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## THC BioMed Releases Second Quarter Results

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Vancouver, Canada, April 1, 2021 -- THC BioMed Intl Ltd. (CSE:THC) ("THC BioMed" or the "Company") is pleased to report its financial results for the three and six months ended January 31, 2021.

### Q2 HIGHLIGHTS

- On November 12, 2020, the Company completed the second tranche of a private placement to total \$1,500,000 leaving a balance of \$950,000 remaining. In the second tranche, the Company issued 3,636,363 units ("Units") at a price of \$0.11 per Unit, for total proceeds of \$400,000. Each Unit consists of one common share and one common share purchase warrant. Each Unit warrant entitles the holder to purchase one common share of the Company for a period of 24 months from closing at a price of \$0.15 per share. Commission of 7% cash was paid and 7% broker warrants for 254,545 broker warrants were issued. The broker warrants have the same terms as the Unit warrants. The Company intends to close additional tranches in the near-term.
- Began shipment of *THC Kiss Gummies* for the recreational market in packages of 4 gummies with a total of 10 mg of THC
- Completed the rebranding of the Company's website, logo and packaging
- Fundamental Research Corp. initiated independent investment analysis coverage of the Company

### HIGHLIGHTS SUBSEQUENT TO JANUARY 31, 2021

- Received a letter of authorization from the Autorités des Marchés Publics ("AMP"), Quebec's Public Markets Authority providing the authorization as granted by AMP pursuant to Quebec's *Act Respecting Contracting by Public Bodies* and permits THC BioMed to enter into contracts with Quebec's Société québécoise du cannabis ("SQDC"). Pursuant to Quebec's *Cannabis Regulation Act*, only the SQDC may purchase cannabis from a federally licensed cannabis producer and sell it to the public in Quebec. This authorization is just a first step in possibly entering into the Quebec cannabis market for THC BioMed.
- Completed construction of three strata units, increasing edible and beverage production space and adding new facilities for baked goods, and submitted the application to Health Canada requesting clearance to commence production in the newly constructed areas
- Engaged a consultant to carry out an enhancement project on the Company's automated cannabis cylinder machine to improve cannabis cylinder production and add automated packaging to the process. The Company has granted the consultant 500,000 stock options to acquire 500,000 common shares of the Company with an expiry date of March 16, 2023 at \$0.165 per share. 50,000 stock options vest at the date of grant and the balance pursuant to specific milestones being attained.

- Began production of strawberry and orange flavoured gummies

## MANAGEMENT COMMENT

“The loss at January 31, 2021 is significant due to factors affecting the fair value changes of the biological assets and inventory. The fair values of the biological assets and inventory were revised downward. As the market matures and the business moves to profitability, our assessment of the biological assets and inventory needed to be refined to reflect real-time values,” said THC BioMed President and CEO, John Miller. “Going forward, we intend on concentrating on the edibles market and specifically our *THC Beverage Shot* and our *THC Kiss Gummies* which will improve our gross margin and subsequent bottom line.”

## SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenue	Net Income (Loss)	Income (Loss) Per Share
Q2/2021 January 31, 2021 (1)	\$ 1,021,989	\$ (2,921,510)	\$ (0.02)
Q1/2021 October 31, 2020 (1)	\$ 622,025	\$ (692,177)	\$ -
Q4/2020 July 31, 2020 (1)	\$ 990,940	\$ (642,989)	\$ (0.01)
Q3/2020 April 30, 2020 (1)	\$ 896,104	\$ (295,717)	\$ -
Q2/2020 January 31, 2020 (1)	\$ 1,246,625	\$ 88,191	\$ -
Q1/2020 October 31, 2019 (1)	\$ 1,044,510	\$ 688,925	\$ 0.01
Q4/2019 July 31, 2019	\$ 382,096	\$ (4,177,572)	\$ (0.04)
Q3/2019 April 30, 2019	\$ 354,326	\$ (4,905,797)	\$ (0.03)

<sup>(1)</sup> Includes excise taxes

For the quarter ended January 31, 2021, we produced 185.5 kilograms of dried cannabis and sold 300.3 kilograms at an average net selling price of \$3.00 per gram.

