

## HEMPSHIRE GROUP ANNOUNCES SECOND QUARTER 2022 FINANCIAL RESULTS

Calgary, Alberta, August 29, 2022 – The Hempshire 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 six months ended June 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 six months ended June 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 June 30 |           | Six months ended June 30 |           |
|--------------------------------|----------------------------|-----------|--------------------------|-----------|
|                                | 2022                       | 2021      | 2022                     | 2021      |
| Revenue                        | 19,572                     | 139,807   | 42,961                   | 161,474   |
| Gross profit (loss)            | (10,317)                   | 46,871    | 3,483                    | 57,051    |
| Gross profit (loss) %          | (53%)                      | 34%       | 8%                       | 35%       |
| Loss from operations           | (537,939)                  | (597,235) | (1,031,405)              | (830,497) |
| Total comprehensive loss       | (4,053,294)                | (596,590) | (4,722,432)              | (829,852) |
| Basic & diluted loss per share | (0.08)                     | (0.01)    | (0.09)                   | (0.02)    |

The three months ended June 30, 2022 have been transformative for the Company. During the quarter, Hoist Capital Corp. ("**Hoist**") and The Hempshire Group, Inc., a Wyoming corporation ("**Hempshire U.S.**"), completed a business combination transaction (the "Transaction") which constituted Hoist's Qualifying Transaction, as such term is defined under Policy 2.4 of the TSX Venture Exchange (the "TSXV"). The Company created from the combination of Hoist and Hempshire U.S. is positioned to be a market leader of non-tobacco and non-nicotine smokable alternative products and is continuing the business previously carried on by Hempshire U.S.

During the second quarter of 2022, Hempshire U.S. completed a private placement financing for gross proceeds of approximately \$3.5 million (CDN \$4.5 million) (the "**Financing**"). Pursuant to the Transaction, Hoist acquired all of the issued and outstanding securities of Hempshire U.S. (including the securities issued pursuant to the Financing) and changed its name to "The Hempshire Group, Inc.". On August 11, 2022, the Company's common shares commenced trading on the TSXV under the symbol "HMPG".

For the three and six months ended June 30, 2022, the decrease in revenue relative to the same periods in 2021 was primarily driven by a large international test order received in the second quarter of 2021. In combination with inventory write-downs incurred during the second quarter of 2022, the Company realized a gross loss of \$10,317 in the second quarter of 2022 compared to a gross profit of \$46,871 in the second quarter of 2021. Despite this, the Company had lower quarter-over-quarter losses from operations mainly as result of lower selling and marketing expenses as Company resources were being redirected in support of completing the Transaction.

Net losses and comprehensive losses for the 2022 reporting periods increased compared to the same periods in 2021 due to one-time initial listing fees of \$3.7 million in connection with the Transaction as well as higher interest expenses mainly driven by interest accrued on notes payable and convertible debentures in 2022.

In conjunction with the closing of the Transaction, all outstanding principal and interest associated with the convertible debentures was settled and converted to common shares in the capital of the Company. In addition, using gross proceeds from the Financing, the Company was able to settle a portion of the principle

and accrued interest owing on outstanding notes payable prior to the end of the second quarter with remaining amounts paid in full early in the third quarter.

With the proceeds from the Financing, the Company has commenced committing these cash resources in support of 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. The Company also continues to pursue opportunities through white-label partnerships.

### **About Hampshire**

Hampshire 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-detectable, <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://mountainsmokes.com>.

### **Additional Information**

For additional information regarding Hampshire, please contact:

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### **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.*

### **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 Hempshire 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 Hempshire 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; Hempshire'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 Hempshire with securities regulatory authorities.*

*In addition, Hempshire 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 Hempshire. While the precise impact of the COVID-19 virus on Hempshire 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 Hempshire.*

*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. Hempshire 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.*