

## HEMPSHIRE GROUP ANNOUNCES THIRD QUARTER 2022 FINANCIAL RESULTS

CALGARY, AB, Nov. 28, 2022 /CNW/ - The Hampshire Group, Inc. (formerly Hoist Capital Corp.) ("**Hempshire**" or the "**Company**") (TSXV: HMPG) is pleased to announce the release of its financial results for the three and nine months ended September 30, 2022. Selected financial information is outlined below and should be read in conjunction with the Company's unaudited condensed financial statements (the "Financial Statements") and related management's discussion and analysis (the "MD&A") for the three and nine months ended September 30, 2022, which are available on the Company's SEDAR profile.

All figures referred to in this press release are presented in U.S. dollars, unless otherwise noted.

### Financial Summary

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Revenue	<b>19,833</b>	48,756	<b>62,794</b>	210,230
Gross profit	<b>7,541</b>	27,504	<b>11,024</b>	84,555
Gross profit %	<b>38 %</b>	56 %	<b>18 %</b>	40 %
Loss from operations	<b>(672,336)</b>	(299,834)	<b>(1,703,742)</b>	(1,130,331)
Total comprehensive loss	<b>(748,598)</b>	(308,040)	<b>(5,471,031)</b>	(1,137,892)
Basic & diluted loss per share	<b>(0.01)</b>	(0.01)	<b>(0.09)</b>	(0.02)

The Company's revenue for the three and nine months ended September 30, 2022, decreased 59% and 70% from the respective comparative periods because of initial sales orders from Switzerland and South Africa in 2021 which accounted for an additional \$114,585 in revenue in the comparative nine month period. In addition, stronger U.S. domestic sales were driven by wholesale orders combined with ecommerce sales in 2021 versus sales only generated through ecommerce sales during 2022.

Lower third quarter 2022 gross profit compared to the third quarter in 2021 was due to promotional pricing strategies applied in connection with the launch of the new website which includes a free pack offer.

Gross profit for the nine months ended September 30, 2022, was lower than the comparative 2021 period due to the impact of a write-down of \$24,966 during the second quarter of 2022 in relation to finished goods inventory that did not meet the Company's quality standards due to a formulation error during manufacturing.

Increases to total comprehensive loss for the three and nine months ended September 30, 2022 relative to the same periods in 2021 are attributed to lower gross profits combined with increased investor relations and product marketing costs in preparation for future growth as well as increased general and administrative costs related to higher salaries and wages, consulting and professional fees.

Losses were significantly higher during the nine months ended September 30, 2022 due to listing expenses incurred in connection with the previously announced reverse takeover transaction dated June 24, 2022 (the "Transaction").

Following the completion of the Transaction and the receipt of \$3.5 million (CDN \$4.5) in gross proceeds from a private placement received in connection with the Transaction, the Company settled all outstanding debt balances and has committed the remaining cash towards executing its branding and sales growth strategy for its MOUNTAIN® Smokes brand, both through its domestic ecommerce and B2B sales channels and internationally, with its initial focus on growth in the European Union. As at September 30, 2022, the Company had cash of \$0.7 million, non-cash working capital of \$0.8 million and no debt.

### **About Hampshire**

Hempshire formulates and markets its own proprietary brands under the MOUNTAIN® Smokes brand name, including MOUNTAIN® Originals cannabidiol hemp smokes ("CBD Hemp Smokes") with <0.3% THC, and MOUNTAIN® Zeros CBD Hemp Smokes with non-detectible, <0.0001% THC, and has additional proprietary brands under development. Hampshire also offers private white-labeling services and contract manufacturing services, through its partners, for significant non-owned CBD Hemp Smoke brands in the United States and internationally.

Information about the Company's MOUNTAIN® Smokes line of CBD Hemp Smokes can be found at the Company's ecommerce website at <https://mountainismokes.com>.

### **Reader Advisory**

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### **Non-GAAP measures**

Non-cash working capital is a Non-GAAP financial measure and is defined by the Company as the sum of accounts receivable, inventory, prepaids, accounts payable and accrued liabilities, and deferred revenue. Non-GAAP financial measures do not have a standardized meaning prescribed by generally accepted accounting principles ("GAAP") and, therefore, may not be comparable with the calculation of similar measures by other companies. Management uses non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Company's efficiency and its ability to fund operations.

### **Forward-Looking Statements**

This news release contains forward-looking statements and forward-looking information within the meaning of applicable 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 news release contains forward-looking statements and information concerning Hampshire's business, strategies, expectations, planned operations and future actions and Hampshire's intention and ability to grow its business, operations and product offerings through ecommerce, B2B sales and physical retailers, including establishing brand awareness in the US and internationally and developing white labeling and contract manufacturing collaborations.

Forward-looking statements and information are based on certain key expectations and assumptions made by Hampshire, including expectations and assumptions concerning: the securities markets and

general business and economic conditions, including the ongoing impact of COVID-19; the future operations of, and transactions completed by, Hampshire, including its ability to successfully implement its growth strategies, marketing plan and business plan; ongoing ability to conduct business in the regulatory environments in which Hampshire operates and may operate in the future; and applicable laws not changing in a manner that is unfavorable to Hampshire. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Although Hampshire 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 because Hampshire can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to inherent risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Without limitation, these risks and uncertainties include: risks associated with the cannabis or hemp industries in general; the size of the emerging industrial hemp market; constraints on marketing products; risks inherent in the agricultural business; actions and initiatives of federal and provincial governments and changes to government policies and the execution and impact of these actions, initiatives and policies; Hampshire's interpretation of and changes to federal and state laws pertaining to hemp; incorrect interpretation of the United States' Agricultural Improvement Act of 2018; international regulatory risks; uncertainty caused by potential changes to regulatory framework; regulatory approval and permits; environmental, health and safety laws; anti-money laundering laws and regulations; banking matters; ability to access public and private capital and banking services; denial of deductibility of certain expenses; liability for actions of employees, contractors and consultants; product viability; accuracy of quality control systems; product recalls, product liability and product returns; positive tests for THC or banned substances; supply risk; reliance on third party suppliers, service providers and distributors; failure of counter-parties to perform contractual obligations; industry and intra-industry competition; changing consumer preferences and customer retention; unfavorable publicity or consumer perception; inability to sustain pricing models; reliance on key inputs; effectiveness and efficiency of advertising and promotional expenditures; retention and recruitment of key officers and employees; inability to renew material leases; obtaining insurance; management of growth; risks related to acquiring companies and entering partnerships; infringement on intellectual property; inability to protect intellectual property; intellectual property claims; litigation; trade secrets may be difficult to protect; data security breaches; global economic uncertainty; geo-political risks; emerging industries; limited market for securities; financial reporting and public company obligations; and other factors more fully described from time to time in the reports and filings made by Hampshire with securities regulatory authorities.

In addition, Hampshire cautions that current global uncertainty with respect to the spread of the COVID-19 virus and its effect on the broader global economy may have a significant negative effect on Hampshire. While the precise impact of the COVID-19 virus on Hampshire remains unknown, rapid spread of the COVID-19 virus may continue to have a material adverse effect on global economic activity, and may continue to result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Hampshire.

Readers are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise. Actual results,

performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly there can be no assurance that such expectations will be realized. Hampshire 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. The forward-looking information contained herein is expressly qualified by this cautionary statement.

**SOURCE Hampshire Group**

**For further information:**

For additional information regarding Hampshire, please contact:

Martin Marion, President, CEO and Director

The Hampshire Group, Inc.

Phone: 1.855.200.0420

Email: [marty@hampshiregroup.com](mailto:marty@hampshiregroup.com)