ 554,154</b>

**Audit and accounting** - For the year ended December 31, 2022, the Company incurred an increase of \$141,783 in audit and accounting, compared to the comparative period. The increase is primarily due to an approximately \$30,000 of under accrual of 2021 audit fees and approximately \$95,550 fees primarily related to additional accounting support, which started during second half 2021.

**Stock-based compensation** – For the year ended December 31, 2022, the Company recognized a total of \$133,395 of share-based compensation recovery, an increase of \$472,958 compared to the comparative period. The increase is primarily due to unvested options forfeited resulting in a reversal of stock-based compensation of \$744,590 in the comparative period.

**Other income (expenses)** - During the year ended December 31, 2022, the Company incurred other income of \$655,900, an increase of \$3,574,340 from the comparative period. The increase was primarily due to impairment of long-lived assets recognized in the comparative fiscal year 2021 for a combined total of \$2,797,932.

## Highlights

- On May 1, 2022, Blueberries signed an agreement with an US Company, Atlantica Life Sciences LLC, also known with the name YVY Atlantica Life Sciences, a licensed producer, to mutually operate Guatavita and produce high THC premium medical flower, the farm was tested but finally discarded, due to macro-economic over supply in dried flower in the market an a weak regulatory conditions in Latam, we prefer waiting for better conditions to move forward.
- On May 15, 2022, Blueberries signed an agreement with one of the biggest cultivators in Colombia, Econnabis, for the outsourcing of the cultivation of high THC biomass at less than half of the unit cost of producing the equivalent product in Guatavita, our growing facilities.
- On June 1st, 2022, Blueberries signed a revenue share agreement with BG Labs, a local cultivator, and Serdale, a downstream processing company, to produce CBD broad spectrum. The commercialization arrangement allows any of the three companies to carry out the product sale impacting in the revenue share split.
- On June 30th, 2022, Blueberries achieve an upgrade in the commercial terms with the main CBD-derivatives supplier including increase in the payment terms and traceability of the origin of the products that plays a key role in negotiation with big clients such as pharmaceutical laboratories, among others.
- On August 24, 2022, Blueberries signed a lease termination agreement with SINEA Group, owner of Tocancipa warehouse, generating significant savings for the company. The termination date is expected to be materialized by mid-year when the new derivatives facility will be fully operational.
- On October 1st, 2022, after a long research, Blueberries signed a lease agreement for the new facility warehouse where the upgraded processing and extraction plant will be built during 2023. The objective is to extend production capacities including distillation and crystallization, as well as upgrading processes and standards to EUGMP pharma complaint .
- On October 28, 2022 Blueberries sold the first batch of the new developed product, a CBD Water-Soluble novel specialty for food/beverage and cosmetics.
- On October 30, 2022 Blueberries sold the first batch of CBD Broad Spectrum from the revenue share signed in June to Cannfarm Peru SAC.
- On December 16, 2022 Blueberries entered into a joint venture agreement with a Colombian subsidiary of Allied Corporation in order to produce both THC and CBD derivatives, allowing each company to focus on their own specialization, increasing operative efficiency, lowering costs, diminishing cash efforts and expanding commercial horizons.
- On December 19, 2022 Blueberries shipped the first batch of CBD Isolate to Australian market, one of the most interesting markets.

“We are really proud of this year performance, we did great improvements against past year” said Guillermo Rodriguez, Chief Financial Officer (“CFO”), “The combination of sales increase with cost saving mainly in staff, infrastructure cost and production costs helped us to significantly enhance our finance indicators. We trust that our current finance team is fully capable to work together with operations and commercial team in order to fulfill next year goals.”

## 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](http://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](http://www.sedar.com).

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