

Hempalta Corp. Announces Financial Results for Year Ended September 30, 2024

AgTech Company highlights recent 100% purchase of Hemp Carbon Standard platform to advance industrial hemp carbon credits global market opportunity

Calgary, Alberta--(Newsfile Corp. - December 19, 2024) - Hempalta Corp. (TSXV: HEMP) ("**HEMPALTA**" or the "**Company**") has released its financial results for the year ended September 30, 2024. HEMPALTA's audited consolidated financial statements (the "**Financial Statements**") and related management's discussion and analysis (the "**MD&A**") for the twelve months ended September 30, 2024 are available on www.sedarplus.ca.

Annual Financial Results

- Revenue for the twelve months ended September 30, 2024 was \$539,727, a 24% increase compared to the same period in 2023. The increase resulted from greater production and expanded distribution channels.
- Cost of sales for the twelve months ended September 30, 2024 was \$885,204, a 44% increase compared to the same period in 2023. Contributing factors included the costs associated with scaling up operations to handle increased sales, such as higher freight costs, online sales platform fees, production supply costs, maintenance, and repair costs. In addition, there was an approximate \$136,000 inventory write-down due to stale and damaged inventory that is in the process of being converted to biochar.
- Net loss for the twelve months ended September 30, 2024 was \$6,497,058 or \$0.09 per share, a 253% increase compared to the same period in 2023. The substantial increase in net loss is primarily attributed to the IFRS treatment of the reverse takeover of the Company (under its former name, Trail Blazing Ventures Ltd.) by Hempalta Inc., as part of the Company's qualifying transaction, resulting in listing costs of \$1.8 million, and the resulting \$2.0 million goodwill impairment related to Hemp Carbon Standard Inc. ("**HCS**") after IFRS impairment testing.
- Net general and administrative expenses for the twelve months ended September 30, 2024 increased 69% compared to the same period in 2023. The increase is primarily due to higher filing and listing fees and accounting and legal costs related to the going public process and the acquisition of a controlling interest in HCS.
- At September 30, 2024, the Company had cash of \$726,514 and working capital of \$712,072.

Full Ownership of Hemp Carbon Credits Platform

In December 2024, HEMPALTA acquired the remaining 49.9% interest in HCS, solidifying 100% ownership of the hemp-focused carbon credit platform. Building on the initial acquisition of a 50.1% stake in May 2024, the completed purchase significantly strengthens HEMPALTA's commitment to sustainable business practices.

With full operational control of HCS's proprietary methodologies and verification processes, the Company will work to scale its global sustainability payment program, empowering industrial hemp farmers to capitalize on regenerative cultivation methods. This integration positions HEMPALTA to deliver premium-quality carbon credits efficiently to corporate buyers, while positioning itself as a boutique hemp carbon credit supplier in the evolving voluntary carbon market.

The demand for carbon credits is increasing as companies seek to reduce their carbon footprint and mitigate climate change. Industrial hemp possesses the capacity to absorb substantial amounts of carbon dioxide ("**CO2**") during its rapid growth cycle. HCS has been a pioneer in the generation of carbon credits derived from the industrial hemp crop life cycle.

HCS's precision quantification methodology leverages cutting-edge remote sensing technology, ensuring the accurate measurement of CO2 removal within the biomass of the industrial hemp crop and associated topsoil. This approach guarantees transparency and integrity in carbon accounting and helps corporate buyers of HCS carbon credits to achieve their sustainability goals. By participating in the voluntary carbon market, industrial hemp farmers can diversify their revenue streams and make meaningful contributions to climate change mitigation.

Outlook

Darren Bondar, HEMPALTA's President and Chief Executive Officer, said, "Our activity the past year has been focused on taking the company public for our investors and determining the best revenue-generating opportunities related to industrial hemp. To that end, we've achieved 100% ownership of a global hemp carbon credit platform that enables us to seek out new markets worldwide and participate in the growing carbon credit marketplace. Full ownership means we can now streamline operations, strengthen our technology platform, and provide value to our partners and investors through a low capex, highly scalable platform that enables farmers and corporate buyers to reduce their carbon footprints."

Investor Updates

Investors can stay updated on HEMPALTA's investor announcements by subscribing to our mailing list. Click [here](#) to subscribe and join our community as we advance towards a greener future.

About HEMPALTA

Hempalta Corp. (TSXV: HEMP) is a publicly traded agricultural technology company listed on the TSX Venture Exchange, focused on harnessing the immense potential of hemp.

HEMPALTA participates in the global hemp carbon credit industry through its 100% ownership of Hemp Carbon Standard Inc. The Company also utilizes advanced agricultural technology to process industrial hemp at scale with resulting products made from hemp grown sustainably in Alberta and processed through a state-of-the-art processing plant at its production facility in Calgary, Alberta.

The Company is led by passionate advocates for industrial hemp who have years of operations, manufacturing, marketing, consumer packaged goods, and retail sales experience. HEMPALTA has been named a Top 10 Startup by Platform Calgary's Launch Party and recognized as one of the 50 most investable clean technology companies by Foresight Canada. Learn more at www.hempalta.com.

HEMP TO BETTER THE PLANET™

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Forward-Looking Information

This news release contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is typically, but not always, identified by the use of words such as "will", "expected", "plans", "enable" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements regarding: the benefits of the acquisition of the remaining 49.9% interest in HCS; the Company's plans with respect to the HCS platform, including the scaling of such program; the demand for carbon credits increasing; industrial hemp farmers being able to diversify their revenue streams by participating in the Voluntary Carbon Market; and the Company adding a global hemp carbon credit platform that enables it to seek out new markets worldwide and participate in the growing carbon credit market place. Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the ability of the Company to successfully implement its strategic plans and initiatives and the expected benefits therefrom; the anticipated benefits of the HCS acquisition; the ability of farms and sites currently signed up by HCS to grow hemp; and the ability of HCS to sell carbon removal credits through the Voluntary Credit Market. Although the Company believes that the assumptions and factors on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Actual results may vary from those currently anticipated due to a number of factors and risks including, but not limited to: the risk that the benefits from the HCS acquisition will not be as anticipated; risks associated with general economic conditions; conditions in the carbon credit markets; adverse industry events; the risk that farms and sites currently signed up by HCS will not grow or be able to grow industrial hemp as anticipated or at all; the risk that HCS may not be able to sell carbon removal credits as anticipated or at all; adverse weather conditions affecting the growth of hemp; future legislative, tax and regulatory developments; and the ability of management to execute its business strategy, objectives and plans. The forward-looking information included in this news release is made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.

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