## STATEMENT OF COMPREHENSIVE INCOME (LOSS) SUMMARY

	For the three months ended		For the six months ended	
	January 31	January 31	January 31	January 31
	2021	2020	2021	2020
Revenue	\$ 1,021,989	\$ 1,246,625	\$ 1,644,014	\$ 2,291,135
Cost of sales	(1,226,557)	(791,146)	(1,955,936)	(1,540,176)
Gross profit before fair value adjustments	(204,568)	455,479	(311,922)	750,959
Net change in fair value of biological assets	(2,062,637)	504,683	(2,042,284)	1,869,087
Gross margin	(2,267,205)	960,162	(2,354,206)	2,620,046
Total expenses	654,305	871,971	1,259,481	1,842,930
<b>Net and comprehensive income (loss) for the period</b>	<b>\$ (2,921,510)</b>	<b>\$ 88,191</b>	<b>\$ (3,613,687)</b>	<b>\$ 777,116</b>

## BALANCE SHEET SUMMARY

As at	January 31	July
	2021	2020
Current assets	\$ 5,831,720	\$ 8,039,001
Total assets	\$ 19,348,124	\$ 21,774,654
Current liabilities	\$ 4,791,616	\$ 5,569,427
Total liabilities	\$ 7,472,884	\$ 6,901,682
Working capital	\$ 1,040,104	\$ 2,469,574
Accumulated deficit	\$ 28,828,251	\$ 27,309,521

## CASH FLOW STATEMENT SUMMARY

	For the three months ended		For the six months ended	
	January 31	January 31	January 31	January 31
	2021	2020	2021	2020
Net and comprehensive income (loss) for the period	\$ (2,921,510)	\$ 88,191	\$ (3,613,687)	\$ 777,116
Cash, end of the period	\$ 771,102	\$ 385,295	\$ 771,102	\$ 385,295

## NON-IFRS EARNINGS MEASURE

	For the three months ended		For the six months ended	
	January 31	January 31	January 31	January 31
	2021	2020	2021	2020
Net and comprehensive income (loss) for the period	\$ (2,921,510)	\$ 88,191	\$ (3,613,687)	\$ 777,116
Add back				
Interest	61,914	92,239	158,095	134,016
Depreciation and amortization	245,767	244,853	487,649	483,519
<b>EBITDA<sup>(1)</sup> from continuing operations</b>	<b>(2,613,829)</b>	425,283	<b>(2,967,943)</b>	1,394,651
Realized fair value changes in biological assets included in inventory sold	577,346	(1,319,362)	1,155,671	(1,445,040)
Share-based compensation	66,199	228,854	100,819	602,063
Unrealized gain (loss) on changes in fair value of biological assets	1,485,291	(1,824,045)	886,613	(3,314,127)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ (484,993)</b>	\$ (2,489,270)	<b>\$ (824,840)</b>	\$ (2,762,453)

<sup>1</sup> The Company defines Adjusted EBITDA as net income (loss) excluding fair value changes on growth of biological assets, realized fair value changes on inventory sold or impaired, amortization of property plant and equipment & intangible assets, share based payments, finance expense, loss on disposal of property plant and equipment, unrealized gains or losses on investments and income taxes. This non-IFRS measure is defined in the Company's MD&A for the six months ended January 31, 2021.

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. This press release is intended to be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements and Management's Discussion & Analysis for the six months ended January 31, 2021, which has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## ABOUT THC

THC BioMed is one of Canada's oldest active licensed cannabis companies. It was first licensed to deal with cannabis in 2013 under a Health Canada Section 56 exemption under the *Controlled Drugs and Substances Act* and has been a Licensed Producer under the current regime since 2016. It is a small batch producer and aims to be a leader in the beverage and edible space.

THC BioMed is a Licensed Producer of medical and recreational cannabis under the *Cannabis Act*. It is licensed to cultivate and sell dried, extract, edible, and topical cannabis. The Company is on the leading edge of scientific research and the development of products and services related to the cannabis industry. THC BioMed is well-positioned to be in the forefront of this rapidly growing industry.

Please visit our website for a more detailed description of our business and services available. [www.thcbiomed.com](http://www.thcbiomed.com)

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## **Forward-Looking Information**

This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of THC BioMed Intl Ltd. ("THC"). Forward-looking information is based on certain key expectations and assumptions made by the management of THC. In some cases, you can identify forward-looking statements by the use of words such as "will," "may," "would," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "could" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements in this press release are made as of the date of this press release and include that THC will be on the forefront of this rapidly growing industry. Although THC BioMed believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because THC BioMed can give no assurance that they will prove to be correct. THC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

***The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.***